



Ref: SSFL/Stock Exchange/2023-24/064

Date: July 24, 2023

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  
BandraKurla 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, 2023.**

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

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 please find enclosed herewith a copy of Investor Presentation of the Company on the unaudited financial results for the quarter ended June 30, 2023.

Kindly take the above on record.

Thanking you.

Yours sincerely,  
For Spandana Sphoorty Financial Limited

**Ramesh Periasamy**  
Company Secretary and Chief Compliance Officer

*Encl: as above*

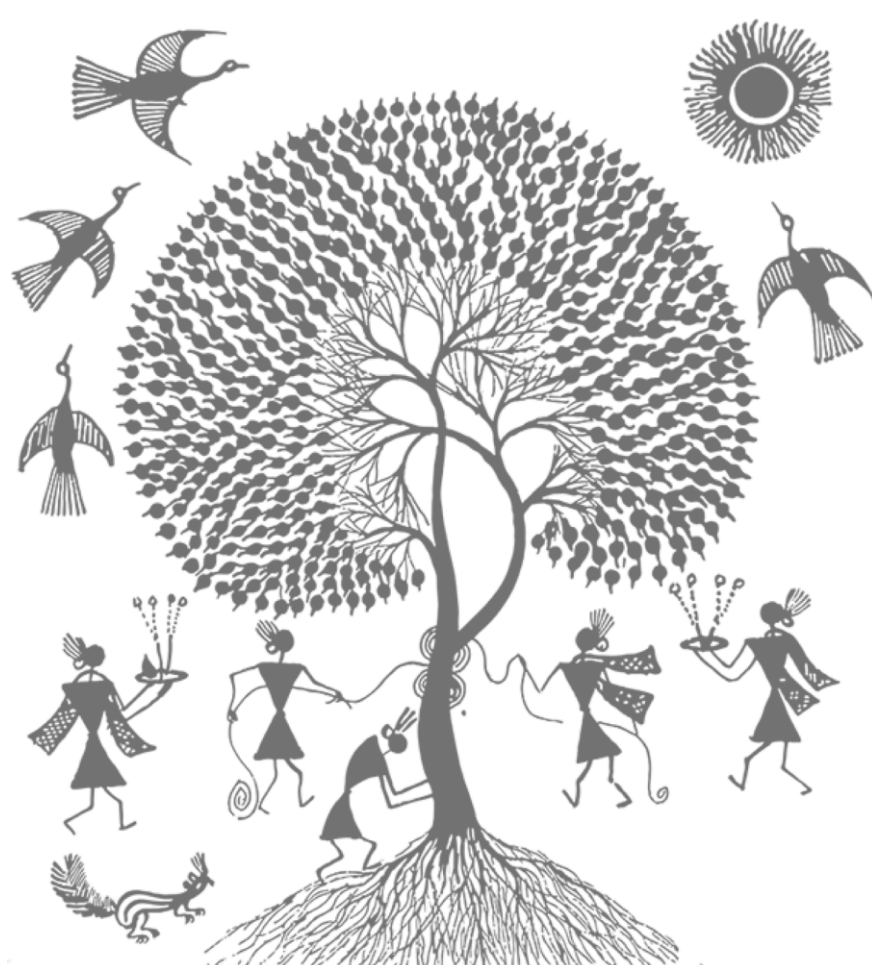
**Spandana Sphoorty Financial Limited**

CIN - L65929TG2003PLC040648

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TSIIC, Raidurg Panmaktha, Hyderabad – 500081, Telangana

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**SPANDANA**  
Spandana Sphoorty Financial Limited

**Q1 FY24 Investor Presentation**





# Safe Harbor



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# Significant progress made on 5 priorities

Part of Vision 2025 articulated in July 2022



	<u>Status</u>
<b>1</b> <b>People</b>	
<b>2</b> <b>Strengthen Governance, Risk and Control</b>	
<b>3</b> <b>Customer Acquisition led growth</b>	
<b>4</b> <b>Scale-up of technology to deliver an end-to-end paperless process</b>	
<b>5</b> <b>Customer focused initiatives with emphasis on Product and Service</b>	





**YOY - AUM up 60%, Client addition up 144%, NII up 102%,  
GNPA 1.63%, PAT ₹119 Cr v/s loss of ₹220 Cr in Q1, FY23.**



### Delivering customer acquisition led growth

Client Addition

**2.6 L**

YoY **+144%** QoQ **-39%**

Disbursement

**₹1,664 Cr**

YoY **+26%** QoQ **-45%**

AUM

**₹8,848 Cr**

YoY **+60%** QoQ **+4%**

### Improving Portfolio Quality

1 – 90 DpD

**1.36%**

YoY **-615 bps** QoQ **-18 bps**

GNPA

**1.63%**

YoY **-506 bps** QoQ **-44 bps**

NNPA

**0.49%**

YoY **-276 bps** QoQ **-15 bps**

### Deepening Lender Relationships

Lending Partners

**47**

Funds raised

**₹1,540 Cr**

Cash & Bank balance

**₹1,056 Cr**

### Robust Financial Performance

Net Interest Income

**₹328 Cr**

YoY **+102%** QoQ **-15%**

PPOP

**₹189 Cr**

YoY **+273%** QoQ **-27%**

PAT

**₹119 Cr**

Q1FY23 **- ₹220 Cr** QoQ **+13%**

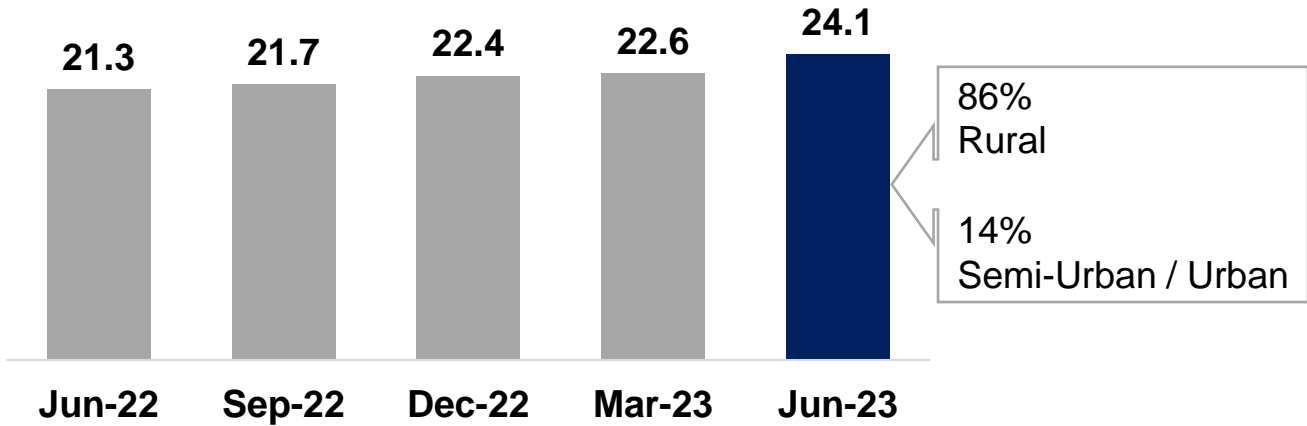




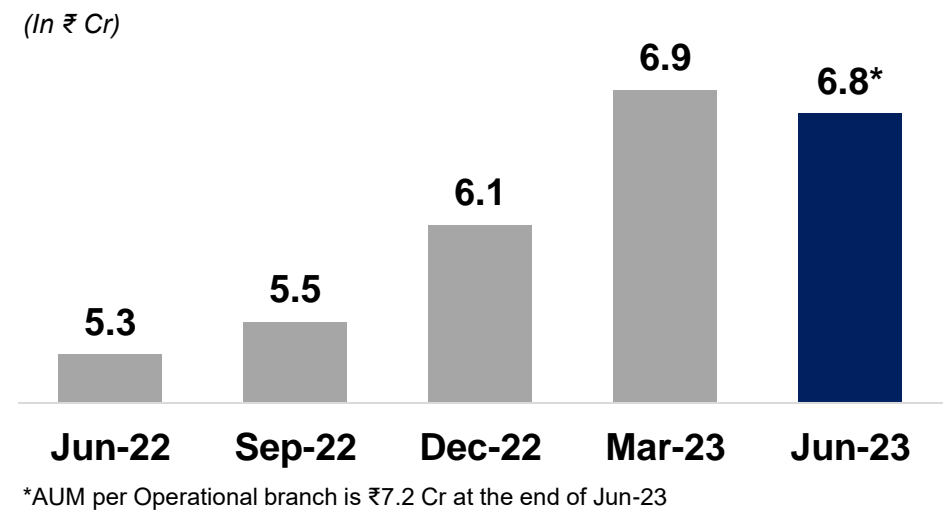
# Momentum on increasing distribution sustained

## 188 branches added over last 2 quarters; ~13% YoY growth in borrower base

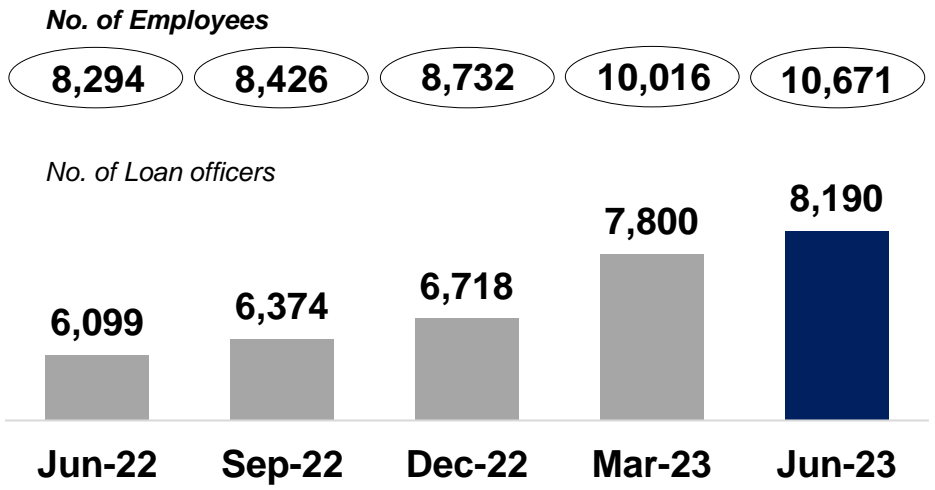
### No. of borrowers (in L)



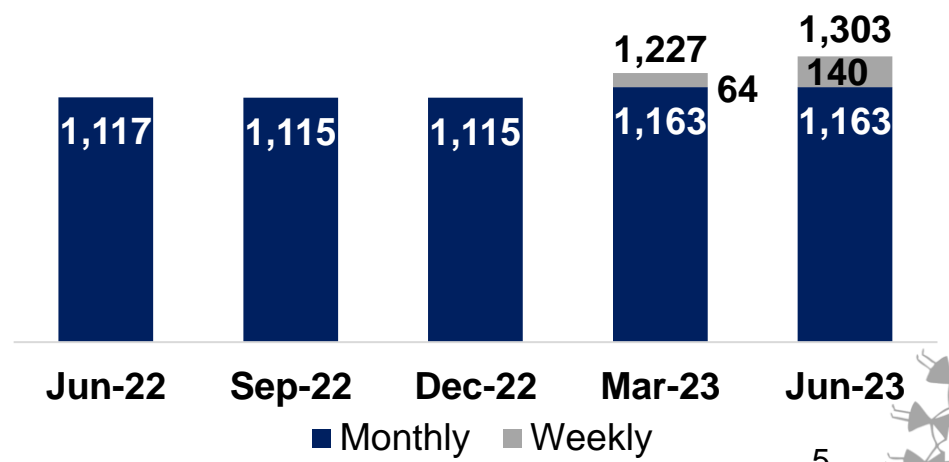
### AUM per branch



### Number of employees



### Branch count





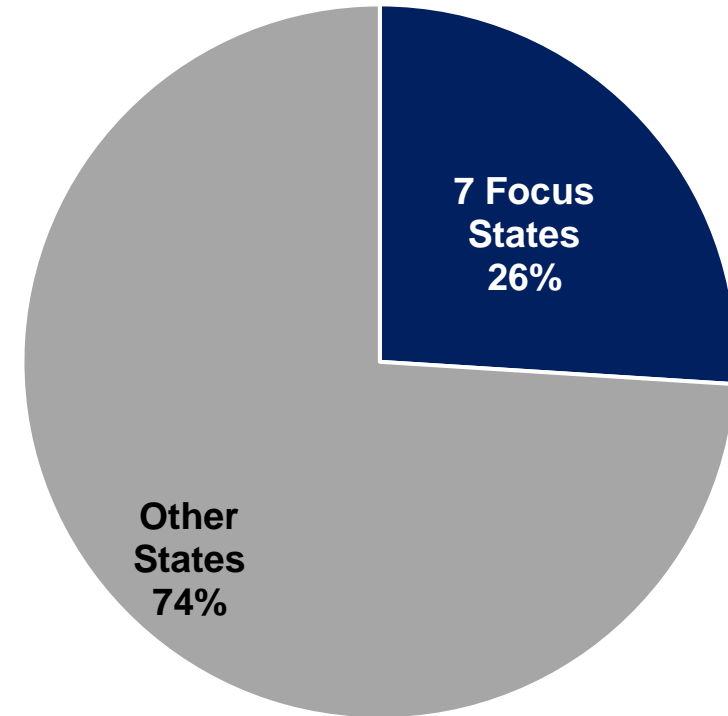
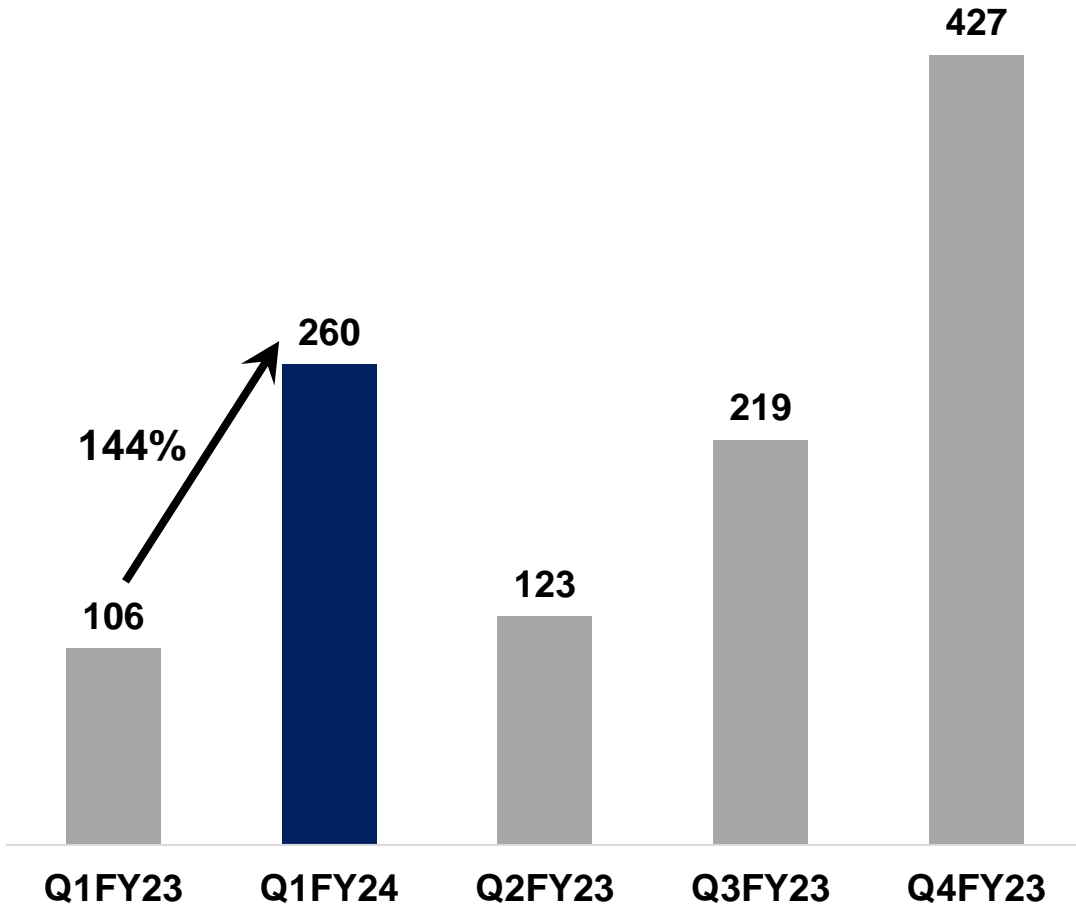
# Focus on new member acquisition sustained

144% YoY growth in borrower addition; ~26% new borrowers from 7 focus states



New Members acquired (in '000)

26% from 7 focus states



1. Rajasthan
2. Uttar Pradesh
3. Bihar
4. West Bengal
5. Haryana
6. Tamil Nadu
7. Gujarat





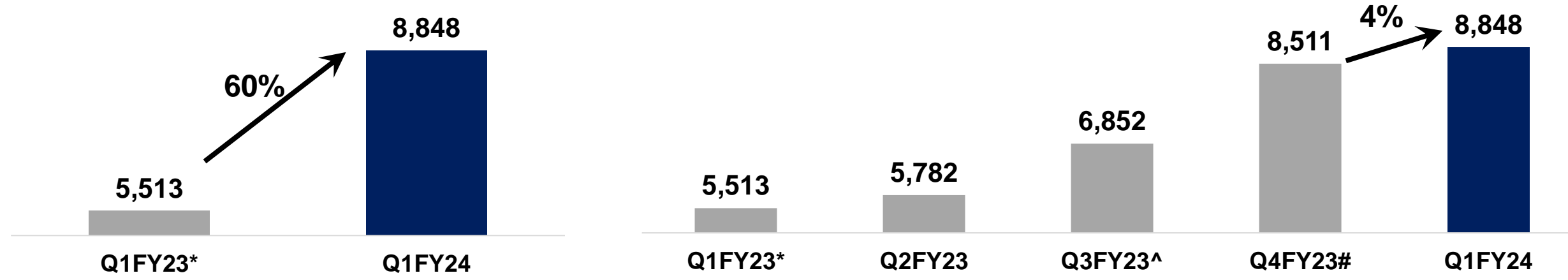
# AUM growth momentum continues

## ~60% YoY growth in AUM; 26% YoY growth in Disbursement

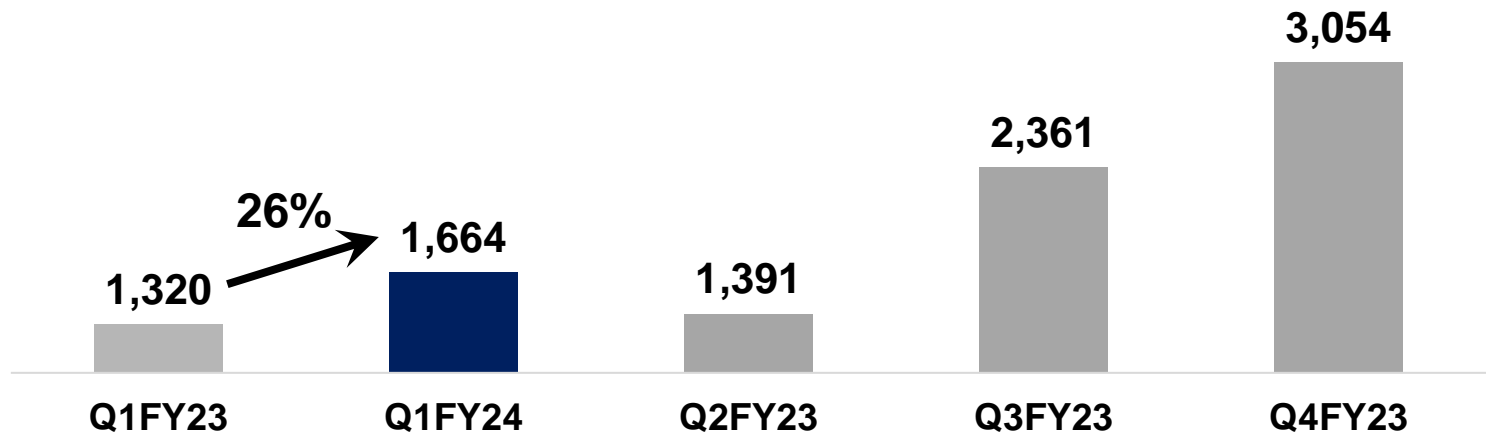


### 60% AUM Growth over last 4 Quarters

### AUM – QoQ Growth of 4%



### Disbursement (in ₹ Cr)



\*₹702 Cr written-off in Q1; ^Post Sale of ₹117 Cr portfolio to ARC; # Post sale of ₹133 Cr portfolio to ARC



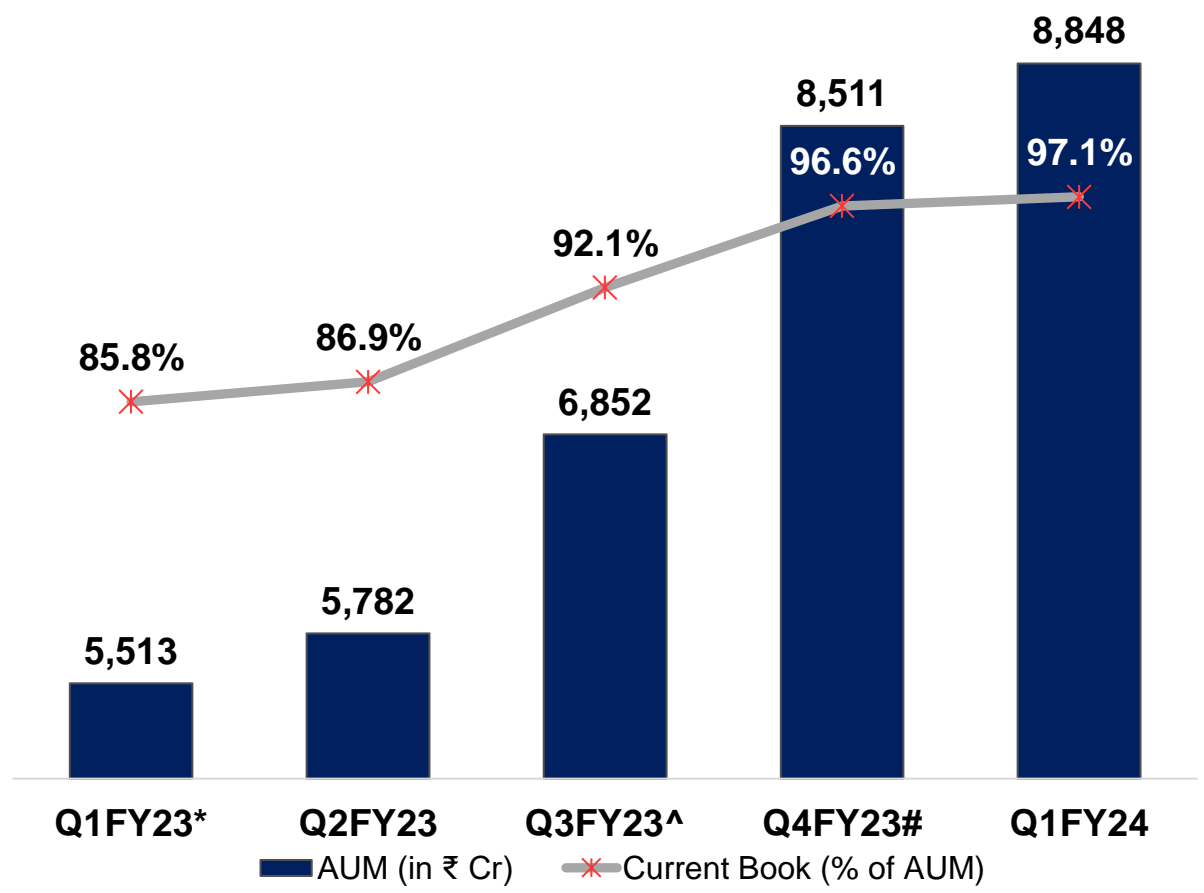
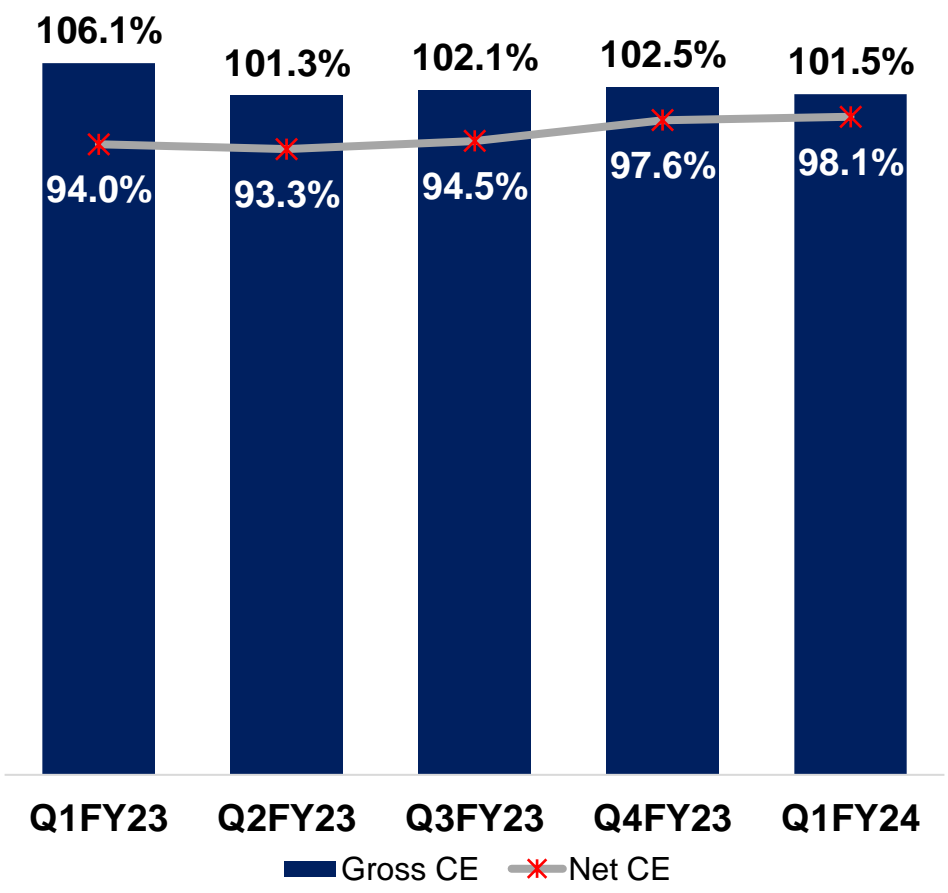




# Net Collection Efficiency improves to 98.1%, Current book at 97.1%

## Collection Efficiency (%)

## AUM & Current book



\* ₹702 Cr written-off in Q1FY23; ^ Post Sale of ₹117 Cr portfolio to ARC; # Post sale of ₹133 Cr portfolio to ARC



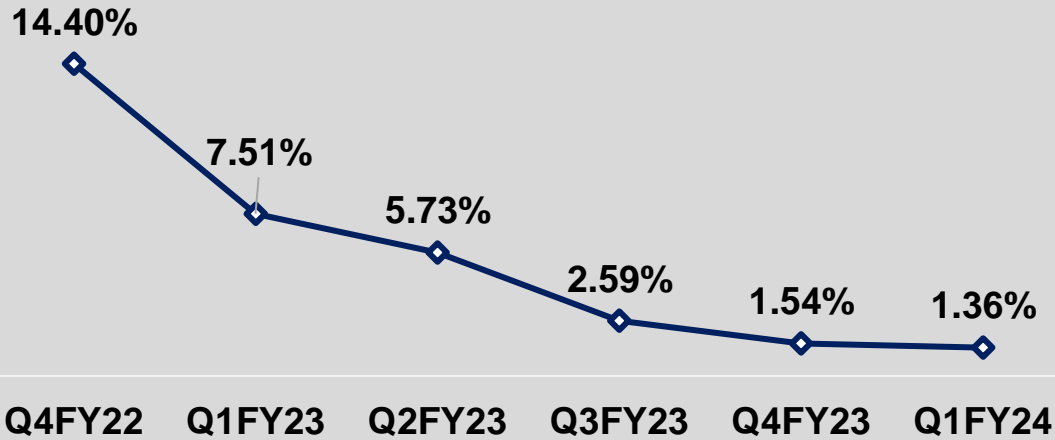


# Portfolio quality: 1-90 book at 1.36%

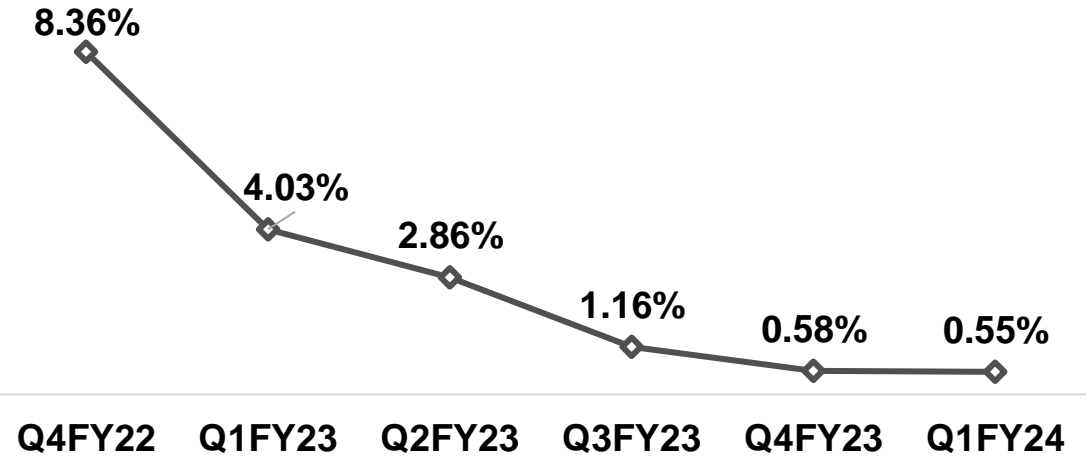
Improvement of +0.18% over previous quarter



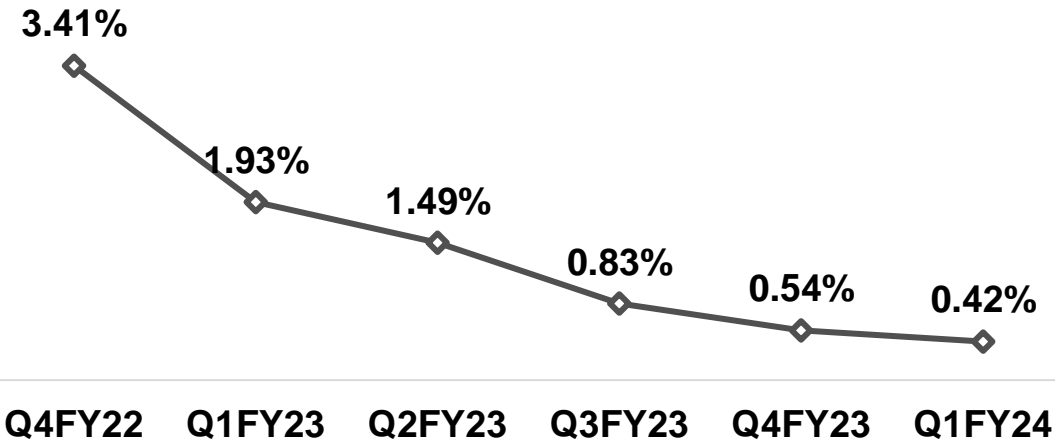
## 1 – 90 dpd



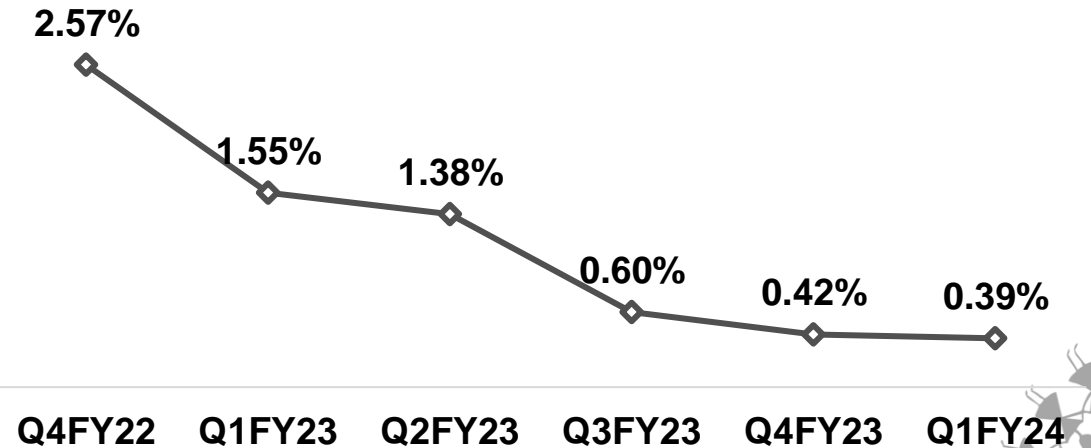
## 1 – 30 dpd



## 31 – 60 dpd

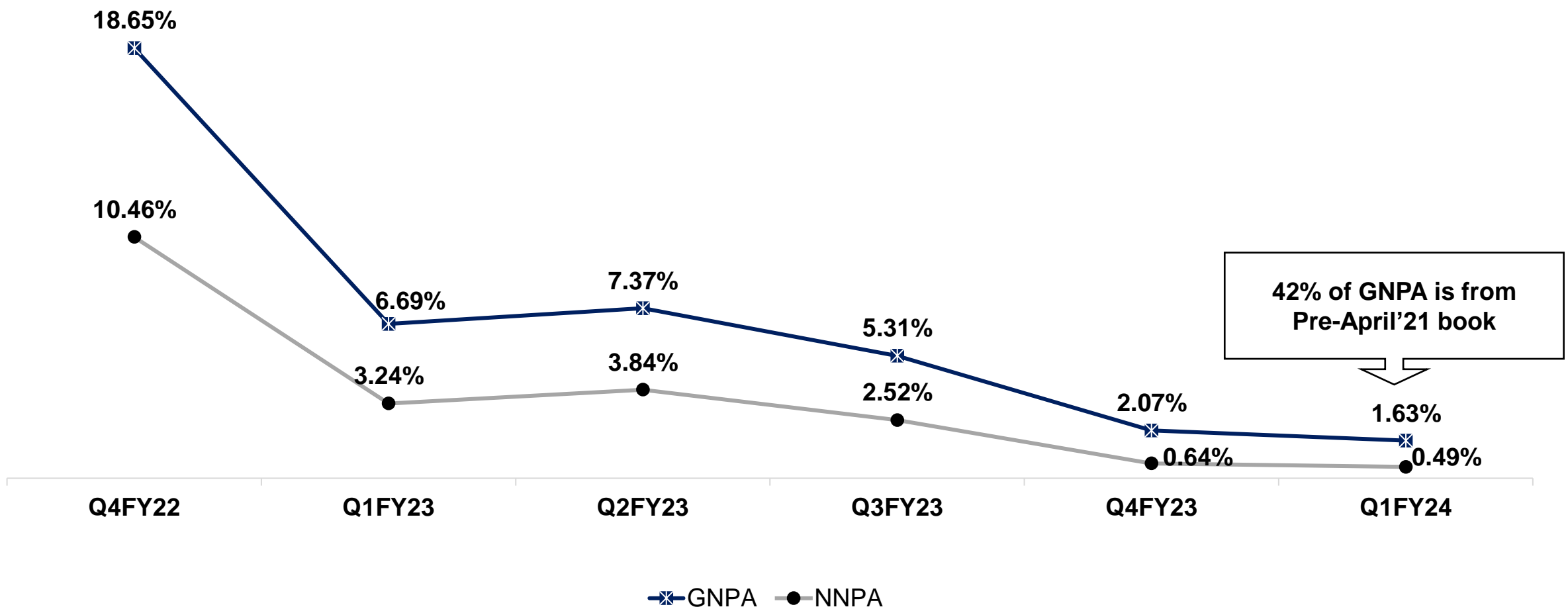


## 61 – 90 dpd





# ... accompanied by GNPA and NNPA reduction



**Flows: 0.5% of AUM has moved forward while balance has been pulled back or stayed in same bucket**





# Portfolio risk sufficiently covered with PCR at 70%



Provisioning & Coverage	Q1 FY24				Q4 FY23			
	Loans Outstanding (₹ Cr)^	% of Loans Outstanding	ECL Provision (₹ Cr)	Coverage	Loan Outstanding (₹ Cr)^	% of Loan Outstanding	ECL Provision (₹ Cr)	Coverage
<b>Stage 1</b>	<b>8,191</b>	<b>97.56%</b>	<b>85</b>	<b>1.04%</b>	<b>7,766</b>	<b>96.97%</b>	<b>90</b>	<b>1.16%</b>
Current	8,144	97.01%	84	1.03%	7720	96.39%	89	1.15%
- 1-30	46	0.55%	1	2.97%	46	0.58%	1	2.91%
<b>Stage 2</b>	<b>68</b>	<b>0.81%</b>	<b>26</b>	<b>38.59%</b>	<b>77</b>	<b>0.96%</b>	<b>30</b>	<b>38.88%</b>
<b>Stage 3</b>	<b>137</b>	<b>1.63%</b>	<b>96</b>	<b>70.10%</b>	<b>166*</b>	<b>2.07%</b>	<b>115</b>	<b>69.10%</b>
<b>Total</b>	<b>8,395</b>	<b>100%</b>	<b>207</b>	<b>2.47%</b>	<b>8,009</b>	<b>100%</b>	<b>235</b>	<b>2.93%</b>

	Q1 FY24		Q4 FY23	
	SSFL	Consolidated	SSFL	Consolidated
GNPA	1.49%	1.63%	1.95%*	2.07%
NNPA	0.45%	0.49%	0.58%	0.64%
<b>PCR</b>	<b>70.00%</b>	<b>70.10%</b>	<b>70.00%</b>	<b>69.10%</b>
Capital Adequacy (CRAR %)	38.02%	37.60%	36.87%	36.34%

Impairment on financial instruments in Q1FY24	Amount (₹ Cr)
- On write-off's	6.36
- On GNPA	(5.63)
- On stage 1, 2 & others	(6.26)
- On Security Receipts	8.12
- Amount receivable from assignment portfolio	26.00
<b>Total</b>	<b>28.58</b>

\* Post sale of ₹133 Cr portfolio to ARC in Q4FY23

^ Excludes DA book



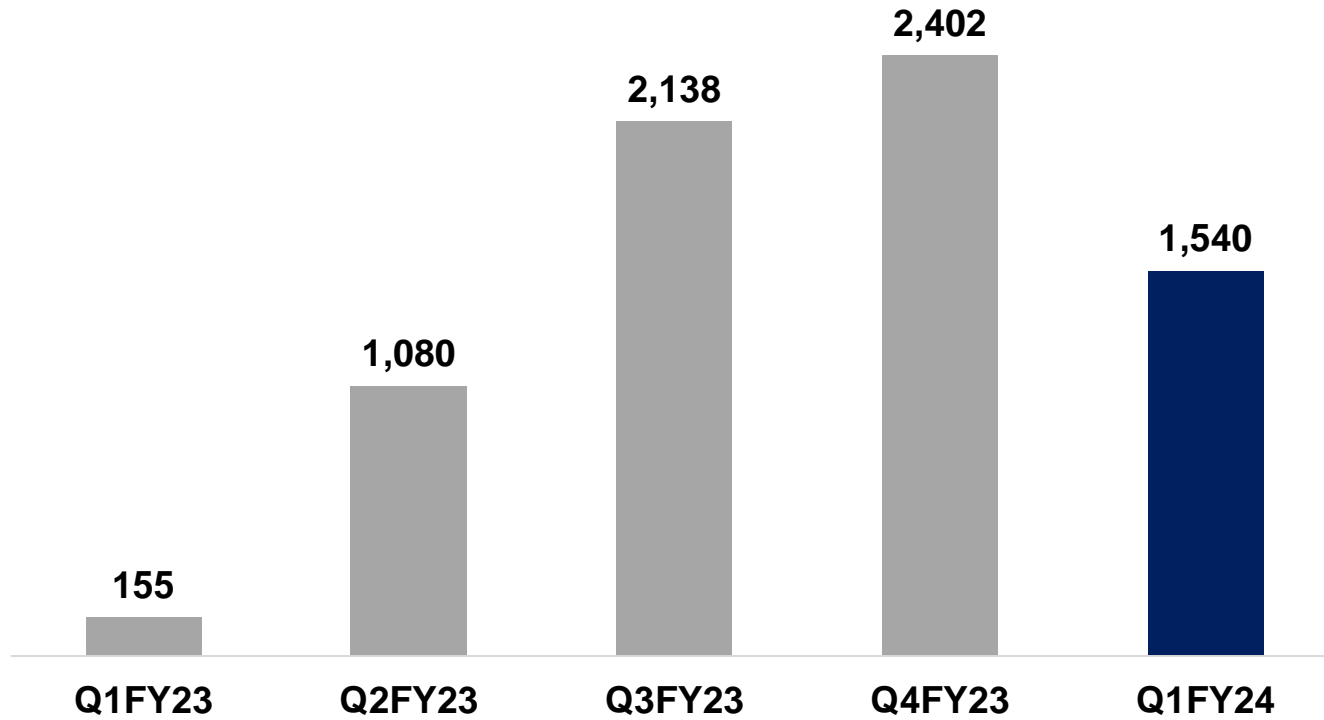


# Lender relationships being strengthened

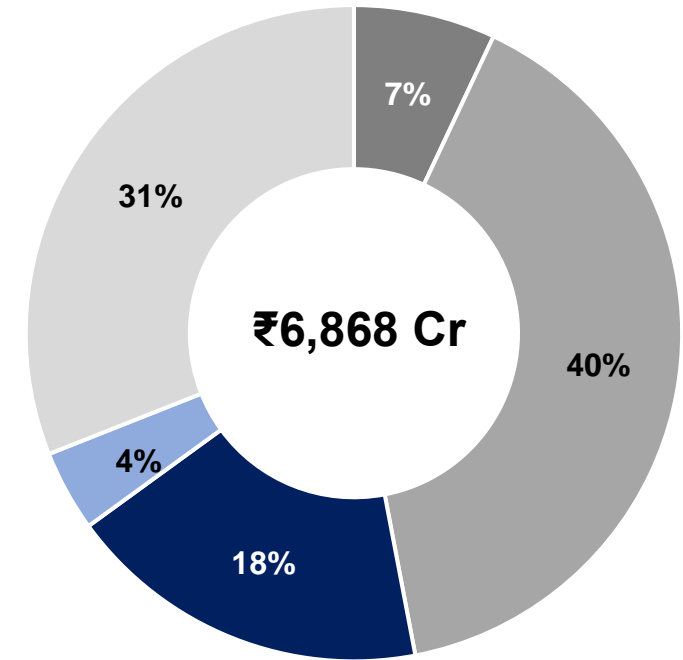
## ~894% YoY growth in fund mobilization



### Total borrowing (in ₹ Cr)



### Diversified borrowing mix^



■ PSU ■ Private Banks ■ NBFC ■ FPI ■ Capital markets

**65% borrowings from Banks / FI's**

- Marginal cost of borrowing slightly lower at 12.3% for Q1FY24 vs. 12.6% in Q4FY23
- Weighted average cost of borrowing at 12.5% vs. 12.4% end of Q4FY23

^ Including Direct Assignment transactions executed since FY23 with outstanding of ₹486 Cr as on 30-Jun-23



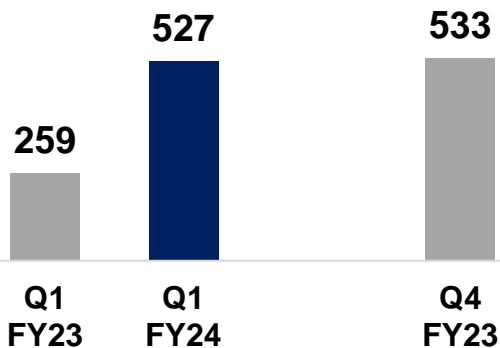
# Income and Yields continue to trend higher

## NII up 102%, Yield at 24%, PAT ₹119 Cr (-₹220 Cr in Q1 FY23)



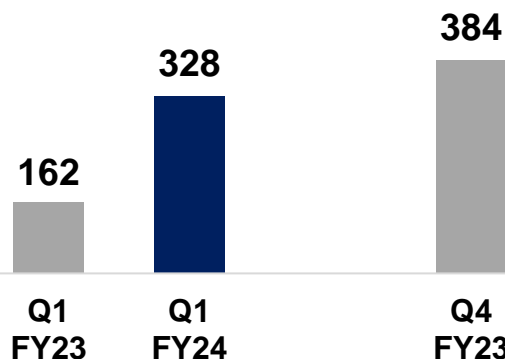
### Total Income\* (₹ Cr)

YoY +104%  
QoQ -1%



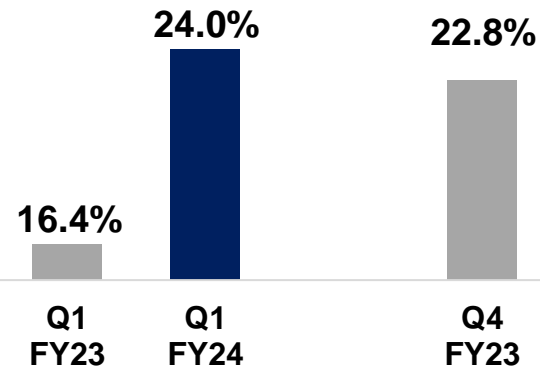
### Net Interest Income\* (₹ Cr)

YoY +102%  
QoQ -15%



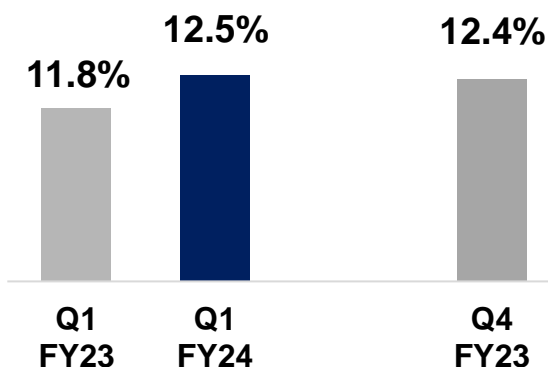
### Yield (%)

YoY +765 bps  
QoQ +120 bps



### Cost of Borrowing\* (%)

YoY +71 bps  
QoQ +9 bps



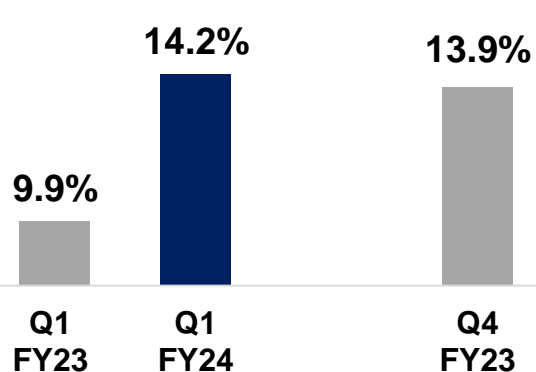
\*Includes Net gain on fair value change of ₹3 Cr toward DA transaction undertaken in Q1FY24 & ₹44 Cr in Q4FY23

₹7 Cr income on ARC transaction recognized in Q4FY23 as per IndAS. Including this, Q4 Yield is 23.2%

\*Cost of borrowing for Q4FY23 is 11.4% including expenses reversal of ₹13 Cr which were recognized upfront in previous quarter

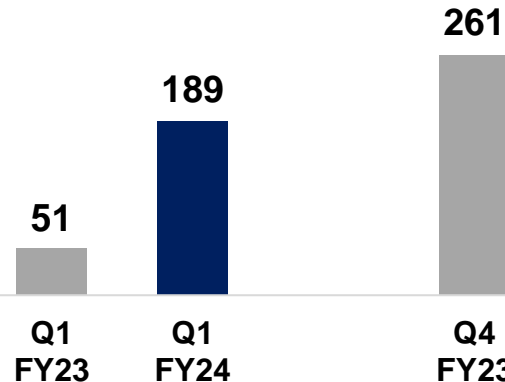
### NIM^ (%)

YoY +434 bps  
QoQ +38 bps



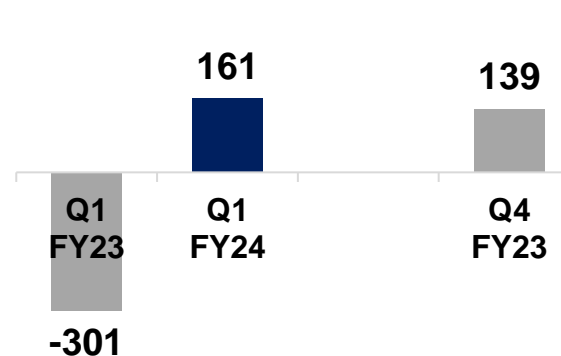
### PPOP (₹ Cr)

YoY +273%  
QoQ -27%



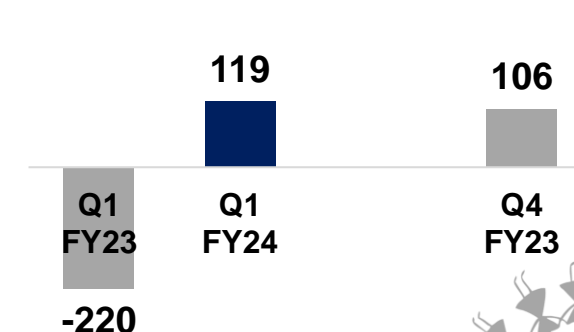
### PBT (₹ Cr)

Q1FY23 -₹301 Cr  
QoQ +16%



### PAT (₹ Cr)

Q1FY23 -₹220 Cr  
QoQ +13%



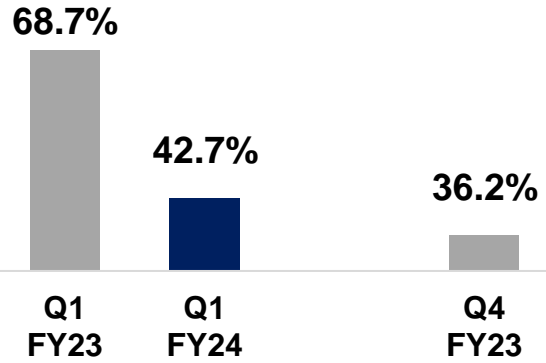
^₹7 Cr income on ARC transaction recognized in Q4FY23 as per IndAS. Including this, Yield is 23.2% in Q4. Normalized Finance cost is 9.0% for Q4, excluding ₹13 Cr upfront expenses recognized till previous quarter. Due to above, normalized NIM is 13.9% in Q4 vs. actual 15% in Q4. Higher NIM is also due to muted leverage in Q1FY24



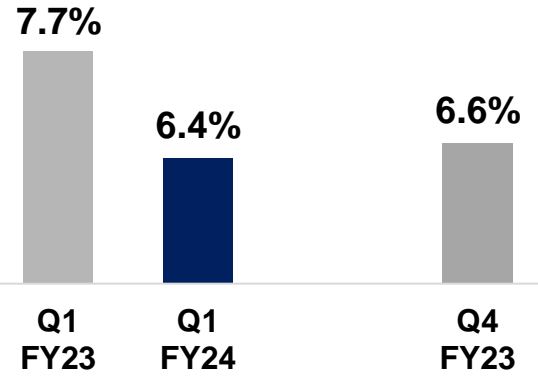
# ROA at 5.9%, Opex to AUM 6.4%; Net-worth increases to ₹3,228 Cr



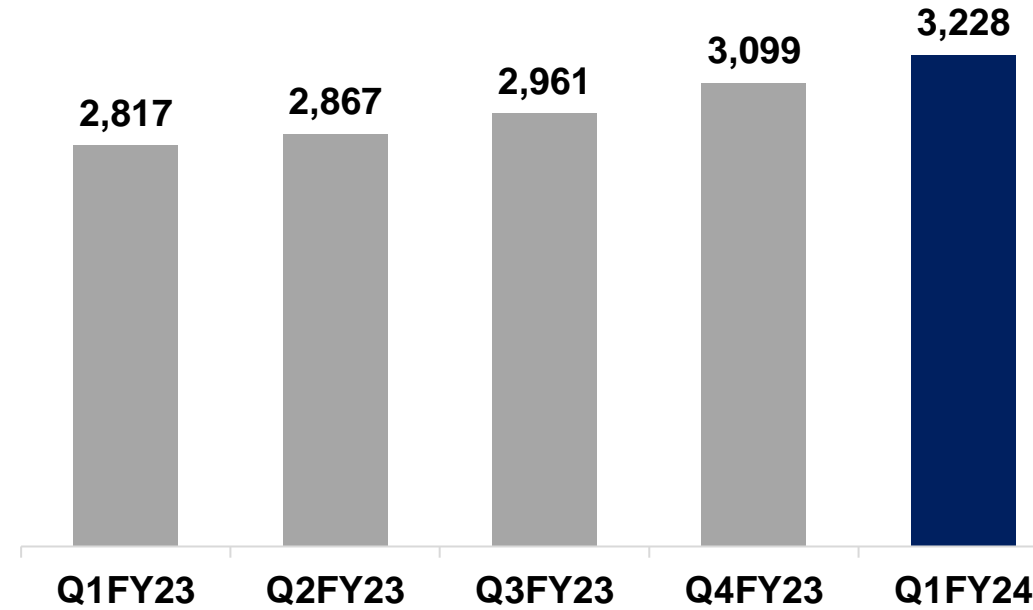
## Cost to income (%)



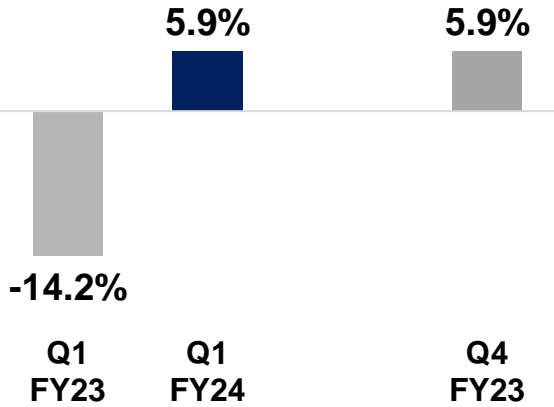
## Opex to AUM (%)



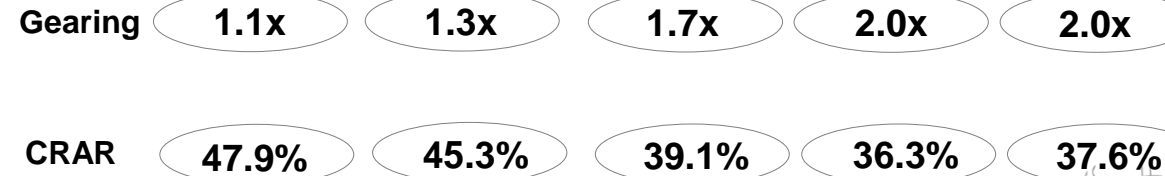
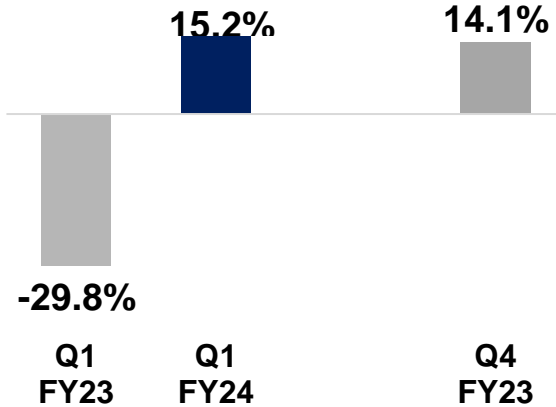
## Net-worth (₹ Cr)



## ROA (%)



## ROE (%)





# Consolidated Income Statement



Particulars (₹ Cr)	Q1 FY24	Q4 FY23	Q1 FY23
<b>Revenue from Operations</b>			
Interest income	490	419	244
Net gain on fair value changes	13	66	4
Other Income	9	13	2
<b>Total income from operations</b>	<b>512</b>	<b>498</b>	<b>250</b>
Non-operational Income	16	35	9
<b>Total income</b>	<b>527</b>	<b>533</b>	<b>259</b>
<b>Expenses</b>			
Finance cost	200	149	97
Employee benefit expense	103	85	79
Depreciation and amortization expense	3	4	2
Other expenses	32	34	30
<b>Total Expenses</b>	<b>338</b>	<b>272</b>	<b>208</b>
<b>Pre-Provision Operating Profit (PPOP)</b>	<b>189</b>	<b>261</b>	<b>51</b>
Impairment on financial instruments and other provisions	29	122	352
<b>Profit before Tax</b>	<b>161</b>	<b>139</b>	<b>(301)</b>
Tax expense	41	33	(81)
<b>Profit after tax</b>	<b>119</b>	<b>106</b>	<b>(220)</b>





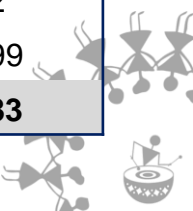


# Consolidated Balance Sheet



ASSETS (₹ Cr)	Jun 30, 2023	Mar 31, 2023
<b>Financial Assets</b>		
Cash and bank balances	1,056	1,005
Loan Portfolio	8,203	7,760
Investments	166	189
Other financial assets	78	122
<b>Total Financial Assets</b>	<b>9,504</b>	<b>9,076</b>
<b>Non-Financial Assets</b>		
Inventories	-	1
Current tax assets (net)	61	40
Deferred tax assets (net)	159	197
Property, Plant and Equipment	26	25
Intangible assets	5	5
Goodwill	17	17
Other non-financial assets	15	22
<b>Total Non-financial assets</b>	<b>283</b>	<b>307</b>
<b>Total Assets</b>	<b>9,787</b>	<b>9,383</b>

LIABILITIES & EQUITY (₹ Cr)	Jun 30, 2023	Mar 31, 2023
<b>Financial Liabilities</b>		
Debt Securities	3,574	3,369
Borrowings (Other than Debt Securities)	2,788	2,685
Subordinated Liabilities	20	20
Other Financial liabilities	122	155
<b>Total Financial Liabilities</b>	<b>6,504</b>	<b>6,230</b>
<b>Non-Financial Liabilities</b>		
Current Tax Liabilities (net)	4	4
Provisions	14	6
Other Non-Financial liabilities	36	43
<b>Total Non-Financial Liabilities</b>	<b>54</b>	<b>54</b>
<b>Equity</b>		
Equity Share Capital	71	71
Other Equity	3,157	3,028
<b>Equity attributable to shareholders of the company</b>	<b>3,228</b>	<b>3,099</b>
Non-Controlling Interest	0.2	0.2
<b>Total Equity</b>	<b>3,228</b>	<b>3,099</b>
<b>Total Liabilities and Equity</b>	<b>9,787</b>	<b>9,383</b>





***Annexure***

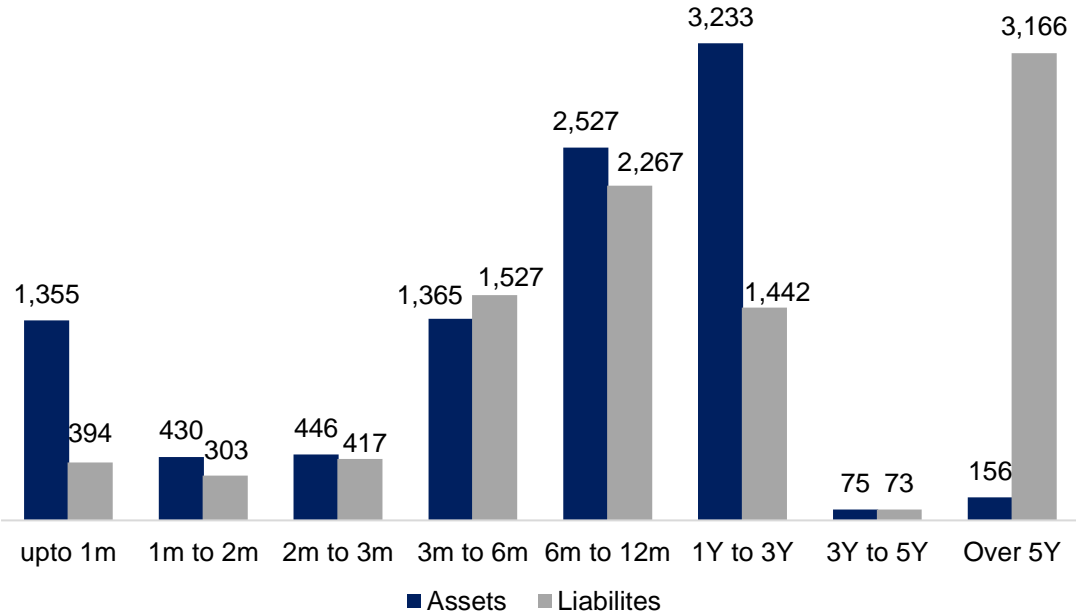




# Positive ALM and Stable Ratings



## Positive ALM (₹ Cr)\*



- Positive ALM on cumulative basis with assets maturing faster than liabilities
- Closing Cash and Bank balance (Rs. 1,055 Cr as on 30 Jun'23), sufficient to meet future liquidity needs.

## Credit Rating – Spandana Sphoorty Financial Ltd

Rating Agency	Rating Instrument	Rating	Year
ICRA	Bank Facilities / NCD's / MLD's	A- Positive	Mar 2023
India-Ra	Bank Facilities / NCD's/ MLD's CPs	A Stable A1	Jan 2023
CRISIL	Bank Facilities	A Stable	Sep 2022

## Credit Rating – Criss Financial Ltd

Rating Agency	Rating Instrument	Rating	Year
ICRA	Bank Facilities / MLD's	BBB Positive	Mar 2023
India-Ra	Bank Facilities	BBB+ Stable	Mar 2023

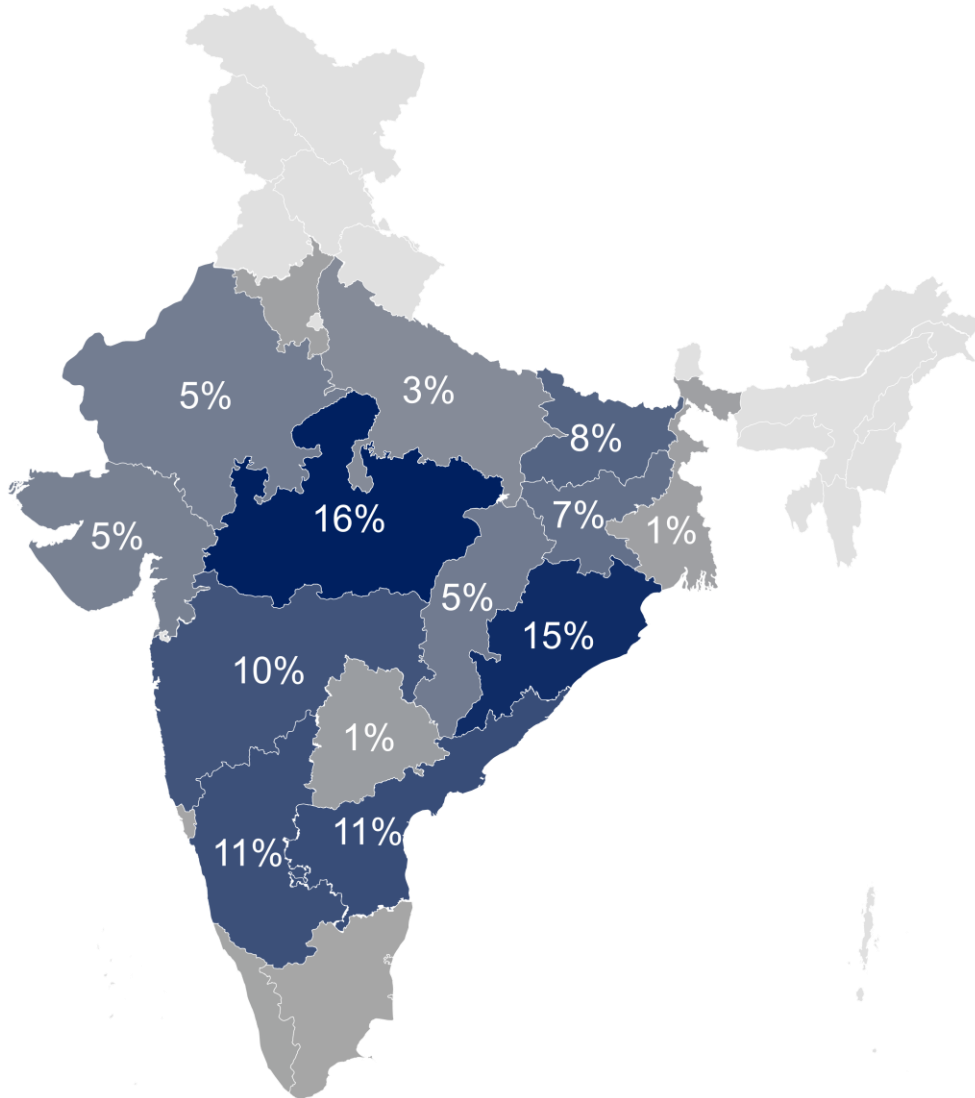




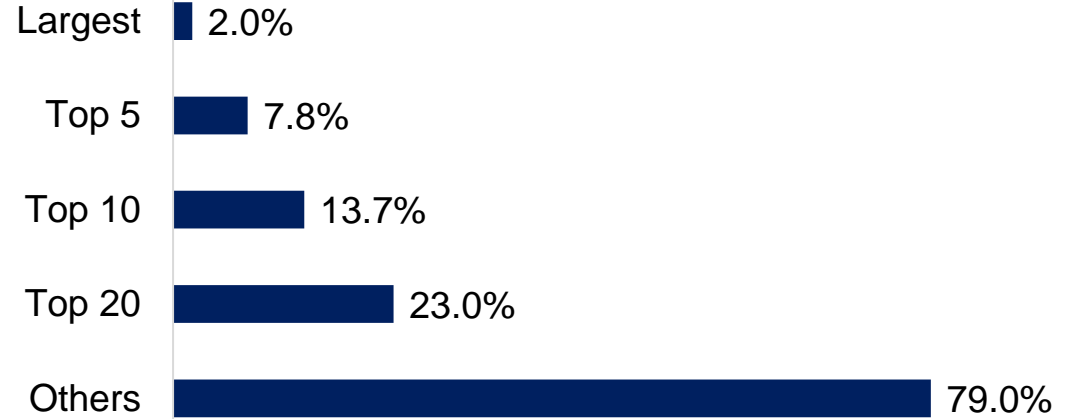
# Well diversified presence



## AUM concentration\*



## District level concentration



## Branch level concentration



\* Standalone





***Thank you!***

**SPANDANA**  
Spandana Sphoorty Financial Limited

**Investor Relations**

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