

No. CTL/DEB/20-21/Noting Certificate/328

June 03, 2020

To Whomsoever It May Concern,

## **CERTIFICATE FOR RECEIPT AND NOTING OF INFORMATION**

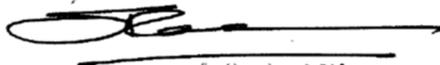
[Pursuant to Regulation 52(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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 March 31, 2020.

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**

For CATALYST TRUSTEESHIP LIMITED

  
\_\_\_\_\_  
Authorised Signatory

**Authorised Signatory**

*Encl: Results submitted by Company*





**Disclosure pursuant to Regulation 52(4) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 for the half year ended March 31, 2020**

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

Rating Agency	Term	Credit Rating (as on March 31, 2020)
ICRA Limited	Long term	ICRA A-(Stable) assigned by ICRA Limited

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

**(c) Debt equity ratio:** 1.6 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
14.00% Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures	INE572J07034	18/03/2020	Paid (Interest)
13.15% Rated Secured Listed Redeemable Transferable Non-Convertible Debentures	INE572J07067	31/10/2019	Paid (Interest)
820 (Eight Hundred and Twenty) Secured, Rated, Listed, Redeemable, Transferable Non-Convertible Debentures	INE572J07109	09/12/2019	Paid (Interest)
13.50% Fully Paid, Rated, Listed, Senior, Secured, Redeemable, Taxable, Non-Convertible Debentures	INE572J07091	03/10/2019 27/12/2019 30/03/2020	Pre-mature partial redemption Paid (Interest and Amortization) Paid (Interest and Amortization)
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



**Spandana Sphoorty Financial Limited**

CIN - L65929TG2003PLC040648

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(e) Details of next due dates falling during the 1<sup>st</sup> half year of FY 2020-21 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	18/09/2020	Interest
13.15% Rated Secured Listed Redeemable Transferable Non-Convertible Debentures	INE572J07067	30/04/2020	Interest (paid)
820 (Eight Hundred and Twenty) Secured, Rated, Listed, Redeemable, Transferable Non-Convertible Debentures	INE572J07109	08/06/2020	Interest and Amortization
13.50% Fully Paid, Rated, Listed, Senior, Secured, Redeemable, Taxable, Non-Convertible Debentures	INE572J07091	30/06/2020 28/09/2020	Interest and Amortization Interest and Amortization

- (f) **Debt service coverage ratio:** Non Banking Financial Companies registered with the Reserve Bank of India are not required to disclose the said information.
- (g) **Interest service coverage ratio:** Non Banking Financial Companies registered with the Reserve Bank of India are not required to disclose the said information.
- (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 March 31, 2020:** Rs. 26,081.38 millions
- (j) **Net Profit After Tax:** Rs. 3,366.94 millions
- (k) **Earnings Per Share:** (i) **Basic:** Rs. 53.85 per share  
(ii) **Diluted:** Rs. 53.40 per share

Thanking you

For Spandana Sphoorty Financial Limited

*Rakesh Jhinjaria*  
Rakesh Jhinjaria  
Company Secretary  
Membership No.: F8325



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

To  
The Board of Directors of  
Spandana Sphoorty Financial Limited

Report on the audit of the Consolidated Financial Results

#### Opinion

We have audited the accompanying statement of quarterly and year to date consolidated financial results of Spandana Sphoorty Financial Limited ("Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") for the quarter and year ended March 31, 2020 ("Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"). Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended March 31, 2019, as reported in these consolidated financial results have been approved by the Holding Company's Board of Directors but have not been subjected to audit/ review.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate audited financial statements / financial results / financial information of the subsidiaries, the Statement:

- i. includes the results of the following subsidiaries:
  - a. Criss Financial Holdings Limited
  - b. Caspian Financial Services Limited
- ii. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- iii. gives a true and fair view in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of the consolidated net profit, other comprehensive income and other financial information of the Group for the quarter ended March 31, 2020 and of the consolidated net profit, other comprehensive loss and other financial information of the Group for the year ended March 31, 2020.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Results" section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter

We draw attention to Note 10 to the Statement, which describes the economic and social disruption as a result of the COVID-19 pandemic of the Group's business and financial metrics, including the Group's estimates of impairment of loans to customers and that such estimates may be affected by the severity and duration of the pandemic. Our opinion is not modified in respect of this matter.

#### Management's Responsibilities for the Consolidated Financial Results

The Statement has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors is responsible for the preparation and presentation of the Statement that give a true and fair view of the net profit and other comprehensive loss and other financial information of the Group

including in accordance with the applicable accounting standards prescribed under section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

#### Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group of which we are the independent auditors, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the Statement of which we are the independent auditors. For the other entities

# S.R. BATLIBOI & Co. LLP

Chartered Accountants

Spandana Sphoorty Financial Limited  
Independent Auditor's Report for the quarter and year ended March 31, 2020

Page 3 of 3

included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Statement of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

## Other Matter

The accompanying Statement includes the audited financial results/ statements and other financial information, in respect of two subsidiaries, whose financial results/ statements include total assets of Rs.1,872.87 million as at March 31, 2020, total revenues of Rs.129.82 million and Rs.348.01 million, total net profit after tax of Rs.55.41 million and Rs.151.33 million, total comprehensive income of Rs.55.44 million and Rs.151.23 million, for the quarter and the year ended on that date respectively, and net cash inflows of Rs.28.07 million for the year ended March 31, 2020, as considered in the Statement which have been audited by their respective independent auditors.

The independent auditor's report on the financial statements/ financial results/ financial information of these entities have been furnished to us by the Management and our opinion on the Statement in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of such auditors and the procedures performed by us as stated in paragraph above.

Our opinion on the Statement is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the end of the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**VIREN H  
MEHTA**

Digitally signed by VIREN H MEHTA  
DN: cn=VIREN H MEHTA, c=IN,  
o=Personal,  
email=viren.mehta@scb.in  
Location: Mumbai  
Date: 2020.06.02 21:55:07 +05'30'

per Viren H. Mehta

Partner

Membership Number: 048749

UDIN: 20048749AAAAIH4652

Mumbai

June 2, 2020



**SPANDANA SPOHORTY FINANCIAL LIMITED**

**Statement of Audited Consolidated Financial Results for the quarter and year ended March 31, 2020**

(Rupees in millions unless otherwise stated)

Sr.No.	Particulars	Quarter ended			Year ended	
		31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Mar-19
		(Audited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
	<b>Revenue from Operations</b>					
(a)	Interest Income	2,975.62	2,919.53	2,568.29	11,691.94	9,978.74
(b)	Commission and Incentive Income	174.20	88.41	35.52	370.56	150.12
(c)	Net gain on fair value changes	1,086.03	468.48	37.99	2,185.23	266.76
(d)	Others	50.68	23.65	10.20	105.25	35.34
<b>I</b>	<b>Total Revenue from operations</b>	<b>4,286.53</b>	<b>3,500.07</b>	<b>2,652.01</b>	<b>14,352.98</b>	<b>10,430.96</b>
<b>II</b>	Other Income	111.16	84.73	33.30	342.08	54.33
<b>III</b>	<b>Total Income (I+II)</b>	<b>4,397.69</b>	<b>3,584.80</b>	<b>2,685.30</b>	<b>14,695.06</b>	<b>10,485.29</b>
	<b>Expenses</b>					
(a)	Finance cost	825.24	849.20	899.99	3,563.35	3,578.65
(b)	Impairment on financial instruments and other provisions	1,881.19	415.45	211.58	2,735.72	453.00
(c)	Employee benefits expense	486.17	419.52	373.04	1,707.47	1,310.46
(d)	Depreciation and amortization expense	23.07	21.96	20.42	88.33	69.66
(e)	Other expenses	97.28	120.67	102.47	415.65	338.80
<b>IV</b>	<b>Total expenses</b>	<b>3,312.95</b>	<b>1,826.80</b>	<b>1,607.51</b>	<b>8,510.52</b>	<b>5,750.57</b>
<b>V</b>	<b>Profit before tax (III-IV)</b>	<b>1,084.74</b>	<b>1,758.00</b>	<b>1,077.80</b>	<b>6,184.54</b>	<b>4,734.72</b>
	<b>Tax expense:</b>					
	Current tax	425.98	258.14	12.67	705.16	12.88
	Deferred tax	(171.59)	203.74	328.42	1,961.09	1,602.84
<b>VI</b>	<b>Income tax expense</b>	<b>254.39</b>	<b>461.88</b>	<b>341.09</b>	<b>2,666.25</b>	<b>1,615.72</b>
<b>VII</b>	<b>Profit after tax (V-VI)</b>	<b>830.35</b>	<b>1,296.12</b>	<b>736.71</b>	<b>3,518.29</b>	<b>3,119.00</b>
<b>VIII</b>	<b>Profit attributable to non-controlling interest</b>	1.36	0.86	0.64	3.70	0.76
<b>IX</b>	<b>Profit for the period / year (VII-VIII)</b>	<b>828.99</b>	<b>1,295.26</b>	<b>736.06</b>	<b>3,514.59</b>	<b>3,118.24</b>
<b>X</b>	<b>Other Comprehensive Income</b>					
(a)	<b>Items that will not be reclassified subsequently to profit or loss</b>					
	Re-measurement gains/(losses) on defined benefit plans	(3.87)	(1.43)	(0.24)	(17.52)	(2.94)
	Income tax effect	0.97	0.36	0.09	4.41	1.03
(b)	<b>Items that will be reclassified subsequently to profit or loss</b>					
	Fair Value gain on loan portfolio	432.64	(27.22)	24.47	12.11	688.80
	Income tax effect	(108.89)	6.85	(8.55)	(3.05)	(240.69)
<b>XI</b>	<b>Total comprehensive income for the period / year (VII+X)</b>	<b>1,151.20</b>	<b>1,274.68</b>	<b>752.48</b>	<b>3,514.24</b>	<b>3,565.20</b>
<b>XII</b>	<b>Profit attributable to:</b>					
	Owners of the Company	828.99	1,295.26	736.06	3,514.59	3,118.24
	Non-controlling Interests	1.36	0.86	0.64	3.70	0.76
<b>XIII</b>	<b>Total comprehensive income attributable to:</b>					
	Owners of the Company	1,149.83	1,273.82	752.37	3,510.55	3,564.44
	Non-controlling Interests	1.36	0.86	0.11	3.70	0.76
<b>XIV</b>	<b>Earnings per share (equity share, par value of Rs.10 each)</b>					
	Computed on the basis of total profit for the period/year					
	Basic* (Rs.) (EPS)	12.90	20.20	12.35	56.21	53.46
	Diluted* (Rs.) (DPS)	12.81	20.04	12.32	55.74	53.35

\* EPS and DPS for the quarters ended March 31,2020 , December 31,2019 and March 31,2019 are not annualised.

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**SPANDANA SPHOORTY FINANCIAL LIMITED**

Statement of Audited Consolidated Financial Results for the quarter and year ended March 31, 2020

**Notes:**

1. Disclosure of consolidated assets and liabilities as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, at 31 March 2020:

(Rupees in millions unless otherwise stated)

Sr.No.	Particulars	As at	As at
		March 31, 2020	March 31, 2019
		(Audited)	(Audited)
	<b>ASSETS</b>		
(1)	<b>Financial assets</b>		
(a)	Cash and cash equivalents	596.31	1,486.12
(b)	Bank balances other than cash and cash equivalents	1,975.05	2,031.86
(c)	Trade receivables	223.68	35.49
(d)	Loans	48,523.95	42,677.59
(e)	Investments	4,874.62	1.00
(f)	Other financial assets	2,904.96	604.47
	<b>Subtotal - financial assets</b>	<b>59,098.57</b>	<b>46,836.53</b>
(2)	<b>Non-financial assets</b>		
(a)	Current tax assets (net)	153.13	83.37
(b)	Deferred tax assets (net)	70.32	1,999.79
(c)	Property, plant and equipment	152.28	71.74
(d)	Intangible assets	13.31	22.21
(e)	Goodwill	173.74	173.74
(f)	Other non-financial assets	112.43	129.69
	<b>Subtotal - non-financial assets</b>	<b>675.21</b>	<b>2,480.54</b>
	<b>Total assets</b>	<b>59,773.78</b>	<b>49,317.07</b>
	<b>LIABILITIES AND EQUITY</b>		
(1)	<b>LIABILITIES</b>		
(a)	<b>Financial liabilities</b>		
(b)	Debt securities	7,776.28	13,719.64
(c)	Borrowings (other than debt securities)	22,273.34	15,754.79
(d)	Subordinated liabilities	203.28	202.94
(e)	Other financial liabilities	2,271.90	444.85
	<b>Subtotal - financial liabilities</b>	<b>32,524.80</b>	<b>30,122.22</b>
(2)	<b>Non-financial liabilities</b>		
(a)	Current tax liabilities (net)	647.07	62.83
(b)	Provisions	28.00	3.59
(c)	Other non-financial liabilities	301.45	224.85
	<b>Subtotal - non-financial liabilities</b>	<b>976.52</b>	<b>291.27</b>
(3)	<b>EQUITY</b>		
(a)	Equity share capital	643.15	596.34
(b)	Other equity	25,616.39	18,298.02
(c)	Equity attributable to shareholders of the Company	<b>26,259.54</b>	<b>18,894.36</b>
(d)	<b>Non controlling interest</b>	12.92	9.22
	<b>Subtotal - equity</b>	<b>26,272.46</b>	<b>18,903.58</b>
	<b>Total liabilities and equity</b>	<b>59,773.78</b>	<b>49,317.07</b>

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# SPANDANA

<b>SPANDANA SPHOORTY FINANCIAL LIMITED</b>		
Consolidated Audited Cash flow statement for the quarter and year ended March 31, 2020		
<b>Notes:</b>		
2. Disclosure of consolidated statement of cash flow as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, for the year ended March 31, 2020:		
(Rupees in millions unless otherwise stated)		
Particulars	For year ended March 31, 2020 (Audited)	For year ended March 31, 2019 (Audited)
<b>Cash flow from operating activities</b>		
Profit before tax	6,184.54	4,734.72
Adjustments for:		
Interest on income tax	0.88	3.15
Depreciation and amortization	88.33	69.66
Share based payment to employees	41.64	41.25
Provision for gratuity	10.41	4.01
Finance cost on Lease Liability	14.37	-
Net (gain)/ loss on derecognition of property, plant and equipment	-	0.37
Impairment on financial instruments and other provisions	2,735.72	453.00
Net gain on fair value changes	(45.96)	(110.63)
Other provisions and write offs	29.24	23.51
<b>Operating profit before working capital changes</b>	<b>9,059.17</b>	<b>5,219.04</b>
Movements in working capital :		
Increase / (decrease) in other financial liabilities	1,713.86	285.30
Increase / (decrease) in other non financial liabilities	76.60	42.73
Increase / (decrease) in provisions	(3.53)	(7.68)
(Increase) / decrease in bank balances other than cash and cash equivalents	56.81	(977.74)
(Increase) / decrease in trade receivables	(188.19)	(10.46)
(Increase) / decrease in other financial assets	(2,329.73)	31.63
(Increase) / decrease in loans	(8,569.97)	(10,070.52)
(Increase) / decrease in other non financial assets	17.28	(109.85)
<b>Cash used in operations</b>	<b>(167.70)</b>	<b>(5,597.55)</b>
Income taxes paid	(184.00)	(135.88)
<b>Net cash generated/ (used) in operating activities (A)</b>	<b>(351.70)</b>	<b>(5,733.43)</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(45.63)	(69.56)
Purchase of intangible assets	(0.02)	(8.00)
Proceeds from derecognition of property, plant and equipment	-	0.08
Purchase of investments	(72,432.21)	(67,585.20)
Proceeds from sale of investments	67,604.54	67,695.83
Investment in subsidiary (net of cash acquired)	-	(360.95)
<b>Net cash generated/ (used) in investing activities (B)</b>	<b>(4,873.32)</b>	<b>(327.80)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of equity shares (including securities premium)	3,925.59	501.00
Balance subscription of optionally convertible redeemable preference shares (all series) (including securities premium)	-	532.31
Proceeds from issue of share warrants (including securities premium)	-	349.03
Dividend paid on compulsory convertible preference shares (all series)	-	(0.13)
Debt securities (net)	(5,943.36)	3,572.51
Payment of Lease Liability	(15.42)	-
Borrowings (other than debt securities) (net)	6,518.52	1,664.56
Subordinated liabilities (net)	0.34	(117.29)
Share issue expenses	(150.46)	-
<b>Net cash generated/ (used) from financing activities (C)</b>	<b>4,335.21</b>	<b>6,501.99</b>
<b>Net increase / (decrease) in cash and cash equivalents (A + B + C)</b>	<b>(889.81)</b>	<b>440.76</b>
Add: Cash and cash equivalents at the beginning of the year	1,486.12	1,045.36
<b>Cash and cash equivalents at the end of the year</b>	<b>596.31</b>	<b>1,486.12</b>
Cash flow from operating activities includes interest received of Rs.12,594.14 million (previous year Rs. 9,515.54 million) and interest paid of Rs.3,343.47 million (previous year Rs. 3,339.58 million )		





**SPANDANA SPOHORTY FINANCIAL LIMITED**

Statement of Audited Consolidated Financial Results for the quarter and year ended March 31, 2020

**Notes:**

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

Name of the Group	% 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

4 The financial results of the group have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Accounting Standards) Rules, 2015 (as amended from time to time) and notified under Section 133 of the Companies Act, 2013.

5 The above results for the quarter and year ended March 31, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on June 02, 2020 and audited by statutory auditors in accordance with the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

6 During the year 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 got listed on BSE Limited and NSE Limited on August 19, 2019.

7 Effective April 01, 2019 the Holding Company has adopted Ind AS 116 'Leases' and applied it to all lease contracts existing on April 01, 2019 using the 'Modified Retrospective Approach'. Based on the same and as permitted under the specific transitional provisions in the standard, the Holding Company has not restated the comparative figures. On transition, the adoption of the new standard has resulted in recognition of right-to-use asset and a corresponding lease liability of Rs. 114.37 million. The effect of this adoption is not material to the profit for the year 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 change on account of remeasurement of deferred tax assets and reversal of MAT credit entitlement during the year ended March 31, 2020 aggregates to Rs. 1,116.97 million.

9 The Novel Coronavirus (COVID-19) pandemic (declared as such by the World Health Organisation on March 11, 2020), has contributed to a significant decline and volatility in global and Indian markets, and a significant decrease in economic activity. On March 24, 2020, the Government of India announced a nation-wide lockdown till April 14, 2020, which was extended till May 31, 2020 through subsequent announcements, to contain the spread of the virus. This has led to significant disruptions and dislocations for individuals and businesses, impacting Group's regular operations including lending and collection activities due to inability of employees to physically reach borrowers.

The Group has major proportion of its borrowers and AUM in rural geographies, where the impact of COVID-19 has been relatively lower so far compared to urban geographies. Additionally, the government has announced a series of economic relief measures for rural India, which will further support rural borrowers' repayment capacity.

10 As discussed in Note 9 above, the COVID-19 pandemic has impacted Group's regular operations including lending and collection activities, consequently impacting the carrying value of the financial assets, financial position and performance of the Group.

Further, pursuant to the Reserve Bank of India circulars dated March 27, 2020 and May 23, 2020 allowing lending institutions to offer moratorium to borrowers on payment of installments falling due between March 1, 2020 and August 31, 2020, the Group has extended/ will be extending moratorium to its borrowers in accordance with its Board approved policy.

In management's view, providing moratorium to borrowers at a mass scale based on RBI directives, by itself is not considered to result in a significant increase in credit risk ('SICR') for such borrowers. Accordingly, considering the unique and widespread impact of COVID-19 pandemic, the Group has estimated and recorded a management overlay allowance in its provision for expected credit loss, based on information available at this point in time to reflect, among other things, the deterioration in the macro-economic factors. Given the dynamic nature of the pandemic situation, these estimates are based on early indicators, subject to uncertainty and may be affected by the severity and duration of the pandemic and the actual impact of the pandemic, including governmental and regulatory measures, on the business and financial metrics of the Group (including credit losses) could be different from that estimated by the Group.

**Spandana Sphoorty Financial Limited**

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**SPANDANA SPHOORTY FINANCIAL LIMITED**

Statement of Audited Consolidated Financial Results for the quarter and year ended March 31, 2020

**Notes:**

- 11 In view of the matters mentioned in Notes 9 & 10 above, the Group has assessed the impact of the COVID-19 pandemic on its liquidity and ability to fulfill its obligations as and when they are due and has evaluated the asset-liability maturity (ALM) pattern in various time buckets as prescribed under the guidelines issued by the RBI. Pursuant to the order issued by the Ministry of Home Affairs on April 15, 2020 allowing microfinance companies to operate in specified areas, the Group resumed operations in those specified areas from April 20, 2020 by complying with the regulatory guidelines on businesses, social distancing, etc. With the gradual relaxation of lockdown rules thereafter, our employees were able to meet and collect from those borrowers willing to repay, due to minimal impact of the lockdown on them. As observed since the resumption of operations, the management is confident that collections will continue to improve, albeit likely to be at a lower level than earlier. In addition, management has considered various stimulus packages announced by the Government of India which will directly or indirectly benefit NBFC-MFI, current status/outcomes of discussions with the Group's lenders to seek/extend moratorium and various other financial support from other banks and financial institutions in determining the Group's liquidity position over the next 12 months from the end of reporting period. Based on the foregoing and necessary stress tests considering various scenarios, management believes that the Group will be able to fulfill its obligations as and when these become due in the foreseeable future.
- 12 During the quarter ended March 31, 2020, the Holding Company has made an additional provision and write-off of Rs. 1,292.16 million towards COVID-19 and others.
- 13 The Group is in correspondence with Reserve Bank of India ("RBI") with respect to the pricing of credit guidelines prescribed under paragraph 56 of the Master Direction - Non-Banking Financial Group - Systemically Important Non-Deposit taking Group and Deposit taking Group (Reserve Bank) Directions, 2016, dated September 1, 2016, as amended ("Master Directions"). In respect of the observation made by the RBI in its inspection report, the Group believes, supported by an external legal opinions, that its interpretation is in compliance with aforesaid Master Directions and has accordingly not charged any excess interest. However, at RBI's directions, the Group has revised its interest rates prospectively effective February 26, 2020, while continuing to represent its views to RBI. Further, in these financial statements, the Group has adequately recognized the impact of aforesaid observation made by RBI.
- 14 The Group operates in a single business segment i.e. financing, since the nature of the loans are exposed to similar risk and return profiles hence they are collectively operating under a single segment for the purpose of Ind AS 108 on 'Operating Segments' notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The Group operates in a single geographical segment i.e. domestic.
- 15 The comparative financial results pertaining to the corresponding quarter ended March 31, 2019 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.
- 16 The figures for the last quarter of current financial year are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of third quarter of the current financial year which were subject to limited review by the auditors.
- 17 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: 02 June 2020



**Spandana Sphoorty Financial Limited**

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Independent Auditor's Report on the Quarterly and Year to Date Audited Standalone Financial Results of Spandana Sphoorty Financial Limited Pursuant to the Regulation 33 and 52(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To  
The Board of Directors of  
Spandana Sphoorty Financial Limited

Report on the audit of the Standalone Financial Results

#### Opinion

We have audited the accompanying statement of quarterly and year to date standalone financial results of Spandana Sphoorty Financial Limited (the "Company") for the quarter and year ended March 31, 2020 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 and 52(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"). Attention is drawn to the fact that the figures for the corresponding quarter ended March 31, 2019, as reported in these financial results have been approved by the Company's Board of Directors but have not been subjected to audit/review.

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit, other comprehensive income and other financial information of the Company for the quarter ended March 31, 2020 and of the net profit, other comprehensive loss and other financial information of the Company for the year ended March 31, 2020.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter

We draw attention to Note 9 to the Statement, which describes the economic and social disruption as a result of the COVID-19 pandemic of the Company's business and financial metrics, including the Company's estimates of impairment of loans to customers and that such estimates may be affected by the severity and duration of the pandemic. Our opinion is not modified in respect of this matter.

#### Management's Responsibilities for the Standalone Financial Results

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive loss of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable

and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

# **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

Spandana Sphoorty Financial Limited  
Independent Auditor's Report for the quarter and year ended March 31, 2020

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## Other Matter

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

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

**VIREN H  
MEHTA**

Digitally signed by VIREN H MEHTA  
DN: cn=VIREN H MEHTA, c=IN,  
o=Personal,  
email=viren.mehta@scb.in  
Location: Mumbai  
Date: 2020.06.02 21:56:31 +05'30'

per Viren H. Mehta  
Partner  
Membership Number: 048749

UDIN: 20048749AAAAIG2505

Mumbai  
June 2, 2020



# SPANDANA

SPANDANA SPHOORTY FINANCIAL LIMITED						
Statement of Audited Standalone Financial Results for the quarter and year ended March 31, 2020						
(Rupees in millions unless otherwise stated)						
Sr.No.	Particulars	Quarter ended			Year ended	
		31-Mar-20 (Audited)	31-Dec-19 (Unaudited)	31-Mar-19 (Unaudited)	31-Mar-20 (Audited)	31-Mar-19 (Audited)
	<b>Revenue from Operations</b>					
(a)	Interest Income	2,907.85	2,862.15	2,510.12	11,454.46	9,914.42
(b)	Commission and Incentive Income	166.91	81.55	33.13	351.12	147.59
(c)	Net gain on fair value changes	1,085.72	468.27	37.65	2,184.03	265.70
(d)	Others	50.68	23.65	9.97	105.25	35.10
<b>I</b>	<b>Total Revenue from operations</b>	<b>4,211.16</b>	<b>3,435.62</b>	<b>2,590.87</b>	<b>14,094.86</b>	<b>10,362.81</b>
II	Other income	88.48	84.69	33.23	319.28	54.27
<b>III</b>	<b>Total Income (I+II)</b>	<b>4,299.64</b>	<b>3,520.31</b>	<b>2,624.10</b>	<b>14,414.14</b>	<b>10,417.08</b>
	<b>Expenses</b>					
(a)	Finance cost	822.42	844.44	886.84	3,541.11	3,564.71
(b)	Impairment on financial instruments and other provisions	1,874.49	415.44	212.71	2,728.96	454.17
(c)	Employee benefits expense	474.69	409.99	363.12	1,669.70	1,299.89
(d)	Depreciation and amortization expense	22.73	21.76	19.97	87.42	69.19
(e)	Other expenses	94.49	117.87	99.23	405.55	335.31
<b>IV</b>	<b>Total expenses</b>	<b>3,288.82</b>	<b>1,809.50</b>	<b>1,581.87</b>	<b>8,432.74</b>	<b>5,723.27</b>
<b>V</b>	<b>Profit before tax (III-IV)</b>	<b>1,010.82</b>	<b>1,710.81</b>	<b>1,042.23</b>	<b>5,981.40</b>	<b>4,693.81</b>
	<b>Tax expense:</b>					
	Current tax	407.41	246.13	3.48	653.54	3.48
	Deferred tax	(171.56)	203.51	328.42	1,960.92	1,602.85
<b>VI</b>	<b>Income tax expense</b>	<b>235.85</b>	<b>449.64</b>	<b>331.90</b>	<b>2,614.46</b>	<b>1,606.33</b>
<b>VII</b>	<b>Profit for the period / year (V-VI)</b>	<b>774.97</b>	<b>1,261.17</b>	<b>710.33</b>	<b>3,366.94</b>	<b>3,087.48</b>
<b>VIII</b>	<b>Other Comprehensive Income</b>					
(a)	<b>Items that will not be reclassified subsequently to profit or loss</b>					
	Re-measurement gains/(losses) on defined benefit plans	(3.91)	(1.51)	(0.37)	(17.38)	(3.07)
	Income tax effect	0.98	0.38	0.13	4.37	1.07
(b)	<b>Items that will be reclassified subsequently to profit or loss</b>					
	Fair Value gain on loans	432.64	(27.22)	24.47	12.11	688.80
	Income tax effect	(108.89)	6.85	(8.55)	(3.05)	(240.69)
<b>IX</b>	<b>Total comprehensive income for the period /year (VII+VIII)</b>	<b>1,095.79</b>	<b>1,239.67</b>	<b>726.01</b>	<b>3,362.99</b>	<b>3,533.59</b>
<b>X</b>	<b>Earnings per share (equity share, par value of Rs.10 each)</b>					
	Computed on the basis of total profit for the period/year					
	Basic* (Rs.) (EPS)	12.06	19.65	11.91	53.85	52.92
	Diluted* (Rs.) (DPS)	11.98	19.50	11.88	53.40	52.81

\* EPS and DPS for the quarters ended March 31,2020 , December 31,2019 and March 31,2019 are not annualised



## Spandana Sphoorty Financial Limited

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**SPANDANA SPHOORTY FINANCIAL LIMITED**

Statement of Audited Standalone Financial Results for the quarter and year ended March 31, 2020

**Notes:**

1. Disclosure of standalone assets and liabilities as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as at 31 March, 2020:

(Rupees in millions unless otherwise stated)

Sr.No.	Particulars	As at	As at
		March 31, 2020	March 31, 2019
		(Audited)	(Audited)
<b>ASSETS</b>			
(1)	<b>Financial assets</b>		
(a)	Cash and cash equivalents	536.19	1,454.07
(b)	Bank balances other than cash and cash equivalents	1,970.99	2,028.09
(c)	Trade receivables	223.68	35.49
(d)	Loans	46,844.86	41,653.89
(e)	Investments	5,498.55	646.35
(f)	Other financial assets	3,859.43	861.35
	<b>Subtotal - financial assets</b>	<b>58,933.70</b>	<b>46,679.24</b>
(2)	<b>Non-financial assets</b>		
(a)	Current tax assets (net)	149.38	83.37
(b)	Deferred tax assets (net)	69.03	1,998.36
(c)	Property, plant and equipment	151.43	70.86
(d)	Intangible assets	12.84	21.53
(e)	Other non-financial assets	101.46	127.01
	<b>Subtotal - non-financial assets</b>	<b>484.14</b>	<b>2,301.13</b>
	<b>Total assets</b>	<b>59,417.84</b>	<b>48,980.37</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
(1)	<b>Financial liabilities</b>		
(a)	Debt securities	7,776.28	13,719.64
(b)	Borrowings (other than debt securities)	22,184.11	15,529.89
(c)	Subordinated liabilities	201.67	201.56
(d)	Other financial liabilities	2,255.73	435.21
	<b>Subtotal - financial liabilities</b>	<b>32,417.79</b>	<b>29,886.30</b>
(2)	<b>Non-financial liabilities</b>		
(a)	Current tax liabilities (net)	596.69	3.48
(b)	Provisions	27.58	3.42
(c)	Other non-financial liabilities	294.40	223.43
	<b>Subtotal - non-financial liabilities</b>	<b>918.67</b>	<b>230.33</b>
(3)	<b>EQUITY</b>		
(a)	Equity share capital	643.15	596.34
(b)	Other equity	25,438.23	18,267.40
	<b>Subtotal - equity</b>	<b>26,081.38</b>	<b>18,863.74</b>
	<b>Total liabilities and equity</b>	<b>59,417.84</b>	<b>48,980.37</b>

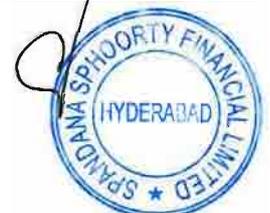
**Spandana Sphoorty Financial Limited**

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# SPANDANA

<b>SPANDANA SPOORTY FINANCIAL LIMITED</b>		
<b>Standalone Audited Cash flow statement for the quarter and year ended March 31, 2020</b>		
<b>Notes:</b>		
2 Disclosure of standalone statement of cash flow as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, for the year ended March 31, 2020:		
(Rupees in millions unless otherwise stated)		
Particulars	For year ended March 31, 2020	For year ended March 31, 2019
	(Audited)	(Audited)
<b>Cash flow from operating activities</b>		
Profit before tax	5,981.40	4,693.81
Adjustments for:		
Interest on income tax	-	1.15
Depreciation and amortization	87.42	69.19
Share based payment to employees	41.07	41.14
Finance cost on Lease Liability	14.37	-
Provision for gratuity	10.20	3.95
Net gain on derecognition of property, plant and equipment	-	(0.03)
Impairment on financial instruments and other provisions	2,728.96	454.17
Net gain on fair value changes	(44.76)	(109.57)
Other provisions and write offs	29.13	23.61
<b>Operating profit before working capital changes</b>	<b>8,847.79</b>	<b>5,177.42</b>
Movements in working capital :		
Increase / (decrease) in other financial liabilities	1,707.33	290.10
Increase / (decrease) in provisions	(3.42)	(7.50)
Increase / (decrease) in other non financial liabilities	70.97	43.12
(Increase) / decrease in bank balances other than cash and cash equivalents	57.11	(995.63)
(Increase) / decrease in trade receivables	(188.19)	(9.95)
(Increase) / decrease in loans	(7,907.82)	(10,522.94)
(Increase) / decrease in other financial assets	(3,027.22)	(225.23)
(Increase) / decrease in other non financial assets	25.55	(111.54)
<b>Cash used in operations</b>	<b>(417.90)</b>	<b>(6,362.14)</b>
Income taxes paid	(118.77)	(135.61)
<b>Net cash generated/(used) in operating activities (A)</b>	<b>(536.67)</b>	<b>(6,497.75)</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(45.00)	(69.07)
Purchase of intangible assets	(0.02)	(8.00)
Proceeds from derecognition of property, plant and equipment	-	0.08
Purchase of investments	(72,390.11)	(67,585.20)
Sale of investments	67,583.24	67,694.76
Investment in subsidiary	-	(625.35)
<b>Net cash used in investing activities (B)</b>	<b>(4,851.89)</b>	<b>(592.78)</b>
<b>Cash flow from financing activities</b>		
Proceeds from issue of equity shares (including securities premium)	3,925.59	501.00
Balance subscription of optionally convertible redeemable preference shares (all series)	-	532.31
Proceeds from issue of Share Warrants (including securities premium)	-	349.03
Dividend paid on compulsory convertible preference shares (all series)	-	(0.13)
Debt securities (net)	(5,943.36)	3,572.51
Payment of Lease liability	(15.42)	-
Borrowings (other than debt securities) (net)	6,654.22	2,564.81
Subordinated liabilities (net)	0.11	0.01
Share issue expenses	(150.46)	-
<b>Net cash from financing activities (C)</b>	<b>4,470.68</b>	<b>7,519.54</b>
<b>Net increase / (decrease) in cash and cash equivalents (A + B + C)</b>	<b>(917.88)</b>	<b>429.00</b>
Cash and cash equivalents at the beginning of the year	1,454.07	1,025.07
<b>Cash and cash equivalents at the end of the year</b>	<b>536.19</b>	<b>1,454.07</b>
Cash flow from operating activities includes interest received of Rs.12,372.65 million (previous year Rs. 9,643.40 million) and interest paid of Rs.3,325.34 million (previous year Rs. 3,229.04 million)		





**SPANDANA SPOORTY FINANCIAL LIMITED**

Statement of Audited Standalone Financial Results for the quarter and year ended March 31, 2020

**Notes:**

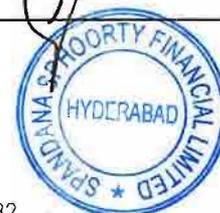
- 3 The financial results of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Accounting Standards) Rules, 2015 (as amended from time to time) and notified under Section 133 of the Companies Act, 2013.
- 4 The above results for the quarter and year ended March 31, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on June 02, 2020 and audited by statutory auditors in accordance with the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- 5 During the year 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 got listed on BSE Limited and NSE Limited on August 19, 2019
- 6 Effective April 01, 2019 the Company has adopted Ind AS 116 'Leases' and applied it to all lease contracts existing on April 01, 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 figures. On transition, the adoption of the new standard has resulted in recognition of right-to-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 year and earnings per share.
- 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 change on account of remeasurement of deferred tax assets and reversal of MAT credit entitlement during the year ended March 31, 2020 aggregates to Rs 1,116.77 million
- 8 The Novel Coronavirus (COVID-19) pandemic (declared as such by the World Health Organisation on March 11, 2020), has contributed to a significant decline and volatility in global and Indian markets, and a significant decrease in economic activity. On March 24, 2020, the Government of India announced a nation-wide lockdown till April 14, 2020, which was extended till May 31, 2020 through subsequent announcements, to contain the spread of the virus. This has led to significant disruptions and dislocations for individuals and businesses, impacting Company's regular operations including lending and collection activities due to inability of employees to physically reach borrowers.

The Company has major proportion of its borrowers and AUM in rural geographies, where the impact of COVID-19 has been relatively lower so far compared to urban geographies. Additionally, the government has announced a series of economic relief measures for rural India, which will further support rural borrowers' repayment capacity.

- 9 As discussed in Note 8 above, the COVID-19 pandemic has impacted Company's regular operations including lending and collection activities, consequently impacting the carrying value of the financial assets, financial position and performance of the Company.

Further, pursuant to the Reserve Bank of India circulars dated March 27, 2020 and May 23, 2020 allowing lending institutions to offer moratorium to borrowers on payment of installments falling due between March 1, 2020 and August 31, 2020, the Company has extended/ will be extending moratorium to its borrowers in accordance with its Board approved policy.

In management's view, providing moratorium to borrowers at a mass scale based on RBI directives, by itself is not considered to result in a significant increase in credit risk ('SICR') for such borrowers. Accordingly, considering the unique and widespread impact of COVID-19 pandemic, the Company has estimated and recorded a management overlay allowance in its provision for expected credit loss, based on information available at this point in time to reflect, among other things, the deterioration in the macro-economic factors. Given the dynamic nature of the pandemic situation, these estimates are based on early indicators, subject to uncertainty and may be affected by the severity and duration of the pandemic and the actual impact of the pandemic, including governmental and regulatory measures, on the business and financial metrics of the Company (including credit losses) could be different from that estimated by the Company.



**Spandana Sphoorty Financial Limited**

CIN - L65929TG2003PLC040648

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**SPANDANA SPHOORTY FINANCIAL LIMITED**

Statement of Audited Standalone Financial Results for the quarter and year ended March 31, 2020

**Notes:**

- 10 In view of the matters mentioned in Notes 8 & 9 above, the Company has assessed the impact of the COVID-19 pandemic on its liquidity and ability to fulfill its obligations as and when they are due and has evaluated the asset-liability maturity (ALM) pattern in various time buckets as prescribed under the guidelines issued by the RBI. Pursuant to the order issued by the Ministry of Home Affairs on April 15, 2020 allowing microfinance companies to operate in specified areas, the Company resumed operations in those specified areas from April 20, 2020 by complying with the regulatory guidelines on businesses, social distancing, etc. With the gradual relaxation of lockdown rules thereafter, our employees were able to meet and collect from those borrowers willing to repay, due to minimal impact of the lockdown on them. As observed since the resumption of operations, the management is confident that collections will continue to improve, albeit likely to be at a lower level than earlier. In addition, management has considered various stimulus packages announced by the Government of India which will directly or indirectly benefit NBFC-MFI, current status/outcomes of discussions with the Company's lenders to seek/extend moratorium and various other financial support from other banks and financial institutions in determining the Company's liquidity position over the next 12 months from the end of reporting period. Based on the foregoing and necessary stress tests considering various scenarios, management believes that the Company will be able to fulfill its obligations as and when these become due in the foreseeable future.
- 11 During the quarter ended March 31, 2020, the Company has made an additional provision and write-off of Rs. 1,292.16 million towards COVID-19 and others.
- 12 The Company is in correspondence with Reserve Bank of India ("RBI") with respect to the pricing of credit guidelines prescribed under paragraph 56 of the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, dated September 1, 2016, as amended ("Master Directions"). In respect of the observation made by the RBI in its inspection report, the Company believes, supported by an external legal opinion, that its interpretation is in compliance with aforesaid Master Directions and has accordingly not charged any excess interest. However, at RBI's directions, the Company has revised its interest rates prospectively effective February 26, 2020, while continuing to represent its views to RBI. Further, in these financial statements, the Company has adequately recognized the impact of aforesaid observation made by RBI.
- 13 The Company operates in a single business segment i.e. financing, since the nature of the loans are exposed to similar risk and return profiles hence they are collectively operating under a single segment for the purpose of Ind AS 108 on 'Operating Segments' notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The Company operates in a single geographical segment i.e. domestic.
- 14 The comparative financial results pertaining to the corresponding quarter ended March 31, 2019 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.
- 15 The figures for the last quarter of current year financial year are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of third quarter of the current financial year which were subject to limited review by the auditors.
- 16 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: 02 June 2020



**Spandana Sphoorty Financial Limited**

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