



Ref: SSFL/Stock Exchange/2024-25/058

July 27, 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

Scrip Code: 542759

Symbol: SPANDANA

Dear Sir/Madam,

Sub: Updated 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 updated 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 14:36:49
+05'30'

Encl: as above

Spandana Sphoorty Financial Limited

CIN - L65929TG2003PLC040648

Galaxy, Wing B, 16th Floor, Plot No.1, Sy No 83/1, Hyderabad Knowledge City,
TSIC, Raidurg Panmaktha, Hyderabad – 500081, Telangana

Ph: +9140-45474750 | contact@spandanasphoorty.com | www.spandanasphoorty.com

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

H2FY25 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"> AUM concentration of largest state <14% Top 4 states together account for ~50% of AUM
2	Staying focused on customer indebtedness	<ul style="list-style-type: none"> Average customer indebtedness of Spandana is ~₹42000 which is 76% of the industry. Only Spandana indebtedness is ₹34,359 Other MFI exposure of Spandana's borrowers <ul style="list-style-type: none"> <₹50,000 - ~48% borrowers ₹50000 - ₹100000 - ~18% borrowers ₹100000 - ₹150000 - ~9% borrowers ₹150000 - ₹200000 - ~3% borrowers >₹200000 - ~0.7% borrowers
3	Shorter tenure loans	<ul style="list-style-type: none"> Monthly loans: 12% - 12 to 18 months; 86% - 24 months Weekly loans: 68% - 12 to 18 months; 32% - 24 months
4	Less number of loans per customer	<ul style="list-style-type: none"> Number of loans per client at about 1.17 vs. 1.91 industry average Maximum ticket size of ₹80,000

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%



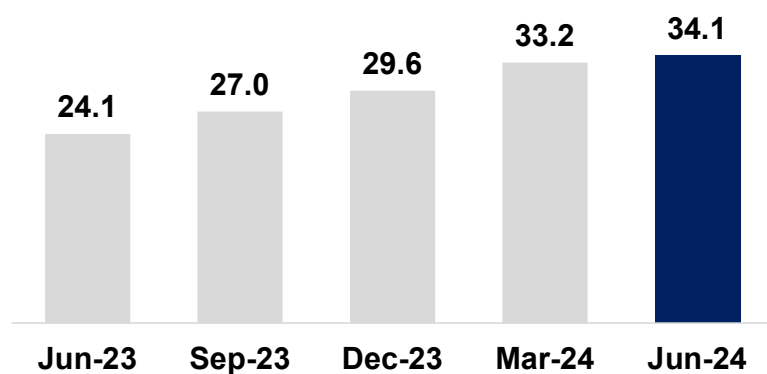
	Q1 FY25	Q1 FY24	YoY (%)	Q4 FY24	QoQ (%)
Customer Addition (L)	2.0	2.6	(23)%	4.4	(55)%
Disbursement (₹ Cr)	2,283	1,664	37%	3,970	(42)%
AUM (₹ Cr)	11,723	8,848	32%	11,973	(2)%
Funds raised (₹ Cr)	1,554	1,542	1%	3,428	(55)%
Income (₹ Cr)	737	527	40%	710	4%
Net Interest Income (₹ Cr)	425	290	47%	378	12%
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

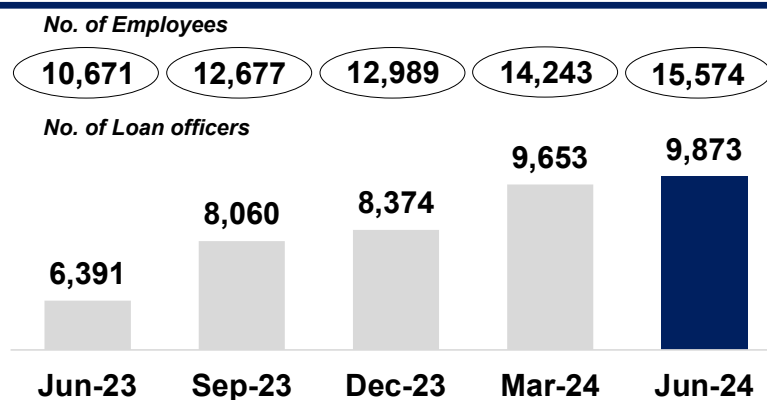
Focus on improving efficiencies across branches



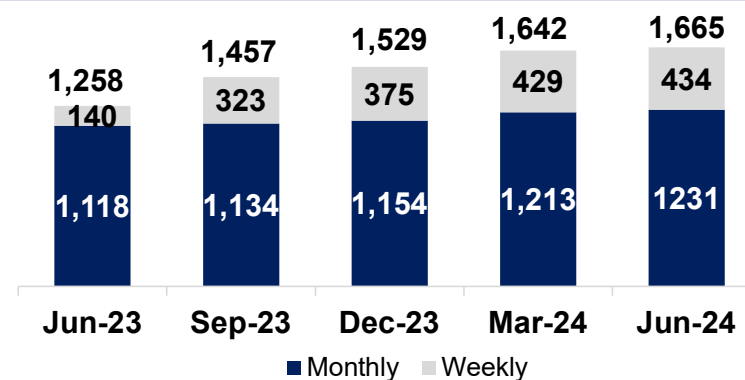
No. of customers (in L)



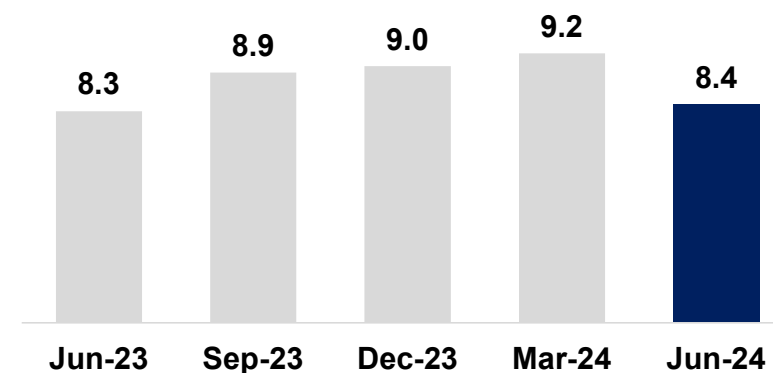
Number of employees



Branch count



AUM per branch^ (₹ Cr)

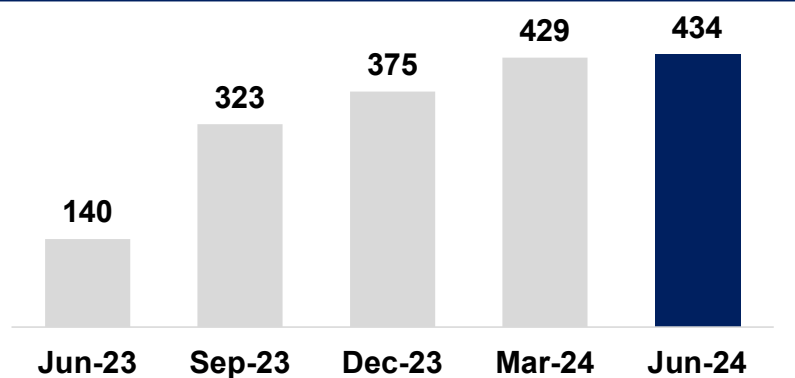


^AUM for branches with tenure >1 year which includes 143 branches opened between January 2023 and June 2023.

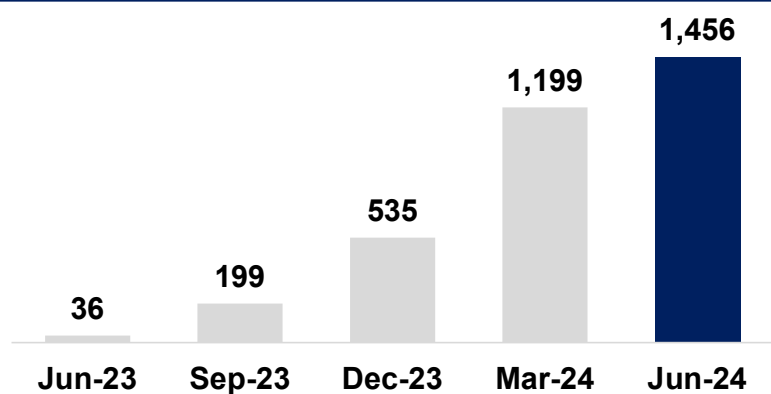
Weekly branches account for over 24% of Q1FY25 disbursement



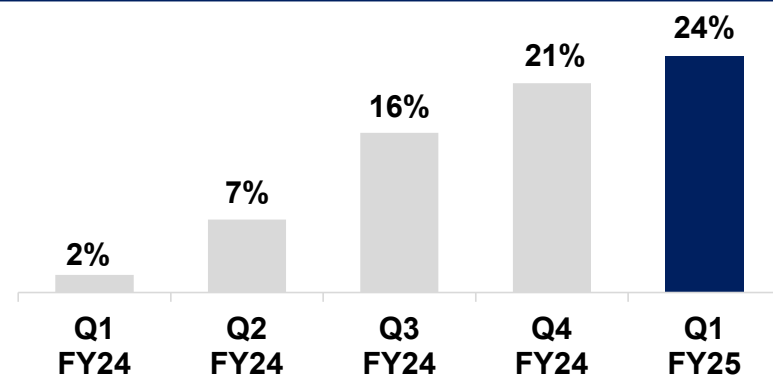
Weekly Branch count



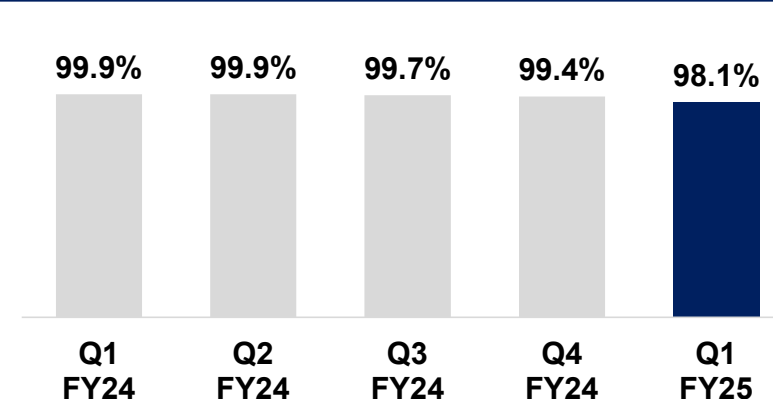
Weekly branches AUM (₹ Cr)



Weekly branch Disbursement share (%)



Weekly branches Net Collection Efficiency (%)

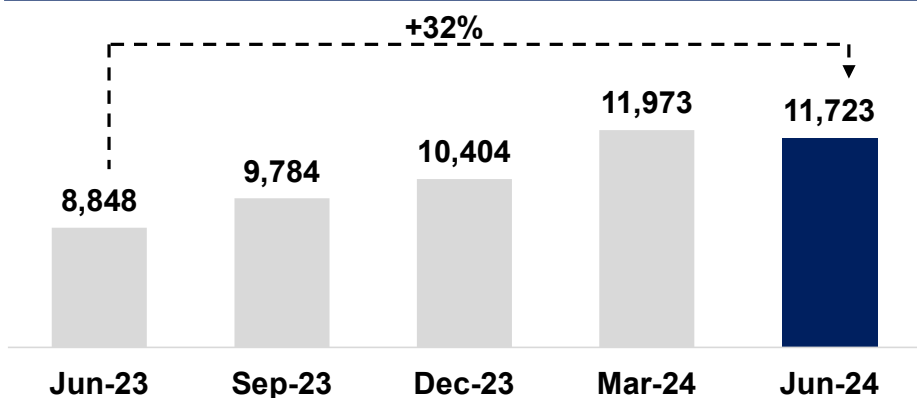


AUM at ₹11,723 Cr, ~32% YoY growth

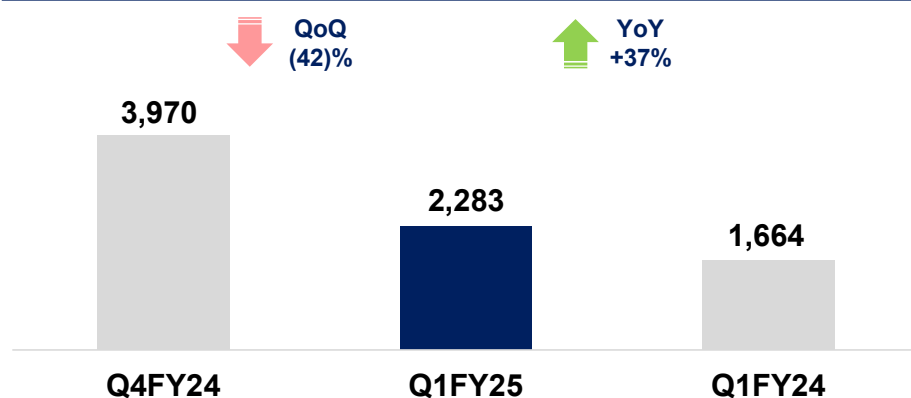
Top 4 States contribute ~50% of AUM vs. 57% in March 2022



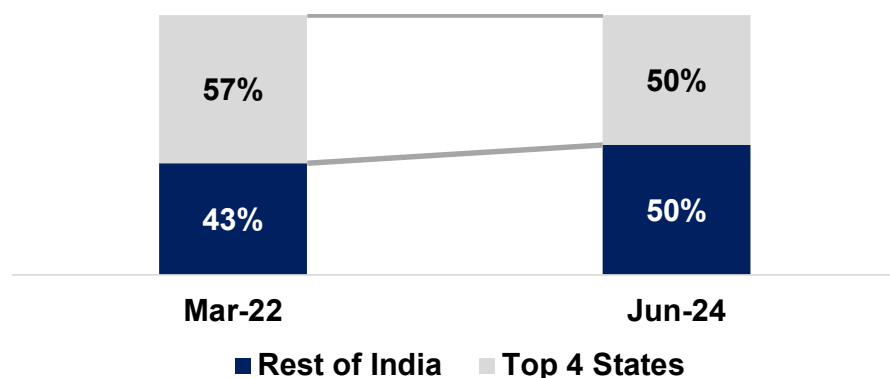
AUM (₹ Cr) - +32% YoY



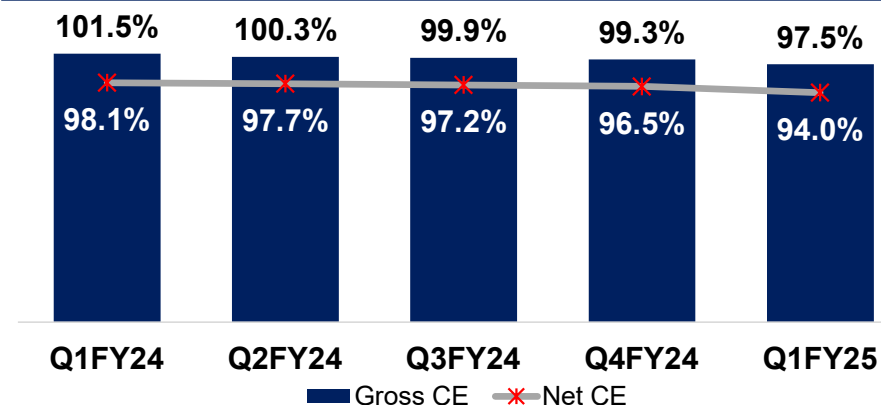
Disbursement (₹ Cr)



AUM Concentration of top 4 states down to ~50%



Collection Efficiency (%)

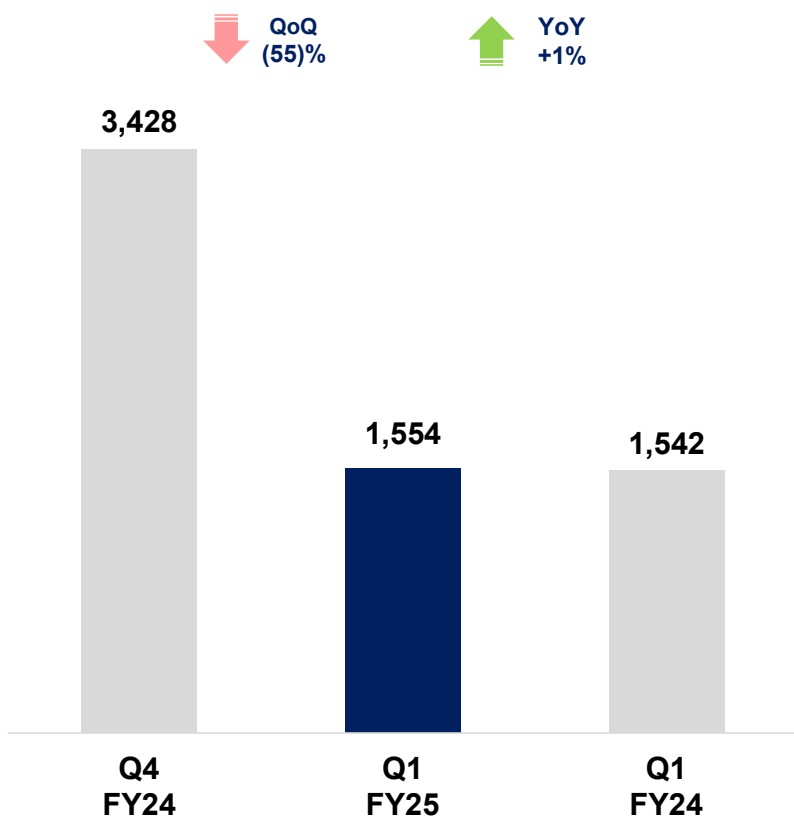


Borrowings from banks increase to 59% vs. 48% YoY

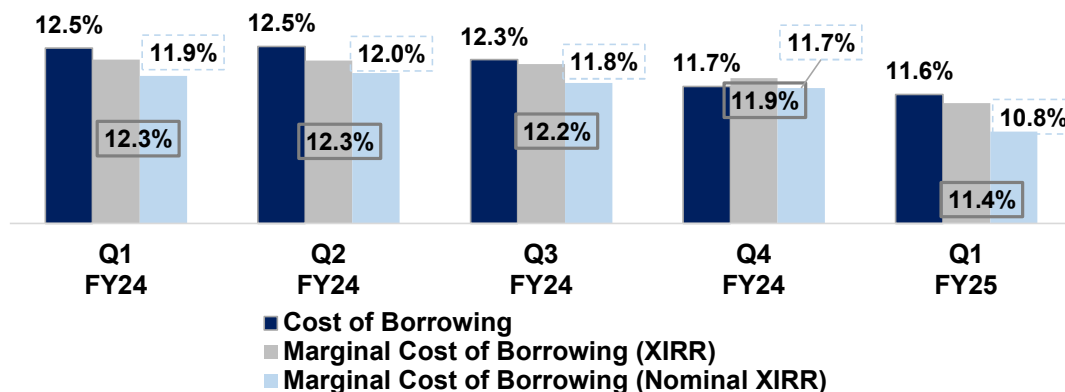
Diversified borrowings and active funds management have positive impact on borrowing cost



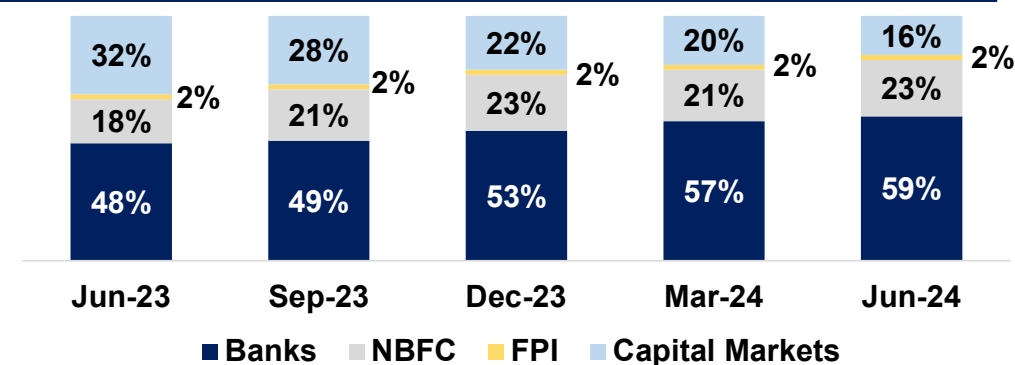
Incremental borrowing (in ₹ Cr)



Cost of borrowing



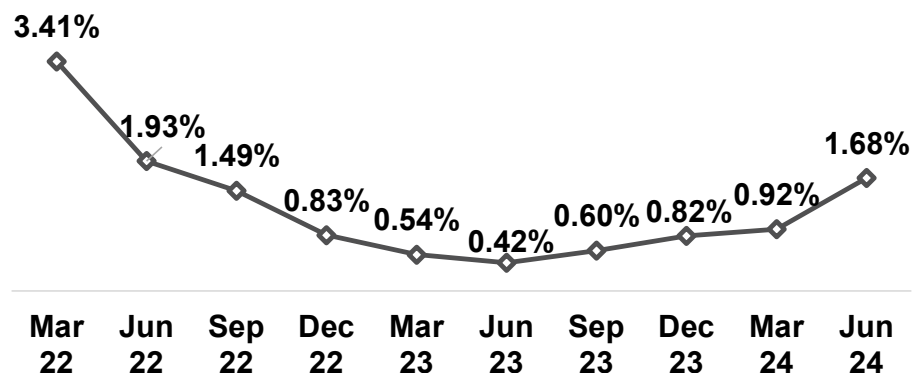
Diversified borrowing mix



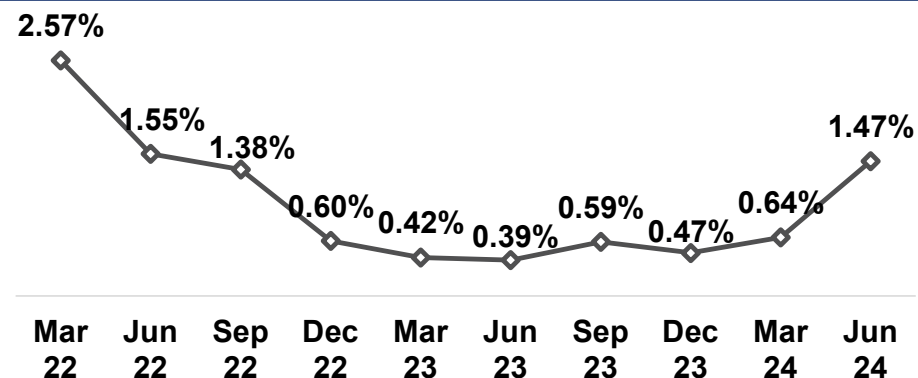
Portfolio quality temporarily impacted; GNPA at 2.6%; NNPA at 0.53%



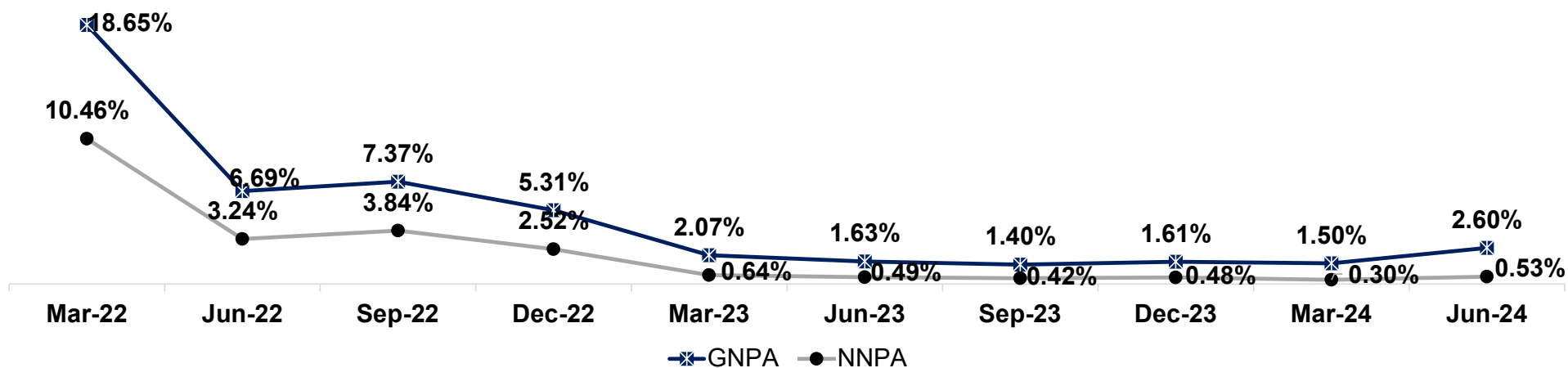
31 – 60 dpd



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%
Total	11,258	100%	491	4.36%	11,287	100%	315	2.79%

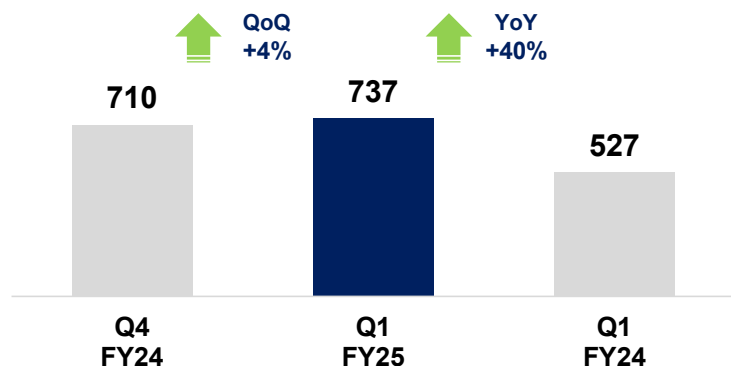
	30-Jun-24		31-Mar-24	
	SSFL	Consolidated	SSFL	Consolidated
GNPA	2.60%	2.60%	1.43%	1.50%
NNPA	0.52%	0.53%	0.29%	0.30%
PCR	80.00%	79.66%	80.00%	79.75%

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
Total	211.80

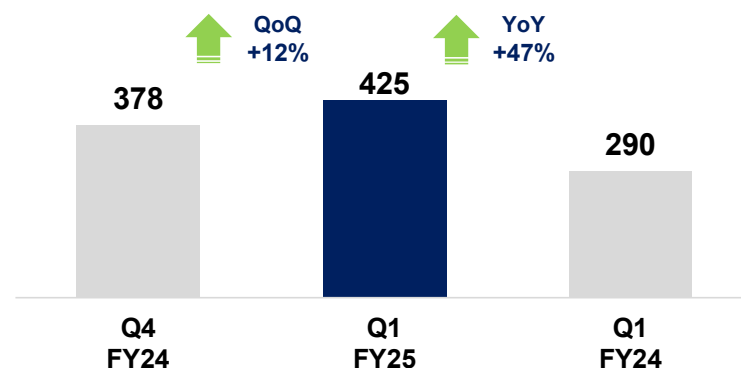
Q1FY25 YoY Income up 40%, NII up 46%, PPOP up 52% PAT declined by 53% YoY owing to temporary challenges



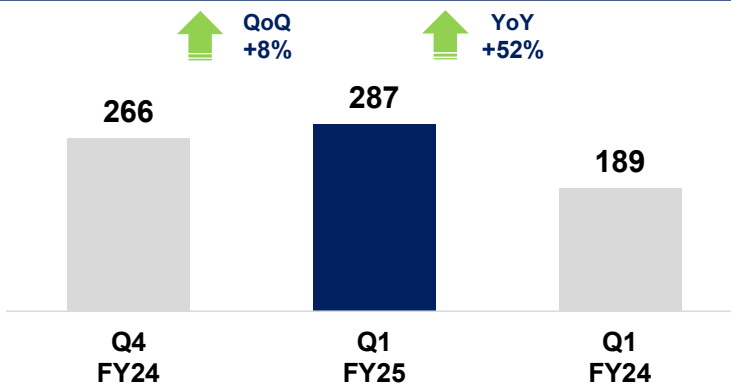
Income*



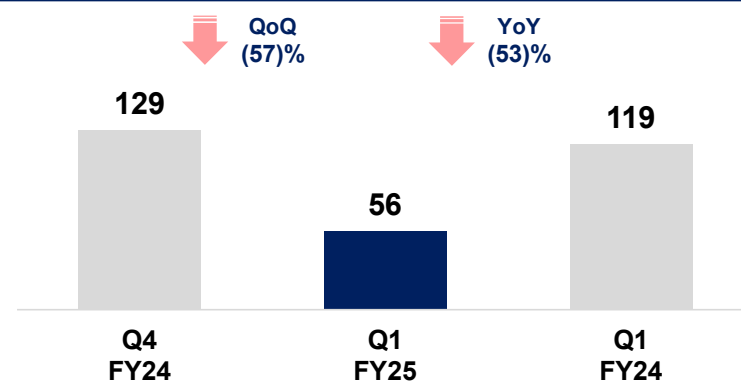
Net Interest Income



PPOP*



PAT*



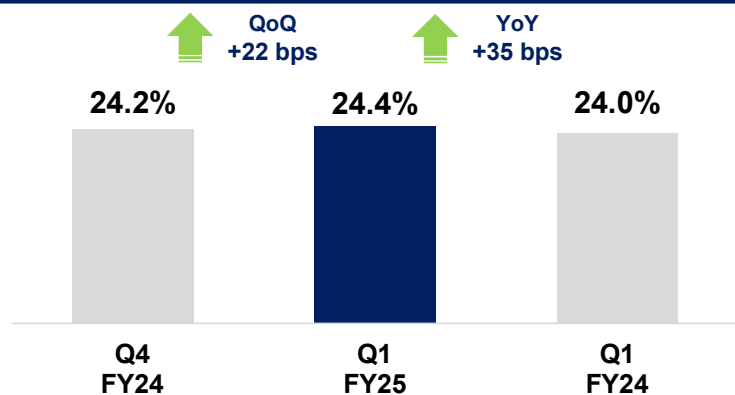
*Includes Net gain on fair value change of ₹16 Cr toward DA transaction undertaken in Q4FY24 and ₹3 Cr in Q1FY24

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

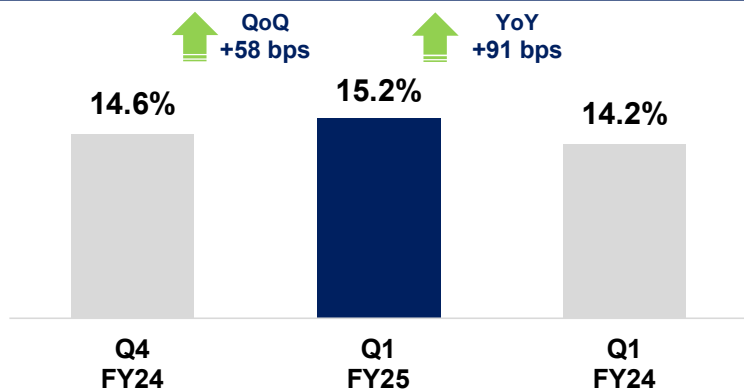
Cost of borrowing at 11.6% in Q1FY25



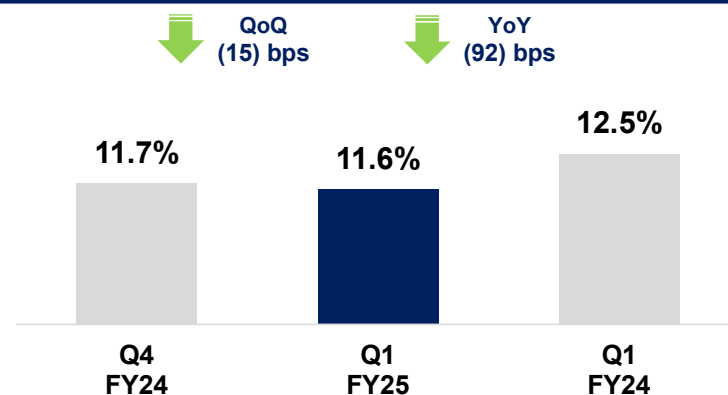
Yield (%)



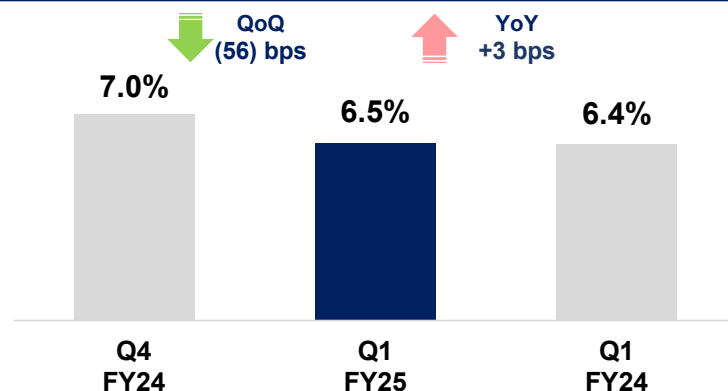
NIM (%)



Cost of Borrowing (%)



Opex-to-AUM (%)

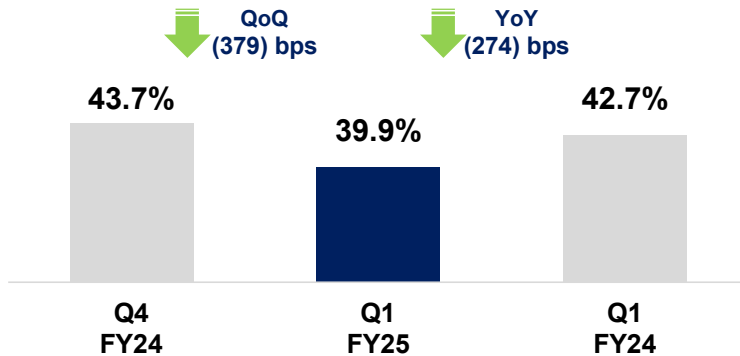




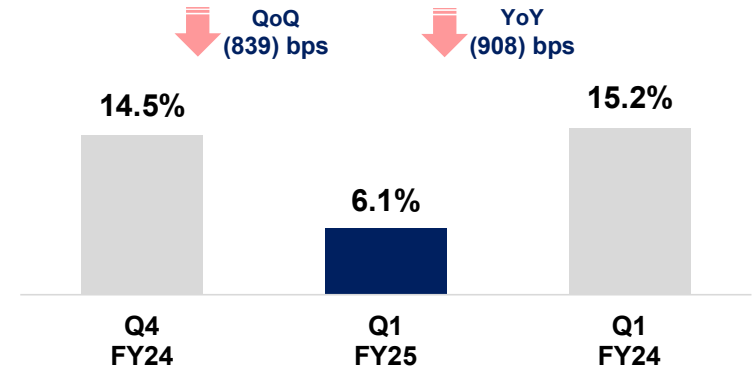
Q1FY25 Cost-to-income improves to ~40%

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

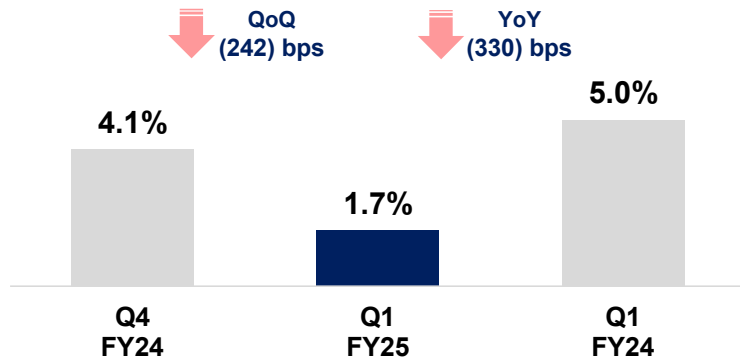
Cost-to-income^ (%)



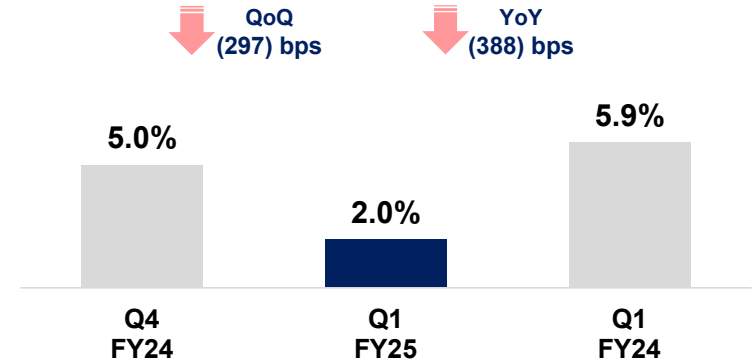
ROE (%)



ROA (Total Assets) (%)



ROA (On book POS) (%)

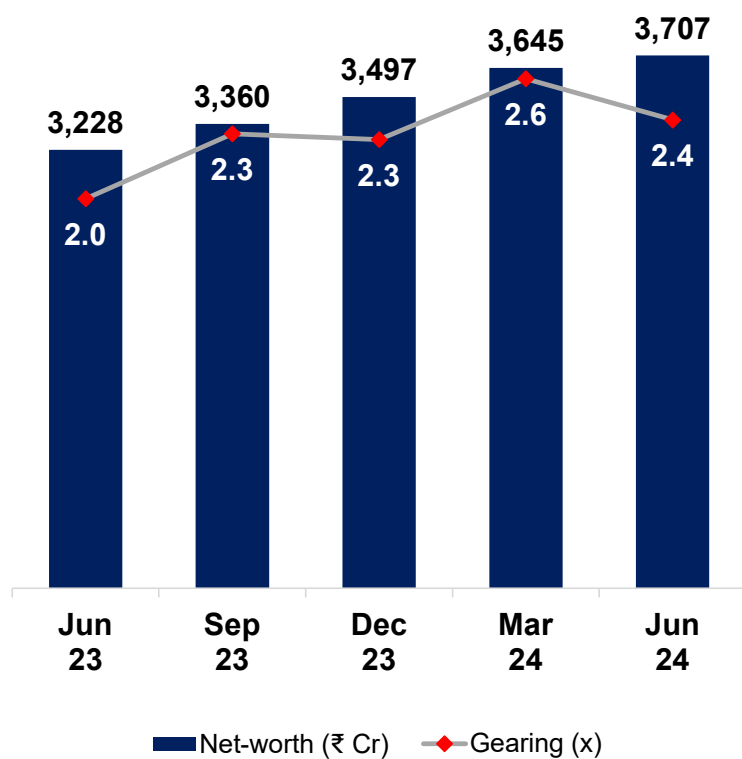


^Includes Net gain on fair value change of ₹16 Cr toward DA transaction undertaken in Q4FY24 and ₹3 Cr in Q1FY24

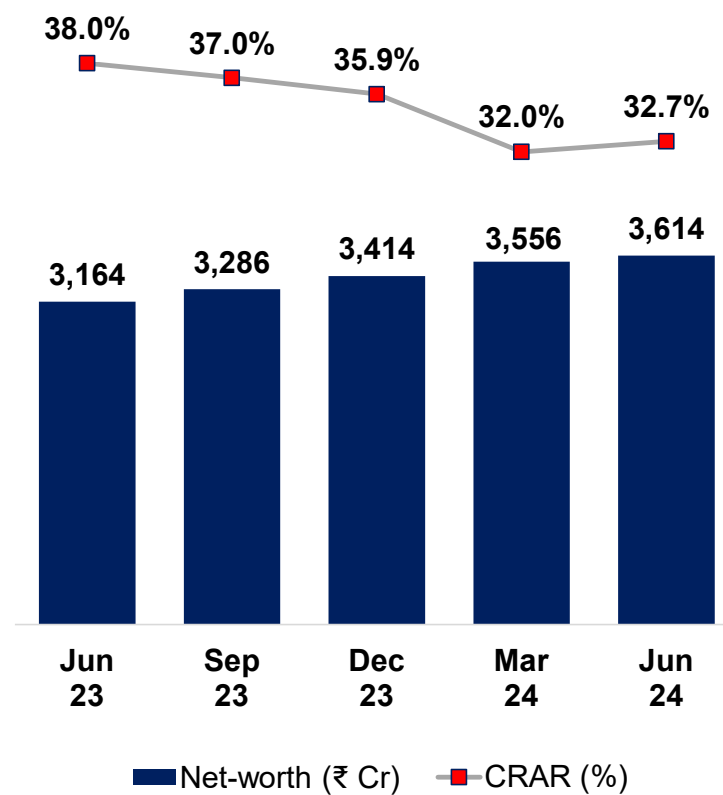
Consolidated Net-worth increases to ₹3,707 Cr, CRAR at 32.0%



Gearing at 2.4x (consolidated)



SSFL Standalone Net-worth & CRAR



Consolidated Income Statement



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

Consolidated Balance Sheet



ASSETS (₹ Cr)	Jun 30, 2024	Mar 31, 2024
Financial Assets		
Cash and bank balances	1,534	1,894
Loan Portfolio	10,810	11,014
Investments	109	112
Other financial assets	76	84
Total Financial Assets	12,530	13,104
Non-Financial Assets		
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
Total Non-financial assets	310	278
Total Assets	12,840	13,383

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

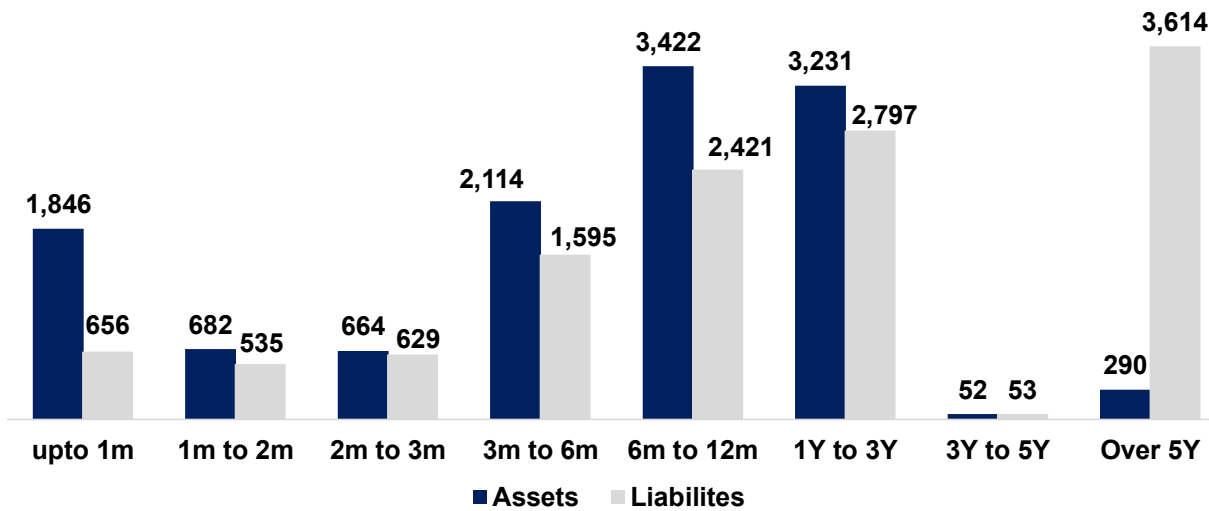


Annexure

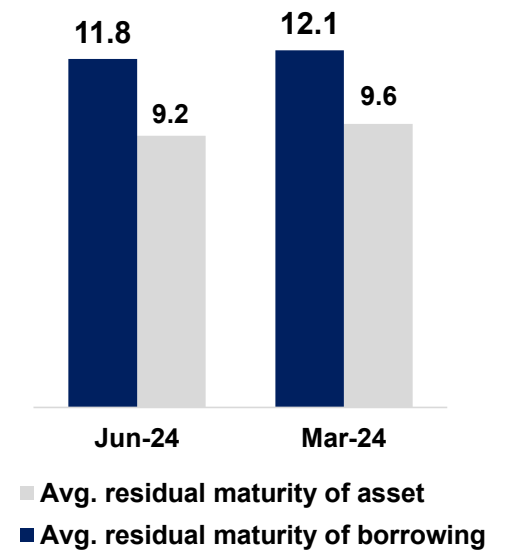


Positive ALM across maturity buckets

Positive ALM (₹ Cr)*



Maturity profile* (in months)



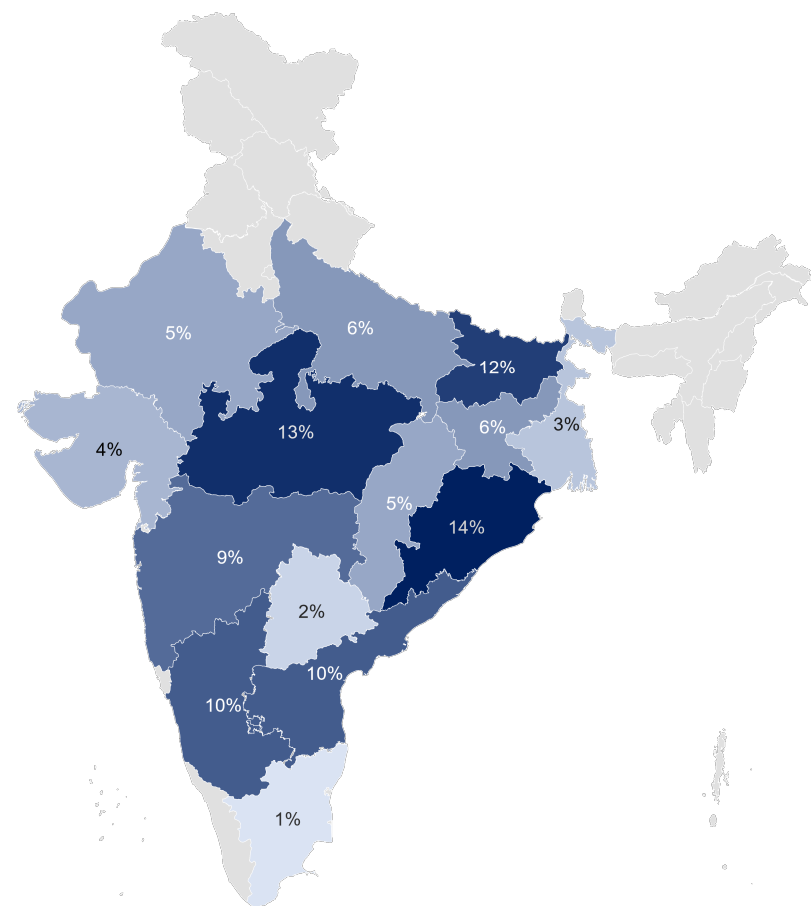
- Positive ALM on cumulative basis with assets maturing faster than liabilities
- Closing Cash and Bank balance (₹1,534 Cr as on 30 Jun 2024)

* Standalone

Well diversified presence

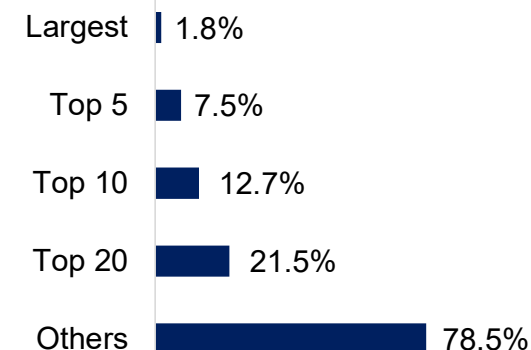


AUM concentration* - ~49% from top 4 States

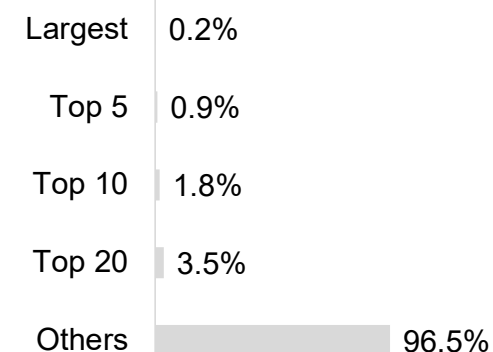


State	% of AUM		
	Jun-24	Mar-24	Mar-23
Odisha	14%	14%	15%
Madhya Pradesh	13%	13%	17%
Bihar	12%	12%	8%
Karnataka	10%	10%	11%
Andhra Pradesh	10%	10%	11%
Maharashtra	9%	9%	10%
Uttar Pradesh	6%	6%	3%
Jharkhand	6%	6%	7%
Chhattisgarh	5%	5%	5%
Rajasthan	5%	5%	5%
Gujarat	4%	4%	5%
West Bengal	3%	2%	1%
Telangana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

District level concentration*



Branch level concentration*

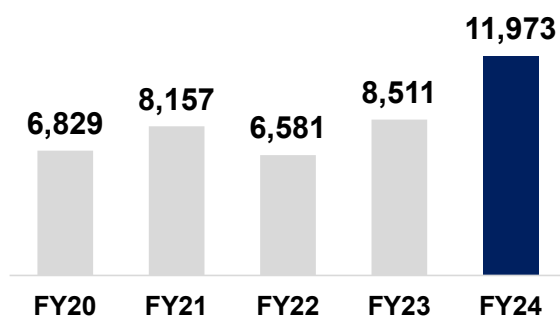


* Standalone for SSFL

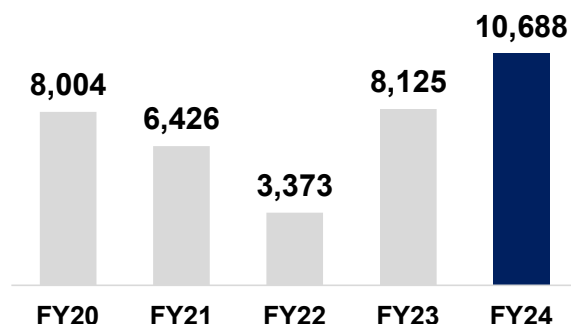
Metrics over the years



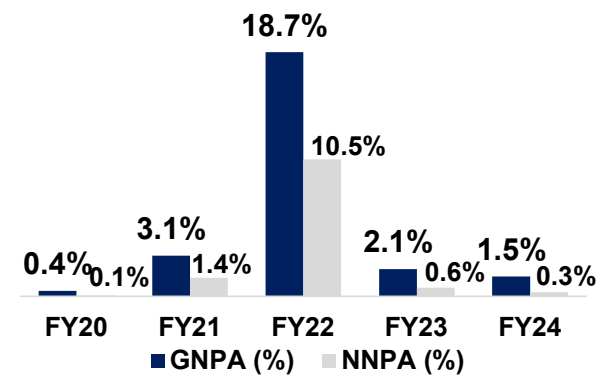
AUM (₹ Cr)



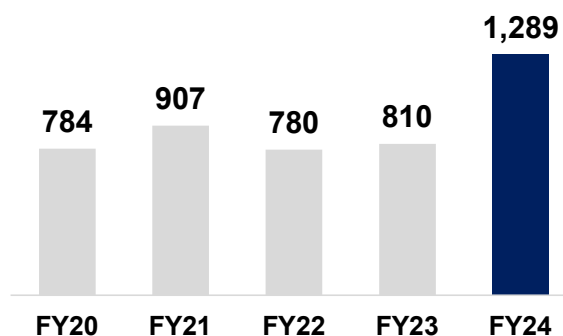
Disbursement (₹ Cr)



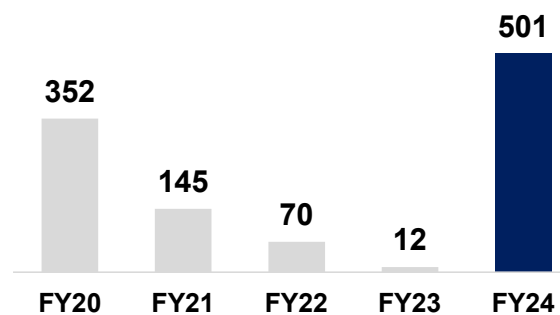
GNPA (%) & NNPA (%)



Net Interest Income (₹ Cr)



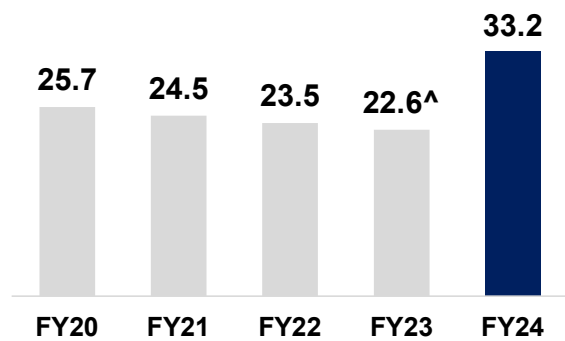
PAT (₹ Cr)



Accelerated growth delivered over last year

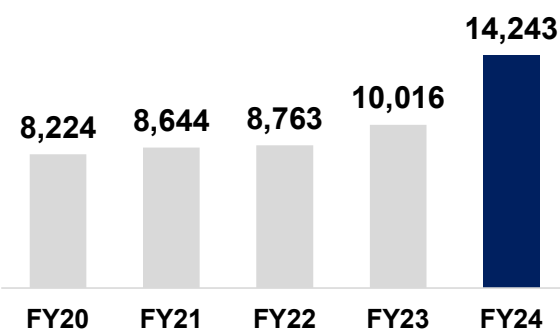


Customers (in L)

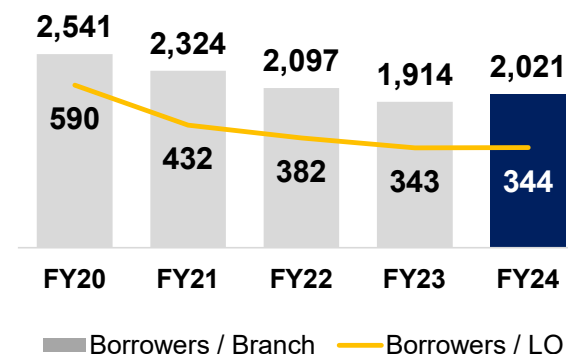


^Loans outstanding of ~6 L Customers written-off

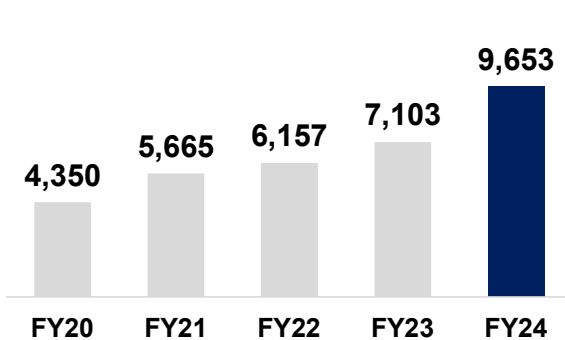
Employees



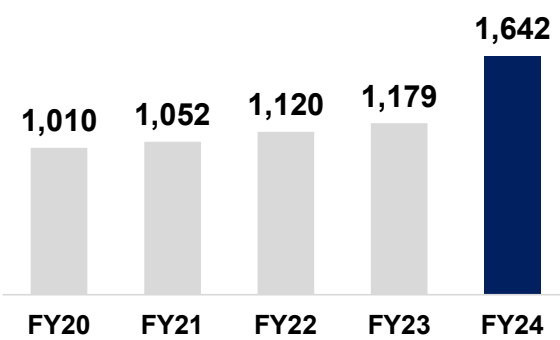
Customers / Branch & LO *



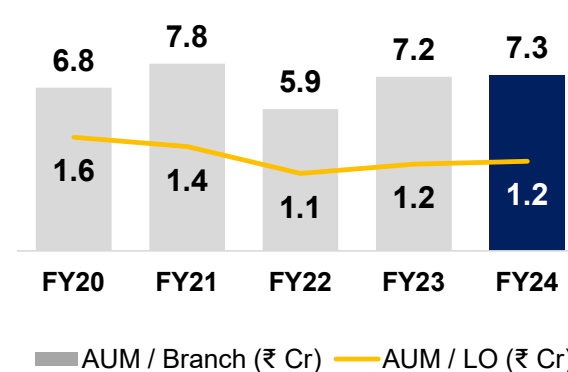
Loan Officers



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



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Thank you!

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