



Ref: SSFL/Stock Exchange/2024-25/055

July 27, 2024

To  
BSE Limited,  
Department of Corporate Services  
P. J. Towers, 25<sup>th</sup> 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: Investor presentation on the unaudited financial results of the Company for the quarter ended June 30, 2024.**

**Ref: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of Investor Presentation on the unaudited financial results of the Company for the quarter ended June 30, 2024.

Kindly take the same on record.

Thanking you.

Yours sincerely,

**For Spandana Sphoorty Financial Limited**

Vinay Prakash  
Tripathi  
Vinay Prakash Tripathi  
Company Secretary

Digitally signed by Vinay  
Prakash Tripathi  
Date: 2024.07.27 11:42:41  
+05'30'

*Encl: as above*

**Spandana Sphoorty Financial Limited**

CIN - L65929TG2003PLC040648

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*Invested in Bharat!*



*Kalighat Art*



**SPANDANA**  
Spandana Sphoorty Financial Limited

**Q1 FY25 Investor Presentation**

# Safe Harbor



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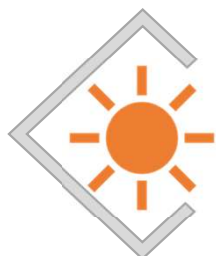
# Macros intact despite challenging Q1FY25

## H2FY24 expected to normalize



### General Elections

- Long drawn 7 phase elections
- UP, Bihar, Madhya Pradesh, Maharashtra and Odisha impacted
- Encountered operational challenges because of restricted movement of customers and employees



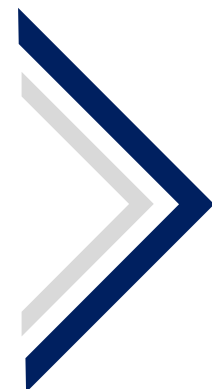
### Heat wave

- Severe heat wave across the country
- Temperatures of over 50 degrees centigrade recorded in many States
- Challenges relating to enforcing JLG model due to low customer turnout at center meetings



### Attrition in select geographies

- High attrition reported in key states like Madhya Pradesh, Maharashtra, Rajasthan, Telangana & Gujarat.
- Timely customer servicing impacted.



### Impact

- Center meeting disruption
- Attrition of Branch manager for Q1FY25 in 5 major states is over 10.5% vs. 5.91% for rest of India
- 47% of 31 to 90 book; 59% of GNPA from 5 majorly impacted states vs. AUM contribution of 32%
- GNPA share of Parivartan branches is 65%



## Measures taken to improve portfolio quality

1 Stopped acquisition of new-to-credit customers

2 Paused new member acquisition in 14% branches across key states

3 New center addition restricted in 39% branches

4 Credit level resources put at 20% branches;  
To be scaled to 50% branches by September 2024

5 Bench strength in 60% branches has been enhanced by 20%

6 Technology enabled monitoring system introduced for entire supervisory hierarchy for better control

# Continuing to focus on the basics



Strategy	Status
1 Prudent geographical concentration norms	<ul style="list-style-type: none"><li>• AUM concentration of largest state &lt;14%</li><li>• Top 4 states together account for ~50% of AUM</li></ul>
2 Staying focused on customer indebtedness	<ul style="list-style-type: none"><li>• Average customer indebtedness of Spandana is ~₹42000 which is 76% of the industry. Only Spandana indebtedness is ₹34,359</li><li>• Other MFI exposure of Spandana's borrowers<ul style="list-style-type: none"><li>• &lt;₹50,000 - ~48% borrowers</li><li>• ₹50000 - ₹100000 - ~18% borrowers</li><li>• ₹100000 - ₹150000 - ~9% borrowers</li><li>• ₹150000 - ₹200000 - ~3% borrowers</li><li>• &gt;₹200000 - ~0.7% borrowers</li></ul></li></ul>
3 Shorter tenure loans	<ul style="list-style-type: none"><li>• Monthly loans: 12% - 12 to 18 months; 86% - 24 months</li><li>• Weekly loans: 68% - 12 to 18 months; 32% - 24 months</li></ul>
4 Less number of loans per customer	<ul style="list-style-type: none"><li>• Number of loans per client at about 1.17 vs. 1.91 industry average</li><li>• Maximum ticket size of ₹80,000</li></ul>

# Rating upgraded to A+ / Stable by ICRA and India Ratings

## CFL rating upgraded to A / Stable – highest ever



### Spandana Sphoorty Financial Ltd

Rating Agency	Rating Instrument	Rating / Outlook (Current)	Rating / Outlook (31-Mar-24)	Change
ICRA	Bank Facilities / NCD's	A+ / Stable	A / Positive	Rating upgrade
India Ratings	Bank Facilities / NCD's	A+ / Stable	A / Stable	Rating upgrade
CARE	Bank Facilities / NCD's CP's	A+ / Stable A1+	A+ / Stable A1+	No Change
CRISIL	Bank Facilities	A / Positive	A / Positive	No change

### Criss Financial Ltd

Rating Agency	Rating Instrument	Rating / Outlook (Current)	Rating / Outlook (31-Mar-24)	Change
ICRA	Bank Facilities / MLD's	A / Stable	A- / Positive	Rating upgrade
India Ratings	Bank Facilities / NCD's	A / Stable	BBB+ / Stable	Rating upgrade

Note: Text in **Green** denotes positive change in Credit rating

# YoY AUM up 32%; NII up 47%, PPOP up 52%

Portfolio quality impacted by external conditions leading to YoY PAT decline of 53%



	Q1 FY25	Q1 FY24	YoY (%)	Q4 FY24	QoQ (%)
Customer Addition (L)	2.0	2.6	(23)%	4.4	(55)%
Disbursement (₹ Cr)	2,283	1,664	37%	3,970	(42)%
AUM (₹ Cr)	11,723	8,848	32%	11,973	(2)%
Funds raised (₹ Cr)	1,554	1,542	1%	3,428	(55)%
Income (₹ Cr)	737	527	40%	710	4%
Net Interest Income (₹ Cr)	425	290	47%	378	12%
PPOP (₹ Cr)	287	189	52%	266	8%
PAT (₹ Cr)	56	119	(53)%	129	(57)%
GNPA	2.60%	1.63%	+97 bps	1.50%	+109 bps
NNPA	0.53%	0.49%	+4 bps	0.30%	+22 bps

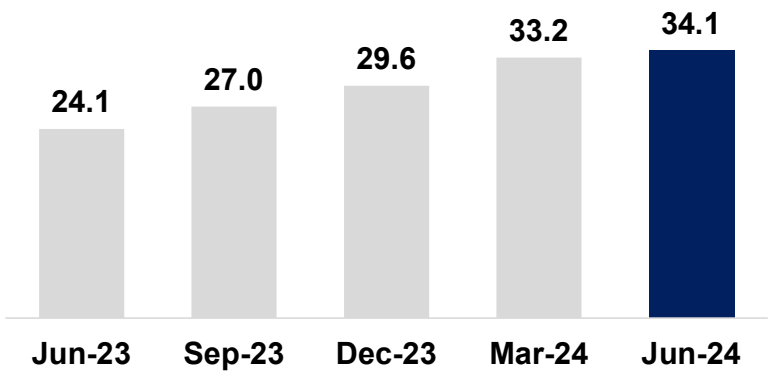




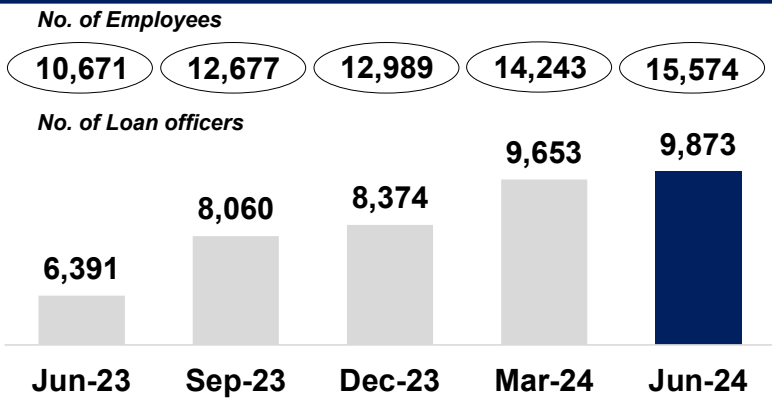
# 42% YoY growth in customer base

## Focus on improving efficiencies across branches

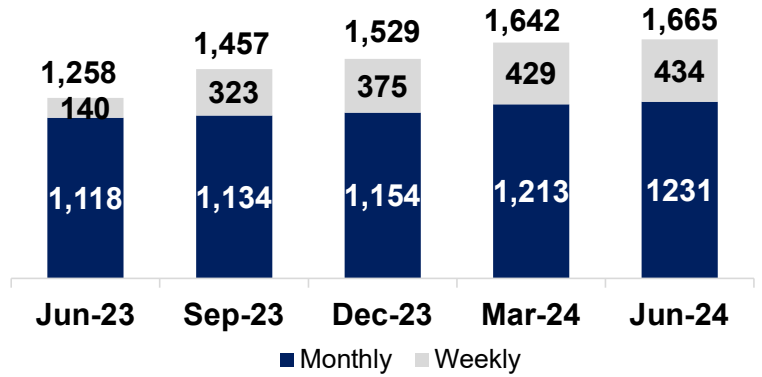
### No. of customers (in L)



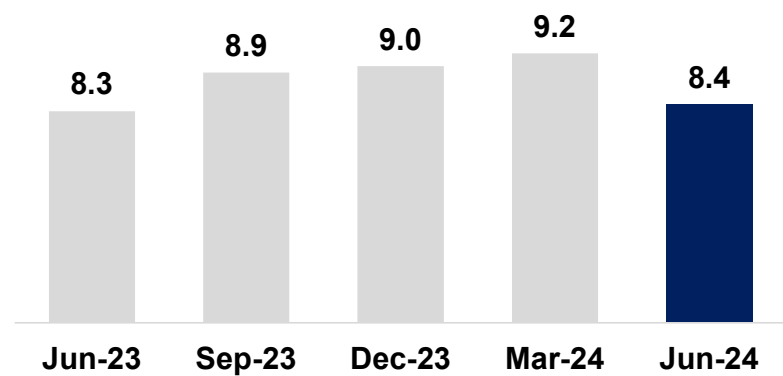
### Number of employees



### Branch count



### AUM per branch^ (₹ Cr)

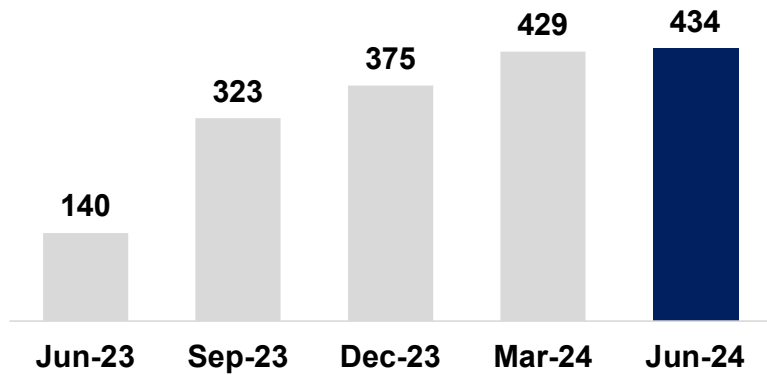


^AUM for branches with tenure >1 year which includes 143 branches opened between January 2023 and June 2023.

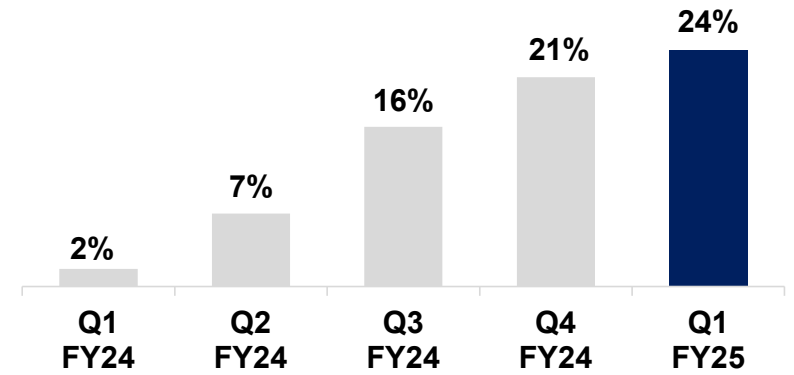


# Weekly branches account for over 24% of Q1FY25 disbursement

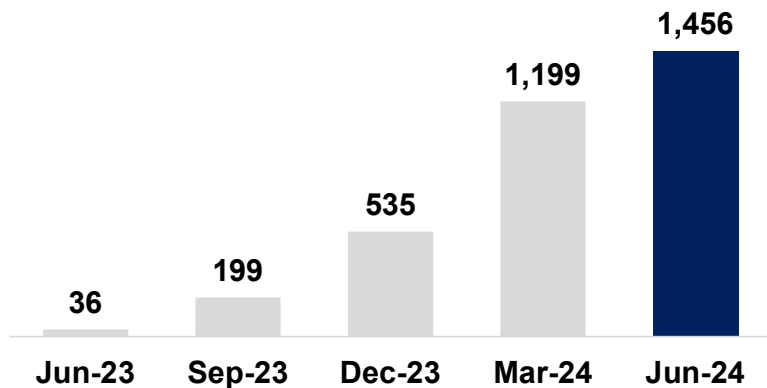
### Weekly Branch count



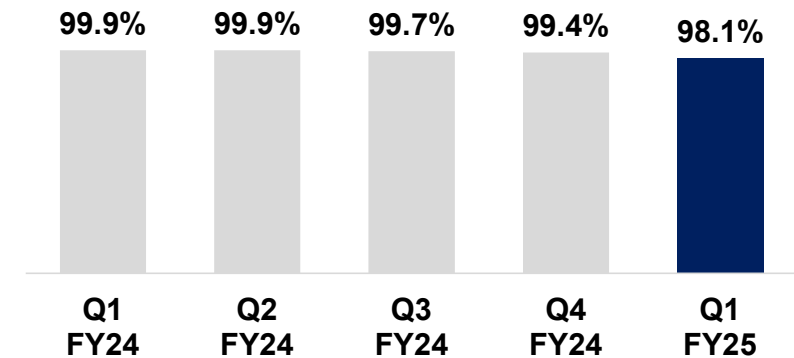
### Weekly branch Disbursement share (%)



### Weekly branches AUM (₹ Cr)



### Weekly branches Net Collection Efficiency (%)

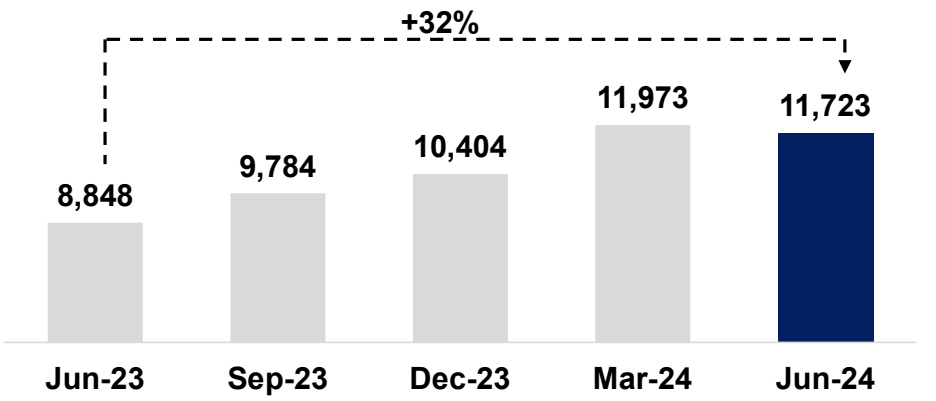




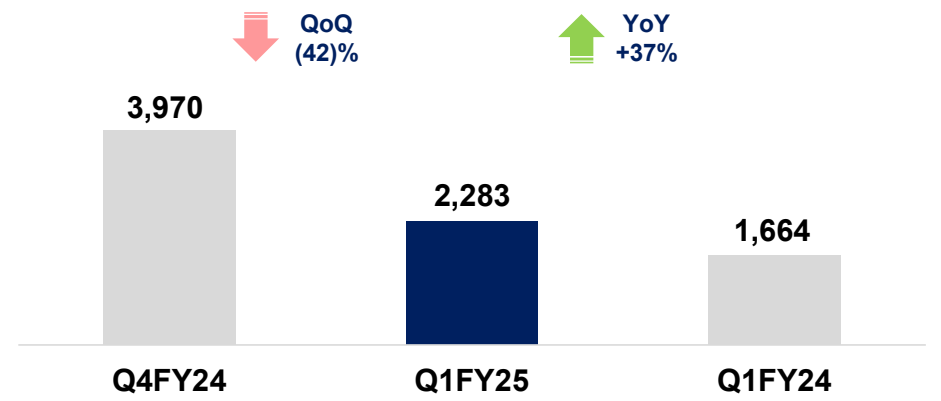
# AUM at ₹11,723 Cr, ~32% YoY growth

Top 4 States contribute ~50% of AUM vs. 57% in March 2022

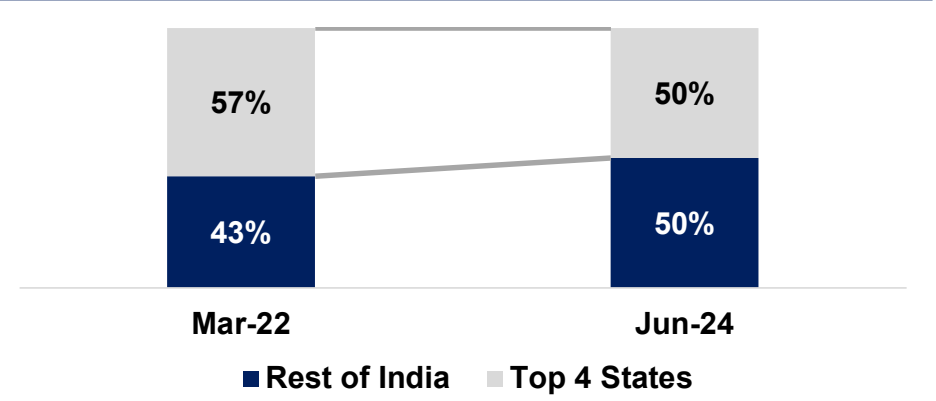
## AUM (₹ Cr) - +32% YoY



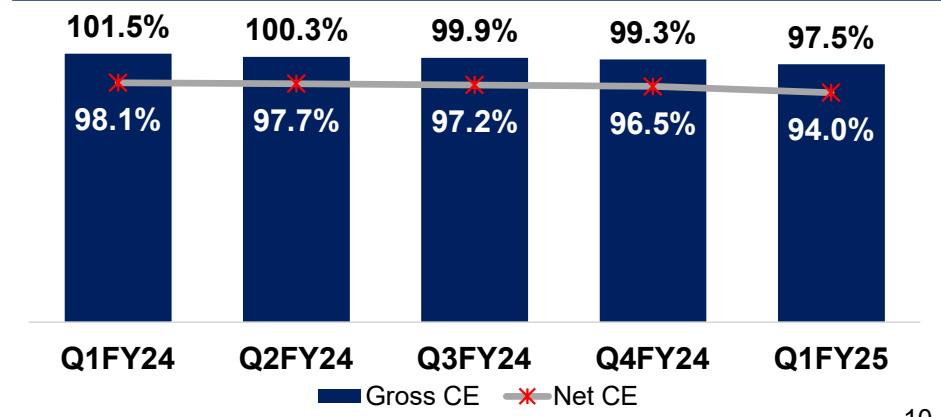
## Disbursement (₹ Cr)



## AUM Concentration of top 4 states down to ~50%



## Collection Efficiency (%)

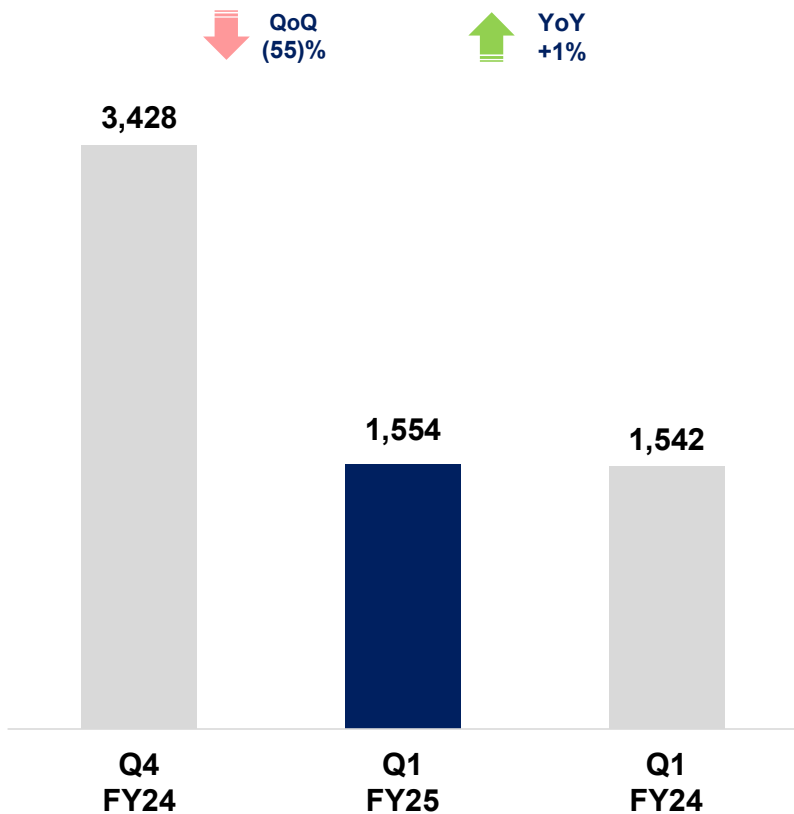




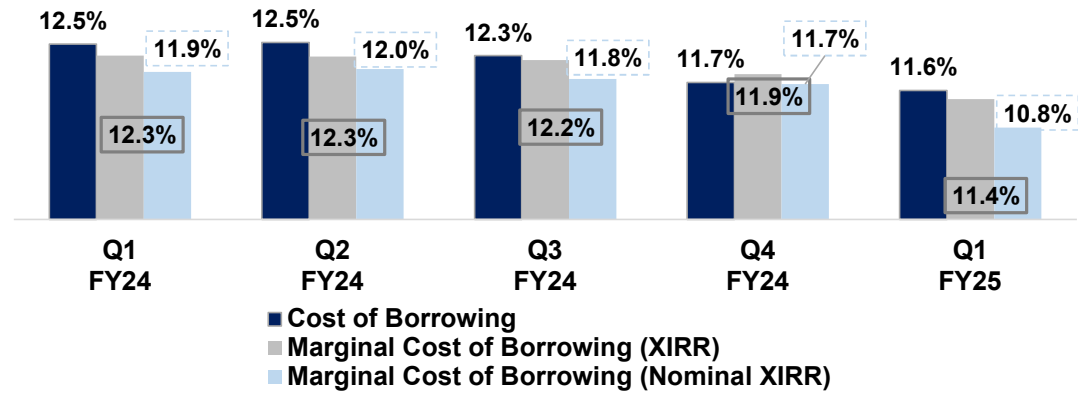
# Borrowings from banks increase to 59% vs. 48% YoY

## Diversified borrowings and active funds management have positive impact on borrowing cost

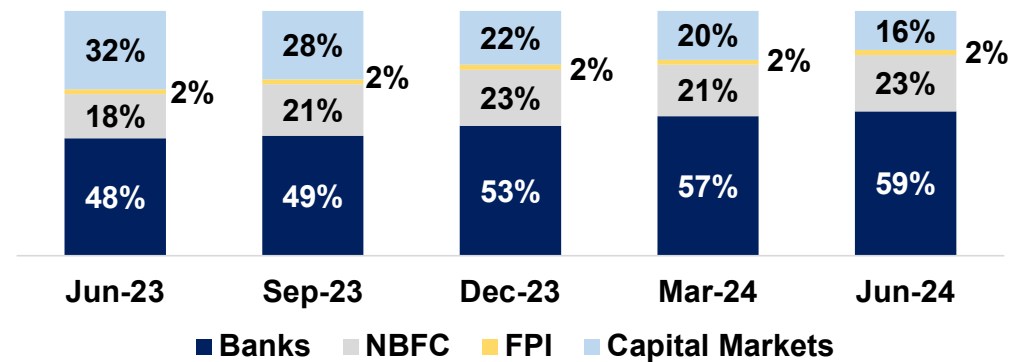
### Incremental borrowing (in ₹ Cr)



### Cost of borrowing



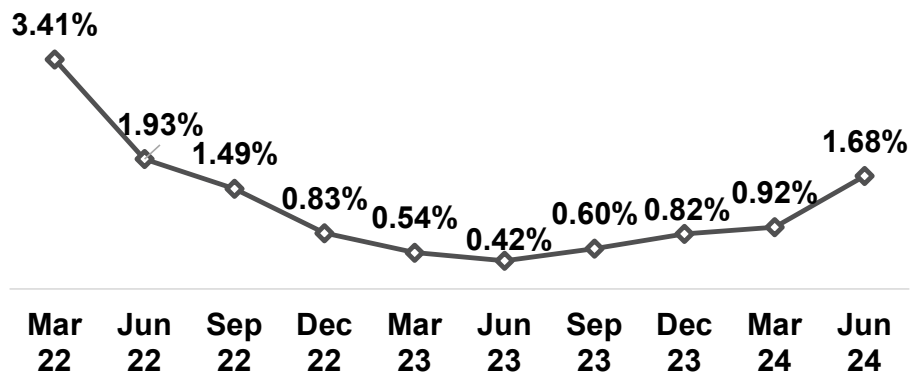
### Diversified borrowing mix



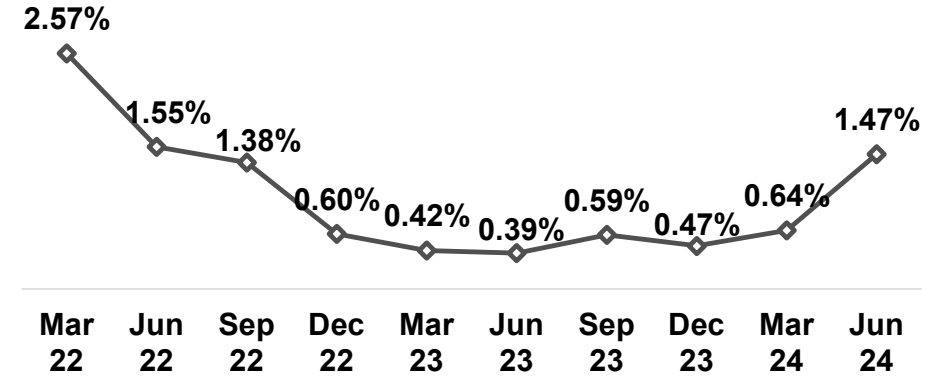


# Portfolio quality temporarily impacted; GNPA at 2.6%; NNPA at 0.53%

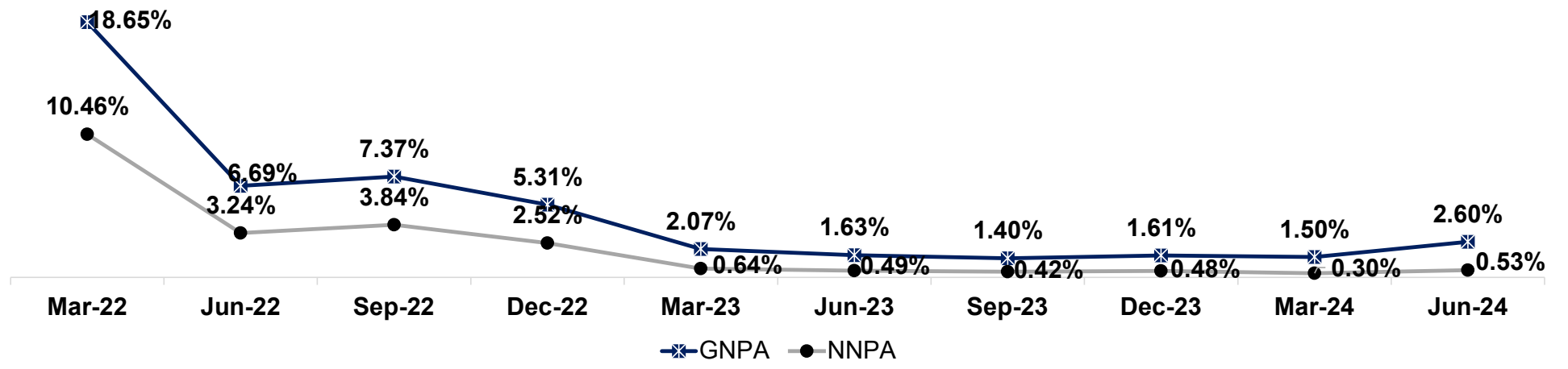
## 31 – 60 dpd



## 61 – 90 dpd



## GNPA & NNPA



**PCR maintained at 79.66%**  
**SSFL standalone PCR is 80%**



Provisioning & Coverage	30-Jun-24				31-Mar-24			
	Loans Outstanding (₹ Cr)	% of Loans Outstanding	ECL Provision (₹ Cr)	Coverage	Loans Outstanding (₹ Cr)	% of Loans Outstanding	ECL Provision (₹ Cr)	Coverage
Stage 1	10,611	94.25%	90	0.85%	10,942	96.94%	95	0.87%
Stage 2	355	3.15%	168	47.27%	176	1.56%	84	47.81%
Stage 3	292	2.60%	233	79.66%	169	1.50%	135	79.75%
<b>Total</b>	<b>11,258</b>	<b>100%</b>	<b>491</b>	<b>4.36%</b>	<b>11,287</b>	<b>100%</b>	<b>315</b>	<b>2.79%</b>

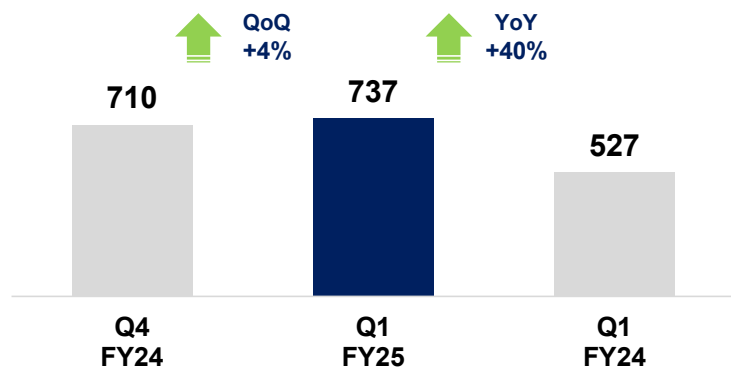
	30-Jun-24		31-Mar-24	
	SSFL	Consolidated	SSFL	Consolidated
GNPA	2.60%	2.60%	1.43%	1.50%
NNPA	0.52%	0.53%	0.29%	0.30%
<b>PCR</b>	<b>80.00%</b>	<b>79.66%</b>	<b>80.00%</b>	<b>79.75%</b>

Impairment on financial instruments	Q1FY25
	Amount (₹ Cr)
- On technical write-off's	5.77
- On GNPA	122.13
- On stage 1, 2 & others	83.90
<b>Total</b>	<b>211.80</b>

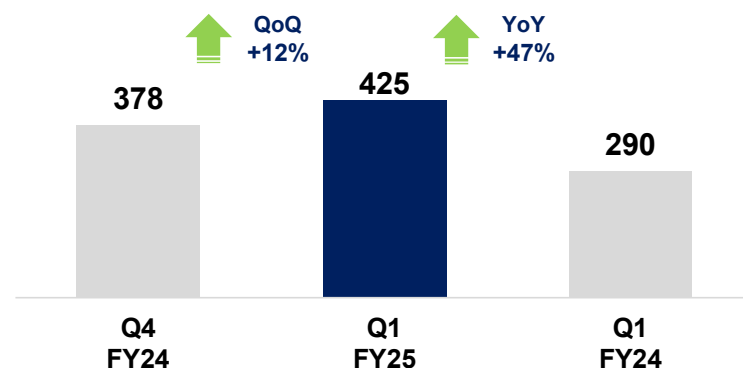
# Q1FY25 YoY Income up 40%, NII up 46%, PPOP up 52% PAT declined by 53% YoY owing to temporary challenges



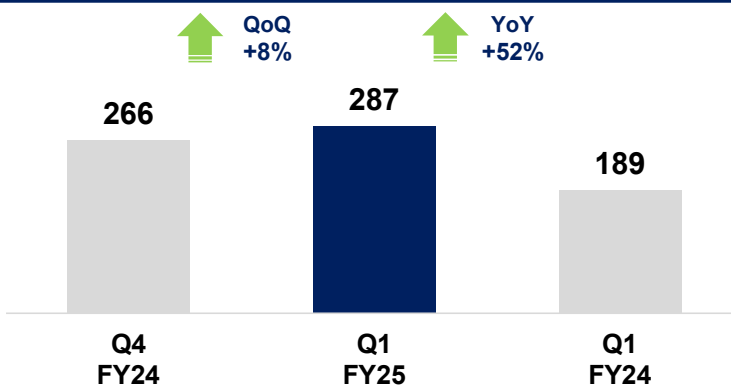
## Income\*



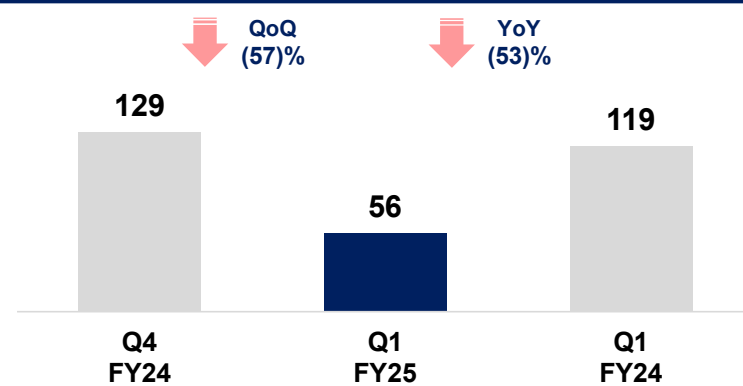
## Net Interest Income



## PPOP\*



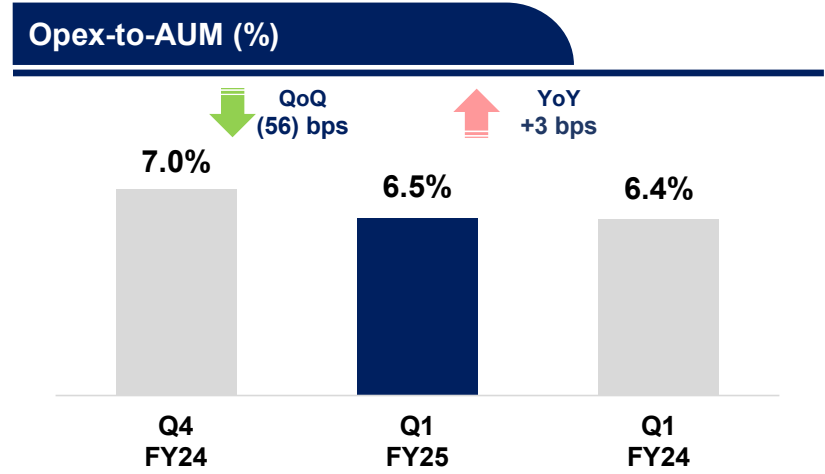
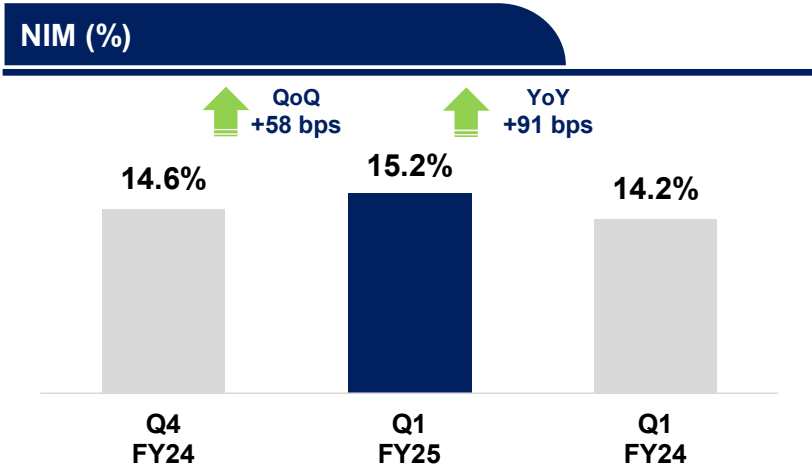
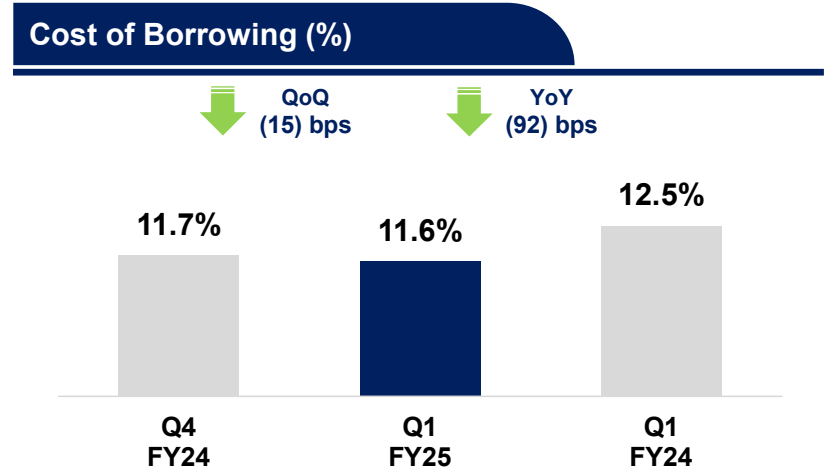
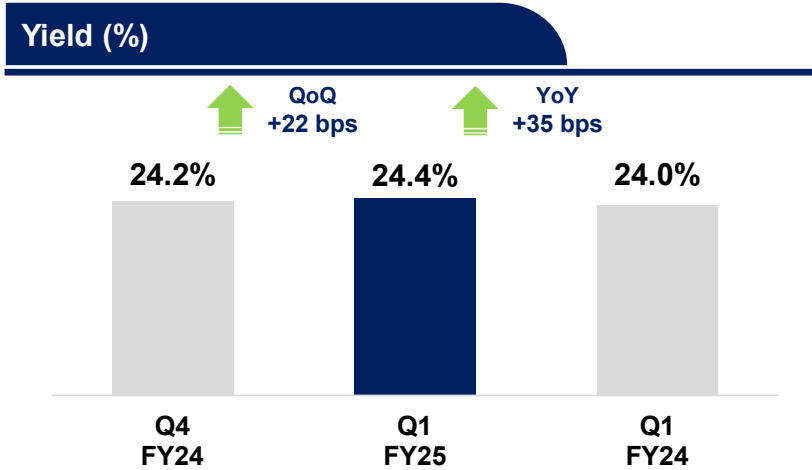
## PAT\*



\*Includes Net gain on fair value change of ₹16 Cr toward DA transaction undertaken in Q4FY24 and ₹3 Cr in Q1FY24

# Q1FY25 Yield at 24.4%; Opex-to-AUM at 6.5%

## Cost of borrowing at 11.6% in Q1FY25



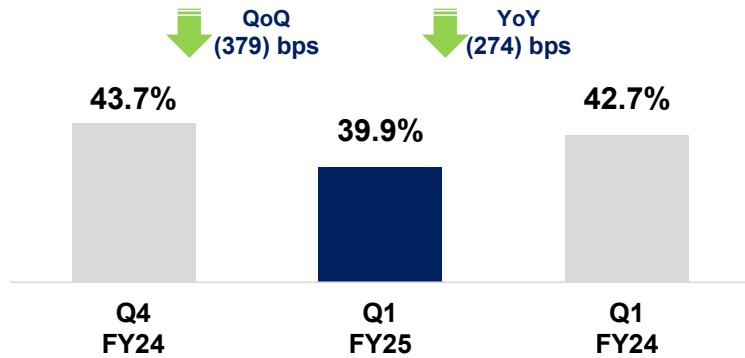




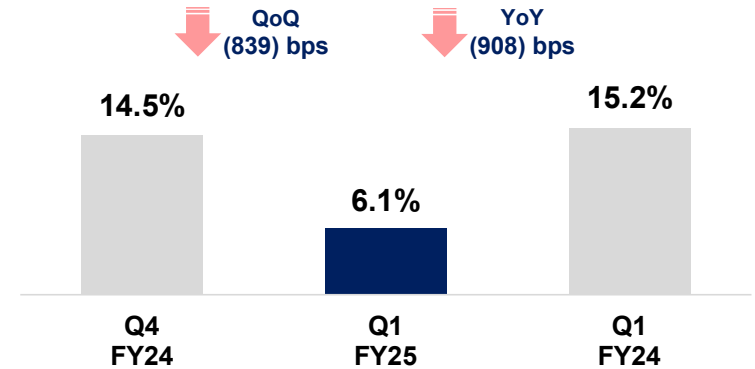
# Q1FY25 Cost-to-income improves to ~40%

ROA at ~2%; ROE at 6.1% due to higher impairment cost

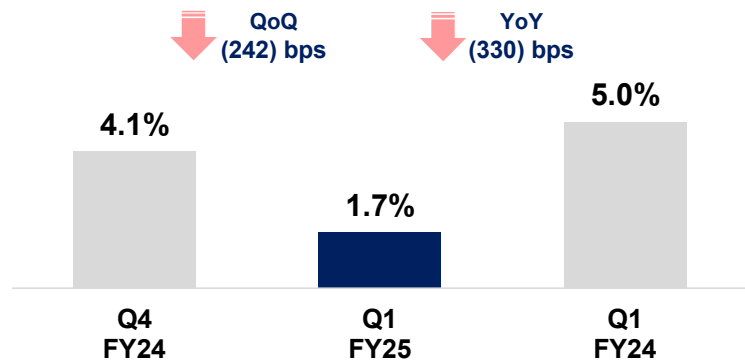
## Cost-to-income^ (%)



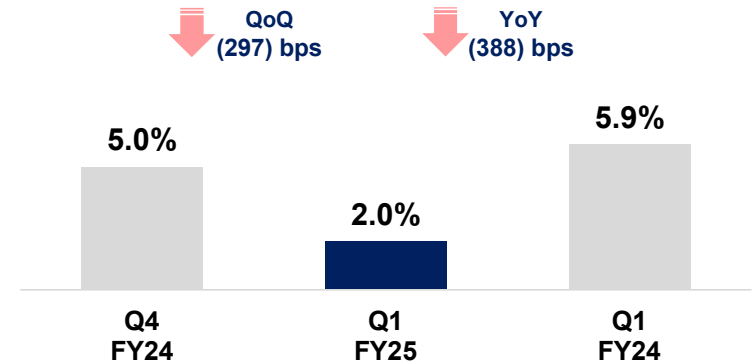
## ROE (%)



## ROA (Total Assets) (%)



## ROA (On book POS) (%)

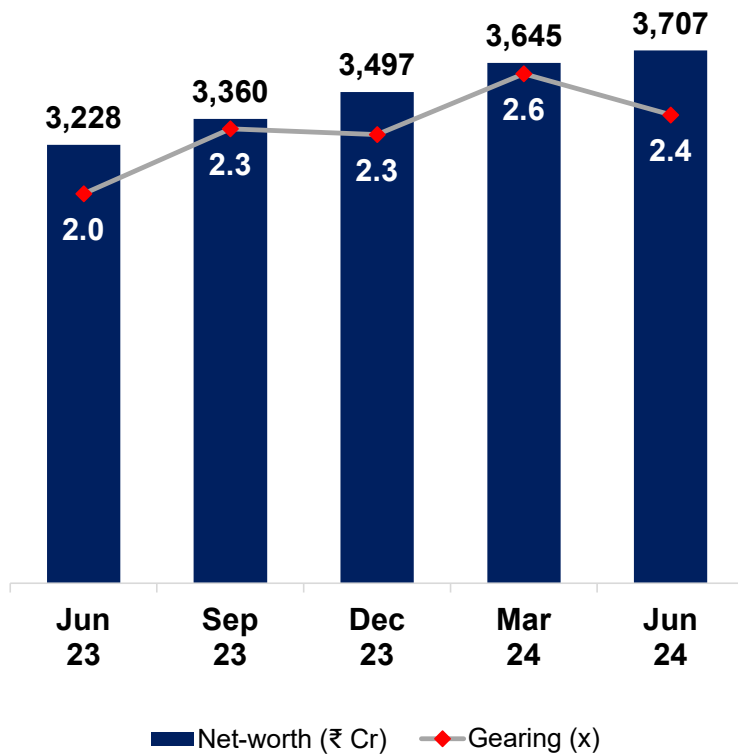


^Includes Net gain on fair value change of ₹16 Cr toward DA transaction undertaken in Q4FY24 and ₹3 Cr in Q1FY24

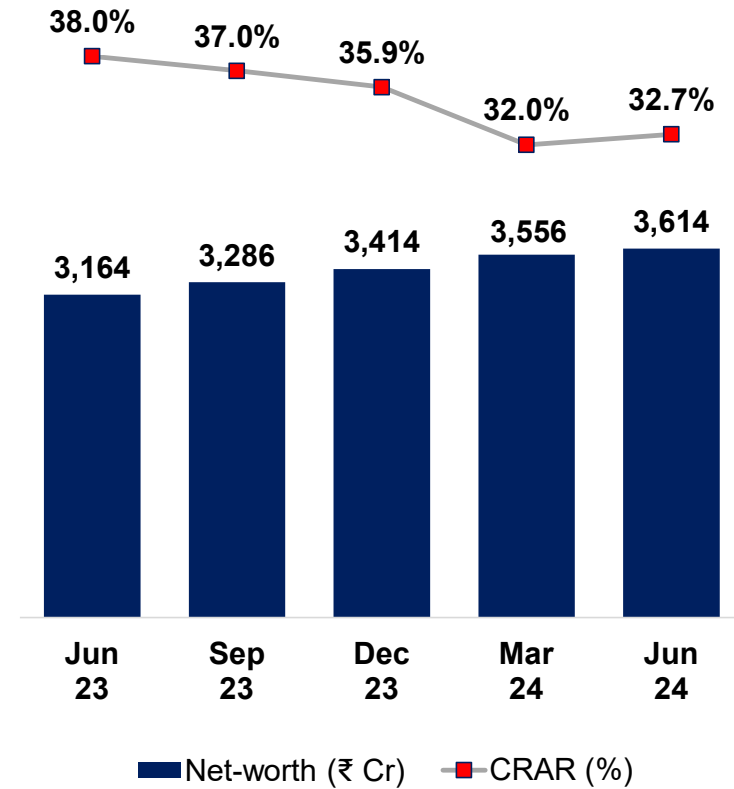


# Consolidated Net-worth increases to ₹3,707 Cr, CRAR at 32.0%

### Gearing at 2.4x (consolidated)



### SSFL Standalone Net-worth & CRAR



# Consolidated Income Statement



Particulars (₹ Cr)	Q1 FY25	Q4 FY24	Q1 FY24	QoQ	YoY
<b>Revenue from Operations</b>					
Interest income on loans	685	628	490	9%	40%
Net gain on fair value changes	13	34	13	(60)%	5%
Other Income	12	14	9	(19)%	26%
<b>Total income from operations</b>	<b>710</b>	<b>676</b>	<b>512</b>	<b>5%</b>	<b>39%</b>
Non-operational Income	27	34	16	(20)%	73%
<b>Total income</b>	<b>737</b>	<b>710</b>	<b>527</b>	<b>4%</b>	<b>40%</b>
Finance cost	259	249	200	4%	30%
<b>Net Income</b>	<b>478</b>	<b>460</b>	<b>328</b>	<b>4%</b>	<b>46%</b>
<b>Expenses</b>					
Employee benefit expense	135	141	102	(4)%	32%
Depreciation and amortization expense	4	7	3	(37)%	39%
Other expenses	52	46	33	11%	55%
<b>Total Expenses</b>	<b>191</b>	<b>194</b>	<b>139</b>	<b>(2)%</b>	<b>38%</b>
<b>Pre-Provision Operating Profit (PPOP)</b>	<b>287</b>	<b>266</b>	<b>189</b>	<b>8%</b>	<b>52%</b>
Impairment on financial instruments	212	94	29	126%	641%
<b>Profit before Tax</b>	<b>75</b>	<b>172</b>	<b>161</b>	<b>(56)%</b>	<b>(53)%</b>
Tax expense	19	44	41	(56)%	(53)%
<b>Profit after tax</b>	<b>56</b>	<b>129</b>	<b>119</b>	<b>(57)%</b>	<b>(53)%</b>

# Consolidated Balance Sheet



ASSETS (₹ Cr)	Jun 30, 2024	Mar 31, 2024
<b>Financial Assets</b>		
Cash and bank balances	1,534	1,894
Loan Portfolio	10,810	11,014
Investments	109	112
Other financial assets	76	84
<b>Total Financial Assets</b>	<b>12,530</b>	<b>13,104</b>
<b>Non-Financial Assets</b>		
Current tax assets (net)	30	49
Deferred tax assets (net)	189	133
Property, Plant and Equipment	31	30
Intangible assets	4	5
Goodwill	17	17
Other non-financial assets	38	44
<b>Total Non-financial assets</b>	<b>310</b>	<b>278</b>
<b>Total Assets</b>	<b>12,840</b>	<b>13,383</b>

LIABILITIES & EQUITY (₹ Cr)	Jun 30, 2024	Mar 31, 2024
<b>Financial Liabilities</b>		
Debt Securities	3,642	4,064
Borrowings (Other than Debt Securities)	5,199	5,340
Subordinated Liabilities	-	20
Other Financial liabilities	195	253
<b>Total Financial Liabilities</b>	<b>9,036</b>	<b>9,678</b>
<b>Non-Financial Liabilities</b>		
Current Tax Liabilities (net)	36	6
Provisions	21	17
Other Non-Financial liabilities	40	37
<b>Total Non-Financial Liabilities</b>	<b>97</b>	<b>60</b>
<b>Equity</b>		
Equity Share Capital	71	71
Other Equity	3,636	3,573
<b>Equity attributable to shareholders of the company</b>	<b>3,707</b>	<b>3,645</b>
Non-Controlling Interest	0.3	0.3
<b>Total Equity</b>	<b>3,707</b>	<b>3,645</b>
<b>Total Liabilities and Equity</b>	<b>12,840</b>	<b>13,383</b>

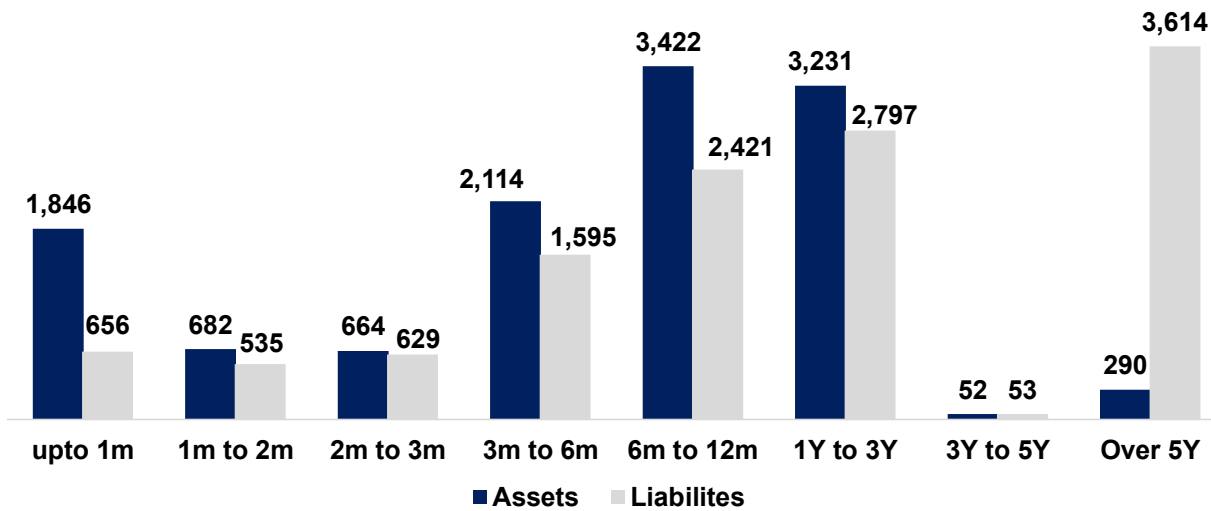


***Annexure***

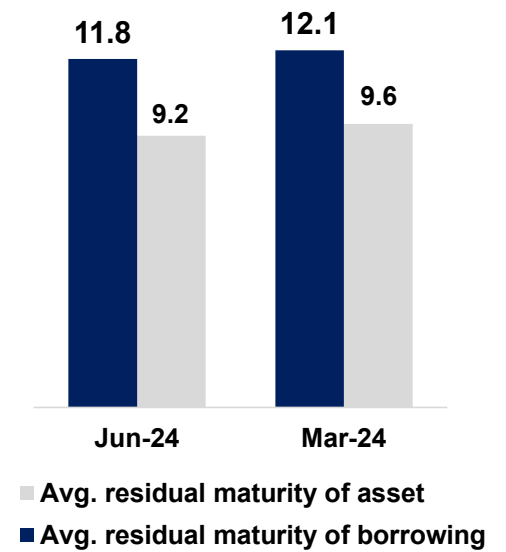


# Positive ALM across maturity buckets

Positive ALM (₹ Cr)\*



Maturity profile\* (in months)



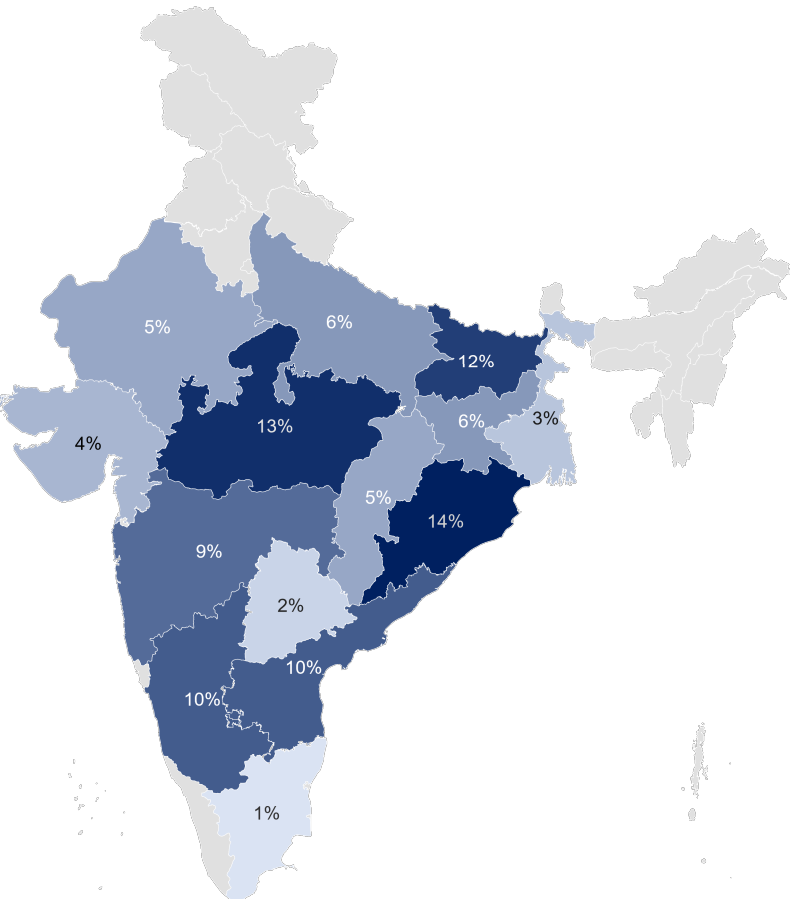
- Positive ALM on cumulative basis with assets maturing faster than liabilities
- Closing Cash and Bank balance (₹1,534 Cr as on 30 Jun 2024)

\* Standalone



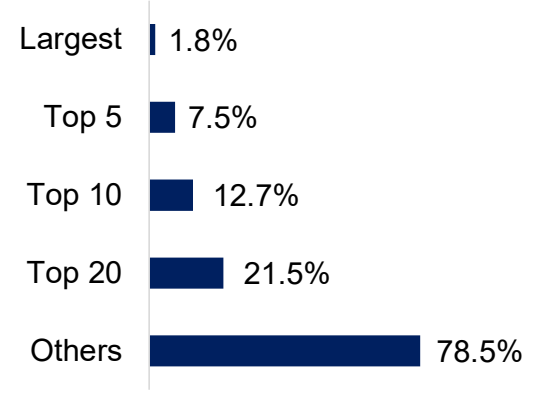
# Well diversified presence

## AUM concentration\* - ~49% from top 4 States

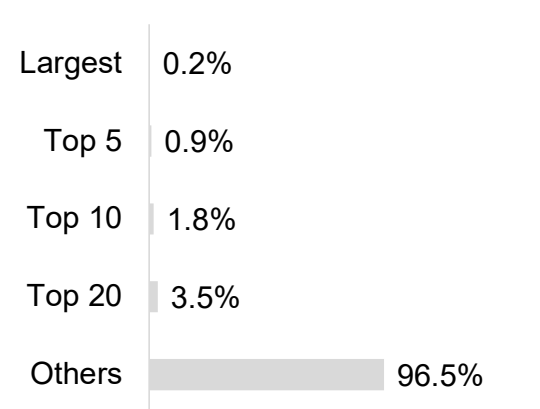


State	% of AUM		
	Jun-24	Mar-24	Mar-23
Odisha	14%	14%	15%
Madhya Pradesh	13%	13%	17%
Bihar	12%	12%	8%
Karnataka	10%	10%	11%
Andhra Pradesh	10%	10%	11%
Maharashtra	9%	9%	10%
Uttar Pradesh	6%	6%	3%
Jharkhand	6%	6%	7%
Chhattisgarh	5%	5%	5%
Rajasthan	5%	5%	5%
Gujarat	4%	4%	5%
West Bengal	3%	2%	1%
Telangana	2%	2%	1%
Tamil Nadu	1%	1%	0.1%
Other states	1%	1%	2%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## District level concentration\*



## Branch level concentration\*

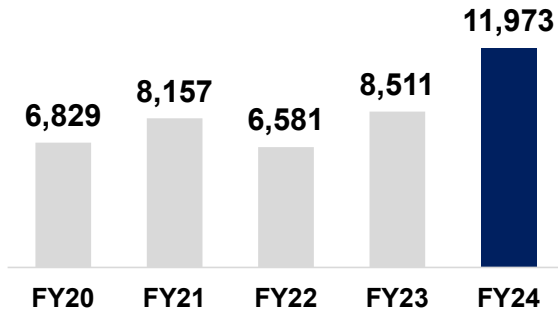


\* Standalone for SSFL

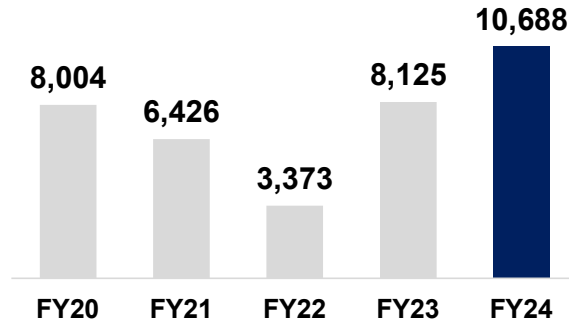


# Metrics over the years

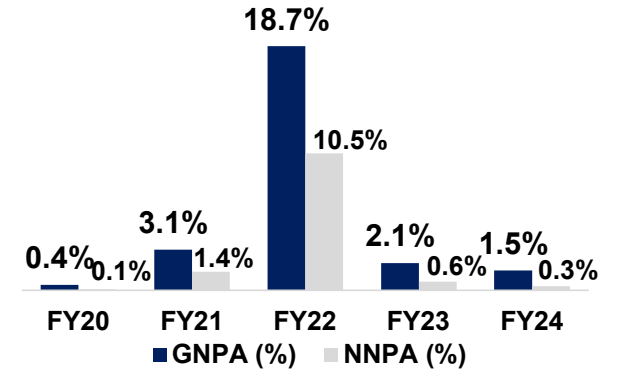
### AUM (₹ Cr)



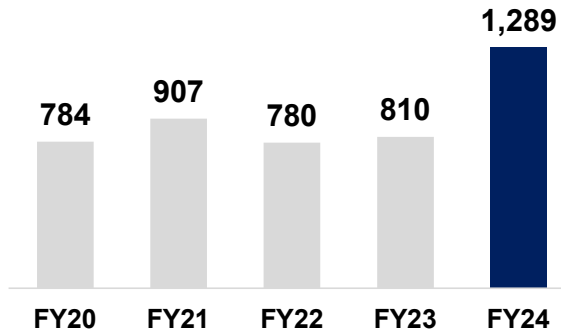
### Disbursement (₹ Cr)



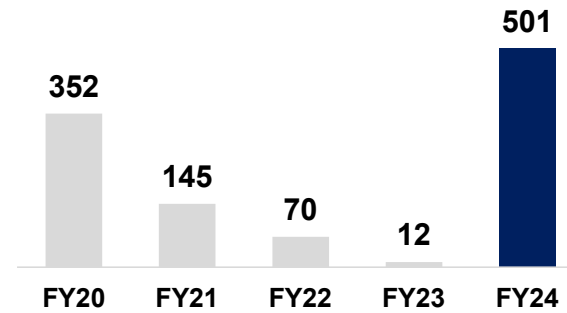
### GNPA (%) & NNPA (%)



### Net Interest Income (₹ Cr)



### PAT (₹ Cr)

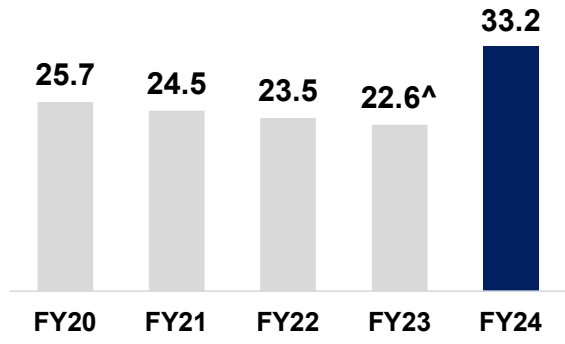






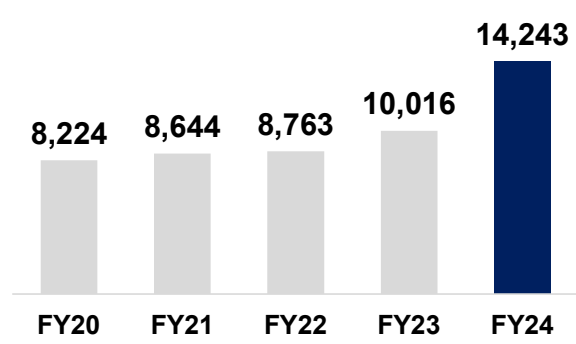
# Accelerated growth delivered over last year

## Customers (in L)

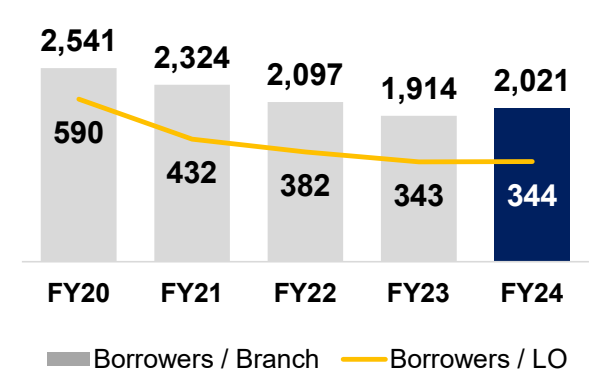


<sup>^</sup>Loans outstanding of ~6 L Customers written-off

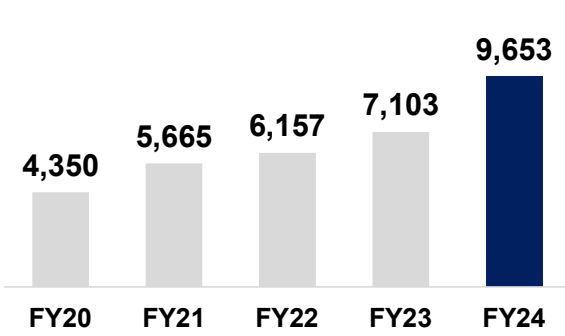
## Employees



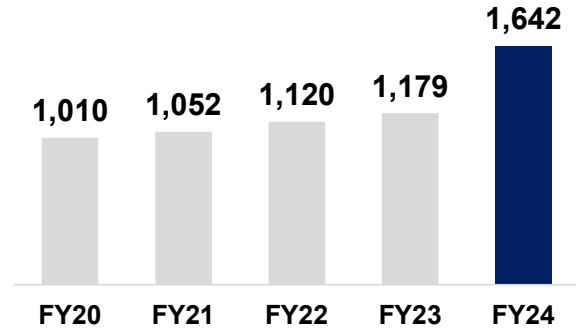
## Customers / Branch & LO \*



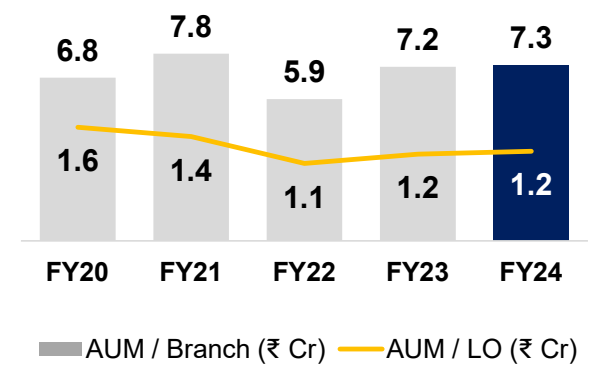
## Loan Officers



## Branches



## AUM / Branch & AUM / LO \*



\*Includes branches with tenure less than 1 year as well

# Glossary



	Key Ratio	Abbreviation	Definition
1	Portfolio Yield	Yield	Interest income divided by average monthly loan outstanding
2	Cost of borrowing	COB	Interest expenses divided by average monthly borrowing outstanding
3	Marginal COB (XIRR)		Multiplication of borrowing availed during the period and cost of borrowing (inclusive all cost on XIRR) divided by total borrowing availed during the period
4	Marginal COB (Nominal XIRR)		Multiplication of borrowing availed during the period and cost of borrowing (inclusive all cost on Nominal XIRR) divided by total borrowing availed during the period
5	Net Interest Income	NII	Interest income on loans less finance cost
6	Net Interest Margin	NIM	Net Interest Income divided by average monthly loan outstanding
7	Pre-Provision Operating Profit	PPOP	Total Income minus finance cost minus operating expenses
8	Cost to Income	C / I	Operating expenses / Total income minus finance cost
9	Portfolio Outstanding	POS	On Balance Sheet loan outstanding at the end of reporting period
10	Assets Under Management	AUM	POS + Direct Assignment outstanding at the end of reporting period
11	Operating expenses-to-AUM	Opex-to-AUM	Total operating expenses divided by average monthly AUM
12	Return On Assets (Total Assets)	ROA (Total Assets) or ROTA	PAT divided by average quarterly total assets
13	Return On Assets (On-book POS)	ROA (On-book POS)	PAT divided by average monthly loan outstanding
14	Return on Equity	ROE	PAT divided by average monthly Net-worth
15	Gross Non-Performing Assets	GNPA	Represents stage III loan outstanding at the end of reporting period
16	Net Non-Performing Assets	NNPA	Represents stage III loan outstanding at the end of reporting period net of ECL provision against stage III loans
17	Provision Coverage	PCR	ECL on stage III loans divided GNPA



**SPANDANA**  
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***Thank you!***

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