



Ref: SSFL/Stock Exchange/2023-24/146

Date: January 22, 2024

**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**

Dear Sir/Madam,

Sub: Investor presentation on the unaudited financial results of the Company for the quarter and nine months ended December 31, 2023.

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

Pursuant to Regulation 30 of SEBI LODR Regulations, please find enclosed herewith a copy of Investor Presentation of the Company on the unaudited financial results for the quarter and nine months ended December 31, 2023.

Kindly take the same on record.

Thanking you.

Yours sincerely,

For Spandana Sphoorty Financial Limited

Ramesh

Periasamy

Ramesh Periasamy

Company Secretary and Chief Compliance Officer

Digitally signed by Ramesh
Periasamy
Date: 2024.01.22 15:58:48
+05'30'

Encl: as above

Spandana Sphoorty Financial Limited

CIN - L65929TG2003PLC040648

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Invested in Bharat!



Bhil Art



SPANDANA
Spandana Sphoorty Financial Limited

Q3 FY24 Investor Presentation

Safe Harbor



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This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

Certain matters discussed in this Presentation may contain statements regarding the Company’s market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the company’s ability to successfully implement its strategy, the Company’s future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company’s market preferences and its exposure to market risks, as well as other risks. The Company’s actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third-party statements and projections.

Our Vision 2028 – 28 by 28

₹28,000 Cr AUM by FY2028



Spandana Analyst, Investor meet – Mumbai 11/12/2023



Particulars	Q3FY24	FY28 Target
AUM (₹ Cr)	10,404	~28,000
Of which LAP & Nano loans	52	3,000 – 3,500
Borrowers (L)	~30	~62
Employees	12,989	20,500 – 22,000
Top 3 states AUM (%)	42.2%	<36%
Gearing (x)	2.3	<4.0
CRAR (%)	35%	~25%

9M YOY Customer Acquisition up 112%, Income up 93%, PPOP up 128%



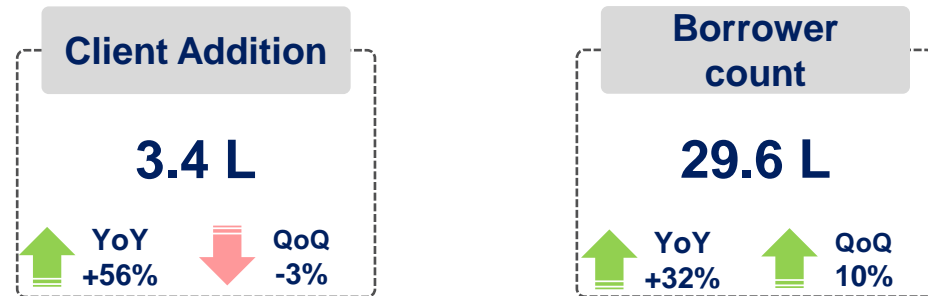
9M PAT of ₹372 Cr – surpassed highest full year PAT ever (₹352 Cr in FY20)

Particulars	9M FY24	9M FY23		YoY (%)
Client Addition (L)	9.5	4.5	↑	112%
Disbursement (₹ Cr)	6,719	5,071	↑	32%
AUM (₹ Cr)	10,404	6,852	↑	52%
Income (₹ Cr)	1,824	944	↑	93%
PPOP (₹ Cr)	687	301	↑	128%
PAT (₹ Cr)	372	(93)	↑	+465 Cr
GNPA	1.61%	5.31%	↓	(370) bps
NNPA	0.48%	2.52%	↓	(205) bps

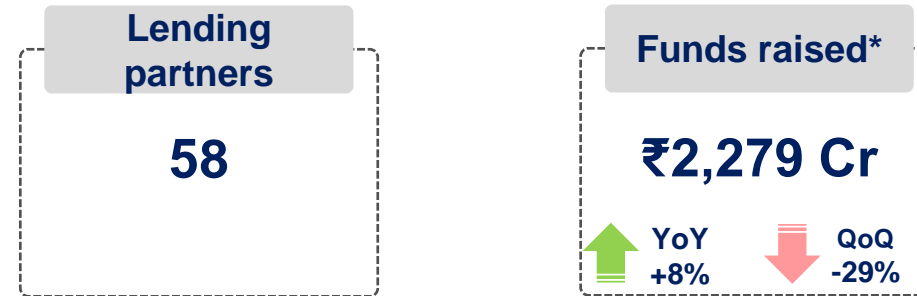
YOY - AUM up 52%, customer Acquisition up 56%, PAT up 79%, Income up 75%



Acquired 9.5L borrowers during 9MFY24



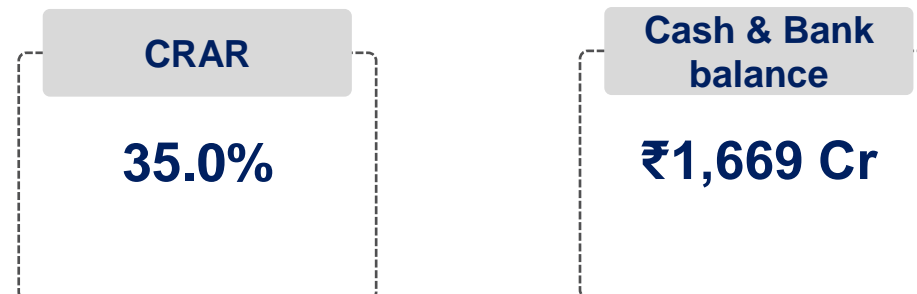
Consolidating lender relationships



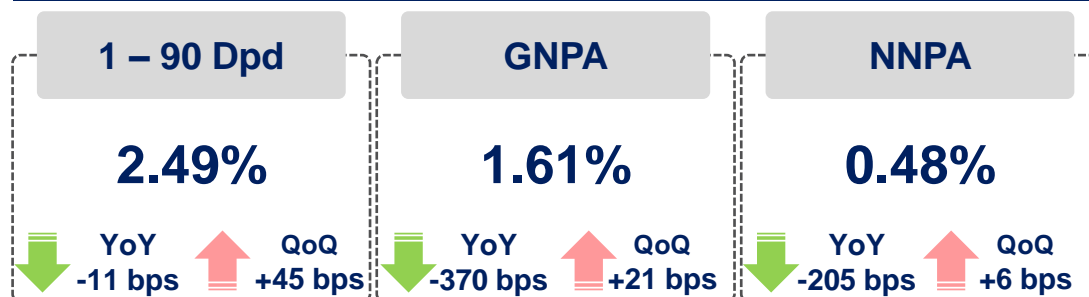
AUM growth momentum continues



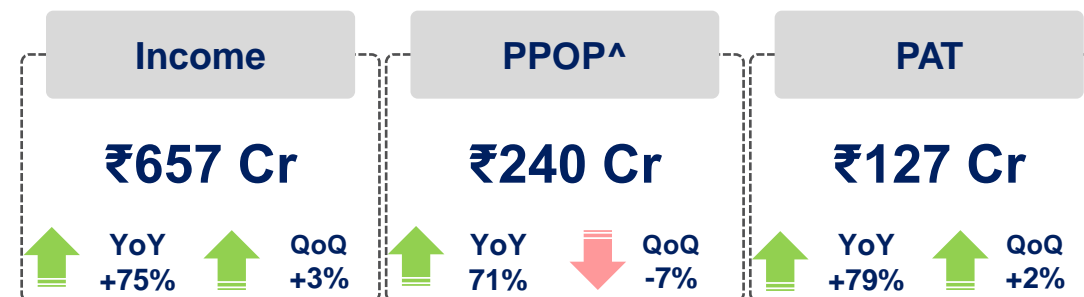
Comfortable Cash & Capital position



Stable portfolio quality



Robust financial performance



* ₹907 Cr sanctions in hand; Including sanctions in hand total fund raise for Q3FY24 was ₹3,186 Cr vs. ₹3,191 Cr in Q2FY24

^ Includes Net gain on fair value change of ₹20 Cr toward DA transaction undertaken in Q3FY24 Vs. ₹42 Cr in Q2FY24

Ratings update



Spandana Sphoorty Financial Ltd – Outlook changed to Positive by ICRA & CRISIL

Rating Agency	Rating Instrument	Rating / Outlook (Current)	Rating / Outlook (30-Sep-23)	Change
ICRA	Bank Facilities / NCD's / MLD's	A / Positive	A / Stable	Outlook change
CRISIL	Bank Facilities	A / Positive	A / Stable	Outlook change
India-Ra	Bank Facilities / NCD's/ MLD's	A / Stable	A / Stable	No change
	CPs	A1	A1	

Criss Financial Ltd – Rating upgrade by ICRA

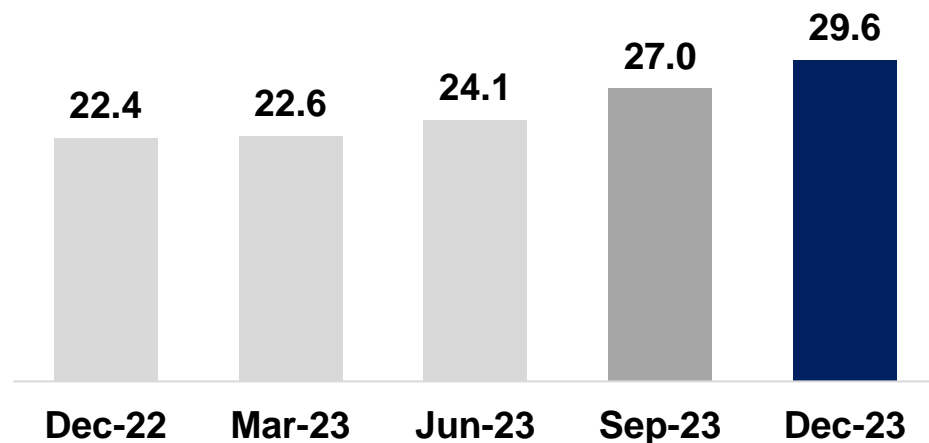
Rating Agency	Rating Instrument	Rating / Outlook (Current)	Rating / Outlook (30-Sep-23)	Change
ICRA	Bank Facilities / MLD's	A- / Positive	BBB+ / Stable	Rating upgrade
India-Ra	Bank Facilities / NCD's	BBB+ / Stable	BBB+ / Stable	No change

YoY 32% YoY growth in borrower base which is now ~30 Lacs

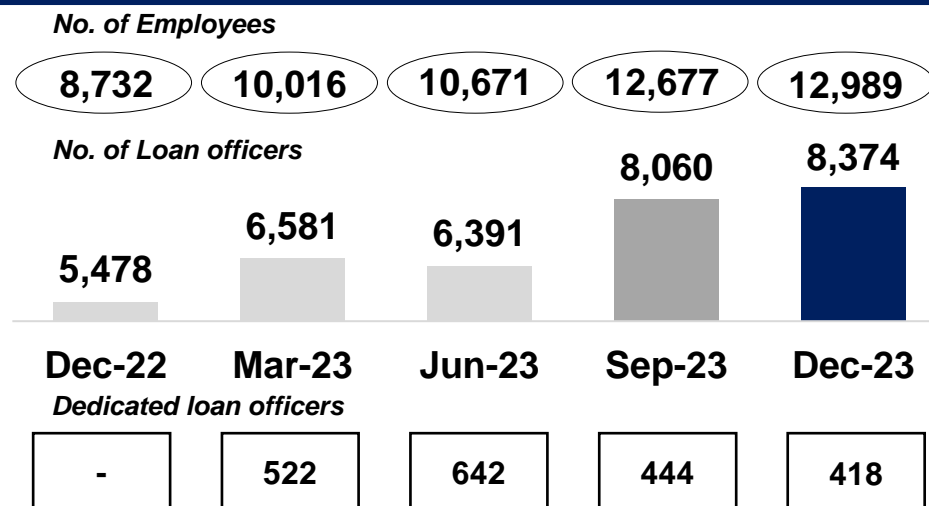
Momentum on increasing distribution sustained – 72 new branches added



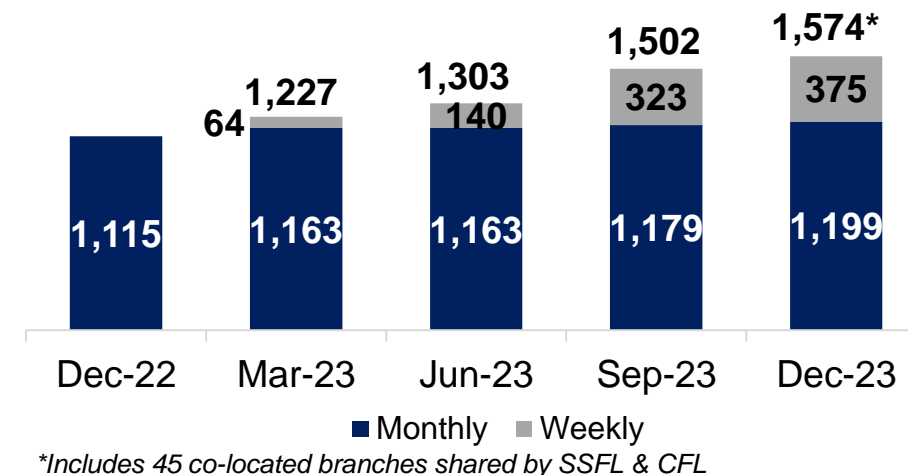
No. of borrowers (in L)



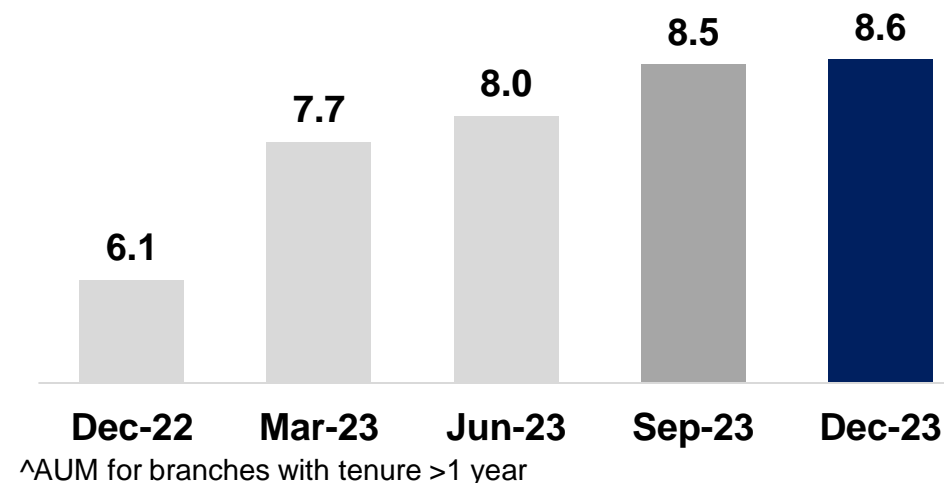
Number of employees



Branch count



AUM per branch^ (₹ Cr)

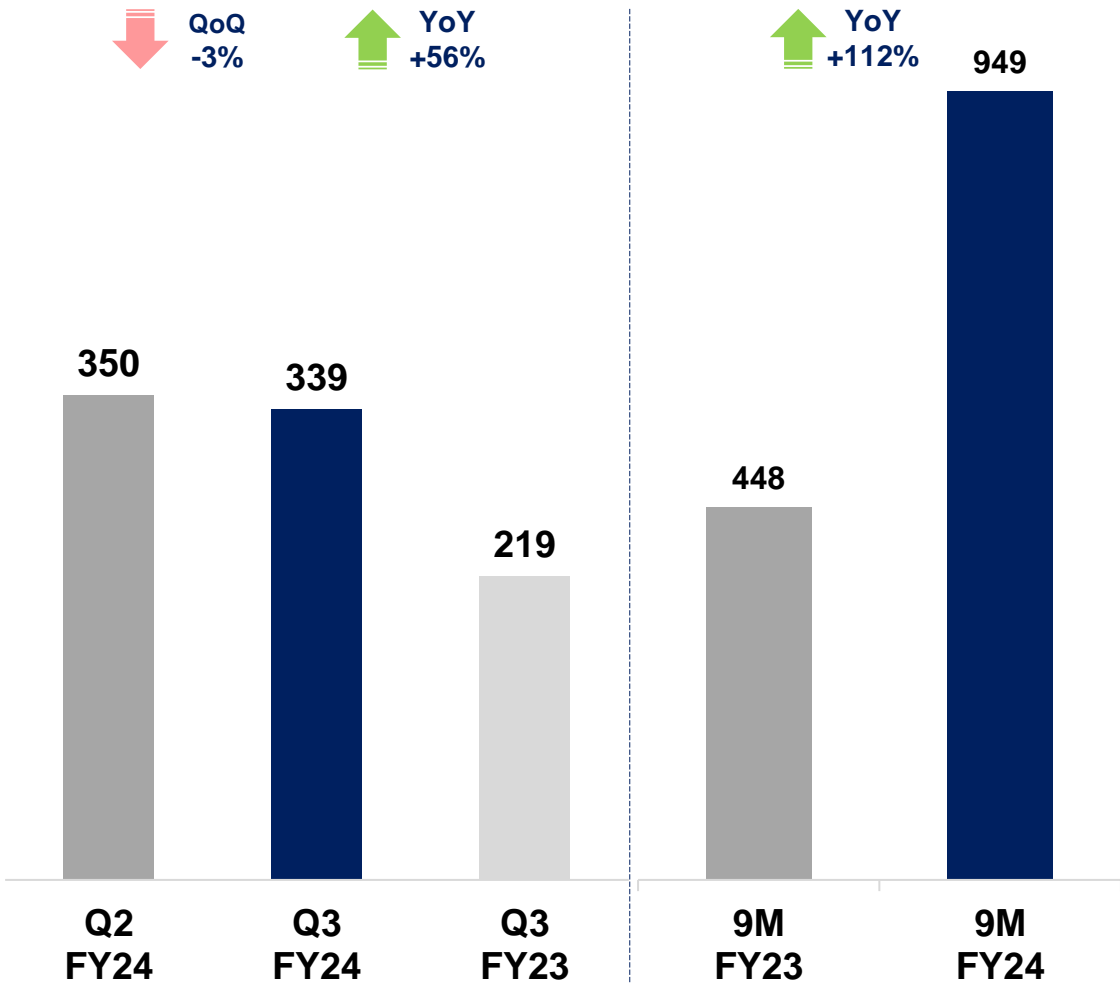


Strong momentum on new customer acquisition sustained.

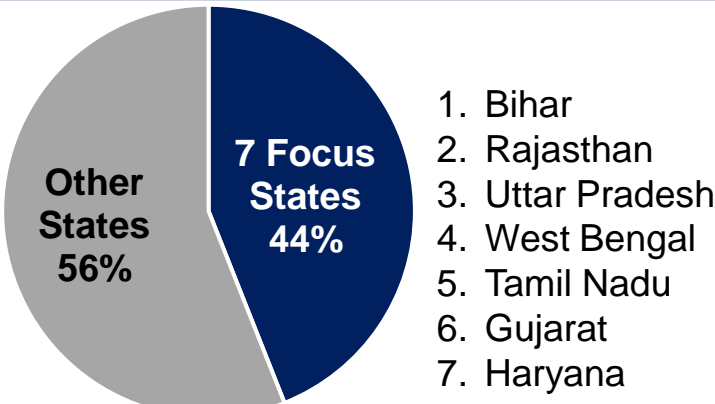
56% YoY growth in borrower addition; 9.49L new customers sourced in 9M of FY24



New customers acquired (in '000)

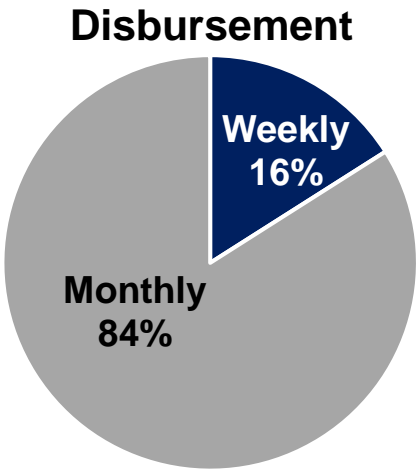


44% customer acquisition from 7 focus states



25% AUM from 7 focus states

Q3FY24 - Weekly vs. Monthly branches

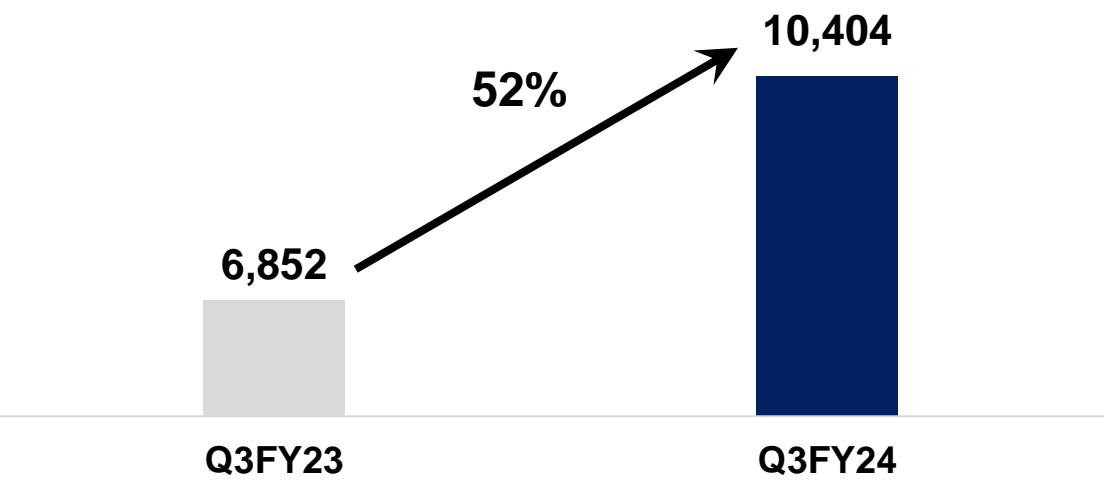


AUM growth momentum continues

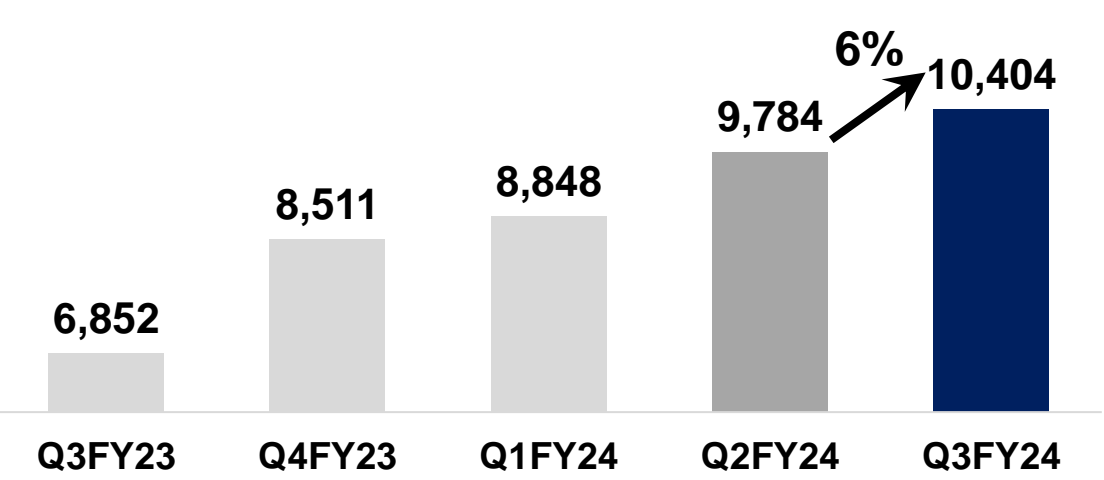
~52% YoY & 6% QoQ growth in AUM



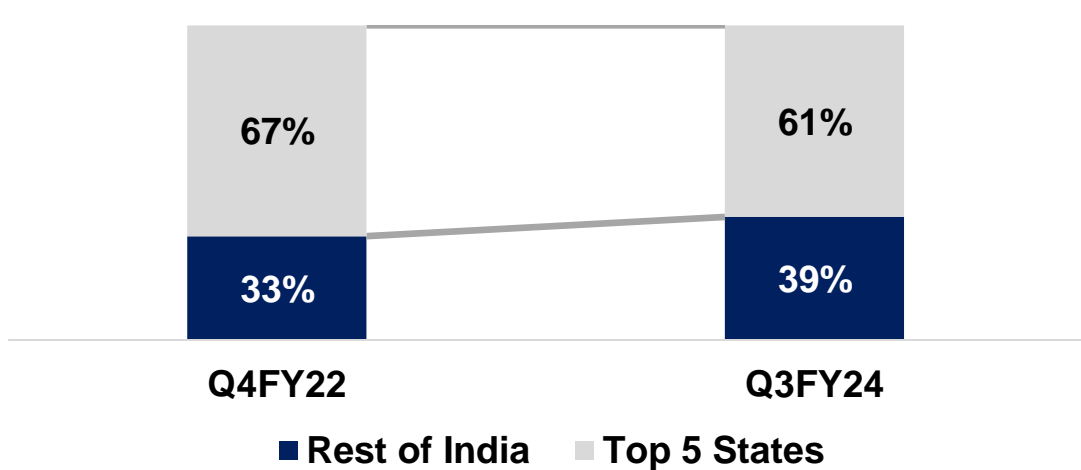
AUM (₹ Cr) - YoY Growth of 52%



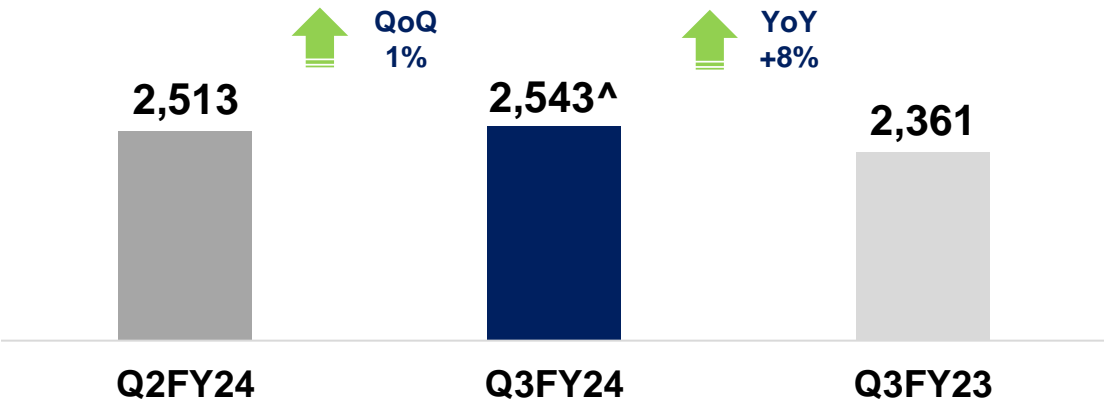
AUM (₹ Cr) – QoQ Growth of 6%



Reduction in AUM Concentration of top 5 states



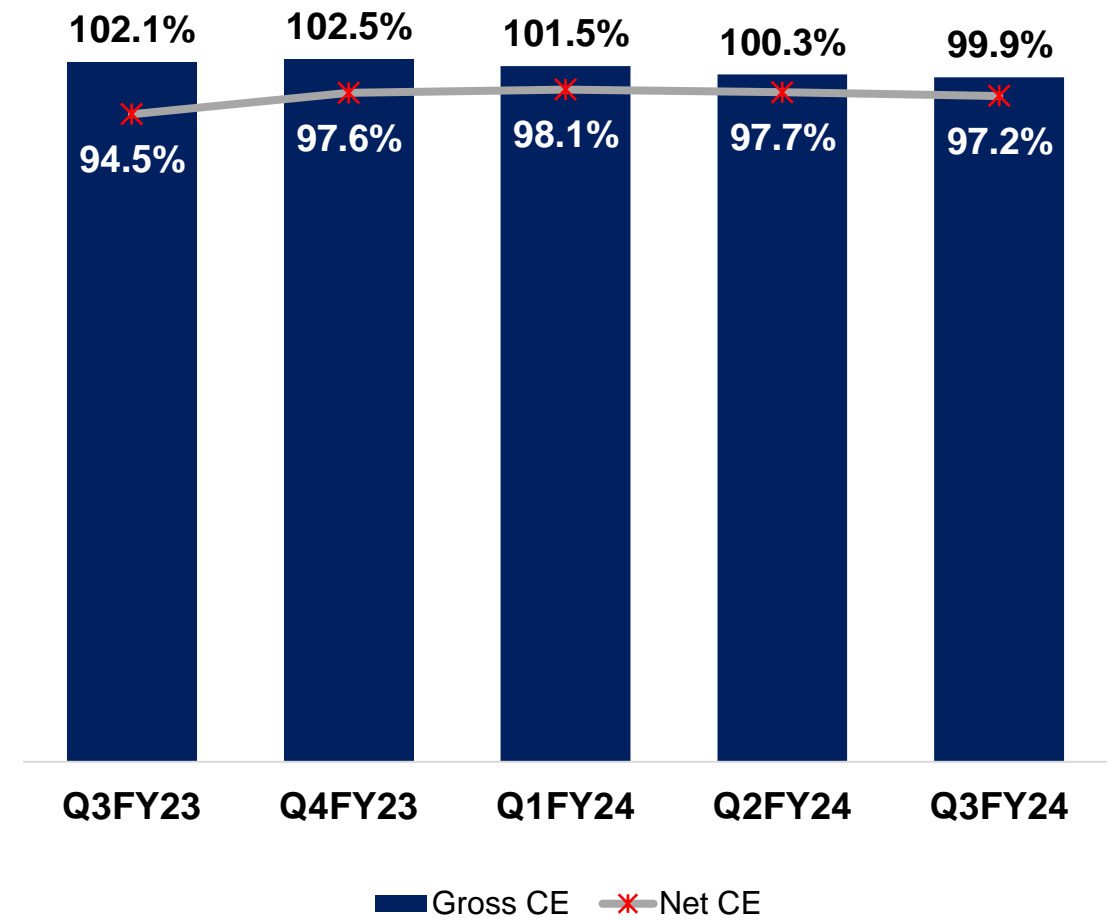
Disbursement (₹ Cr)



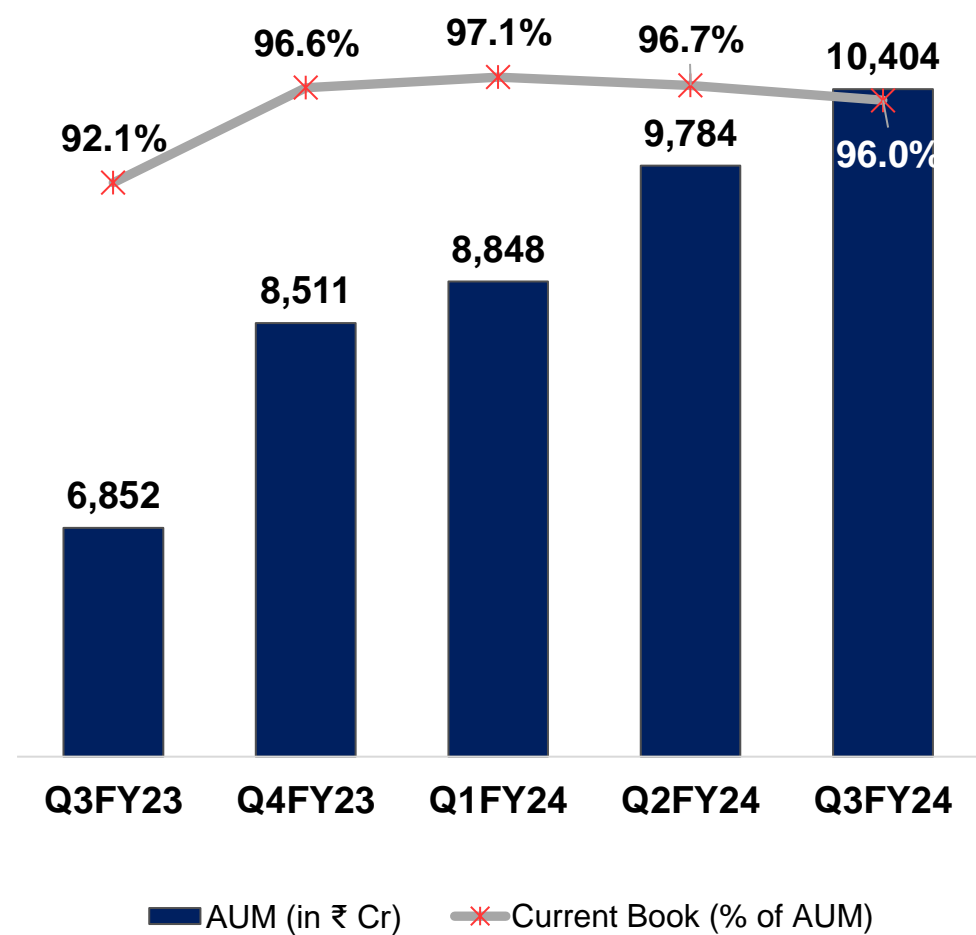
^Low disbursement cadence in Oct'23 as focus was on stabilizing collections post launch of Parivartan

Net Collection Efficiency at 97.2%, Gross Collection Efficiency at 99.9%

Collection Efficiency (%)



AUM & Current book

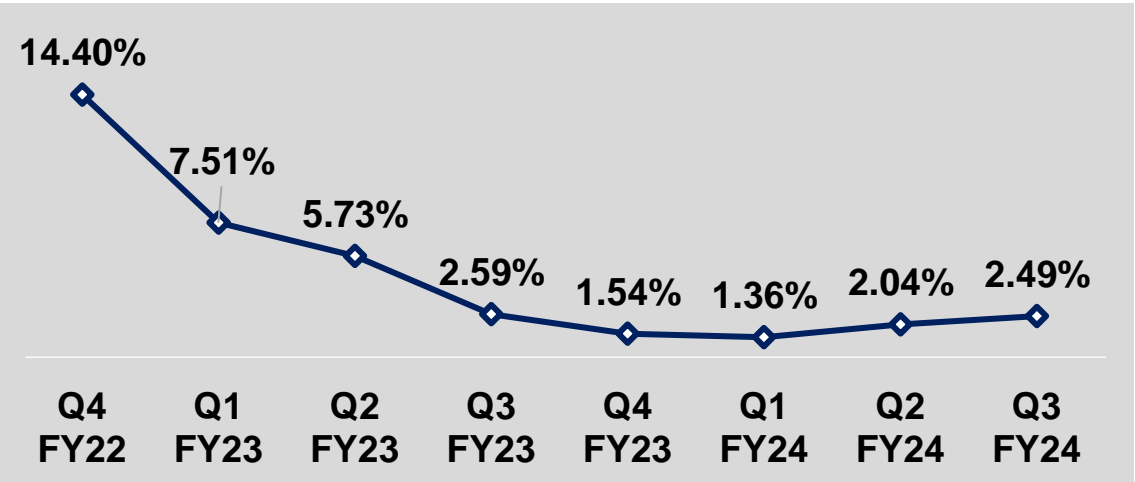


Portfolio quality: 1-90 book at 2.49%, ~48% in 1-30 dpd

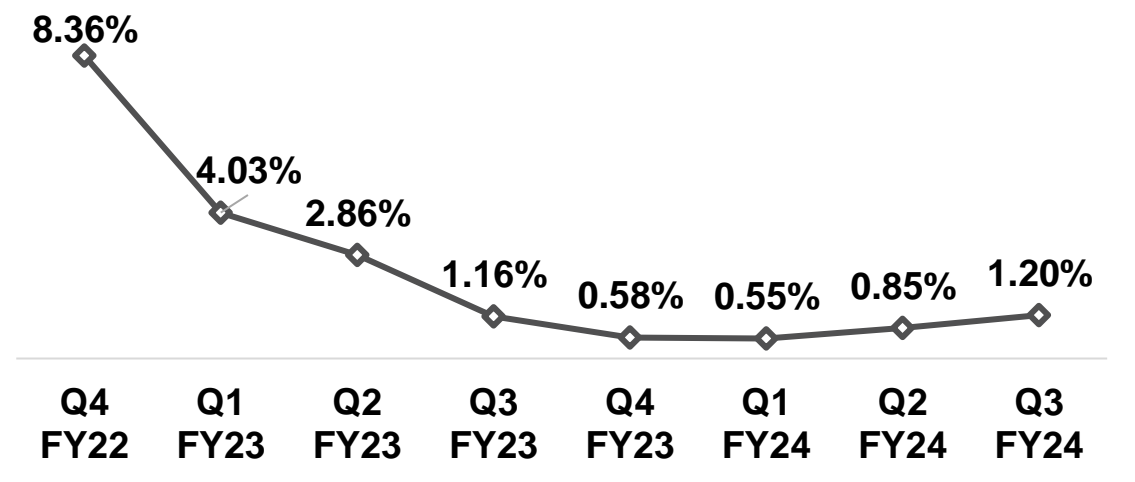
Parivartan branches contribute 66% (~9,800 customers) of SMA flows



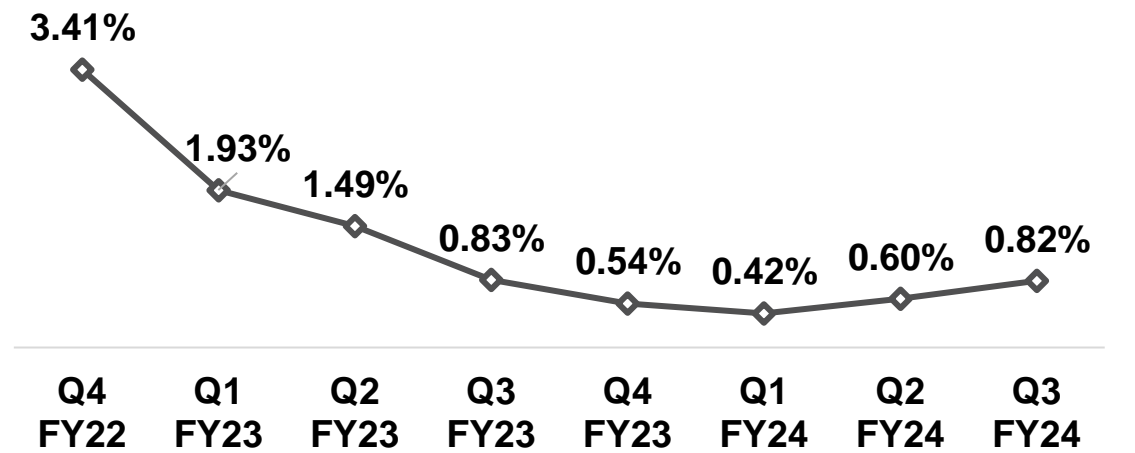
1 – 90 dpd



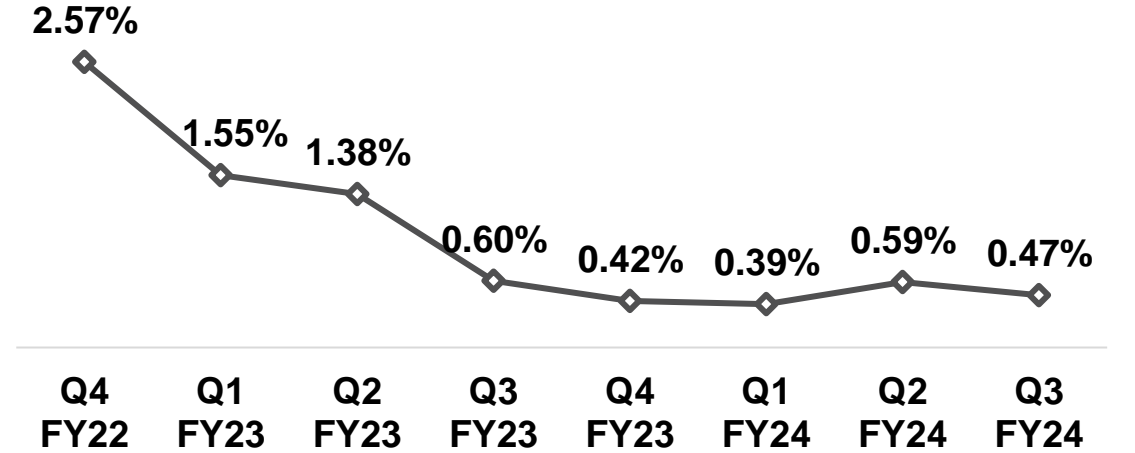
1 – 30 dpd



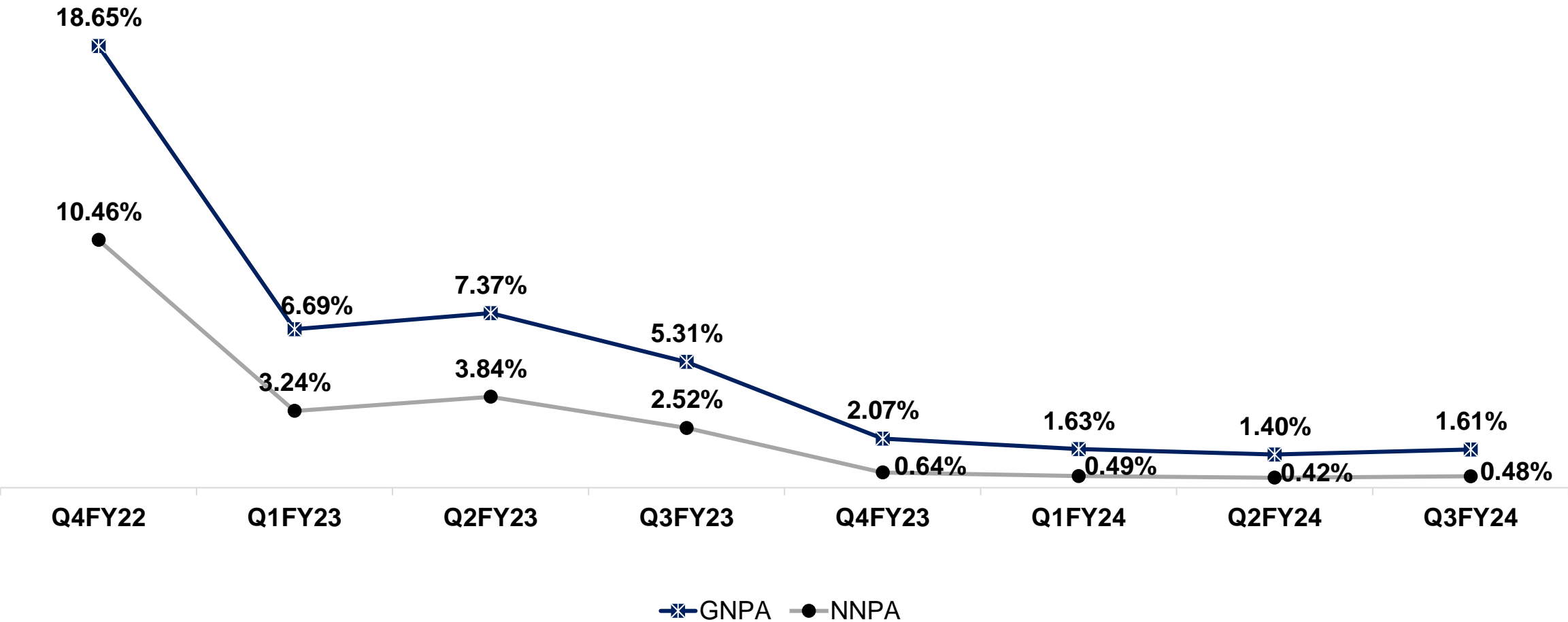
31 – 60 dpd



61 – 90 dpd



GNPA at 1.61%; NNPA at 0.48%



Portfolio risk sufficiently covered with PCR at 70.45%



Provisioning & Coverage	Q3 FY24				Q2 FY24			
	Loans Outstanding (₹ Cr)	% of Loans Outstanding	ECL Provision (₹ Cr)	Coverage	Loans Outstanding (₹ Cr)	% of Loans Outstanding	ECL Provision (₹ Cr)	Coverage
Stage 1	9,365	97.10%	97	1.04%	8,817	97.41%	85	0.96%
Current	9,250	95.90%	93	1.01%	8,740	96.56%	82	0.94%
- 1-30	116	1.20%	3	3.02%	77	0.85%	2	3.07%
Stage 2	124	1.29%	49	39.71%	107	1.19%	43	39.68%
Stage 3	155	1.61%	109	70.45%	127	1.40%	89	70.26%
Total	9,645	100%	256	2.65%	9,052	100%	216	2.39%

	Q3 FY24		Q2 FY24	
	SSFL	Consolidated	SSFL	Consolidated
GNPA	1.50%	1.61%	1.27%	1.40%
NNPA	0.45%	0.48%	0.38%	0.42%
PCR	70.00%	70.45%	70.00%	70.26%

	Q3FY24	9MFY24	
Impairment on financial instruments	Amount (₹ Cr)	Amount (₹ Cr)	% of average loan O/s
- On technical write-off's	6.71	19.50	
- On GNPA	36.21	40.90	
- On stage 1, 2 & others	19.49	28.12	
Sub-total	62.41	88.52	1.4%
Others*	7.70	100.22	1.5%
Total	70.11	188.74	2.9%

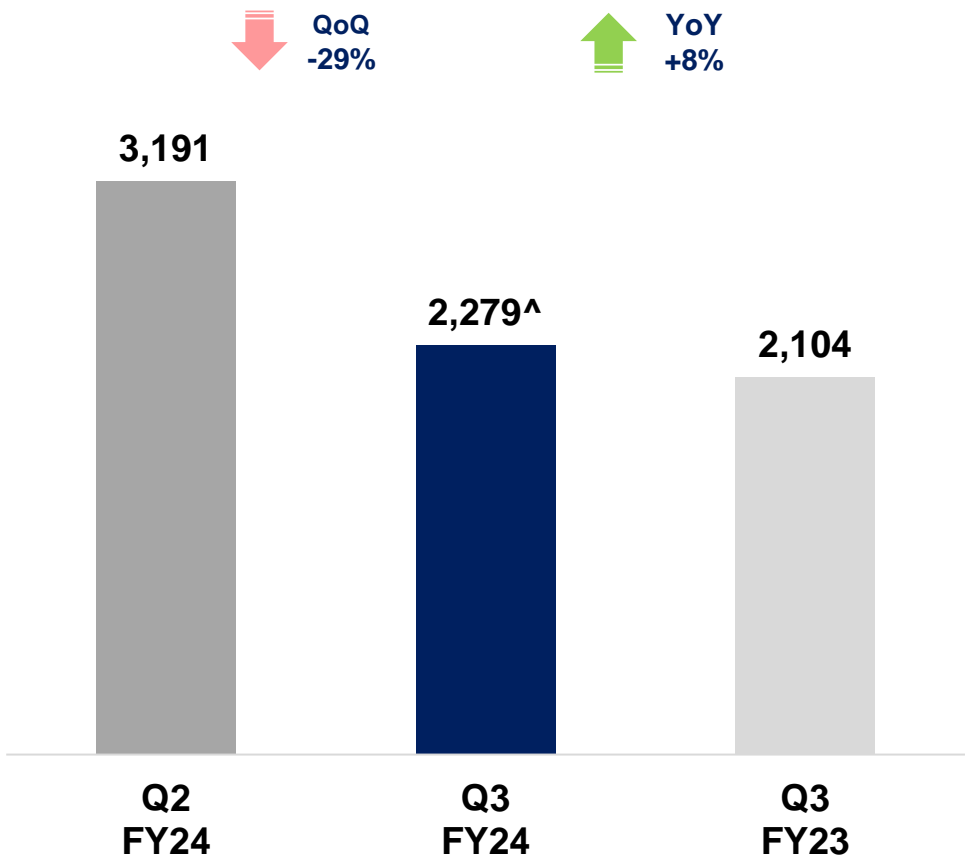
* Represents impairment cost pertaining to loans disbursed prior to April'21 & Security Receipts

Liability relationships being strengthened.

Borrowings calibrated in line with disbursement plan; ~8% YoY growth in fund mobilization

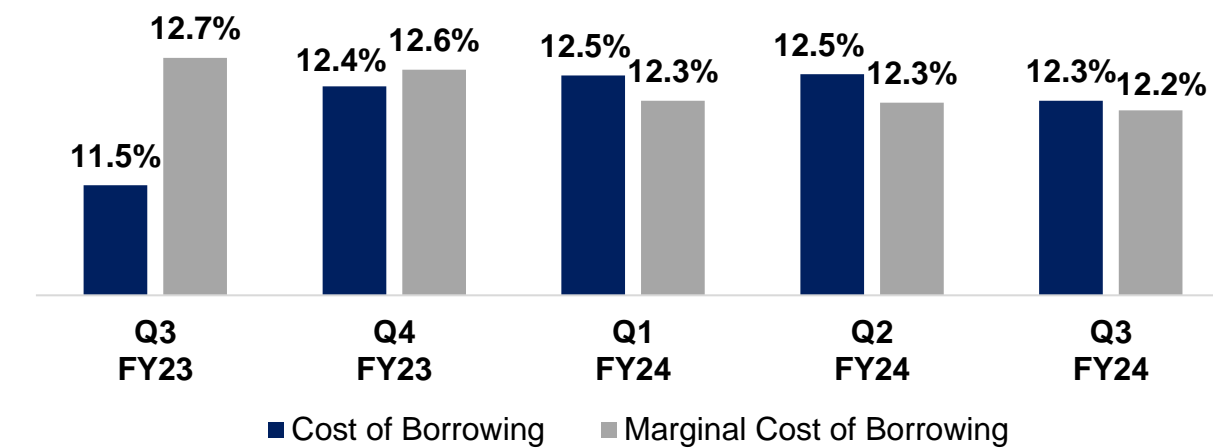


Incremental borrowing (in ₹ Cr)

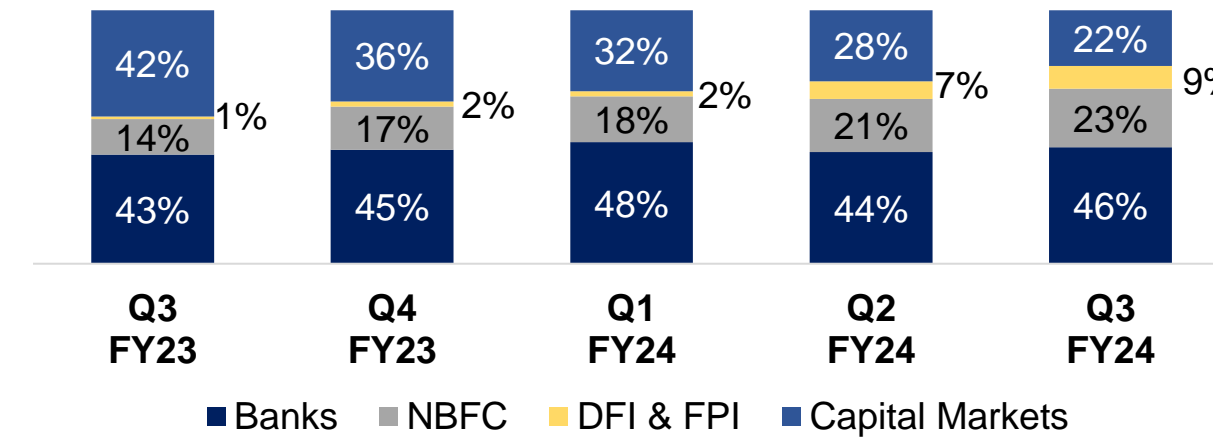


^₹907 Cr Sanctions in hand

Cost of borrowing



Diversified borrowing mix

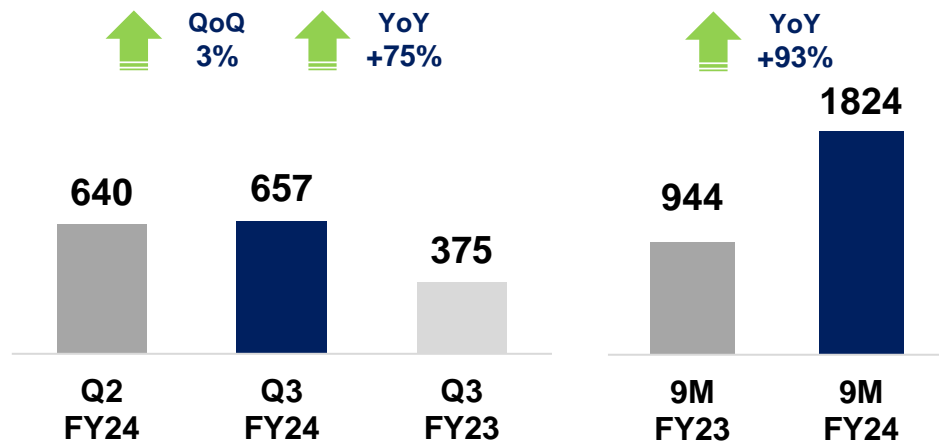


Income and profitability continue to trend higher

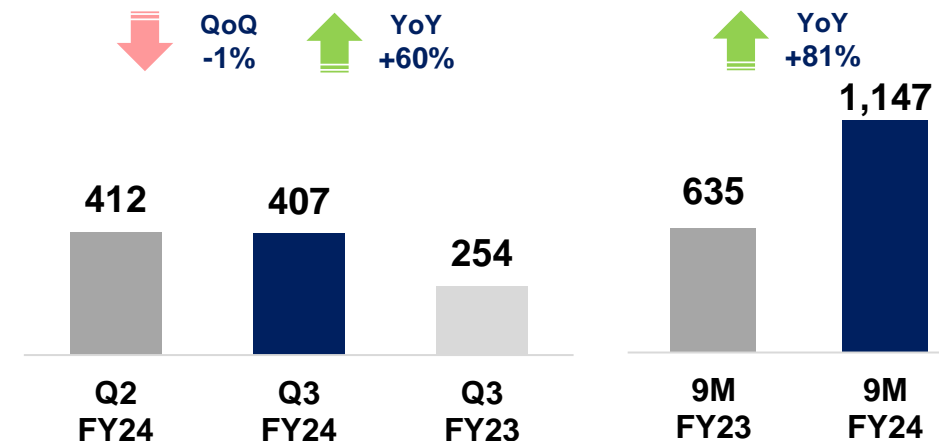
YoY – Income up 75%, PAT up 79%



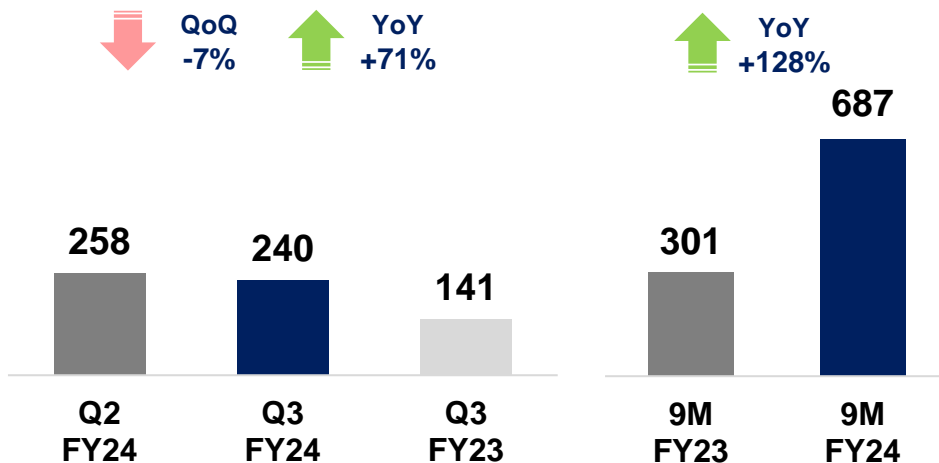
Income* (₹ Cr)



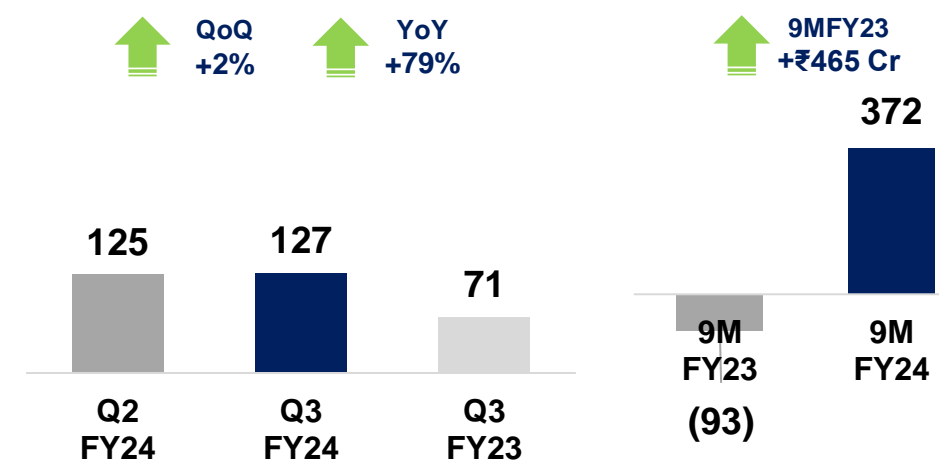
Net Income*^ (₹ Cr)



PPOP* (₹ Cr)



PAT* (₹ Cr)

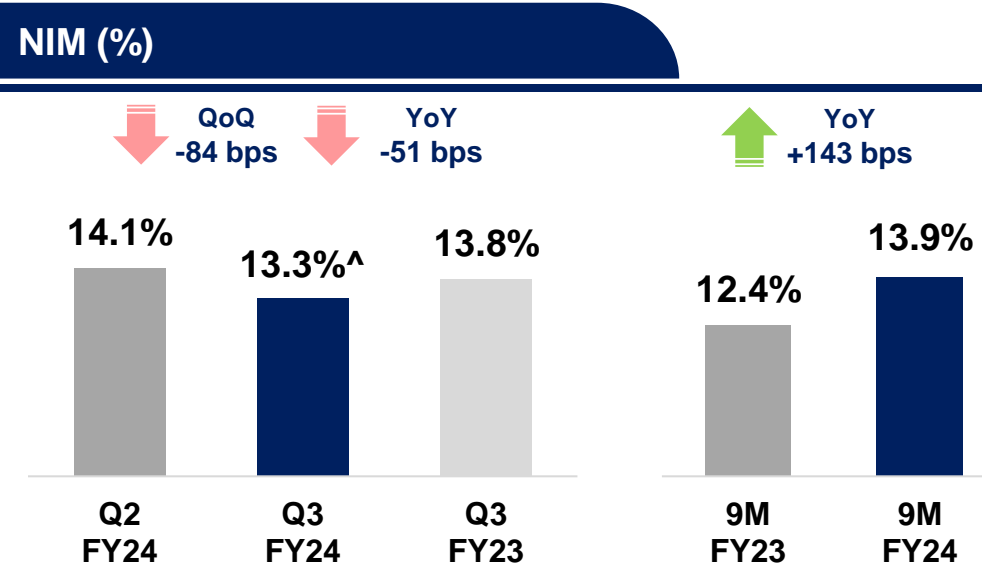
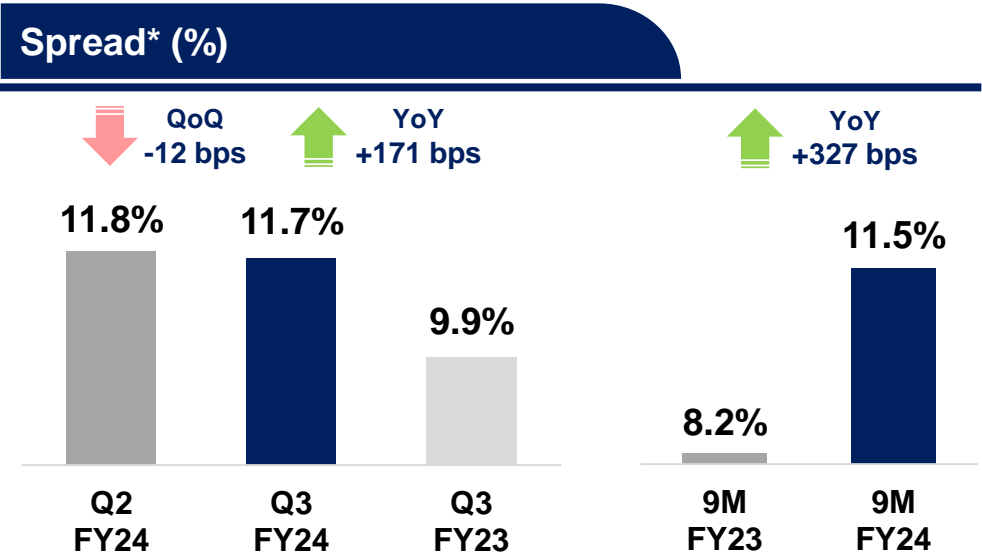
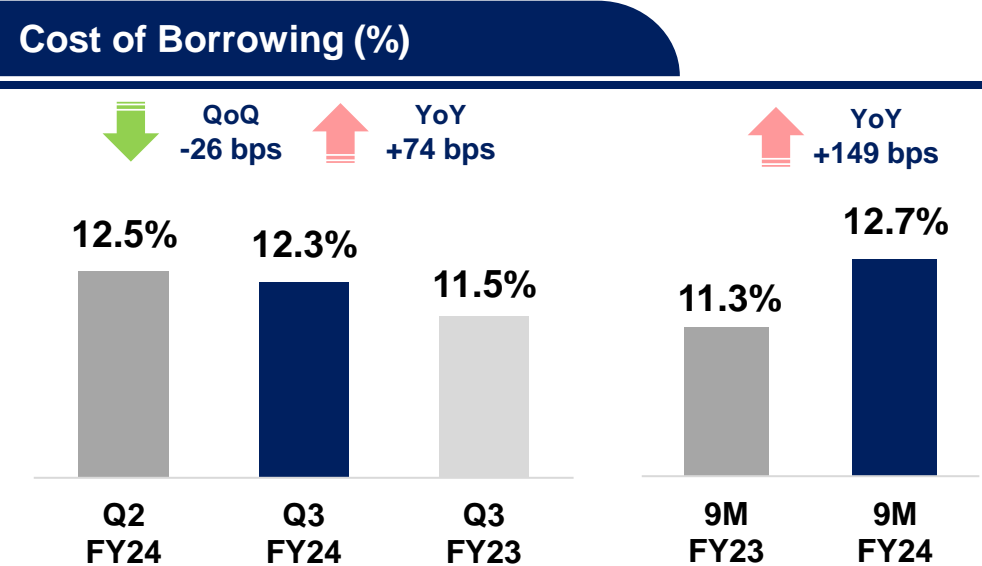
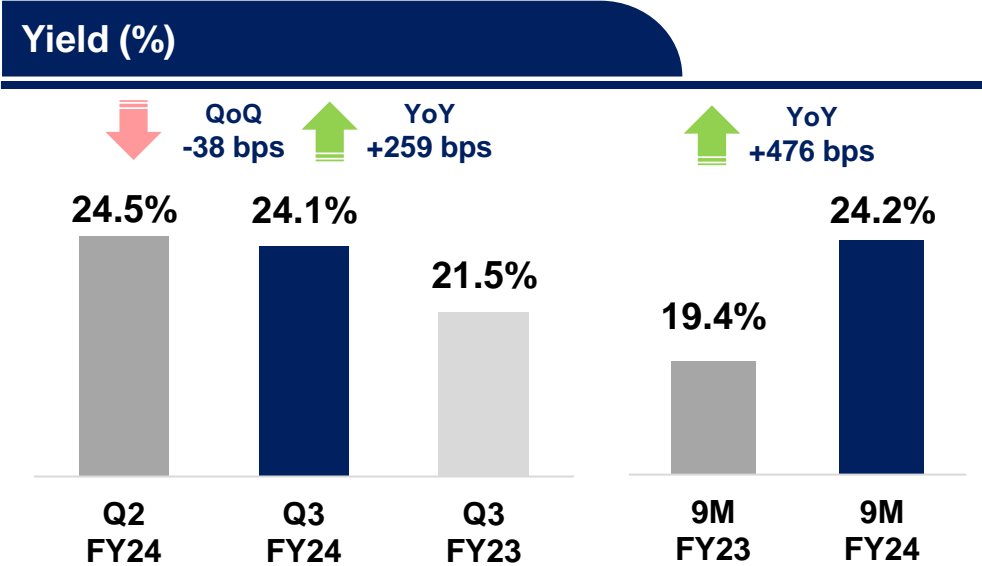


*Includes Net gain on fair value change of ₹20 Cr toward DA transaction undertaken in Q3FY24 & ₹42 Cr in Q2FY24

^Net Income = Total income less finance cost

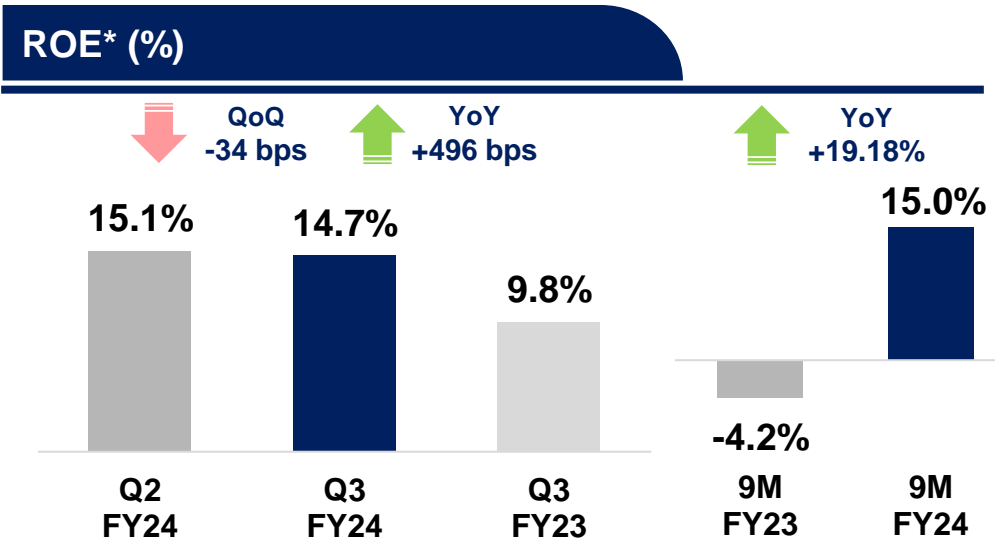
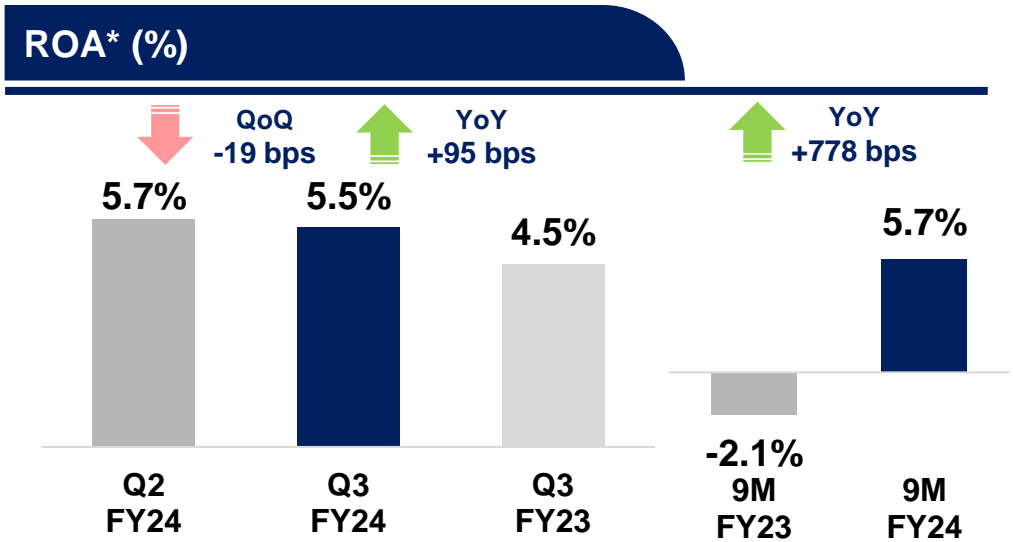
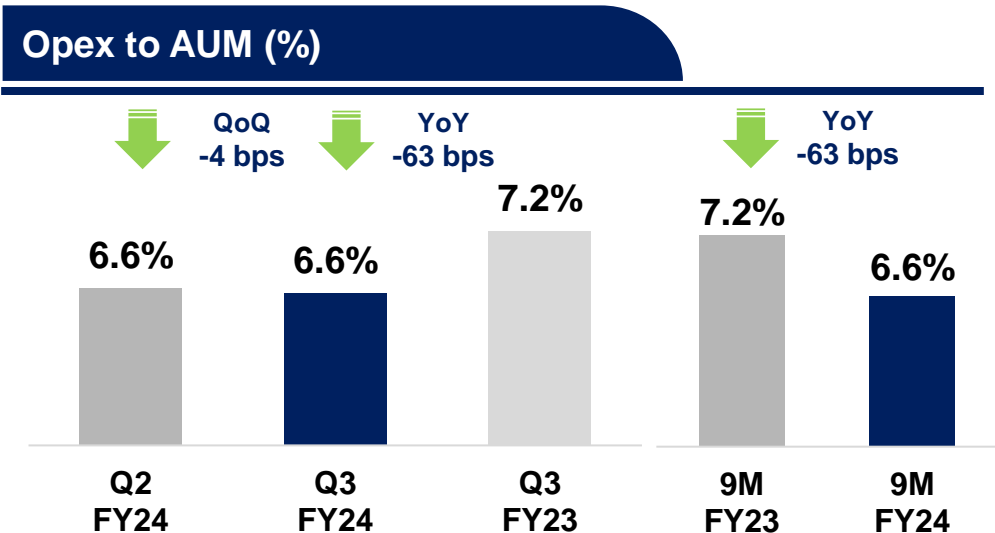
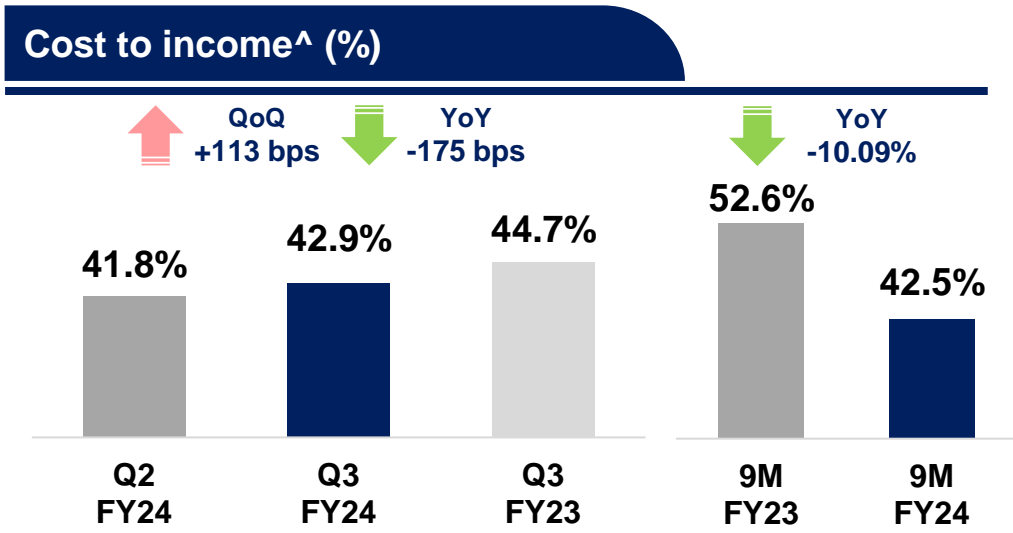
Borrowing cost declines over Q2FY24

NIM at 13.3%, Yield 24.1%



*Spread = Yield less Cost of Borrowing
^ Largely driven by increase in finance cost led by improvement in leverage

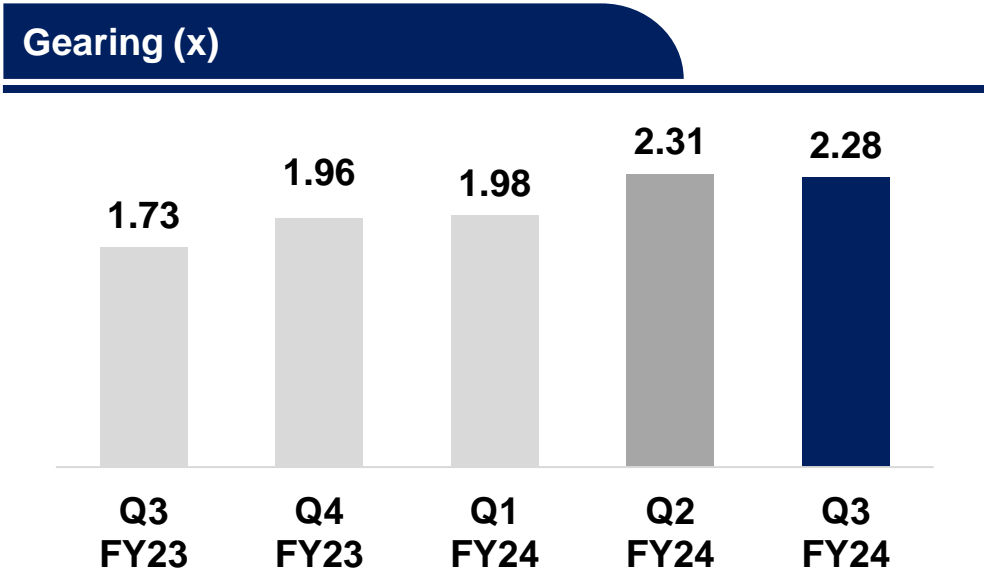
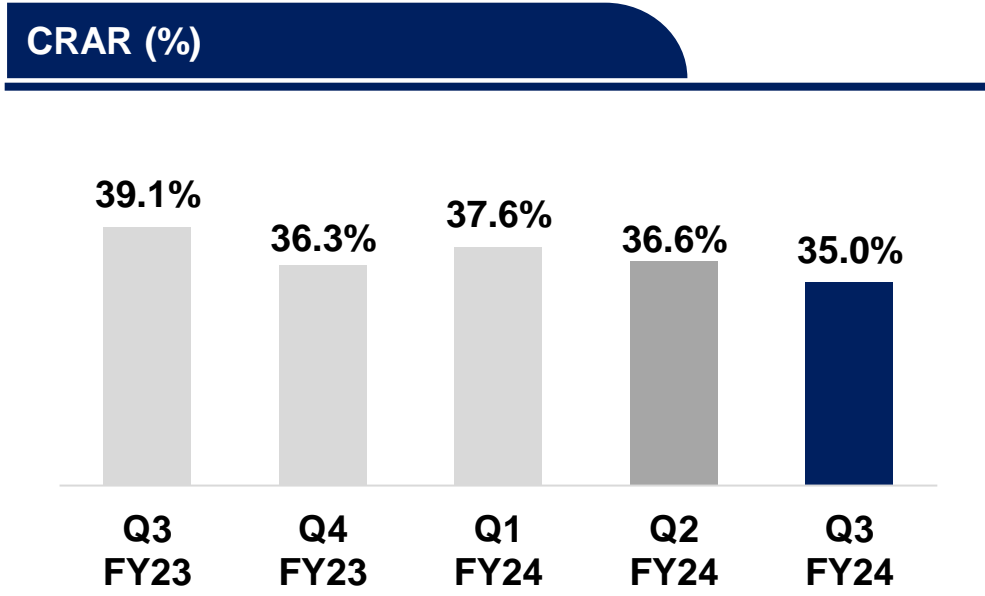
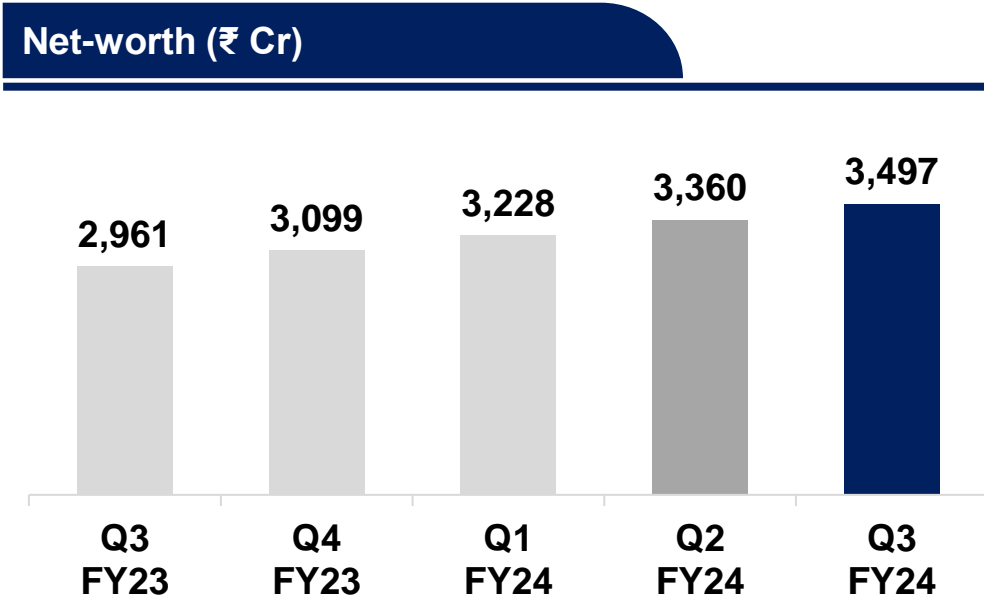
ROA at 5.5%, Cost to Income at 42.9%, ROE at 14.7%



*Marginal reduction in Q3FY24 due to impact of net gain on fair value change of ₹20 Cr toward DA transaction undertaken vs. ₹42 Cr in Q2FY24

^Normalized for Net gain on fair value change of ₹20 Cr toward DA transaction undertaken in Q3FY24 & ₹42 Cr in Q2FY24

Net-worth increases to ₹3,497 Cr; CRAR at 35.0%



Consolidated Income Statement



Particulars (₹ Cr)	Q3 FY24	Q2 FY24	Q3 FY23	QoQ	YoY	9MFY24	9MFY23	YoY
Revenue from Operations								
Interest income	559	540	338	4%	65%	1,588	858	85%
Net gain on fair value changes	56	60	8	(7)%	562%	129	19	583%
Other Income	11	11	8	0%	33%	31	26	21%
Total income from operations	626	610	355	3%	77%	1,748	903	94%
Non-operational Income	31	30	20	3%	51%	76	41	85%
Total income	657	640	375	3%	75%	1,824	944	93%
Finance cost	250	228	121	10%	107%	677	309	119%
Net Income	407	412	254	(1)%	60%	1,147	635	81%
Expenses								
Employee benefit expense	121	112	69	8%	75%	336	220	53%
Depreciation and amortization expense	6	5	3	23%	121%	13	7	87%
Other expenses	40	38	42	3%	(5)%	110	106	4%
Total Expenses	166	155	114	7%	46%	460	334	38%
Pre-Provision Operating Profit (PPOP)	240	258	141	(7)%	71%	687	301	128%
Impairment on financial instruments and other provisions	70	90	45	(22)%	57%	189	422	(55)%
Profit before Tax	170	168	96	2%	77%	498	(121)	
Tax expense	43	42	25	1%	74%	126	(28)	
Profit after tax	127	125	71	2%	79%	372	(93)	

Consolidated Balance Sheet



ASSETS (₹ Cr)	Dec 31, 2023	Mar 31, 2023
Financial Assets		
Cash and bank balances	1,669	1,005
Loan Portfolio	9,424	7,760
Investments	120	189
Other financial assets	130	122
Total Financial Assets	11,344	9,076
Non-Financial Assets		
Inventories	-	1
Current tax assets (net)	67	40
Deferred tax assets (net)	130	197
Property, Plant and Equipment	30	25
Intangible assets	5	5
Goodwill	17	17
Other non-financial assets	25	22
Total Non-financial assets	273	307
Total Assets	11,617	9,383

LIABILITIES & EQUITY (₹ Cr)	Dec 31, 2023	Mar 31, 2023
Financial Liabilities		
Debt Securities	3,541	3,369
Borrowings (Other than Debt Securities)	4,402	2,685
Subordinated Liabilities	20	20
Other Financial liabilities	87	155
Total Financial Liabilities	8,050	6,230
Non-Financial Liabilities		
Current Tax Liabilities (net)	4	4
Provisions	17	6
Other Non-Financial liabilities	50	43
Total Non-Financial Liabilities	71	54
Equity		
Equity Share Capital	71	71
Other Equity	3,425	3,028
Equity attributable to shareholders of the company	3,496	3,099
Non-Controlling Interest	0.3	0.2
Total Equity	3,497	3,099
Total Liabilities and Equity	11,617	9,383

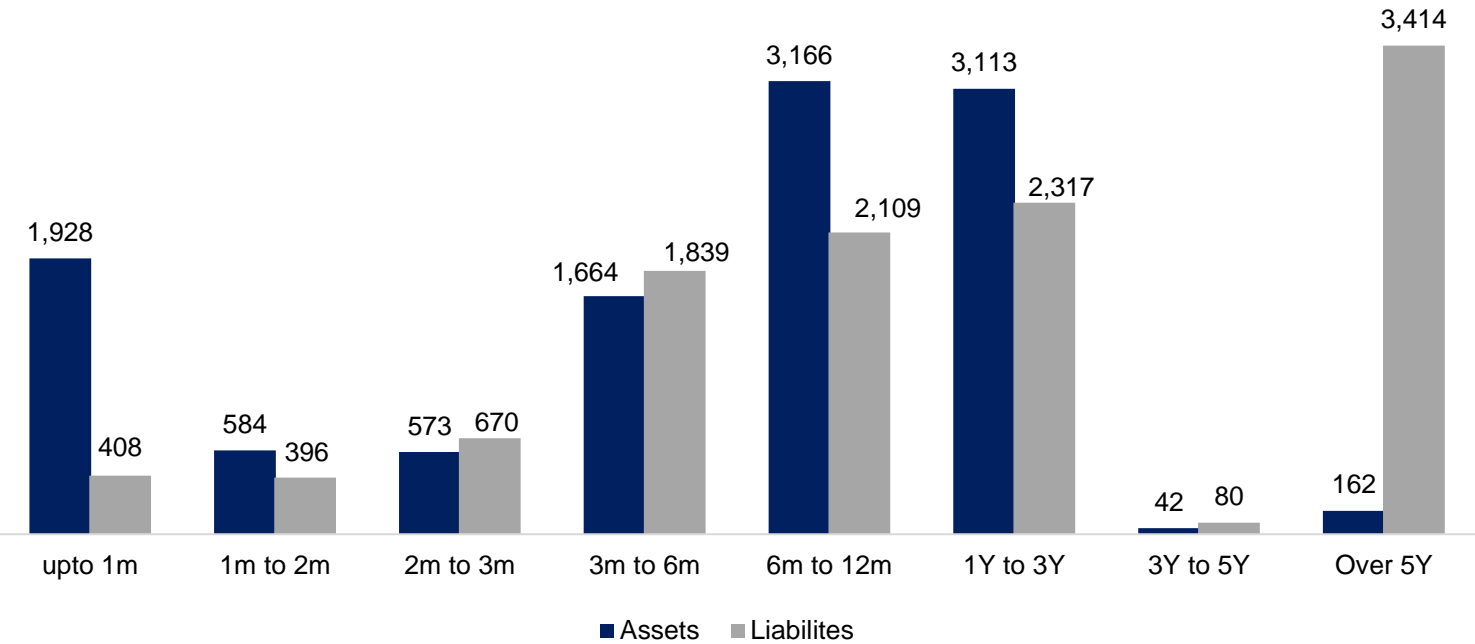


Annexure

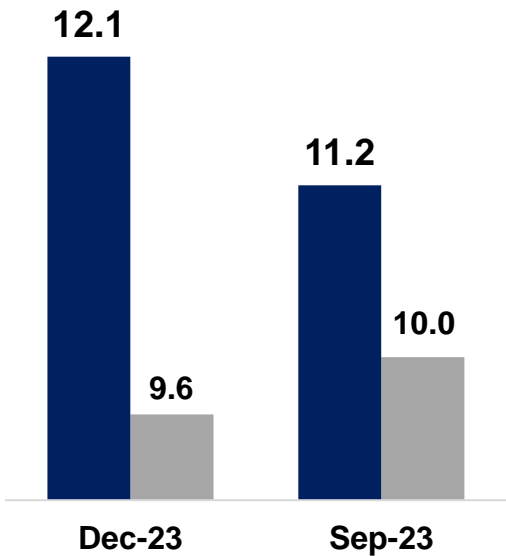
Positive ALM across maturity buckets



Positive ALM* (₹ Cr)



Maturity profile* (in months)



■ Avg. residual maturity of asset
■ Avg. residual maturity of borrowing

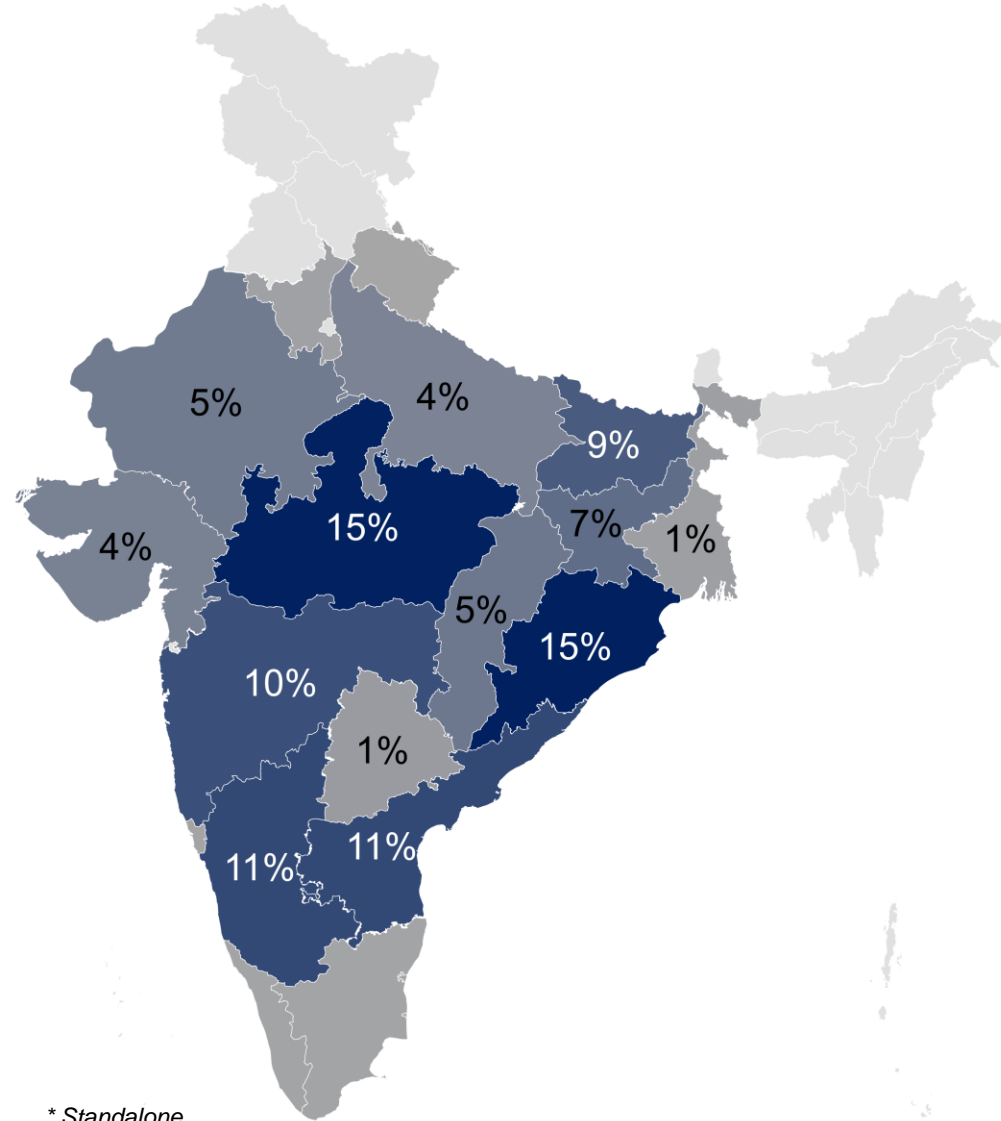
- Positive ALM on cumulative basis with assets maturing faster than liabilities
- Cash and Bank balance (₹1,669 Cr as on 31 Dec'23)

* Standalone



Well diversified presence

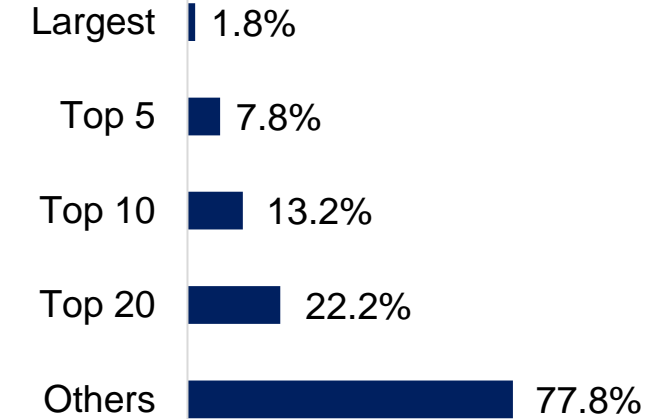
AUM concentration* - ~41% from top 3 States



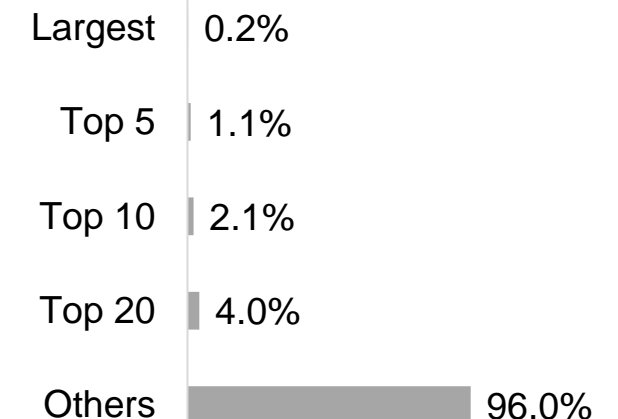
* Standalone

State	% of AUM	
	Q3FY24	Q3FY23
Odisha	15%	15%
Madhya Pradesh	15%	17%
Karnataka	11%	11%
Andhra Pradesh	11%	11%
Maharashtra	10%	10%
Bihar	10%	8%
Jharkhand	6%	6%
Chhattisgarh	5%	5%
Rajasthan	5%	5%
Uttar Pradesh	5%	3%
Gujarat	4%	5%
Telangana	1%	1%
West Bengal	1%	0.7%
Haryana	0.5%	1%
Tamil Nadu	0.5%	0.1%
Kerala	0.3%	1%
Goa	0.2%	0.2%
Pondicherry	0.1%	0.1%
Uttarakhand	0.03%	-
Total	100%	100%

District level concentration*



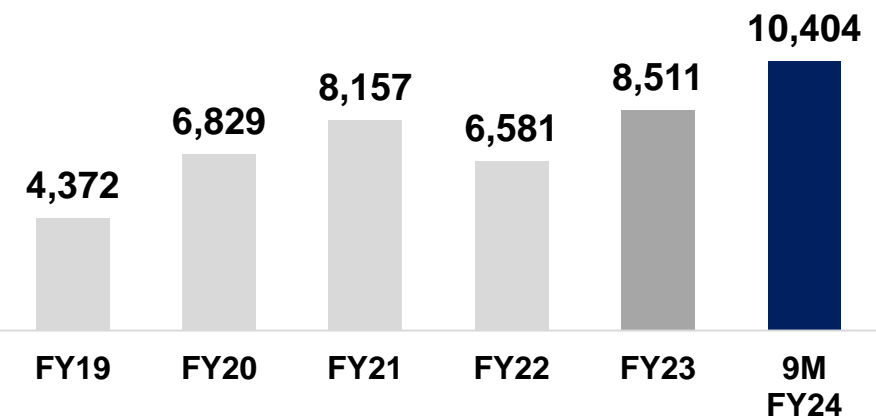
Branch level concentration*



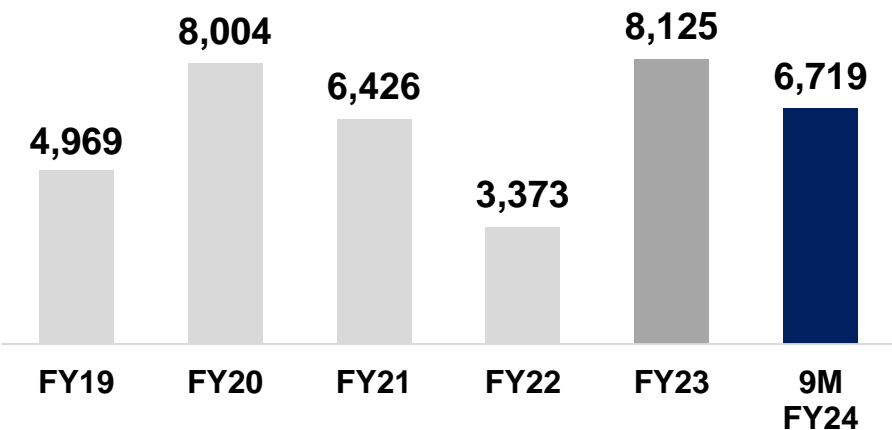
Metrics over the years



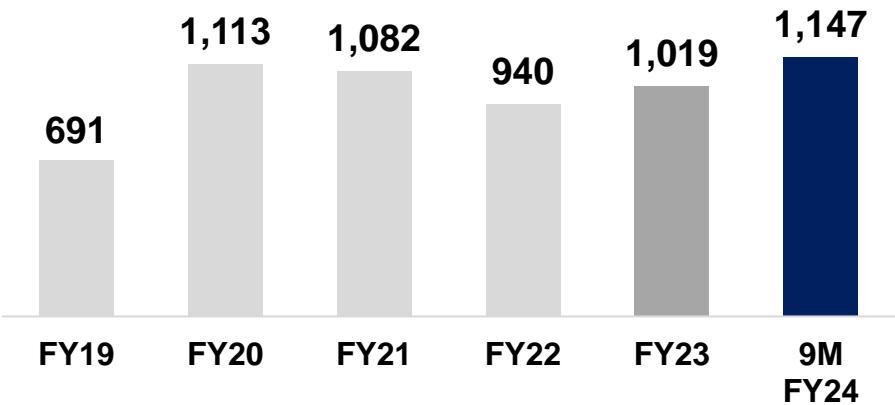
AUM (₹ Cr)



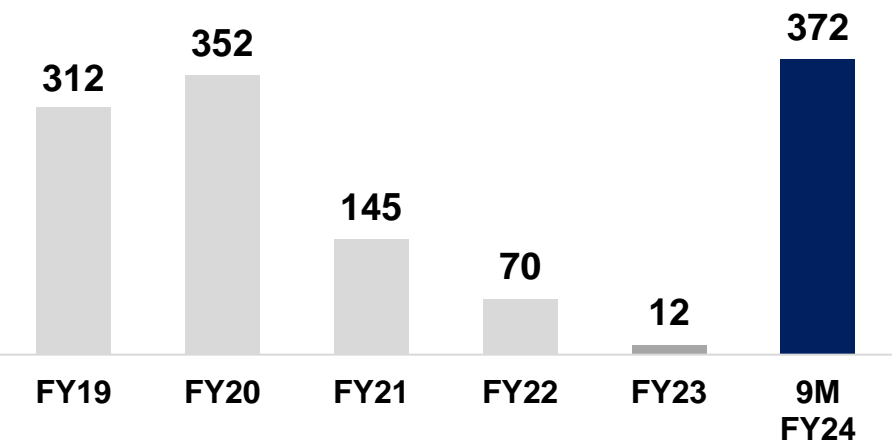
Disbursement (₹ Cr)



Net Income* (₹ Cr)



PAT (₹ Cr)

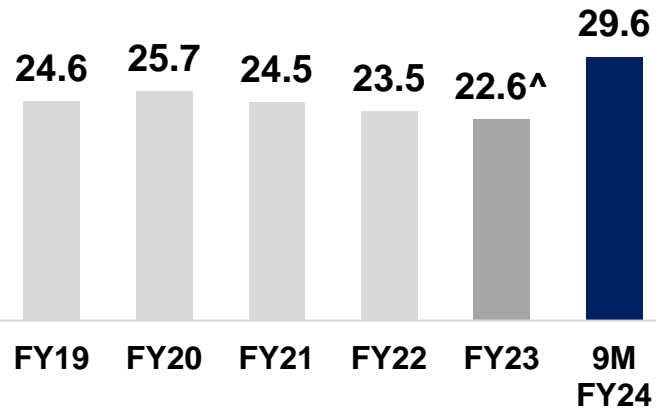


*Net Income = Total income less finance cost

Rapid branch expansion over past 9 months

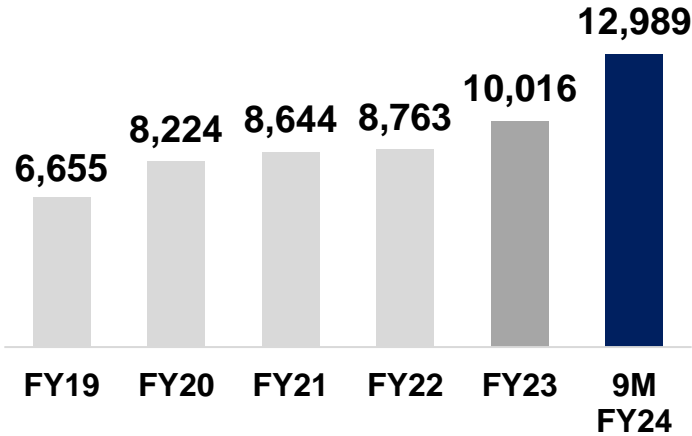


Borrowers (in L)

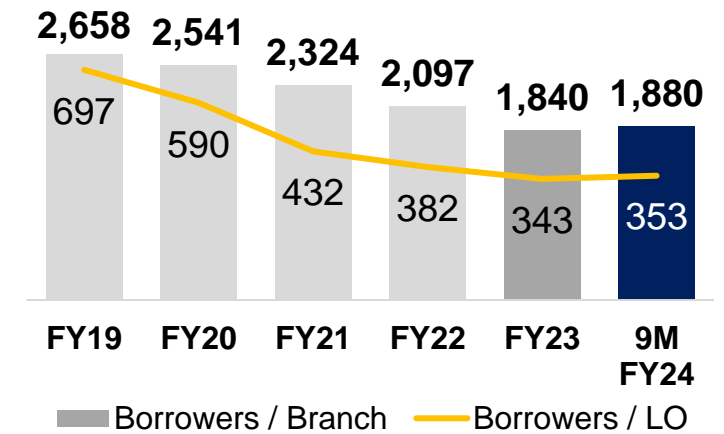


^Loans outstanding of ~6 L borrowers written-off

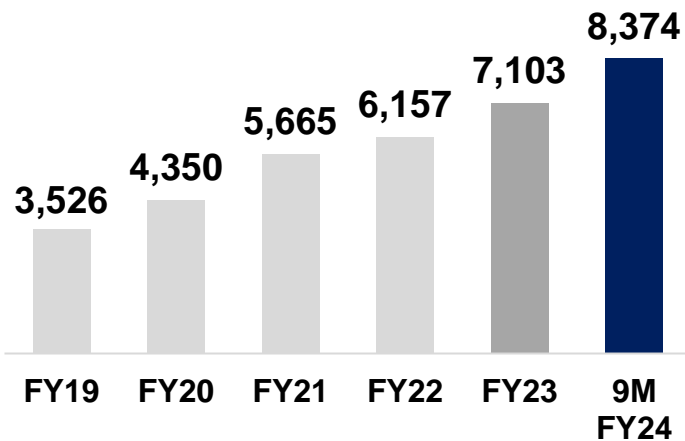
Employees



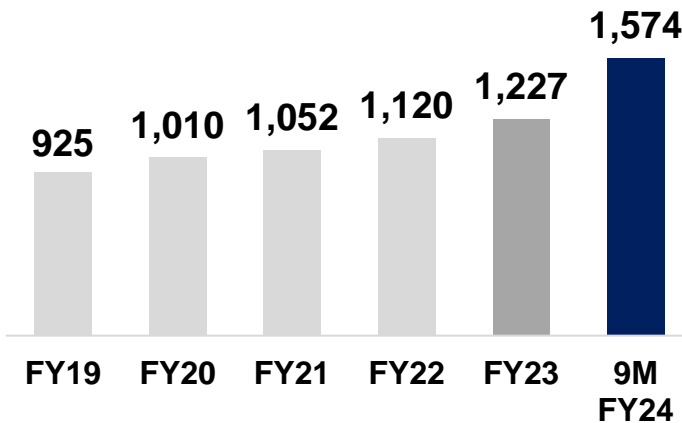
Borrowers / Branch & LO



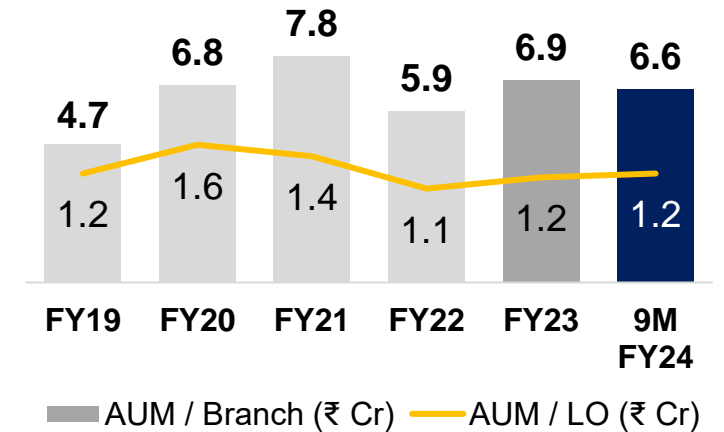
Loan Officers



Branches



AUM / Branch & AUM / LO





SPANDANA
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Thank you!

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