



Ref: SSFL/Stock Exchange/2021-22/078

Date: January 29, 2022

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
BandraKurla Complex, Bandra (E)
Mumbai - 400051

Scrip Code: 542759

Symbol: SPANDANA

Sub: Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("LODR Regulations") - Intimation of change of statutory auditors of Spandana Sphoorty Financial Limited ("Company") in order to remain compliant with the Reserve Bank of India's notification dated April 27, 2021 on guidelines for appointment of auditors.

Dear Sir/ Madam,

The Reserve Bank of India ("RBI") has issued (Notification No. DoS.CO.ARG/SEC.01/08.91.001/2021-22) ("RBI Notification") dated April 27, 2021 on Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs), directing that the existing Statutory Auditors who have completed three years with an entity would not be able to continue as Auditors with effect from second half of the Financial Year 2021-22.

S. R. Batliboi & Co. LLP, Chartered Accountants, the Statutory Auditors of the Company ("Current Auditor") have audited the Company for a continuous period of eight years, which exceeds the tenure of three years now prescribed by RBI. Hence, the Current Auditor is required to vacate its role as the Statutory Auditor from the second half of the financial year ending March 31, 2022 to ensure compliance with the RBI Notification.

In accordance with the requirement of the RBI Notification, Statutory Audit Policy and Appointment Procedure of Statutory Auditors as approved by the Board at its meeting held on May 22, 2021 and Section 139(8) of the Companies Act, 2013 and Rules made thereunder, the Company had identified and shortlisted a reputed firm Walker Chandiook & Co. LLP, Chartered Accountants (Firm Registration No. 001076N/N500013), to act as new Statutory Auditors of the Company.

Walker Chandiook & Co. LLP, Chartered Accountants, is a partnership firm established in 1935. With 13 offices across the country, 53 partners and a team of over 1,500 people, Walker Chandiook & Co. LLP provides audit, tax and advisory services in India. The firm has experience across a range of industries, market segments, and geographical corridors. Walker Chandiook & Co. LLP has a significant experience of auditing companies in the financial services sector including banks, NBFCs, insurance and assets management companies.

Hence, in view of the above, pursuant to Regulation 30 of LODR Regulations read with Securities and Exchange Board of India Circular No. CIR/CFD/CMD1/114/2019 dated October 18, 2019 and Securities and Exchange Board of India Circular No. CIR/CFD/ CMD/4/2015 dated September 09, 2015 ("SEBI Circulars"), we hereby inform you that the Board of Directors of the Company, vide resolutions dated January 29, 2022 has:



- (i) taken note of the letter dated January 28, 2022 received from S.R. Batliboi & Co. LLP, Chartered Accountants, (Firm Registration No: 301003E/E300005) current auditors of the Company, communicating their intention to resign as Statutory Auditors of the Company, with effect from January 28, 2022, since they have completed 8 (eight) years of continuous audit, and thus are ineligible to continue as statutory auditors of the Company; and
- (ii) appointed Walker Chandiok & Co LLP, Chartered Accountants (Firm Registration No:001076N/N500013), as Statutory Auditors of the Company arising out of the casual vacancy from resignation of S.R. Batliboi & Co. LLP.

The copy of the resignation letter received from S.R. Batliboi & Co. LLP dated January 28, 2022 along with Annexure A of the SEBI Circular No. CIR/CFD/CMD1/114/2019 dated October 18, 2019 is enclosed herewith as **Annexure-A**. There are no material reasons for resignation other than as mentioned in the resignation letter.

Details with respect to change in the Statutory Auditor of the Company as required under Regulation 30 read with Part A of Schedule III of the LODR Regulations, and SEBI Circulars are enclosed herewith as **Annexure-B**.

In furtherance to the above, the Board has approved the issuance of a postal ballot notice pursuant to Section 110 of the Companies Act, 2013, seeking approval of Members of the Company for the appointment of Walker Chandiok & Co LLP, Chartered Accountants, as Statutory Auditors of the Company.

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

Thanking you.

For Spandana Sphoorty Financial Limited

Ramesh Periasamy
Company Secretary and Compliance officer

Encl: As Above

January 28, 2022

To,
Board of Directors
Spandana Sphoorty Financial Limited
Plot No. 31 & 32, Ramky Selenium Building
Tower A, Ground Floor, Financial District
Nanakramguda, Hyderabad – 500 032

For the attention of: Ramesh Periasamy, Company Secretary

Sub: Resignation as statutory auditors of Spandana Sphoorty Financial Limited

Dear Sirs / Madam,

We were appointed as statutory auditors of Spandana Sphoorty Financial Limited ("the Company") at the Tenth Annual General Meeting ("AGM") held on September 27, 2013 and thereafter reappointed at the Eleventh and Fifteenth AGMs held on September 23, 2014 and August 3, 2018 respectively till the conclusion of the Twentieth AGM.

We have completed audit of the Company for the year ended March 31, 2021 vide audit report dated May 22, 2021 and have audited for continuous period of eight years as statutory auditor. Pursuant to Reserve Bank of India's ("RBI") Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021 (the "RBI Guidelines"), we are ineligible to continue as auditors of the Company after completing a period of three years and hence, for the financial year ending March 31, 2022.

In terms of the RBI Guidelines, we are required to tender our resignation after completion of the limited review for the quarter and half year ended September 30, 2021. Further, in accordance with para 6(A) of SEBI guidelines on "Resignation of statutory auditors from listed entities and their material subsidiaries" issued vide circular no. CIR/CFD/CMD1/114/2019 dated October 18, 2019 (the "SEBI Guidelines"), if the resignation is issued after November 14, 2021, the outgoing auditor will be required to report on quarter and nine-months ending December 31, 2021 and consequently on quarter and year ending March 31, 2022 as well, which will be in contravention of the RBI Guidelines. In view of the delay in filing the financial results for the quarter and half year ended September 30, 2021, as communicated by the Company to the stock exchanges vide letter dated November 12, 2021, we have been unable to tender our resignation by November 14, 2021.

Therefore, the Company vide letter dated November 12, 2021 and follow-on representation dated December 13, 2021 sought dispensation from SEBI from the aforesaid requirements of para 6(A) of the SEBI Guidelines so as to exempt S.R. Batliboi & Co. LLP ("SRBC") from performing the review of the quarter and nine months ended December 31, 2021 and the audit of quarter and year ending March 31, 2022, and the representation made to SEBI is pending for final disposal.

The Company also sought dispensation from RBI vide letter dated November 12, 2021 and follow-on representation dated December 3, 2021 from the requirements of the aforesaid RBI Guidelines so as to permit SRBC to continue as the statutory auditor of the Company for the year ending March 31, 2022. However, RBI in its email dated December 22, 2021 (the "RBI E-mail") has advised the Company that the limited review report for the quarter and half year ended September 30, 2021 be issued by SRBC and the limited review / audit for the quarter ended December 31, 2021 and onwards to be done by the new statutory auditor. Accordingly, SRBC has completed the limited review of the unaudited standalone and consolidated financial results of the Company for the quarter and half year ended September 30, 2021 and issued its limited review reports thereon dated January 5, 2022. Based on the RBI E-mail, the Company has made additional submission with SEBI vide email dated December 28, 2021 (the "Additional Submission to SEBI"), seeking exemption from the aforesaid para 6(A) of the SEBI Guidelines.

Accordingly, and having regard to the terms of our master engagement agreement dated October 5, 2018, read with the RBI E-mail and the Additional Submission to SEBI, we hereby express our inability to continue as the statutory auditors of the Company and request you to treat this as our letter of resignation with immediate effect. We have also discussed this matter with the Management of the Company.

S.R. BATLIBOI & Co. LLP

Chartered Accountants

Kindly take this on your record and do the needful. As required by the Companies Act, 2013, we shall file a statement in Form ADT-3 in the due course and shall forward a copy to the Company for record.

We take this opportunity to reiterate our appreciation for the courtesies and co-operations extended to us by your organization.

Should you require any assistance in the future, please feel free to contact us.

Yours Sincerely,

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm registration No: 301003E/E300005

VIREN H
MEHTA

Digitally signed by VIREN H
MEHTA
DN: cn=VIREN H MEHTA, c=IN,
o=Personal,
email=viren.mehta@srb.in
Date: 2022.01.28 18:01:53 +05'30'

Viren H. Mehta
Partner
Membership Number: 048749

Encl.: Annexure A of SEBI circular no. CIR/CFD/CMD1/114/2019 dated October 18, 2019

Information to be obtained from the statutory auditor upon resignation
(Annexure A of SEBI circular no. CIR/CFD/CMD1/114/2019 dated October 18, 2019)

1. Name of the listed entity/ material subsidiary:	Spandana Sphoorty Financial Limited ("the Company")
2. Details of the statutory auditor: a. Name: b. Address: c. Phone number: d. Email:	S.R. Batliboi & Co. LLP ("SRBC") 12th Floor, The Ruby 29 Senapati Bapat Marg Dadar (West), Mumbai - 400 028, India +91 22 6819 8000 srbc@srb.in
3. Details of association with the listed entity/ material subsidiary: a. Date on which the statutory auditor was appointed: b. Date on which the term of the statutory auditor was scheduled to expire: c. Prior to resignation, the latest audit report/limited review report submitted by the auditor and date of its submission.	Appointed as statutory auditors at the Tenth Annual General Meeting ("AGM") held on September 27, 2013 and thereafter reappointed at the Eleventh and Fifteenth AGMs held on September 23, 2014 and August 3, 2018 respectively till the conclusion of the Twentieth AGM. Conclusion of the Twentieth AGM to be held in the year 2023 Independent Auditor's Review Report for the quarter and half year ended September 30, 2021 on Unaudited Standalone and Consolidated Financial Results of the Company pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. Date of submission: January 5, 2022
4. Detailed reasons for resignation:	Pursuant to Reserve Bank of India's ("RBI") Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021 (the "RBI Guidelines"), the statutory auditor is ineligible to continue after completing three years of audit of an NBFC. SRBC have completed audit of the Company for the year ended March 31, 2021 vide audit report dated May 22, 2021 and have audited for continuous period of eight years as statutory auditor. In terms of the RBI Guidelines, we are required to tender our resignation after completion of the limited review for the quarter and half year ended September 30, 2021. Further, in accordance with para 6(A) of SEBI guidelines on "Resignation of statutory auditors from listed entities and their material subsidiaries" issued vide circular no. CIR/CFD/CMD1/114/2019 dated October 18, 2019 (the "SEBI Guidelines"), if the resignation is issued after November 14, 2021, the outgoing auditor will be required to report on quarter and nine-months ending December 31, 2021 and consequently on quarter and year ending March 31, 2022 as well, which will be in contravention of the RBI Guidelines. In view of the delay in filing the financial results for the quarter and half year ended September 30, 2021, as communicated by the Company to the stock exchanges vide letter dated November 12, 2021, we have been unable to tender our resignation by November 14, 2021. Therefore, the Company vide letter dated November 12, 2021 and follow-on representation dated December 13, 2021 sought dispensation from SEBI from the aforesaid requirements of para 6(A) of the SEBI Guidelines so as to exempt SRBC from performing the review of the quarter and nine months ended December 31, 2021 and the audit of quarter and year ending March 31, 2022 and the representation made to SEBI is pending for final disposal. The Company also sought dispensation from RBI vide letter dated November 12, 2021 and follow-on representation dated December 3, 2021 from the requirements of the

S.R. BATLIBOI & Co. LLP

Chartered Accountants

	<p>aforesaid RBI Guidelines so as to permit SRBC to continue as the statutory auditor of the Company for the year ending March 31, 2022. However, RBI, in its email dated December 22, 2021 (the "RBI E-mail") has advised the Company that the limited review report for the quarter and half year ended September 30, 2021 be issued by SRBC and the limited review / audit for the quarter ended December 31, 2021 and onwards to be done by the new statutory auditor. Accordingly, SRBC has completed the limited review of the unaudited standalone and consolidated financial results of the Company for the quarter and half year ended September 30, 2021 and issued its limited review reports thereon dated January 5, 2022. Based on the RBI E-mail, the Company has made additional submission with SEBI vide email dated December 28, 2021 (the "Additional Submission to SEBI"), seeking exemption from the aforesaid para 6(A) of the SEBI Guidelines.</p> <p>Accordingly, in terms of the requirements of the RBI Guidelines, read with the RBI E-mail, we are ineligible to continue as the statutory auditor of the Company after completing a period of three years and hence, for the financial year ending March 31, 2022.</p>
5. In case of any concerns, efforts made by the auditor prior to resignation (including approaching the Audit Committee/Board of Directors along with the date of communication made to the Audit Committee/Board of Directors):	Not applicable
6. In case the information requested by the auditor was not provided, then following shall be disclosed: a. Whether the inability to obtain sufficient appropriate audit evidence was due to a management-imposed limitation or circumstances beyond the control of the management. b. Whether the lack of information would have significant impact on the financial statements/results. c. Whether the auditor has performed alternative procedures to obtain appropriate evidence for the purposes of audit/limited review as laid down in SA 705 (Revised) Whether the lack of information was prevalent in the previous reported financial statements/results. If yes, on what basis the previous audit/limited review reports were issued.	Not applicable
7. Any other facts relevant to the resignation:	Not applicable

Declaration:

1. We hereby confirm that the information given in this letter and its attachments is correct and complete.
2. We hereby confirm that there is no other material reason other than those provided above for resignation of my firm.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm registration No: 301003E/E300005

VIREN H MEHTA
Digitally signed by VIREN H MEHTA
DN: cn=VIREN H MEHTA, c=IN,
o=Personal,
email=viren.mehta@srb.in
Date: 2022.01.28 18:02:53 +05'30'

Viren H. Mehta

Partner

Membership Number: 048749



Annexure - B

Information as required under Regulation 30 - Part A of Schedule III of the LODR Regulations - Appointment/ Cessation of Auditors

Sr. No.	Particulars	Details
1.	Reasons for change viz. appointment, resignation, removal, death or otherwise	<p>Pursuant to the RBI Notification, S.R. Batliboi & Co. LLP, Chartered Accountants, being ineligible to continue as Statutory Auditors of the Company from the second half of FY 21-22, have vide their letter dated January 28, 2022, intimated their resignation as statutory auditors of the Company, effective from January 28, 2022.</p> <p>Accordingly, the Board of Directors of the Company have appointed Walker Chandiook & Co LLP, Chartered Accountants (Firm Registration No: 001076N/N500013), as Statutory Auditors of the Company with effect from January 29, 2022, subject to subsequent approval of the Members through Postal Ballot.</p>
2.	Date of cessation	January 28, 2022
3.	Date of appointment/ term of appointment	<p>Walker Chandiook & Co. LLP, Chartered Accountants will hold office from January 29, 2022 up to the conclusion of the 19th Annual General Meeting to be held in the year 2022.</p> <p>The term of appointment will be for a period of 3 years subject to the said firm continuing to fulfil the applicable eligibility norms as prescribed under the RBI Notification, as follows:</p> <p>(i) Pursuant to Section 139 (8)(i) of the Companies Act, 2013, Walker Chandiook & Co. LLP, Chartered Accountants, shall hold office as the statutory auditors of the Company commencing from January 29, 2022 up to the conclusion of the 19th Annual General Meeting to be held in the year 2022.</p> <p>(ii) At the 19th Annual General Meeting, Members' approval is proposed to be taken to appoint Walker Chandiook & Co. LLP, as the Statutory Auditors of the Company for a period of two consecutive years to hold office from the conclusion of the 19th Annual General Meeting till the conclusion of the 21st Annual General Meeting of the Company to be held in the year 2024.</p>
4.	Brief profile	<u>Walker Chandiook & Co. LLP:</u>

Spandana Sphoorty Financial Limited

CIN - L65929TG2003PLC040648

Plot No.31 & 32, Ramky Selenium Towers, Tower A, Ground Floor,

Financial Dist, Nanakramguda, Hyderabad - 500 032

Ph: +9140-45474750

contact@spandanasphoorty.com, www.spandanasphoorty.com



		<p>Walker Chandiok & Co. LLP, Chartered Accountants (“WCC”) is registered with the Institute of Chartered Accountants of India (ICAI) with Firm Registration Number :001076N/N500013. The registered office of WCC is 11th Floor, Tower II, One International Center, S B Marg, Prabhadevi (W), Mumbai - 400013 Maharashtra, India. It is a partnership firm since 1935. It provides audit, tax, and advisory services with significant experience in the financial services including banks, NBFCs, insurance, asset management companies, and so on. It has experience across variety of industries, market segments and geographical corridors, wherein it has 13 offices across India with 53 partners and a team of over 1,500 people.</p>
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