



Ref: SSFL/Stock Exchange/2024-25/134

January 23, 2025

To
BSE Limited,
Department of Corporate Services
P. J. Towers, 25th Floor,
Dalal Street,
Mumbai - 400001

To
National Stock Exchange of India Limited,
Listing Department
Exchange Plaza, C-1, Block G
Bandra Kurla Complex, Bandra (E)
Mumbai - 400051

Scrip Code: 542759

Symbol: SPANDANA

Dear Sir/Madam,

Sub: Investor presentation on the unaudited financial results of the Company for the quarter and nine months ended December 31, 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 and nine months ended December 31, 2024.

Kindly take the same on record.

Thanking you.

Yours sincerely,
For Spandana Sphoorty Financial Limited

Vinay Prakash Tripathi
Company Secretary

Encl: as above

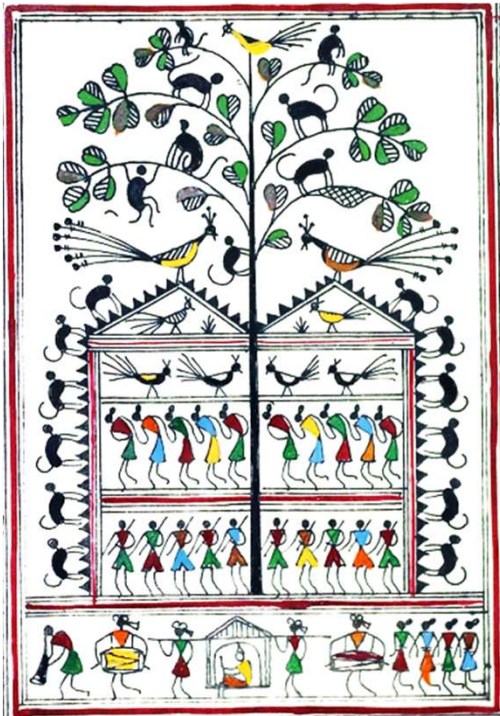
Spandana Sphoorty Financial Limited

CIN - L65929TG2003PLC040648

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TSIC, Raidurg Panmaktha, Hyderabad - 500081, Telangana

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Saura Art



SPANDANA
Spandana Sphoorty Financial Limited

Q3 FY25 Investor Presentation

Safe Harbor



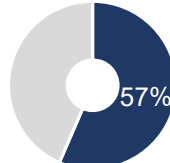
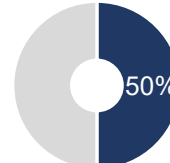
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Spandana 2.0 started with a set of objectives

	Key levers	March 2022	December 2024	Achievement
1	Reduce geographic concentration in top 4 states by expanding in North	~57% AUM contribution of top 4 states 	~50% AUM contribution of top 4 states 	✓
2	Weekly Collection model	0% Weekly AUM Share (%) Only monthly branches	14% Weekly AUM Share (%) Project Parivartan (covering ~55% monthly branches) experienced implementation challenges.	⏸
3	Muted ticket sizes	Maximum of ₹80,000	Maximum of ₹80,000	✓
4	Shorter tenures	24 months	12 / 18 / 24 months	✓
5	Customer acquisition led growth	Added 8.9L borrowers in FY23, 13.9L borrowers in FY24	Added 3.3L borrowers in 9MFY25 Customer addition slowed because of industry challenges	✓



In the interim – Industry experienced challenges

Factor		Issues	Spandana's Q3FY25 experience		
Attrition		Industry wide attrition*, especially among Loan Officers (~71%) and Branch managers (~36%), continues to remain high.	People focused initiatives taken in light of attrition. Slight improvement visible in Q3FY25		
Increasing borrower leverage		Lender overlap			
		(in %)	Before disbursement#	October 2024 ^	Latest data ^
		Only Spandana	35.8%	29.0%	25.4%
		Spandana + 1	28.5%	24.6%	24.6%
		Spandana + 2	19.7%	19.5%	20.2%
		Spandana + 3	10.3%	13.1%	14.0%
Spandana + ≥4	5.6%	13.8%	15.8%		
Total	100%	100%	100%		
Borrower discipline		Dilution of JLG model post Covid is taking longer to turn around. Door-knock for collections as center meeting attendance is low.	<ol style="list-style-type: none"> Conservative stance taken on credit - <ul style="list-style-type: none"> Paused New-to-credit customer acquisition No new loans to borrowers with 30+ dpd Guardrails 2.0 to bring in necessary checks and control borrower leveraging 		
External influence		External influence, disturbances and localized debt waiver movements			

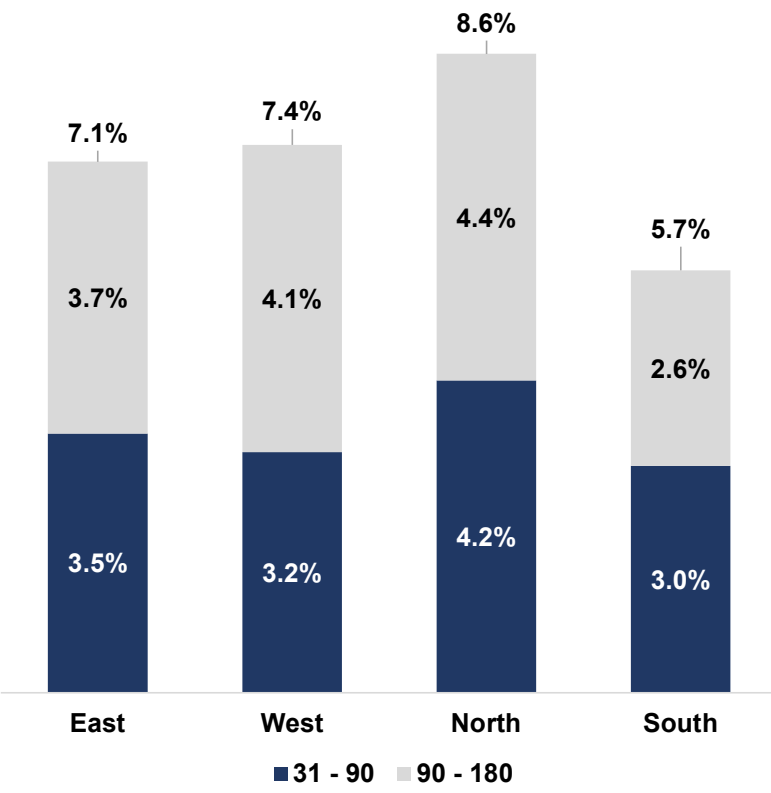
* Source: MFIN Micrometer

Based on Credit Bureau reports generated at the time of disbursement of entire borrower base ^ Based on latest Credit Bureau data as of October 2024 and January 2025

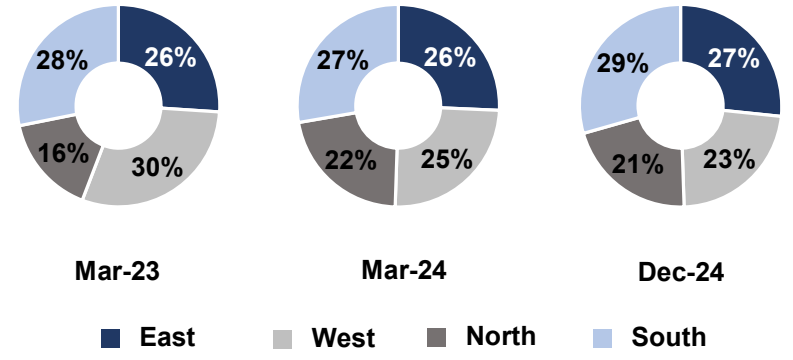


While Spandana addressed concentration risk by increasing its presence in North - Industry challenges are more pronounced in this geography

Industry 31 – 180 book*



Spandana's region wise AUM share (%)

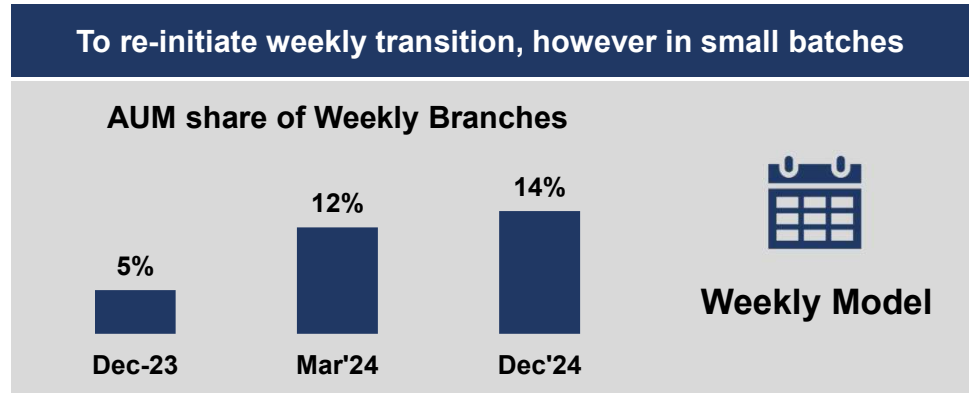
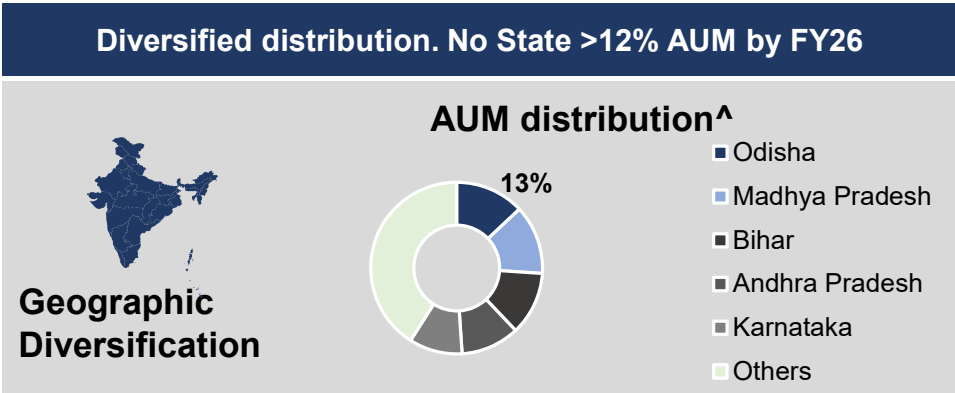
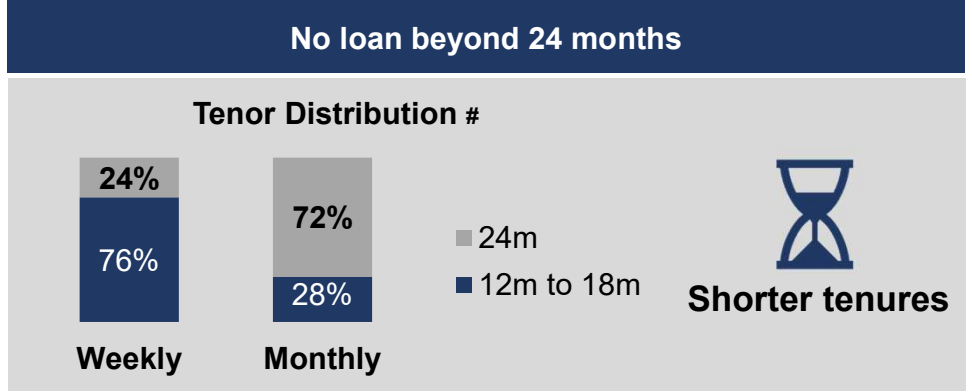
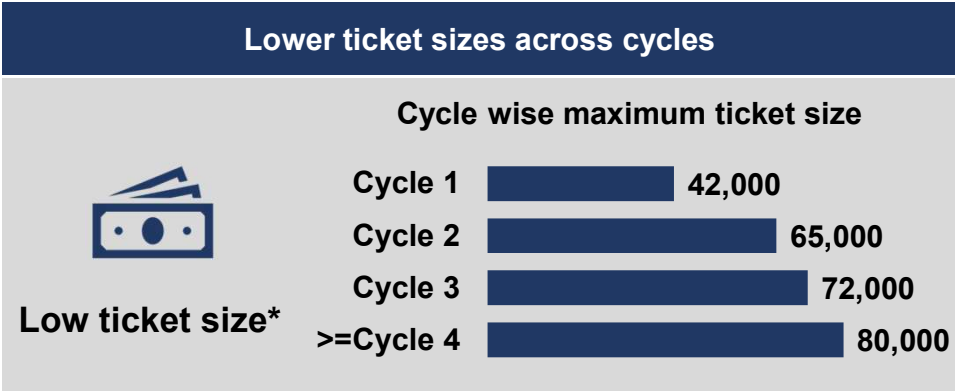


- 51% of new branches opened in FY23 & FY24 were in North India.
- Industry data suggests that Rajasthan, Uttar Pradesh and Bihar have seen rapid asset quality deterioration in the last few months

*Source: CRIF Highmark; The representation is % of 0 – 180 dpd industry book for December 2024;



Spandana 2.0 - will continue the prudent approach on lending



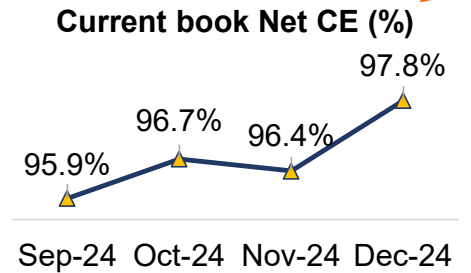
* Average ticket size for Q3FY25 was about ₹46,500
 ^ Standalone
 # Q3FY25 disbursement

December 2024 - green shoots visible on improvement in collection efficiency



Current book Net Collection Efficiency

Signs of trend reversal seen in current book Net Collection efficiency



Branch staff attrition

People focused initiative have helped reduce annualized attrition of Branch Manager to ~33% in Q3FY25.



Controls at branches

75% branches staffed with control function. Strong traction seen in basic branch process hygiene like center meeting monitoring, checks of CGT photos, calls to customers who missed due date payment etc.,



Reviving center meeting attendance

Center meeting attendance, a leading indicator of customer engagement, is seeing some revival

Strengthening the business fundamentals

1

Recovery

- Good traction on recovery from GNPA/write off bucket. Q3 equal to H1 of FY25. Expecting significant recoveries in next 3-4 quarters
- 600 Customer Retention Associate deployed for recovery from GNPA and written-off portfolio. Team size to be increased to 1000 by March 2025
- Field team supported by tele-calling agents and data analytics

2

Collection Efficiency

- Borrower-to-LO span reduced from 315 to 249. Field team to have more time for pursuing Portfolio Quality
- Focus on driving center meeting regimen
- Continuous customer engagement to build credit discipline

3

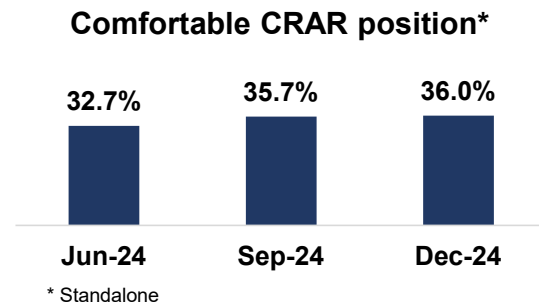
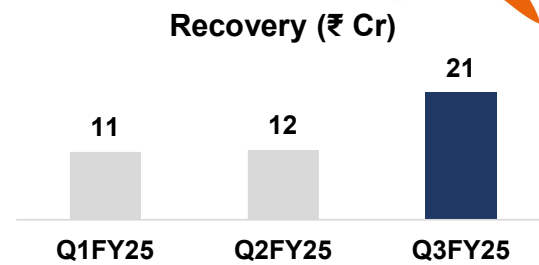
Disbursement

- Focus on serving existing borrowers
- Cautious disbursement stance to continue in Q4FY25
- Credit criteria tightened for existing and new customers

4

Equity raise of upto ₹750 Cr

- Comfortable liquidity; ~17% assets held as cash and equivalents
- To raise confidence capital of upto ₹750 Cr to fund future growth
- Funds to be raised at an appropriate time considering market conditions





Q3FY25 & 9MFY25 Results

External challenges continue to impact operations

AUM declined by 14% YoY. Deliberate disbursement slowdown to drive portfolio quality & center discipline

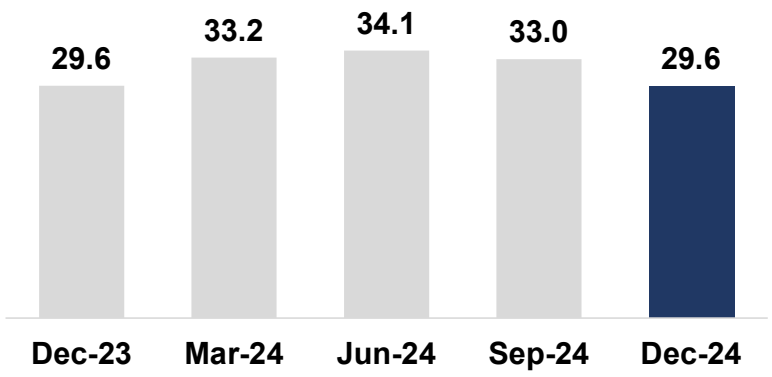


	Q3 FY25	Q3 FY24	YoY (%)	Q2 FY25	QoQ (%)	9MFY25	9MFY24	YoY (%)
Disbursement (₹ Cr)	1,443	2,543	(43)%	1,514	(5)%	5,240	6,719	(22)%
AUM (₹ Cr)	8,936	10,404	(14)%	10,537	(15)%	8,936	10,404	(14)%
Funds raised (₹ Cr)	872	2,279	(62)%	1,584	(45)%	4,010	7,013	(43)%
Income (₹ Cr)	573	657	(13)%	707	(19)%	2,016	1,824	11%
Net Interest Income (₹ Cr)	265	309	(14)%	341	(22)%	1,031	911	13%
PPOP (₹ Cr)	78	240	(67)%	228	(66)%	593	687	(14)%
Impairment (₹ Cr)	666	70	850%	516	29%	1,394	189	639%
PAT (₹ Cr)	(440)	127	(568)	(216)	(224)	(601)	372	(973)
GNPA	4.85%	1.61%	+324 bps	4.86%	(2) bps	4.85%	1.61%	+324 bps
NNPA	0.98%	0.48%	+51 bps	0.99%	(-) bps	0.98%	0.48%	+51 bps

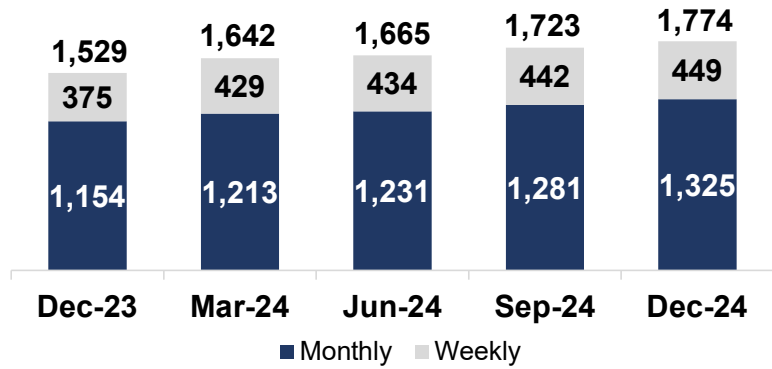


Weekly branches account for ~19% of Q3FY25 disbursement

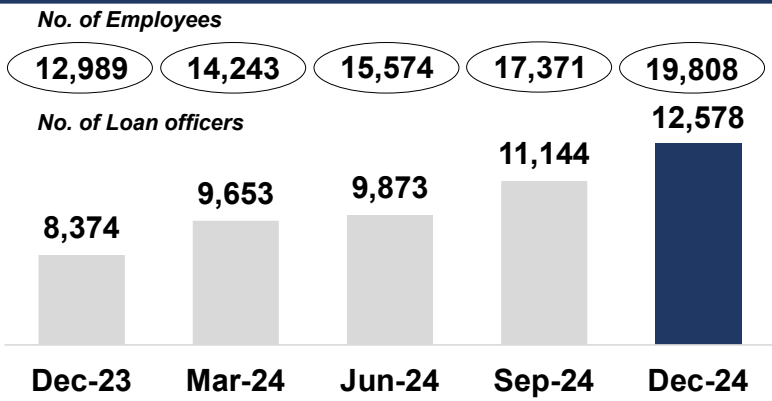
No. of customers (in L)



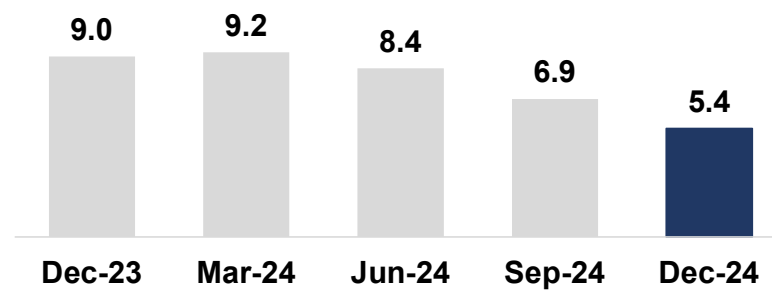
Branch count



Number of employees



AUM per branch^ (₹ Cr)

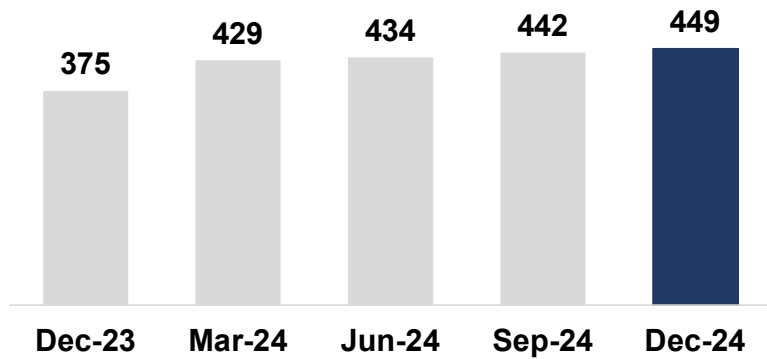


^AUM for branches with tenure >1 year which includes 477 branches opened between January 2023 and December 2023

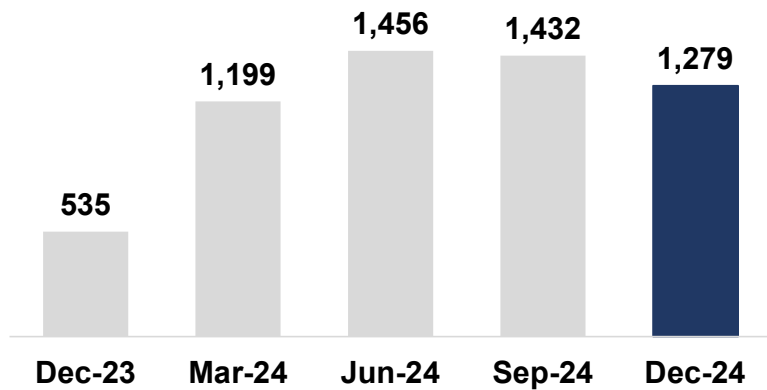


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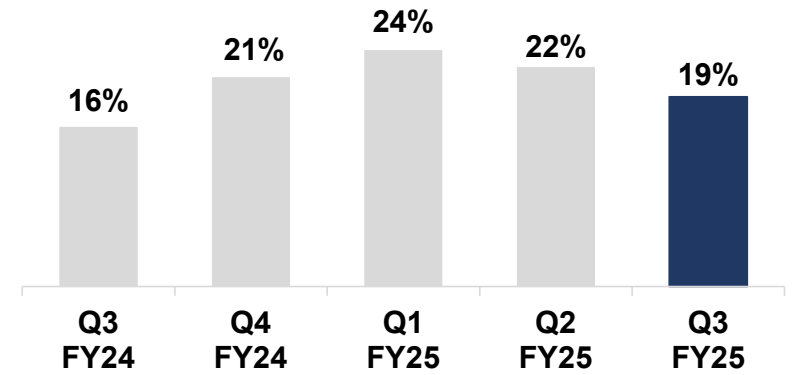
Weekly Branch count



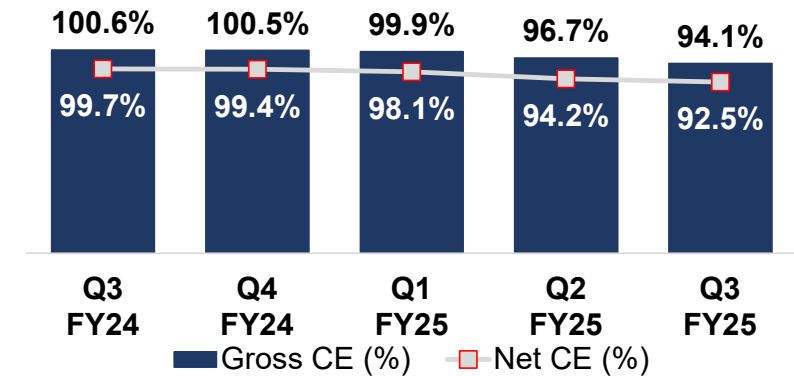
Weekly branches AUM (₹ Cr)



Weekly branch Disbursement share (%)



Weekly branches Net Collection Efficiency (%)



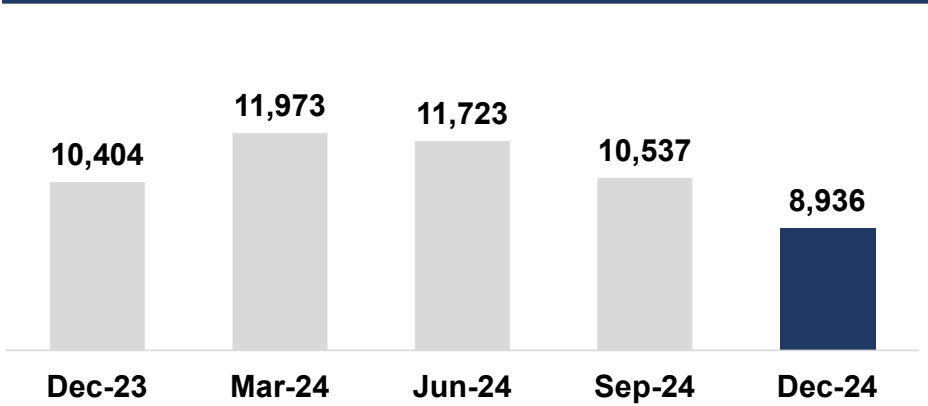
■ Gross CE (%) □ Net CE (%)



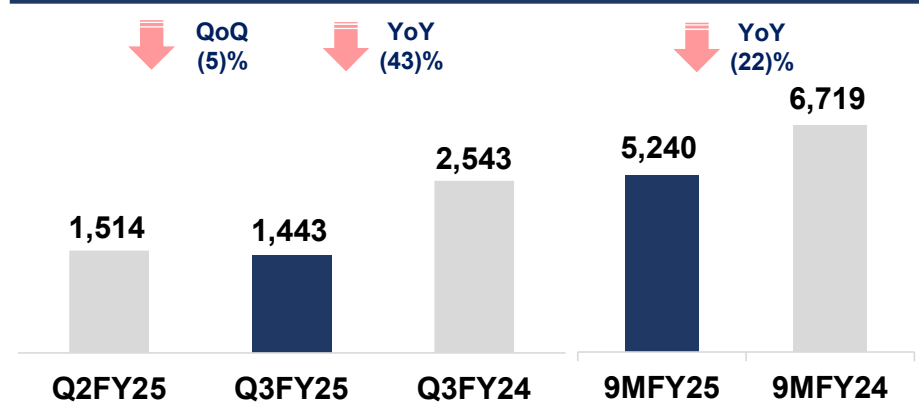
AUM at ₹8,936 Cr

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

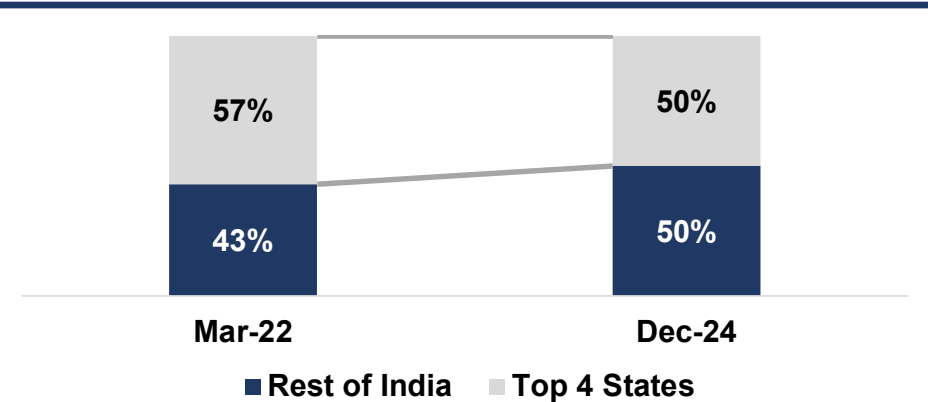
AUM (₹ Cr)



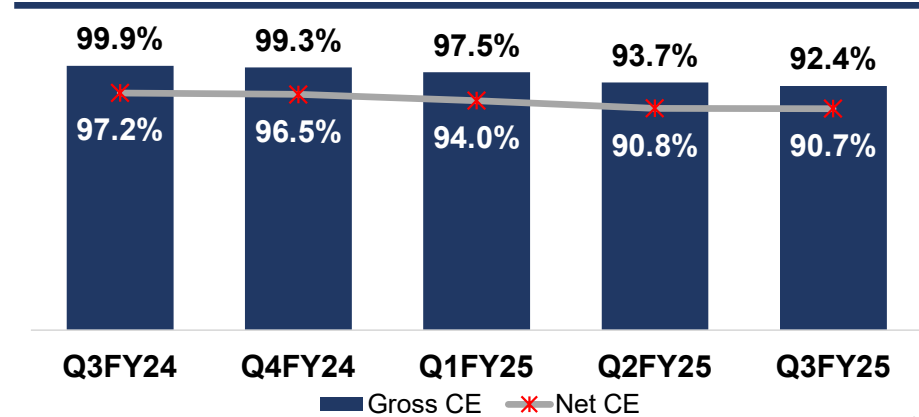
Disbursement (₹ Cr)



AUM Concentration of top 4 states at ~50%



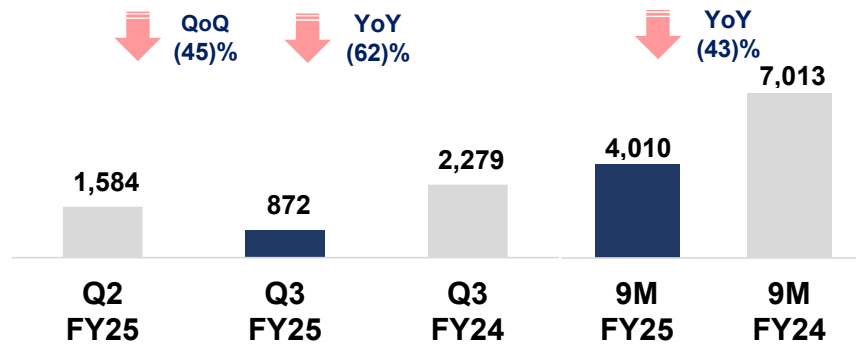
Collection Efficiency (%)



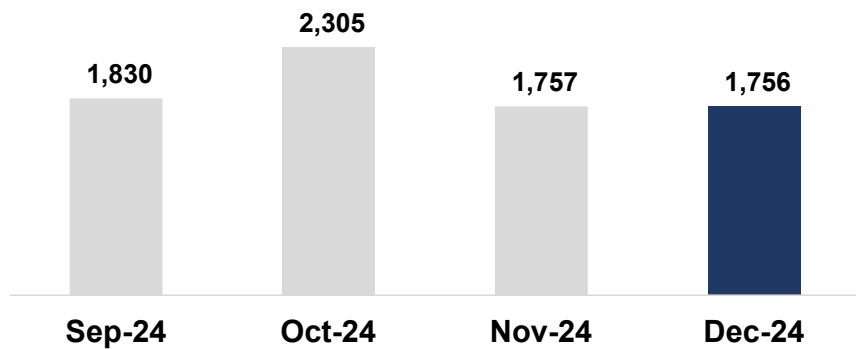


Comfortable liquidity maintained

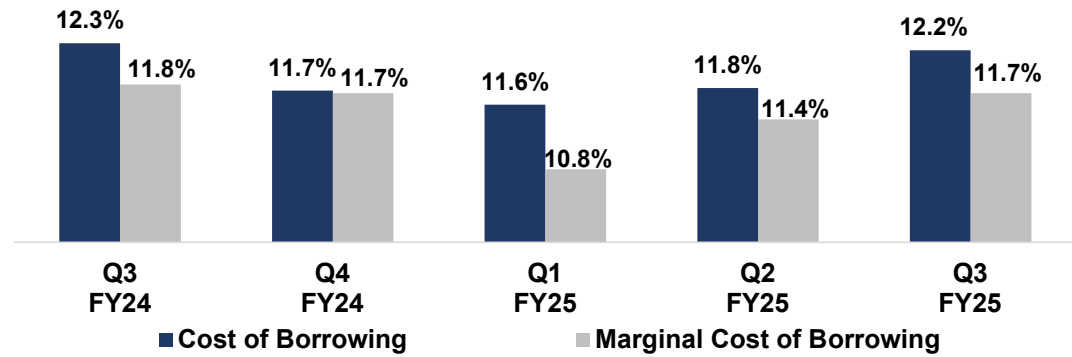
Incremental borrowing (in ₹ Cr)



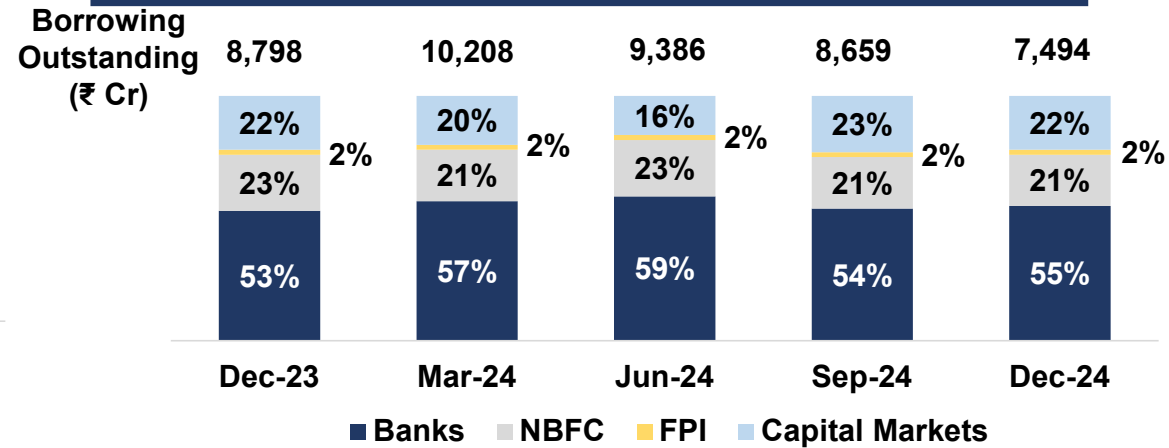
Cash and bank balance (in ₹ Cr)



Cost of borrowing



Diversified borrowing mix



PCR maintained at 80%

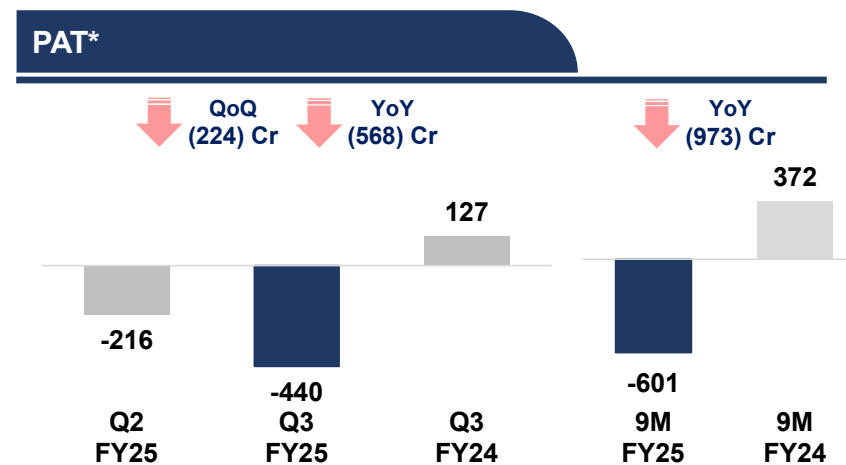
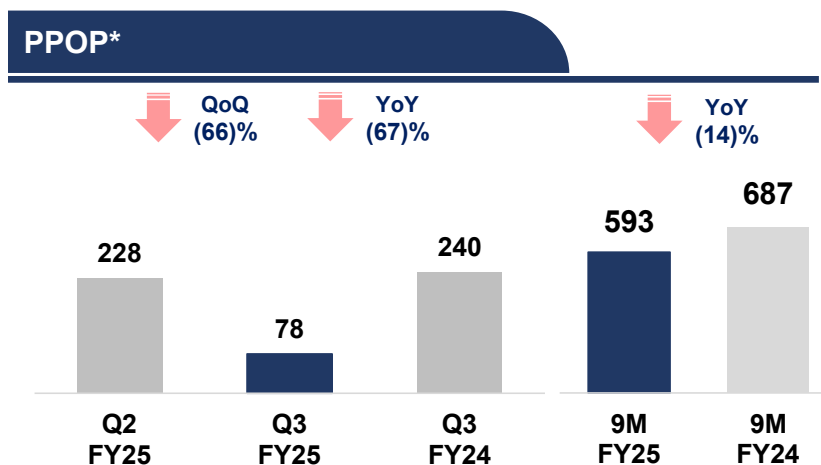
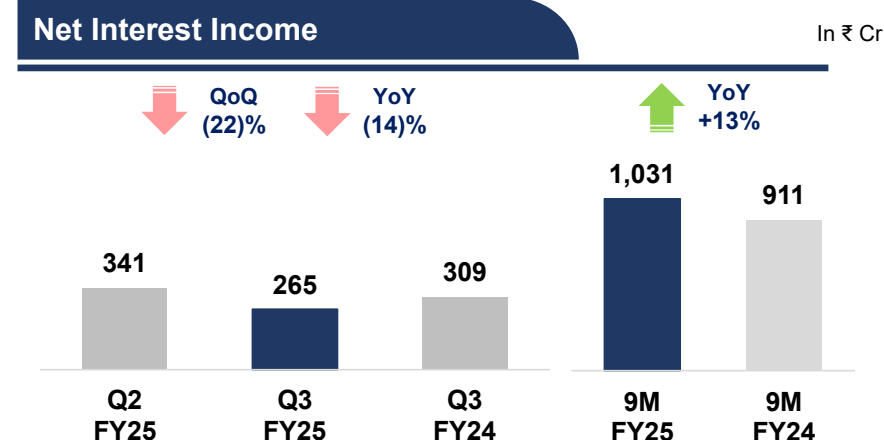
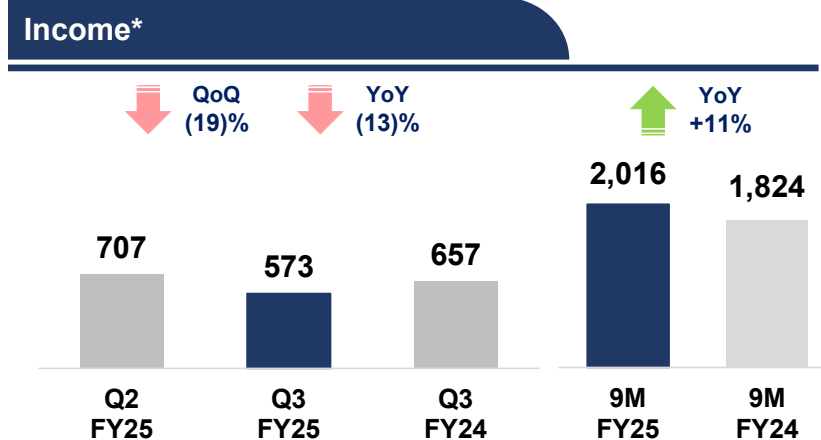


Asset Classification	31-Dec-24				30-Sep-24			
	Loans Outstanding (₹ Cr)	% of Loans Outstanding	ECL Provision (₹ Cr)	Coverage	Loans Outstanding (₹ Cr)	% of Loans Outstanding	ECL Provision (₹ Cr)	Coverage
Stage 1	7,225	87.51%	92	1.27%	8,730	88.98%	78	0.89%
Stage 2	631	7.65%	290	46.01%	604	6.16%	281	46.45%
31 - 60	389	4.71%	173	44.44%	355	3.62%	159	44.88%
61 - 90	243	2.94%	118	48.53%	249	2.54%	121	48.68%
Stage 3	400	4.85%	319	79.68%	477	4.86%	380	79.66%
Total	8,256	100%	701	8.50%	9,812	100%	739	7.53%

	31-Dec-24		30-Sep-24	
	SSFL	Consolidated	SSFL	Consolidated
GNPA	4.85%	4.85%	4.88%	4.86%
NNPA	0.96%	0.98%	0.97%	0.99%
PCR	80.16%	79.68%	80.05%	79.66%

Impairment on financial instruments	Amount (₹ Cr)	
	Q3FY25	Q2FY25
- On technical write-off's	677.97	262.64
- On GNPA	(61.40)	147.29
- On stage 1, 2 & others	49.50	106.49
Total	666.07	516.41

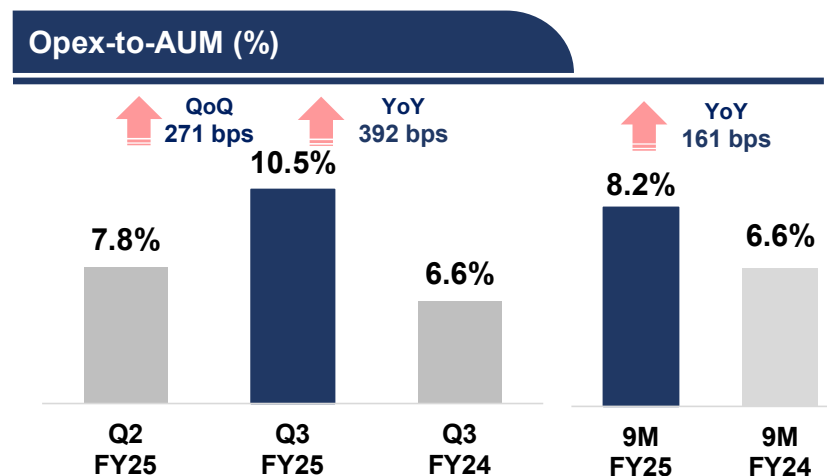
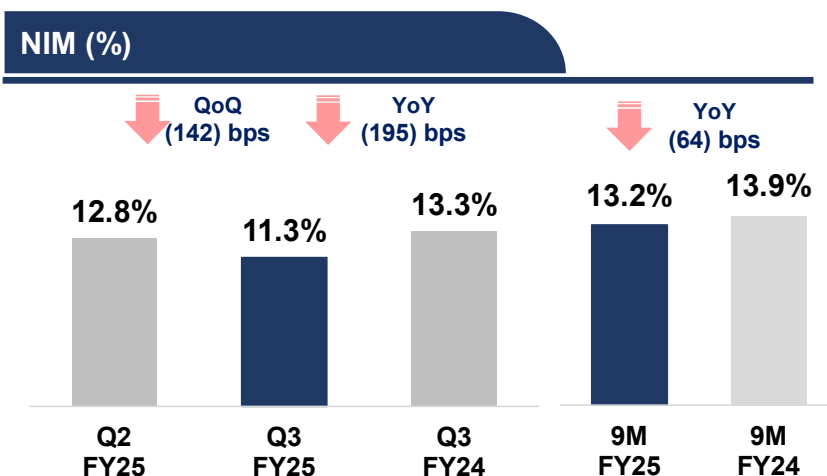
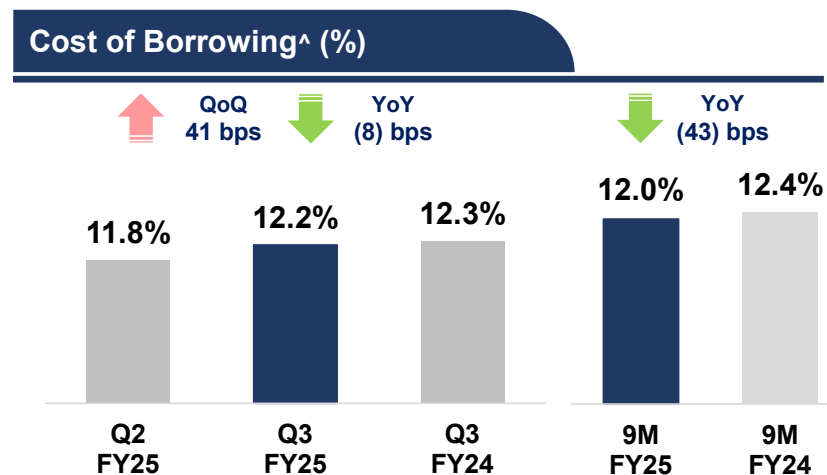
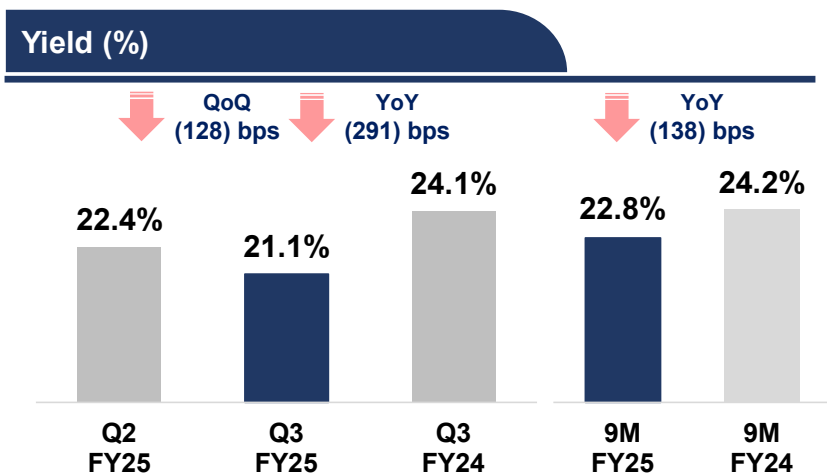
Q3FY25 PPOP at ₹78 Cr impacted by lower AUM (deliberate slowing down the disbursement), higher opex & reversals



*Includes Net gain on fair value change of ₹ 3 Cr toward DA transaction undertaken in Q3FY25 vs. ₹20 Cr in Q3FY24 & ₹43 Cr in 9MFY25 vs. ₹64 H1FY24

Yield and NIM impacted by decline in AUM & higher delinquencies

Cost of borrowing at 12.2% in Q3FY25



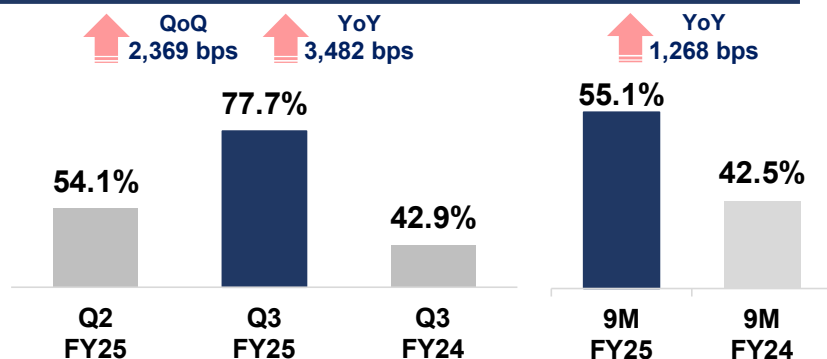
^ Interest expenses divided by average monthly borrowing outstanding

Elevated Cost-to-income due to higher opex & lower income

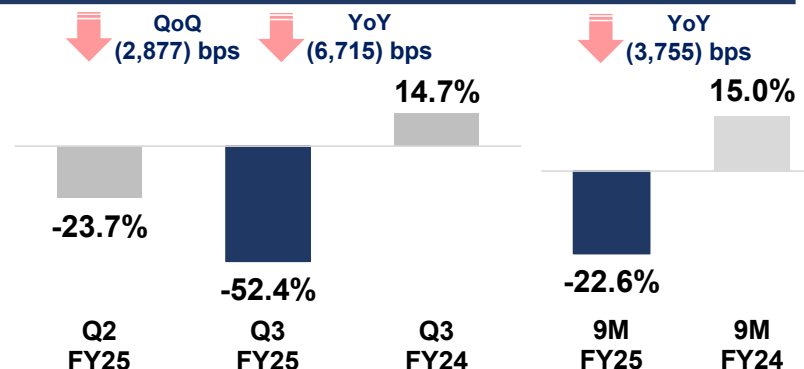
Decline in RoA due to high impairment cost & deliberate slowdown in disbursement



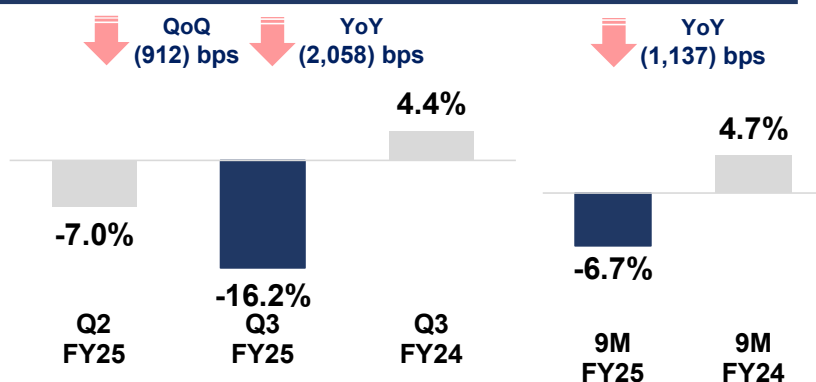
Cost-to-income^ (%)



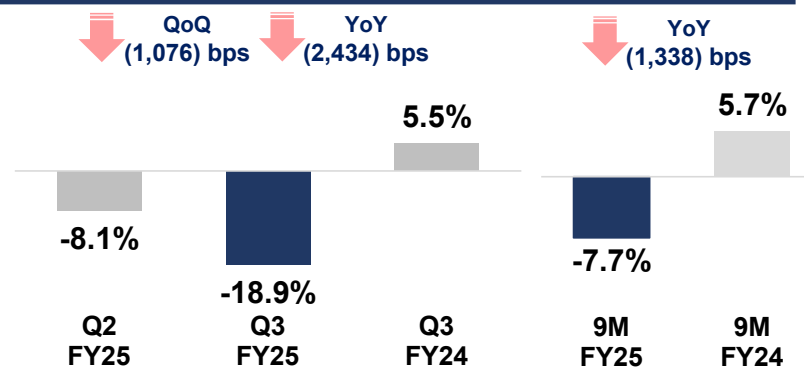
ROE (%)



ROA (Total Assets) (%)



ROA (On book POS) (%)

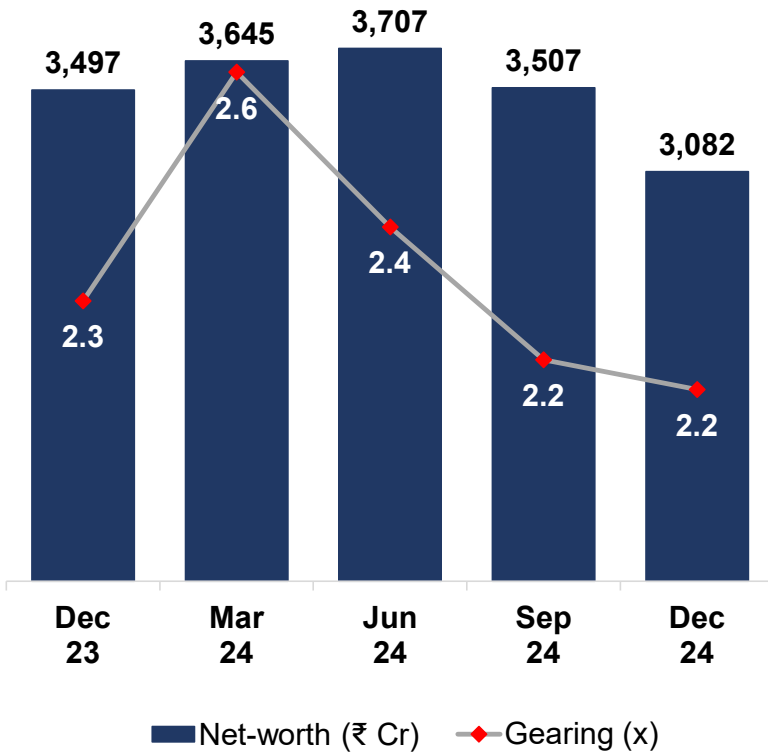


^ Includes Net gain on fair value change of ₹3 Cr toward DA transaction undertaken in Q3FY25 vs. ₹20 Cr in Q3FY24 & ₹43 Cr in 9MFY25 vs. ₹64 H1FY24

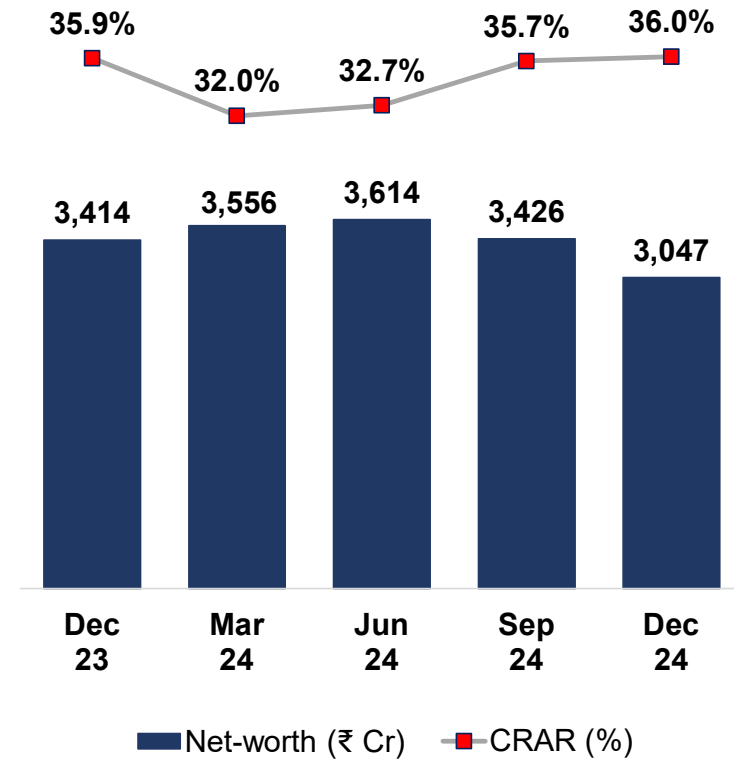


Consolidated Net-worth of ₹3,082 Cr, CRAR at 35.7%

Gearing at 2.2x (consolidated)



SSFL Standalone Net-worth & CRAR



Consolidated Income Statement



Particulars (₹ Cr)	Q3 FY25	Q2 FY25	Q3 FY24	QoQ	YoY	9MFY25	9MFY24	YoY
Revenue from Operations								
Interest income on loans	494	599	559	(18)%	(12)%	1,777	1,588	12%
Net gain on fair value changes	49	75	56	(35)%	(13)%	137	129	6%
Other Income	12	12	11	(-)%	10%	37	31	18%
Total income from operations	555	686	626	(19)%	(11)%	1,951	1,748	12%
Non-operational Income	18	20	31	(12)%	(42)%	65	76	(15)%
Total income	573	707	657	(19)%	(13)%	2,016	1,824	11%
Finance cost	229	258	250	(11)%	(8)%	747	677	10%
Net Income	344	448	407	(23)%	(16)%	1,269	1,147	11%
Expenses								
Employee benefit expense	184	153	119	20%	54%	471	332	42%
Depreciation and amortization expense	6	5	6	3%	0%	16	13	16%
Other expenses	76	62	41	22%	84%	189	114	66%
Total Expenses	265	220	166	20%	60%	676	460	47%
Pre-Provision Operating Profit (PPOP)	78	228	240	(66)%	(67)%	593	687	(14)%
Impairment on financial instruments	666	516	70	29%	850%	1,394	189	639%
Profit before Tax	(588)	(289)	170	(299)	(758)	(801)	498	(1,300)
Tax expense	(147)	(72)	43	(75)	(190)	(200)	126	(327)
Profit after tax	(440)	(216)	127	(224)	(568)	(601)	372	(973)

Consolidated Balance Sheet



Assets (₹ Cr)	Dec 31, 2024	Mar 31, 2024
Financial Assets		
Cash and bank balances	1,756	1,894
Loan Portfolio	7,621	11,014
Investments	84	112
Other financial assets	69	84
Total Financial Assets	9,530	13,104
Non-Financial Assets		
Current tax assets (net)	115	49
Deferred tax assets (net)	326	133
Property, Plant and Equipment	31	30
Intangible assets	3	5
Goodwill	17	17
Other non-financial assets	40	44
Total Non-financial assets	533	278
Total Assets	10,064	13,383

Liabilities & Equity (₹ Cr)	Dec 31, 2024	Mar 31, 2024
Financial Liabilities		
Debt Securities	2,737	4,064
Borrowings (Other than Debt Securities)	4,009	5,340
Subordinated Liabilities	-	20
Other Financial liabilities	166	253
Total Financial Liabilities	6,911	9,678
Non-Financial Liabilities		
Current Tax Liabilities (net)	6	6
Provisions	27	17
Other Non-Financial liabilities	38	37
Total Non-Financial Liabilities	71	60
Equity		
Equity Share Capital	71	71
Other Equity	3,010	3,573
Equity attributable to shareholders of the company	3,081	3,645
Non-Controlling Interest	0.2	0.3
Total Equity	3,082	3,645
Total Liabilities and Equity	10,064	13,383

Credit Rating



Spandana Sphoorty Financial Ltd

Rating Agency	Rating Instrument	Rating / Outlook (Current)	Rating / Outlook (30-Sep-24)	Change
ICRA	Bank Facilities / NCD's	A+ / Negative	A+ / Stable	Outlook change
India Ratings	Bank Facilities / NCD's	A+ / Negative	A+ / Stable	Outlook change
CARE	Bank Facilities / NCD's CP's	A+ / Negative A1+	A+ / Stable A1+	Outlook change
CRISIL	Bank Facilities	A / Stable	A / Positive	Outlook change

Criss Financial Ltd

Rating Agency	Rating Instrument	Rating / Outlook (Current)	Rating / Outlook (30-Sep-24)	Change
ICRA	Bank Facilities / MLD's	A / Negative	A / Stable	Outlook change
India Ratings	Bank Facilities / NCD's	A / Negative	A / Stable	Outlook change

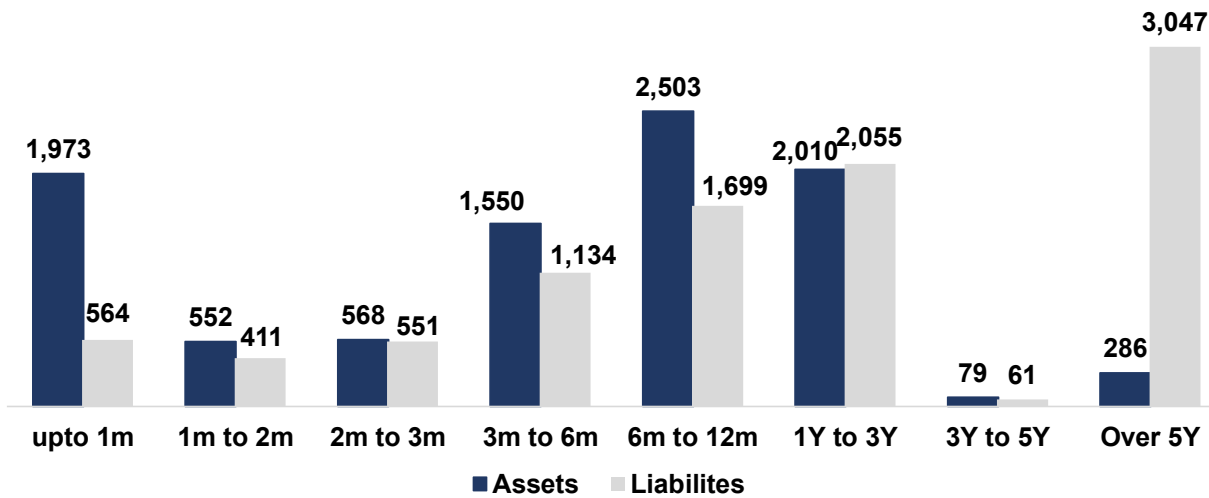


Annexure

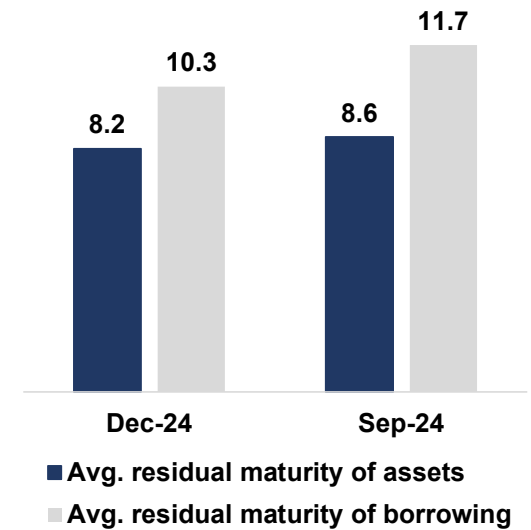


Positive ALM across maturity buckets

Positive ALM (₹ Cr)*



Maturity profile* (in months)



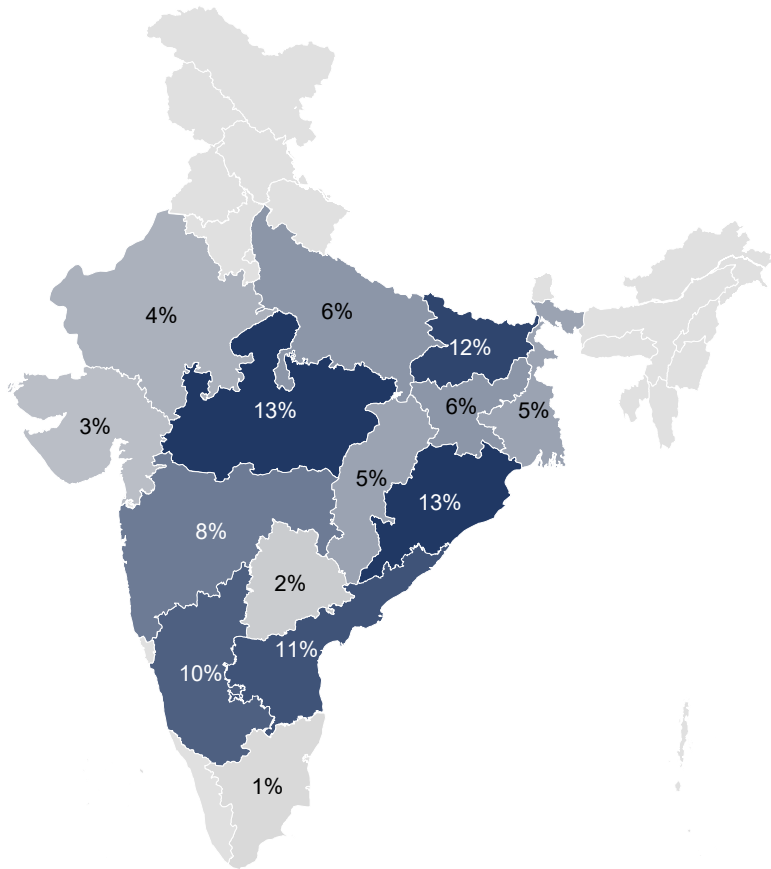
- Positive ALM on cumulative basis with assets maturing faster than liabilities
- Closing Cash and Bank balance (₹1,688 Cr as on 31 Dec 2024)

* Standalone



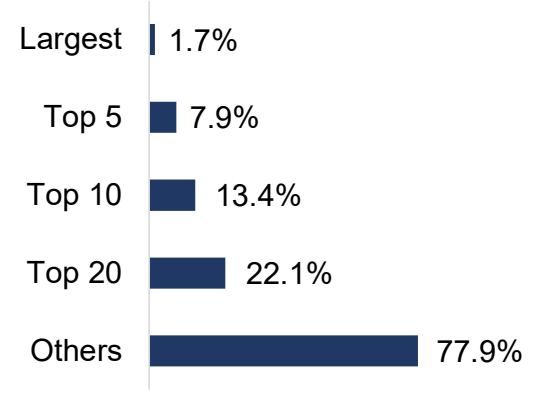
Well diversified presence

AUM concentration* - ~49% from top 4 States

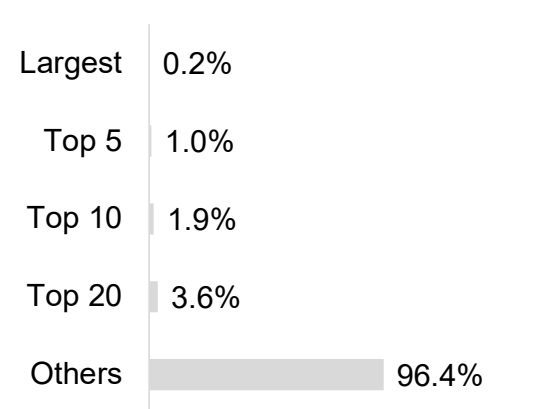


State	% of AUM		
	Dec-24	Mar-24	Mar-23
Odisha	13%	14%	15%
Madhya Pradesh	13%	13%	17%
Bihar	12%	12%	8%
Andhra Pradesh	11%	10%	11%
Karnataka	10%	10%	11%
Maharashtra	8%	9%	10%
Uttar Pradesh	6%	6%	3%
Jharkhand	6%	6%	7%
Chhattisgarh	5%	5%	5%
West Bengal	5%	2%	1%
Rajasthan	4%	5%	5%
Gujarat	3%	4%	5%
Telangana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

District level concentration*



Branch level concentration*

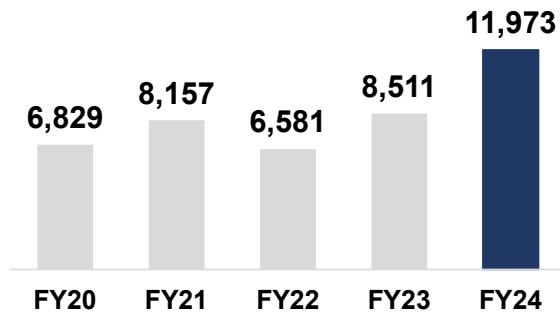


* Standalone for SSFL

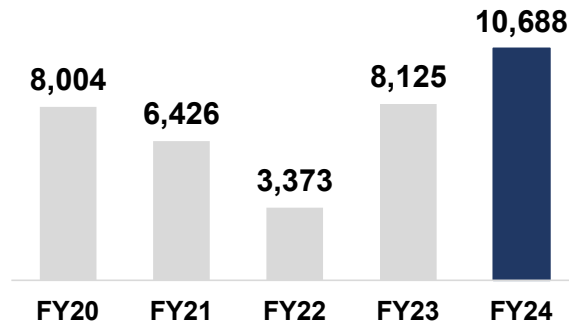
Metrics over the years



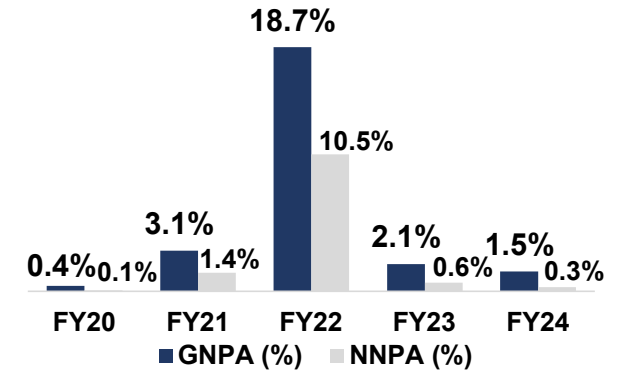
AUM (₹ Cr)



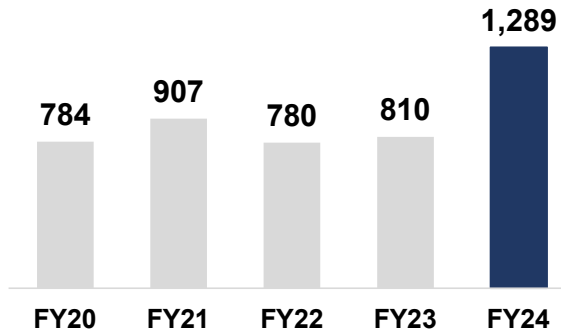
Disbursement (₹ Cr)



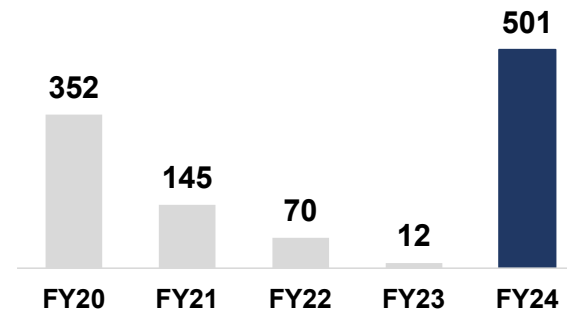
GNPA (%) & NNPA (%)



Net Interest Income (₹ Cr)



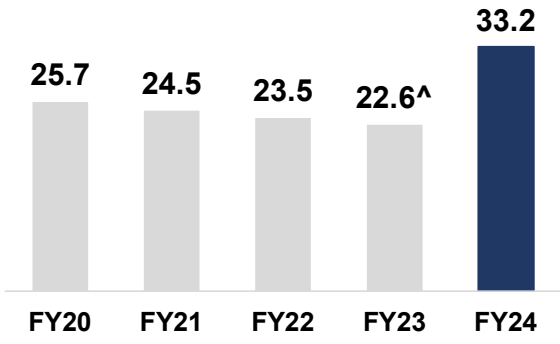
PAT (₹ Cr)





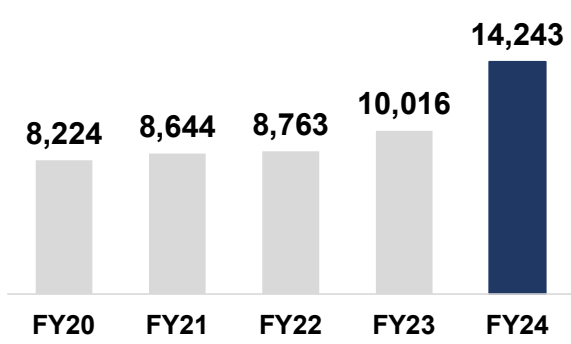
Accelerated growth delivered over last year

Customers (in L)

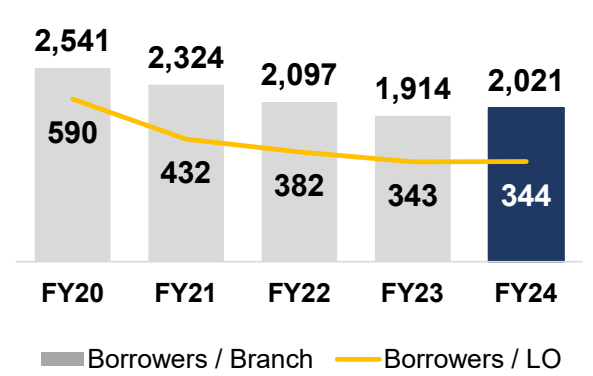


[^]Loans outstanding of ~6 L Customers written-off

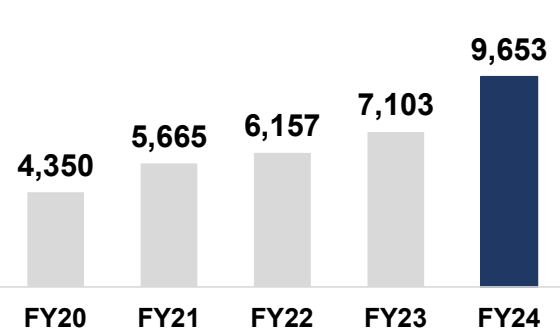
Employees



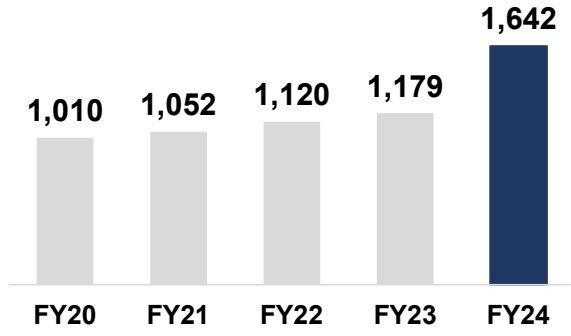
Customers / Branch & LO *



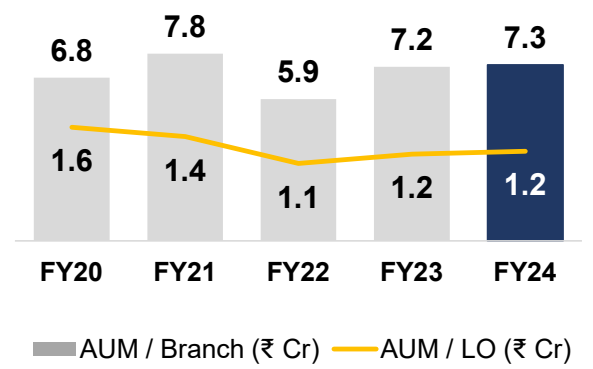
Loan Officers



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
Spandana Sphoorty Financial Limited

Thank you!

Investor Relations

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