



Ref: SSFL/Stock Exchange/2021-22/19

Date: May 24, 2021

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: Investors' Presentation - Quarter and Year ended March 31, 2021

Pursuant to the provisions of Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we have enclosed herewith the Investors' Presentation on the financial and operational performance of the Company for quarter and year ended March 31, 2021.

This presentation will also be available on the website of the Company at www.spandanaindia.com.

Kindly take on record the aforesaid information.

Thank you.

Yours Sincerely,

For Spandana Sphoorty Financial Limited

Ramesh Periasamy
Company Secretary and Compliance Officer

Encl: As Above

Spandana Sphoorty Financial Limited

....Committed to low-income households



Investor Presentation

May 2021

Q4 FY21



Safe Harbor

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1 Business Update

2 Key Operating Metrics

3 Key Financial Metrics

4 Borrowing Profile

5 Overview of Criss Financial (Subsidiary) & Abhiram (Associate Co.)

6 Strong Management Team & Risk Management Processes

7 Annexure

Executive Summary

Overview

- 2nd largest microfinance company in India with an AUM of **Rs. 8,157 crore** and an active customer base of **24.45 lakhs**
- Best in class portfolio quality with GNPA of **3.1%**
- Raised **Rs. 5,482 crore** of debt in last 12 months
- Industry Leading Capital Adequacy of **40%**
- Generated PPOP of Rs 846 crore and PBT of Rs 200 crore in FY21
- Strong distribution network of **1,052 branches spread across 289 Districts of 18 states**

Financial Metrics

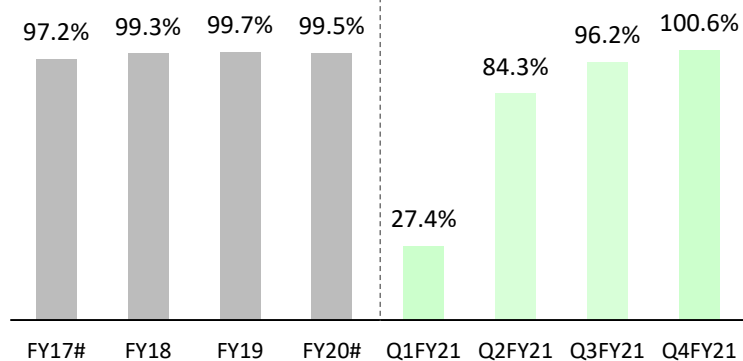
Strong Balance Sheet & Liquidity

Particulars	Q4 FY20	Q4 FY21
Networth (Rs crore)	2,626	2,749
Book Value Per Share (Rs)	420	427
Borrowings raised (Rs crore)	1,922	1,914
Cash & Cash equivalents (Rs crore)	547	1,135

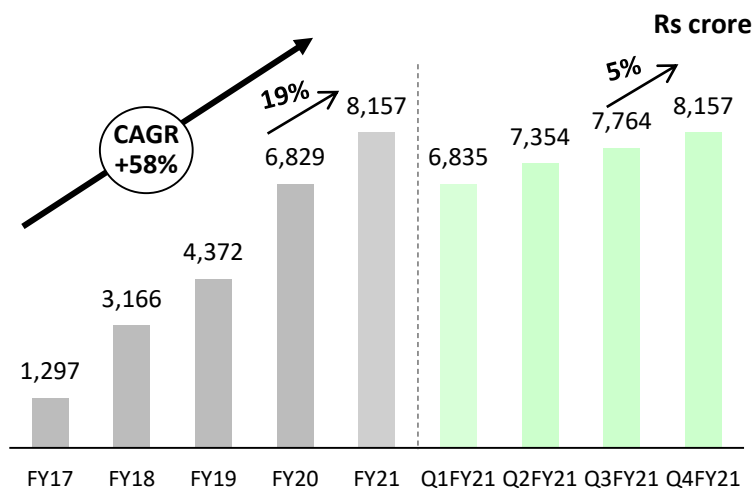
Efficiency & Profitability

Particulars	FY20	FY21
Financial Cost ratio %*#	8.0%	7.7%
Cost-to-Income Ratio %	19.9%	21.9%
Normalised ROA%*	9.1%	7.8%
Normalised ROE %*	24.3%	20.9%

Collection Efficiency Including Arrears

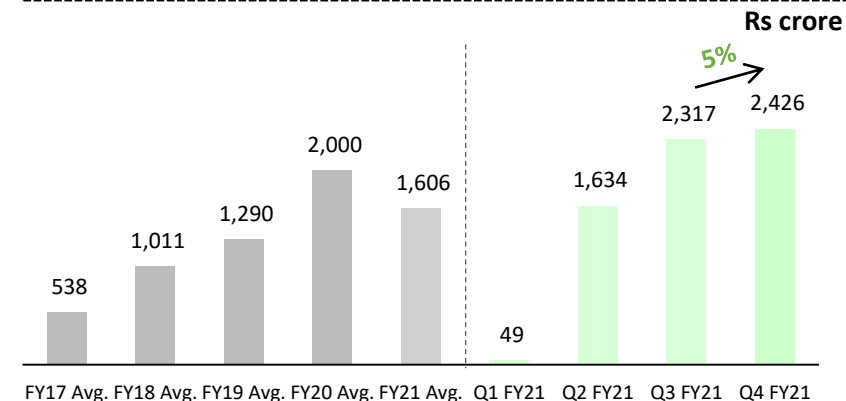


Robust Growth in AUM

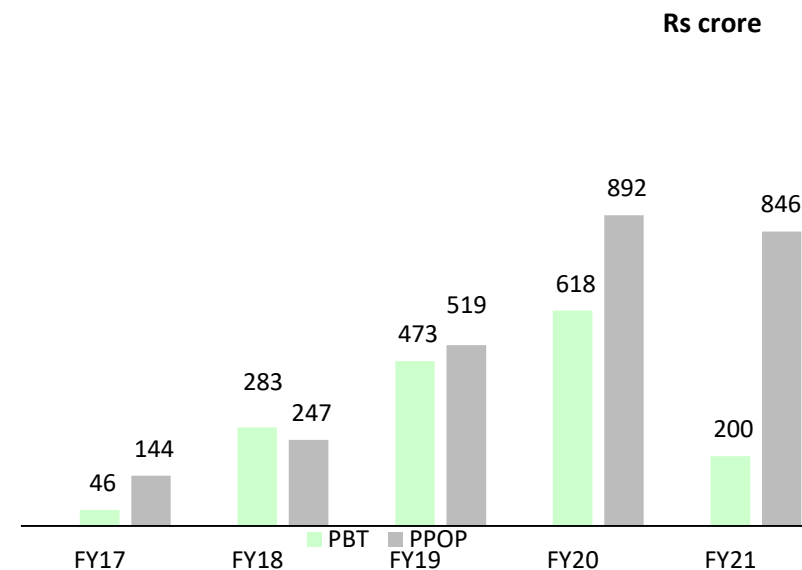


- Collections exclude prepayments
- * Excluding Provision related to Covid-19 and others & one-time deferred tax adjustment
- # FY17 Demonetization impact & FY20 excluding lockdown period in March 20
- *# Financial cost ratio : Interest Cost/Average AUM

Average Quarterly Disbursements reached historical high



Strong PPOP & PBT



Q4 FY21 – Performance Highlights

Industry Leading Growth

- Assets under management grew by 19% YoY and 5% QoQ - Rs 8,157 crore
- Disbursements reached highest ever of Rs 2,426 Crore in Q4 FY21; up by 6% YoY
- Industry leading NIM of 15.4% for FY21

Robust Asset Quality & Prudent Provisioning

- Best in class Collection Efficiency of 100.6%
- Loan losses and provisions for the quarter includes 166 Cr of write off portfolio due to COVID related stress and 54 Cr relating to excess Interest repayable to borrowers whose loans are closed
- Company has been prudent in early recognition of risk and since Q4FY20 has taken a P&L impact of Rs.695 Cr (9% of average AUM during the period). After Rs. 362 Cr write offs, the company still holds Rs. 412 crore of provisions which accounts for 5.1% of the total portfolio. Total provisions plus write-offs for FY21 stands at 645 crore, which equates to 7.9% of the total portfolio
- Out of the write-off made in Q3 FY21, we have been able to successfully collect ~Rs.18.5 crores in Jan-Mar'21 (collection efficiency ~53%) as against the total demand of ~Rs.34.7 crores.
- PAR 1-30 stood at 3.6%, 31-60 @ 2.0% and 61-90 @ 1.6%
- Sustained best in class portfolio quality with GNPA of 3.1% and NNPA of 1.4%

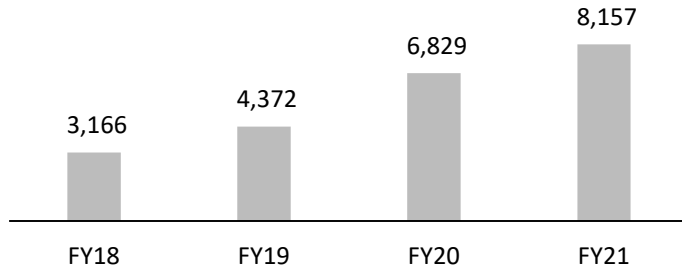
Strong Liquidity Position

- Raised Rs 1,914 crore during Q4 FY21 and 5,482 Cr in FY21
- Diversified lender base & instruments by raising Rs 1,175 crore through money market instruments; Rs 700 crore raised from retail investors through wealth management channel
- Strong funding access with adequate liquidity surplus of Rs.1,135 Crore as on 31st Mar 2021, and sanctions in pipeline of over Rs 2,000 crore
- On-boarded 16 new lenders in disruptive environment – highlights enduring strength of liabilities franchise

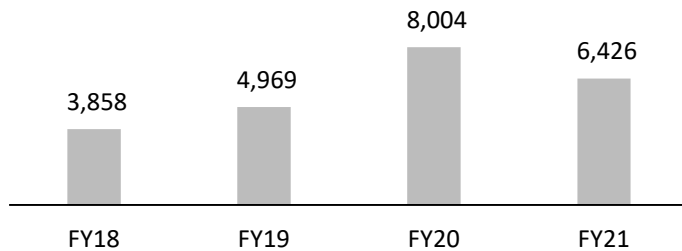
Spandana has always shown consistent growth, profitability and sustainability...

Growth

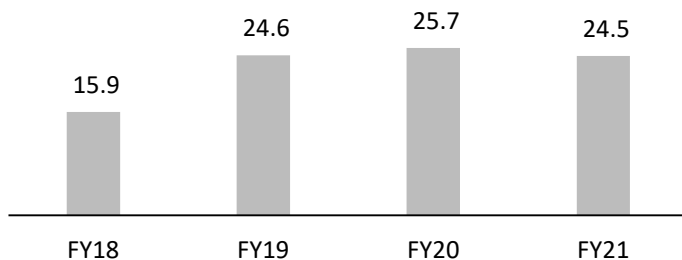
Robust AUM (Rs crore)



Disbursements (Rs crore)

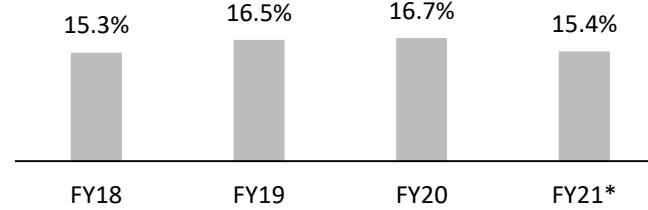


Borrowers (Lakhs)



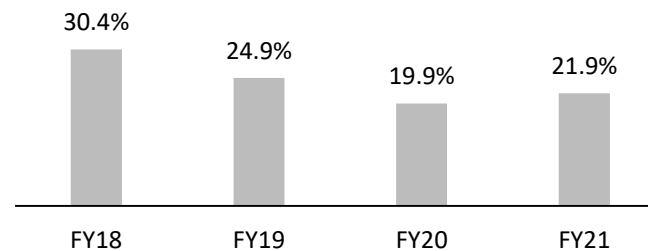
Profitability

Industry Leading NIM (%)

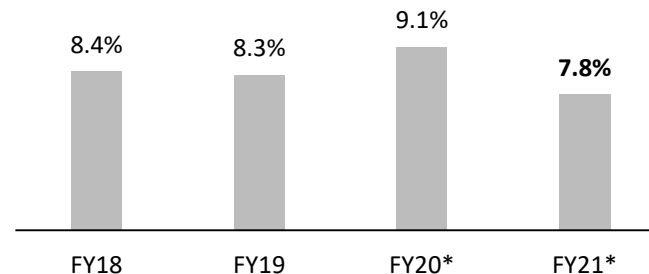


*NIM for FY21 is lower due to reduction in lending rate

Cost to Income Ratio



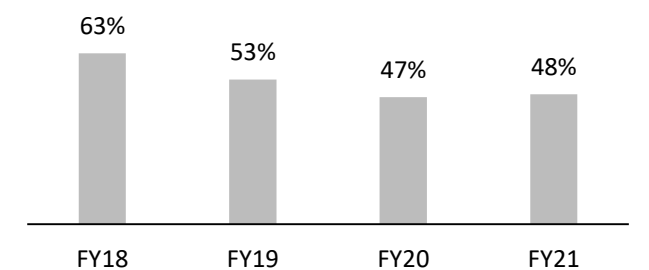
Higher Returns – RoA%



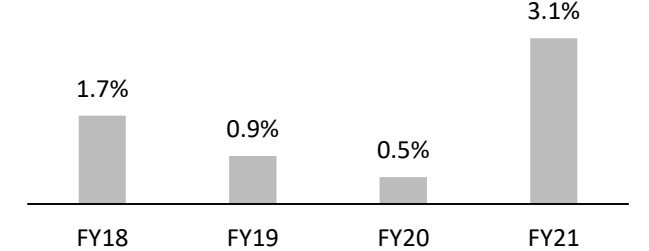
*Normalized figures (excluding Covid and other related provisions & one-time deferred adjustments)

Sustainability

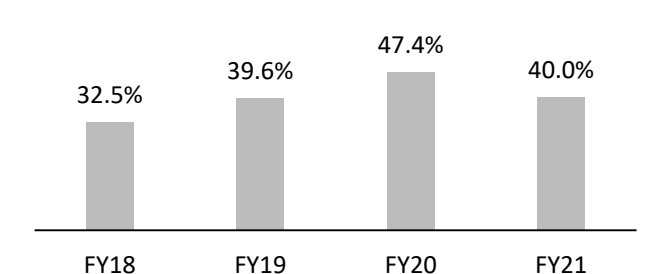
Limited Concentration Risk – Top 3 States



GNPA (%)



High Capital Adequacy Ratio (%)*



* On Standalone basis

...with its 'all-weather' team having successfully navigated multiple cycles...



SPANDANA

17+ years of experience – Navigated multiple crises and mastered crisis management

AP Crisis: 2010

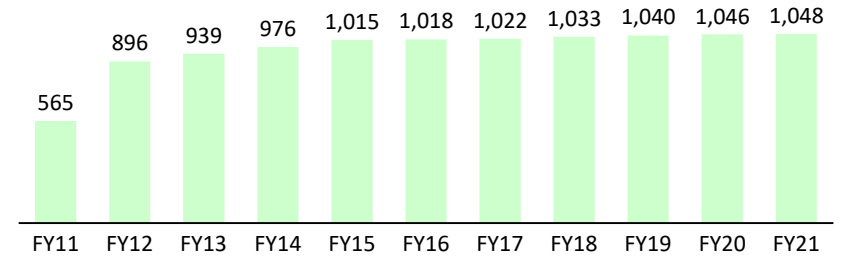
Measures Taken

- ✓ Kept on-ground presence in AP by keeping branches open and engaging with customers

Outcome

- ✓ Only MFI to collect ~44% of old AP portfolio while other MFIs were <25%
- ✓ Only one of two MFIs to survive AP crisis, and emerge stronger with 6x AUM and 16x PBT growth
- ✓ Resulted in highly diversified footprint, with 90% rural focus

Increase in Cumulative Collections from Old AP Book each year



Demonetization: 2016

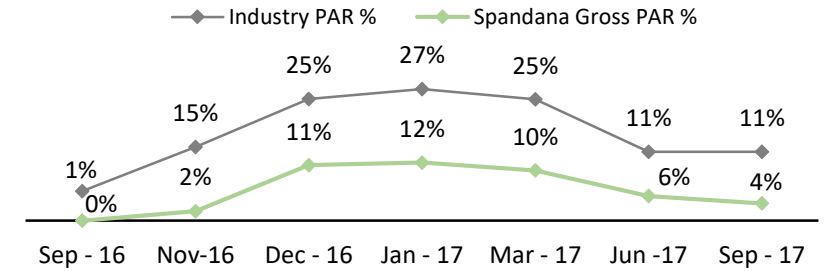
Measures Taken

- ✓ Constant engagement with clients and reassurance of continued services by conducting village level mass meetings and awareness camps
- ✓ Sr. Mgmt. travelled across the breadth and depth of the country and kept the team motivated through training and timely guidance

Outcome

- ✓ Achieved 97% collection efficiency. Significant reduction in PAR (less than half the industry average).

PAR 0+ Industry Comparison



Kerala Floods & Orissa Cyclone: 2018 & 2019

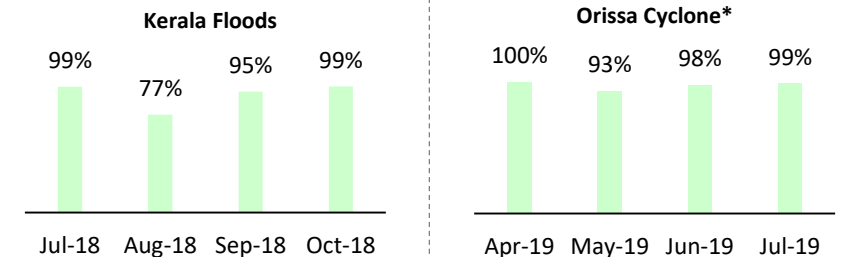
Measures Taken

- ✓ Assisted borrowers through various relief activities and providing emergency loans to revive their income generating activities

Outcome

- ✓ Created borrower ties with the company, which resulted in collection efficiency normalizing in less than two months, ahead of other MFIs

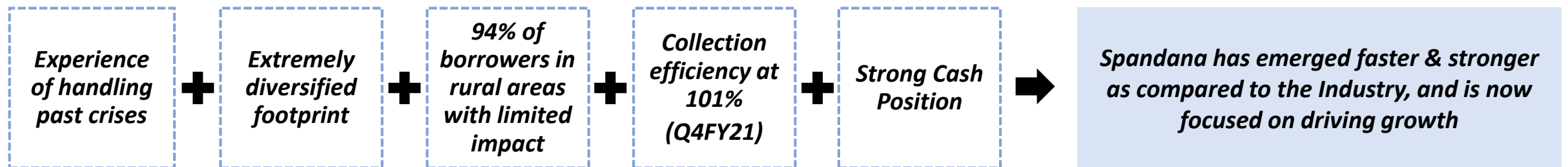
Collections recovered significantly within 2- 3 months in both cases



*CE% of only affected districts

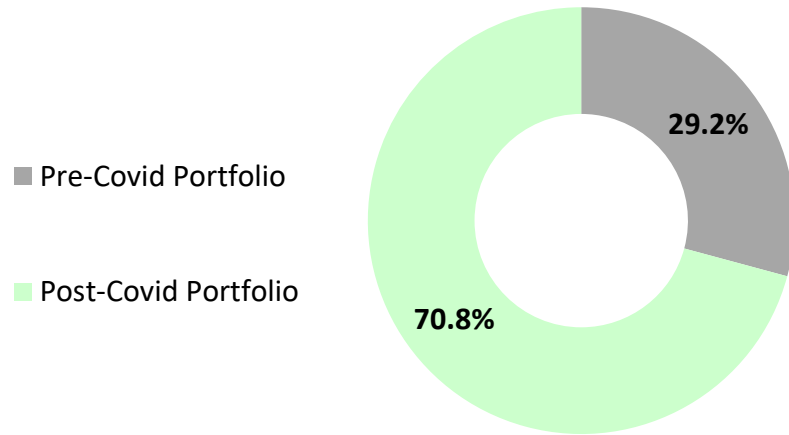
...and Covid19 is another demonstration of this same ability

First MFI to resume operations	<ul style="list-style-type: none">▪ First MFI to resume business post-lockdown, opening branches across 18 states in April 2020 – significant advantage in collections effort▪ Quickly moved branches from ‘red’ to nearby ‘green’ zones to enable immediate start of operations – another demonstration of our agility
Agile team management approach	<ul style="list-style-type: none">▪ Put in place healthcare measures and special allowances to incentivize staff, and protect their well-being – led to highly motivated field team▪ To ensure effective communication and to move towards a flatter hierarchy, a supervisory layer between cluster manager and AVP was removed – continuous focus on efficiency▪ While the entire industry has been laying off staff, Spandana has actually increased hiring, especially at senior levels – investing for growth
‘Client-first’ engagement philosophy	<ul style="list-style-type: none">▪ Center meetings were suspended to ensure social distancing and borrower comfort - borrowers were instead met at their door-steps▪ Constantly engaged in dialogue with the borrowers about their well being, and did not press for repayments where economic activity was compromised – ensured strong borrower-connect, that helped collections effort as lockdown eased up▪ Where possible, encouraged borrowers to pay their regular installments so that they don’t have to pay accrued interest levied on delayed payments
Increased use of Technology	<ul style="list-style-type: none">▪ Sophisticated data models were designed to identify the key focus areas, supported by special task forces▪ Analytics driven project-based approach (instead of resorting to blunt all-out approach) enabled highly efficient, targeted operations

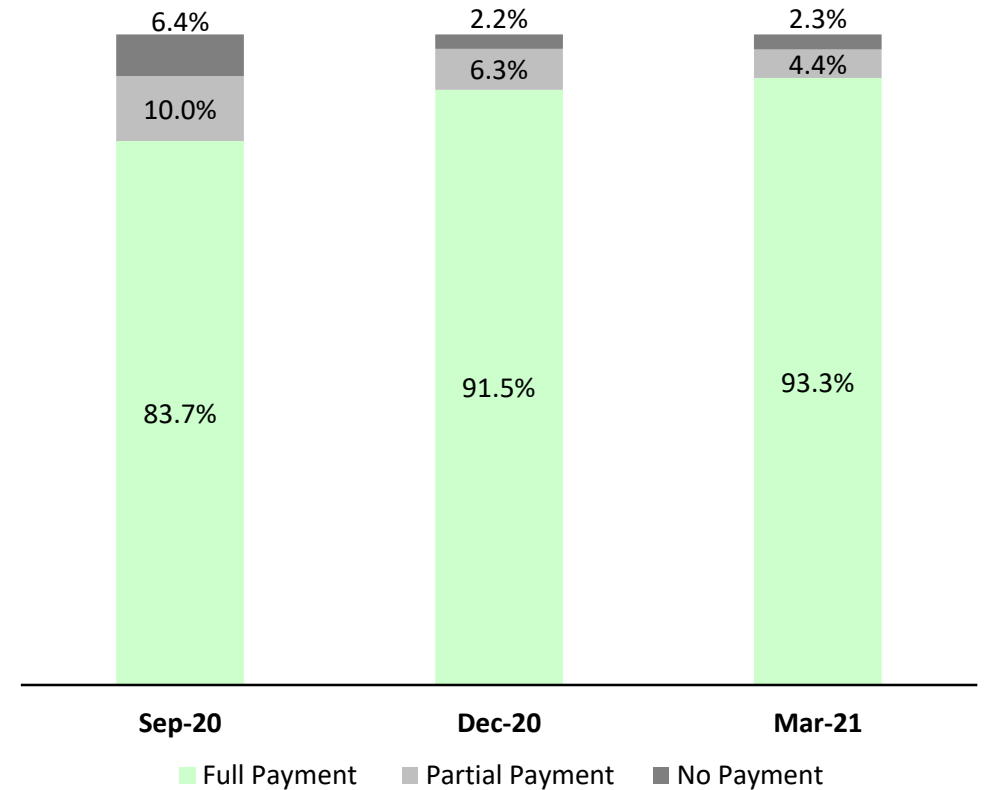


Portfolio Has Show Strong Post-Covid Recovery

Total Portfolio Break-up



Almost All Borrowers Have Resumed Repayments



Post Covid disbursements	Rs. in Crore	PAR %
Current Portfolio	5,771	99.69%
PAR 0	10	0.18%
PAR 30	4	0.07%
PAR 60	2	0.04%
PAR 90	1	0.02%
Total Portfolio	5,789	~71% of GLP

- 71% of portfolio has been created post April 2020 (Post-Covid portfolio) – this portion has consistently had 99% collection efficiency
- These loans have only been disbursed to existing borrowers with proven track record of on-time repayments – making this a very low-risk book

Conservative Provisioning Levels Despite Improving Asset Quality

Total portfolio coverage for FY21 (provisions plus write-offs) stands at a comfortable 591[#] crore, which equates to 7.2% of the total portfolio – provisions of Rs. 412 crore alone account for 5.1% of the portfolio

Balance Sheet Particulars (Rs crore)	FY 2021
Standard Provisions	53.6
COVID related Provisions	358.1
Total Provisions towards Loan Assets	411.7
Plus: Provision towards Excess Interest (RBI pricing)	53.9
Total Provisions on Balance Sheet	465.6

P&L Particulars (Rs. Crore)	FY 2021
Incremental Provisions for FY21	229.4
Provision towards Excess Interest (RBI pricing)	53.9
Total Provisions (as per P&L account)	283.3
Write-offs during the year	361.9*
Interest De-recognition from Written-off loans	31.0
Cumulative Provisions & Write-offs (as per profit & Loss Account)	676.1

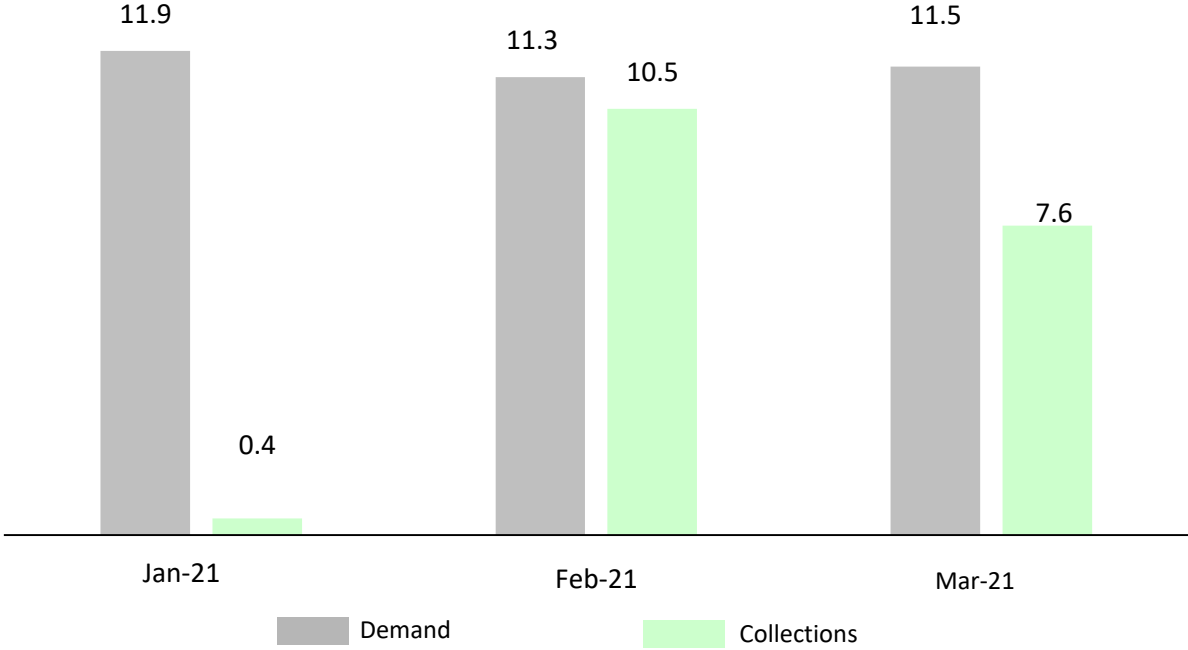
* Write-off of portfolio outstanding for loans for more than 120 days during Q3 FY21 & loans for more than 150 days in Q4 FY21; # Excluding Rs. 53.9 crore of excess interest provision

Provisions figures includes prudent provisioning made for:

- Discussion with RBI regarding potential excess interest charged (based on method of 10% margin cap calculation) to certain borrowers in previous years – *54cr provision*

Write off Recovery Details

Recovery from Write off pool (196 Cr POS) in Q3FY21 – Demand Vs Recovery during Jan-Mar'21 (Rs. Crs)



Continuous collection efforts being made to encourage customers to continue the repayments

- We have witnessed strong recoveries made over the past years and expect similar recovery trends in the coming quarters for the loans written off in Q3 & Q4 FY21.
- Considering the current scenario, we have adopted a conservative approach in writing off our portfolio, and expect sizeable amount of collections once situation gets normalized
- Recovered a total of Rs.33 Crores during FY21 from portfolio written off in FY21 till Dec 20 & prior years
- Recovered ~Rs.18.5 crores in Jan-Mar'21 (collection efficiency ~53%) from the portfolio written off - Rs. 196crores in Q3 FY21. The demand for these loans in Q4 FY21 was Rs. 34.7crore.

Agile Risk Management Has Always Helped Avoid Over-Leveraged Areas

Strong History of Pre-Emptively Managing Exposure to Risky Geographies
 Paused UP in 2016 as borrowers were over-leveraged, and chose not to expand in near-by TN due to high MFI penetration

0.8% of AUM

Uttar Pradesh – stopped disbursals when peers were entering aggressively

- In 2016, Spandana pre-emptively identified over-leveraged districts and credit bureau rejection trends, and chose to reduce its exposure in UP, at a time when peers were increasing their market presence
- Reduced its exposure from Rs 20 crore to just Rs 6 crore by Mar’17
- UP was one of the badly affected states for MFIs during demonetization
- Company’s GNPA was less than half of the industry

0.1% of AUM

Tamil Nadu – chose not to expand, despite strong presence of peers

- Despite linguistic similarities and contiguous geography, Spandana never expanded its footprint in TN, due to high number of MFIs present in the state and high borrower leverage
- This was against industry trends, where most MFI’s had large businesses here
- Spandana has only secured portfolio – loan against properties in this state, and has therefore avoided any asset quality challenges here

Current Footprint Reflects Same Experience and Agility
 Slowly expanded into WB, but pulled back due to high borrower leverage levels; chose not to enter Assam, due to high MFI concentration

No Presence

Assam – chose not to enter, given rapid expansion by peers

- Assam was one of the focus geography for many MFIs
- However, Spandana was conscious of too many MFIs entering the state, and the resultant high per-borrower loan amounts
- As a result, Company went against industry trends and chose not to enter the state
- Assam micro finance portfolios of other lenders now at significant risk

0.5% of AUM

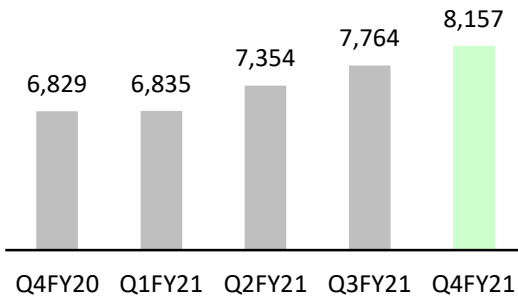
West Bengal – pulled back, despite large volumes disbursed by peers

- WB was the fastest growing state for many MFIs
- Spandana tested the market, but quickly understood that borrowers were highly over-leveraged
- Spandana hence pulled back significantly, and reducing the portfolio from a peak of 3% of AUM to the current 0.5% of AUM
- Today the state has demonstrated poor asset quality for the rest of the industry

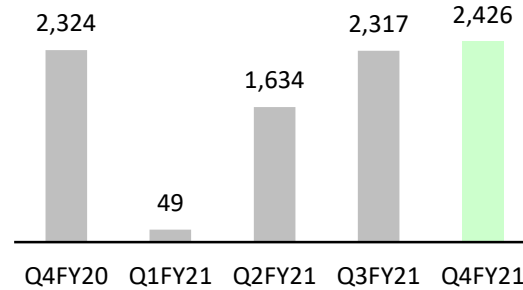
Normalization in Business Trajectory to Pre-Covid levels

Company's Conservative Practices and Seasoned Team Have Enabled Us To Resume Normalcy

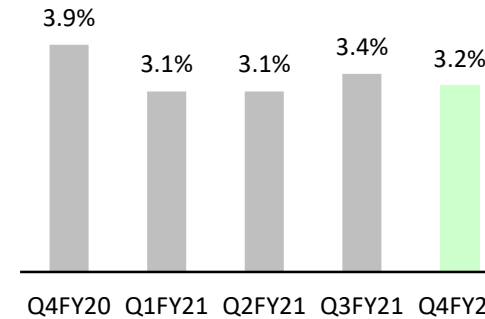
AUM on Growth Path (Rs crore)



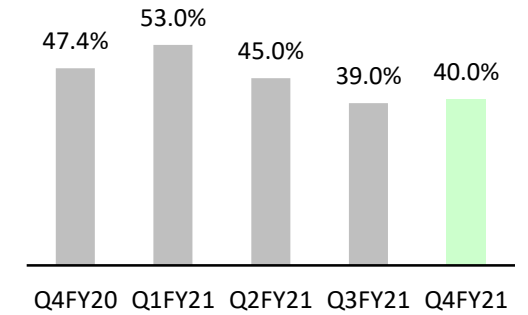
Disbursements reached highest ever in Q4 FY21 (Rs crore)



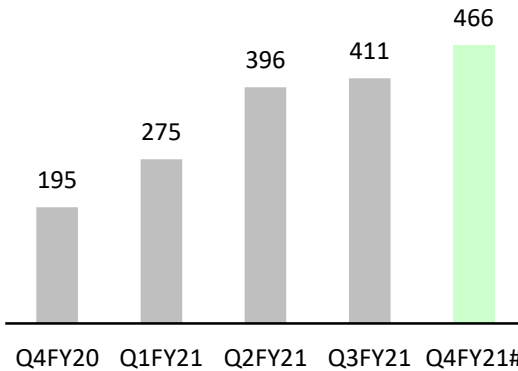
Industry leading Opex (%)



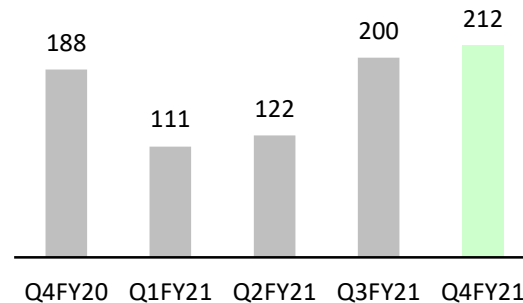
Strong Capital Adequacy Ratio %



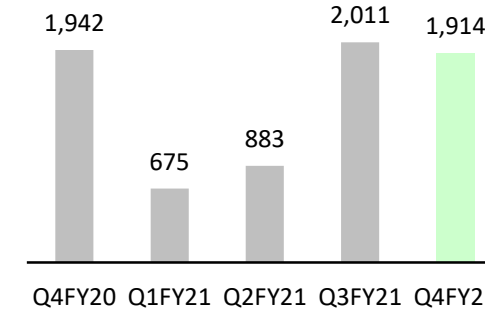
Cumulative Provisions



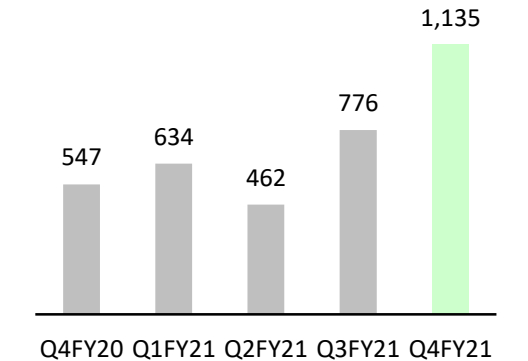
Provisions & Write off* (Rs crore)



Borrowings Raised (Rs crore)



Cash (Rs Crore)



*Write-off of portfolio outstanding for loans with no instalment collected since 1st September 2020
includes provision towards excess interest repayable to borrowers

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2 Key Operating Metrics

3 Key Financial Metrics

4 Borrowing Profile

5 Overview of Criss Financial (Subsidiary) & Abhiram (Associate Co.)

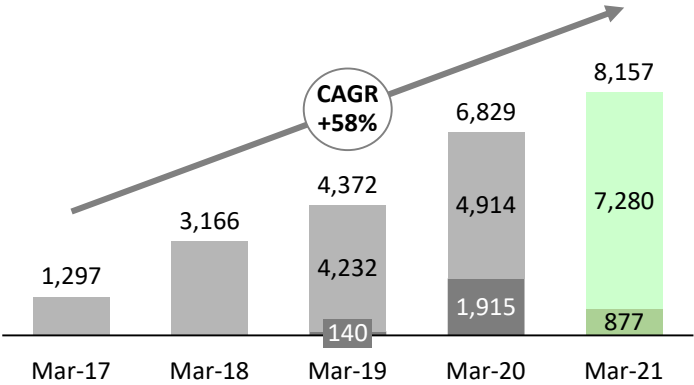
6 Strong Management Team & Risk Management Processes

7 Annexure

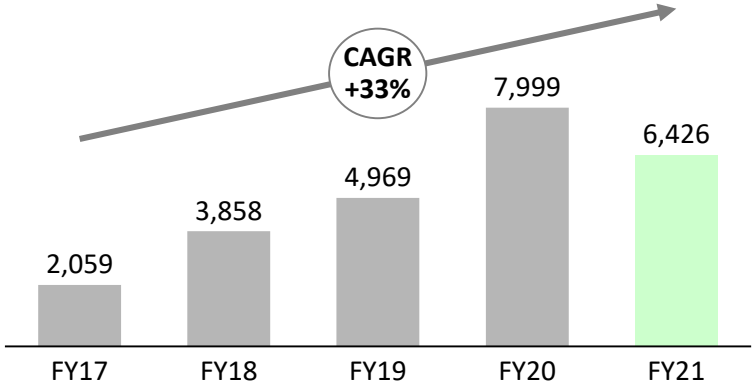
Operational Summary

AUM (Rs. crore)

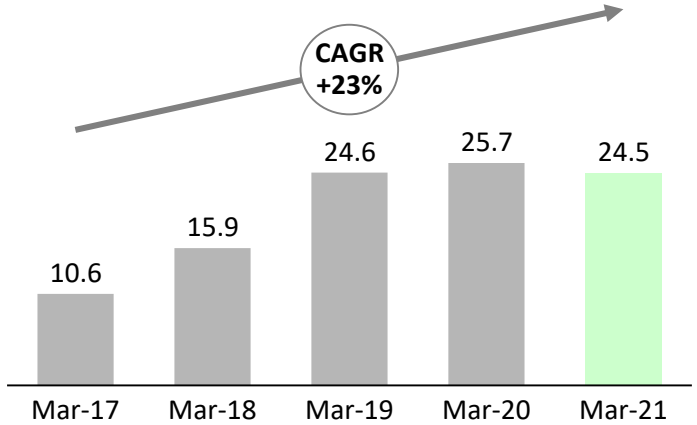
Off-Book On-Book*
 Off-Book On-Book*



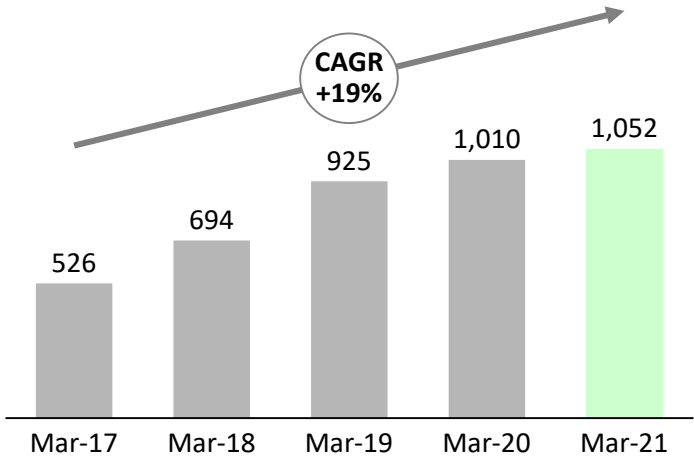
Disbursements (Rs. crore)



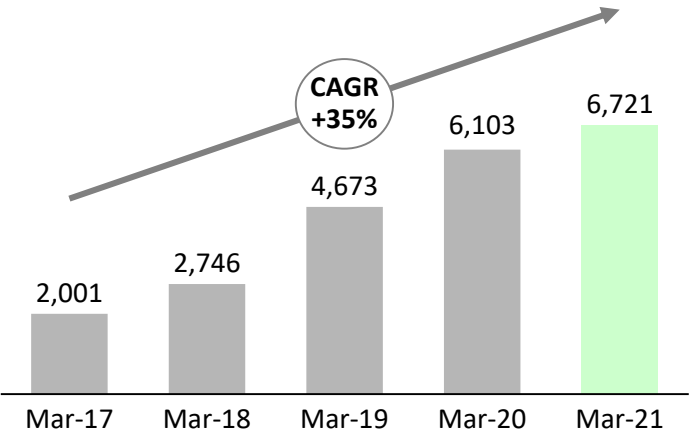
Borrowers (In lakhs)



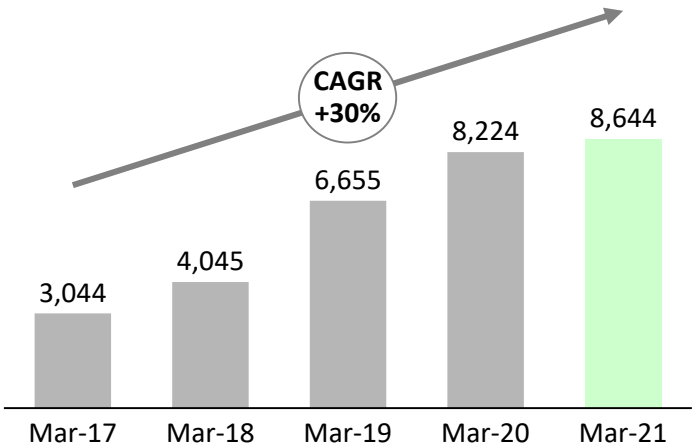
No. of Branches



No. of Loan Officers



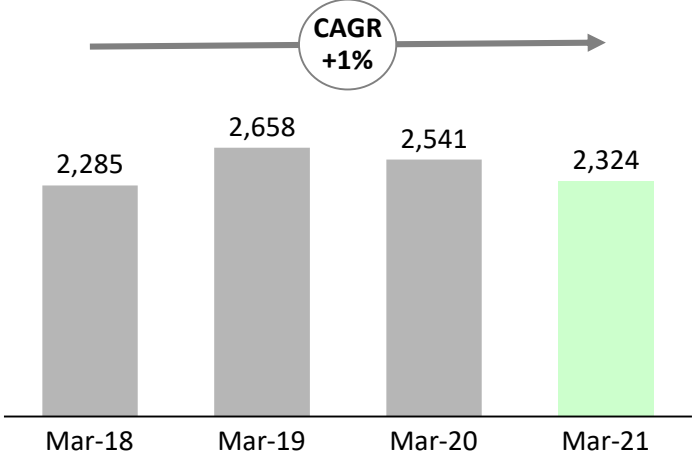
No. of Employees



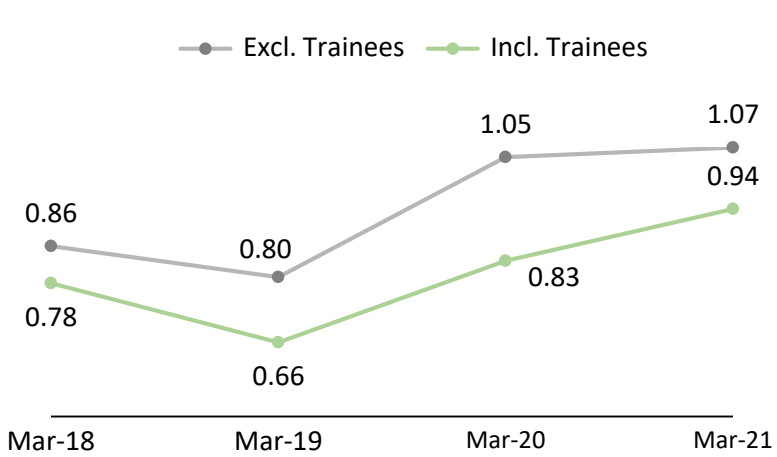
Note: * Includes PTC

Rising Employee Productivity has led to Opex Efficiency

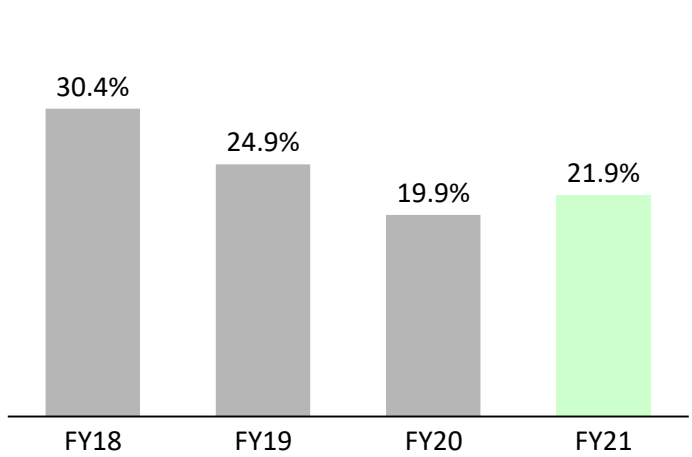
Active Borrowers/Branch (#)



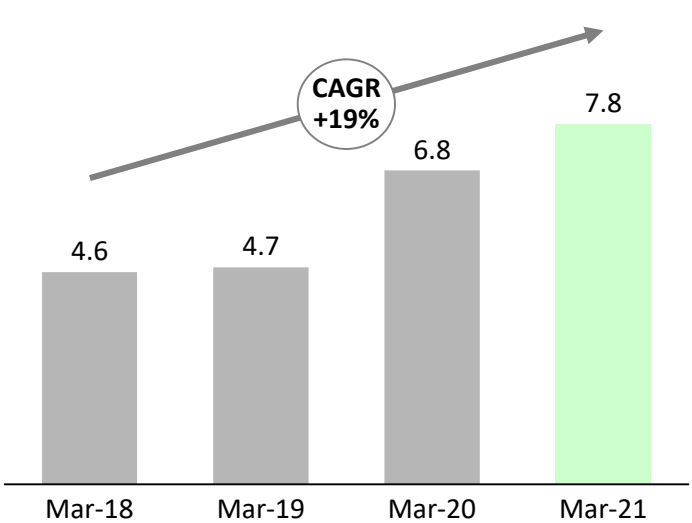
AUM/Employee (Rs crore)



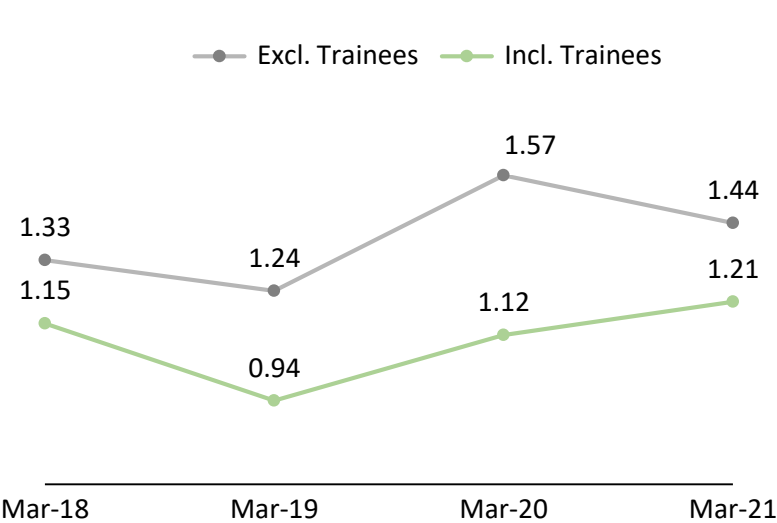
Cost To Income (%)



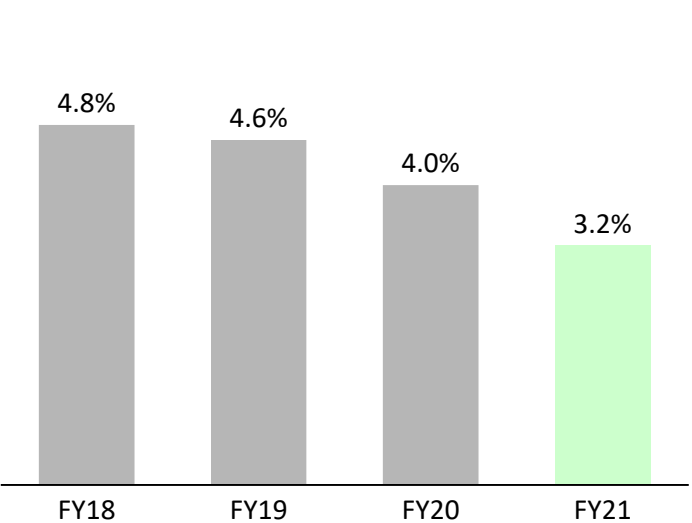
AUM/Branch (Rs crore)



AUM/Loan Officer (Rs crore)



Opex/AUM (%)



Industry-Leading Geographic Diversification at State, District and Branch Levels

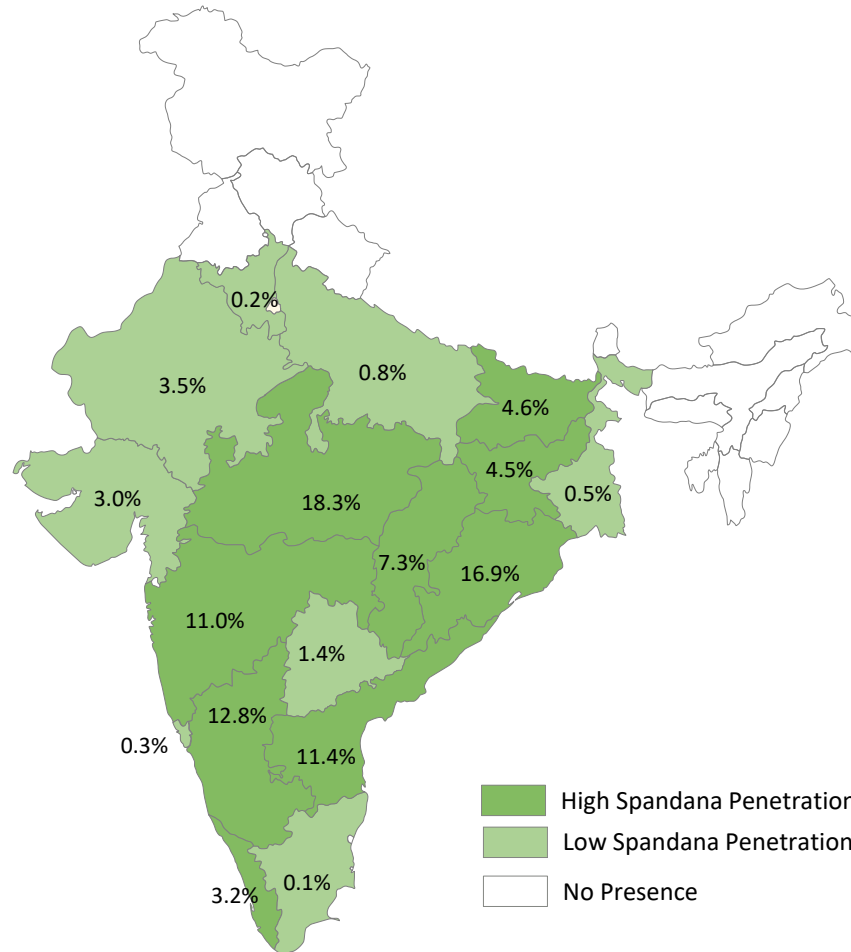
State-wise Concentration

Top States	AUM Concentration*
Madhya Pradesh	18.3%
Orissa	16.9%
Karnataka	12.8%
Andhra Pradesh	11.4%
Maharashtra	11.0%
Chhattisgarh	7.3%
Other States	22.4%

Top States By Branch Network

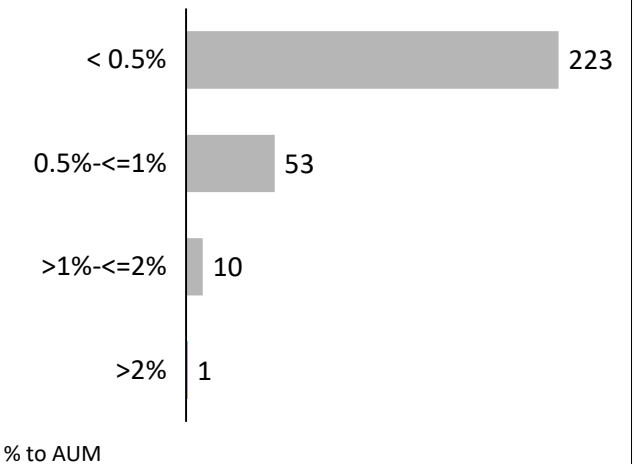
Top States	Number of Branches
Madhya Pradesh	157
Orissa	154
Karnataka	131
Maharashtra	122
Andhra Pradesh	121
Chhattisgarh	73

Well diversified portfolio across States



Well dispersed district level exposure ensures low impact from region-specific issues

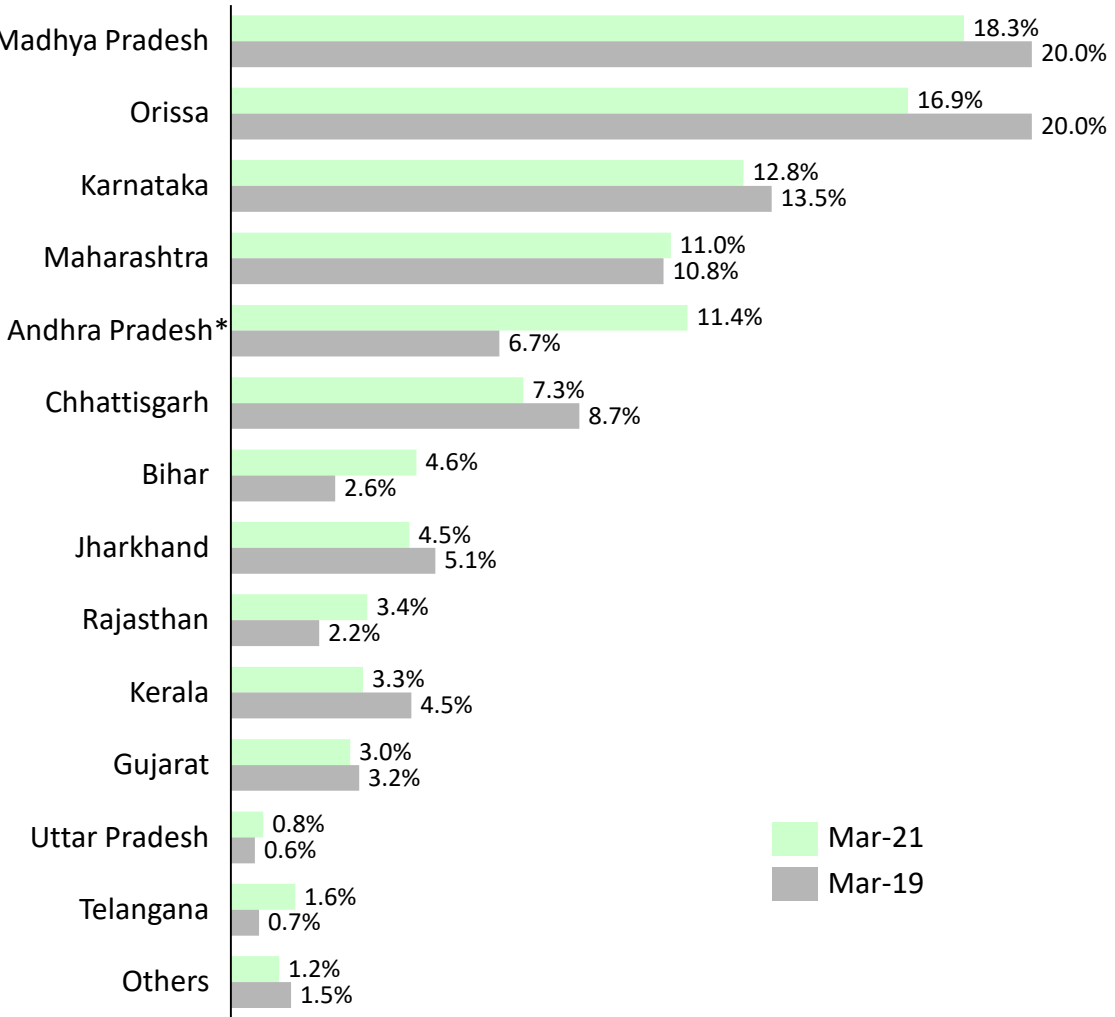
District wise Concentration



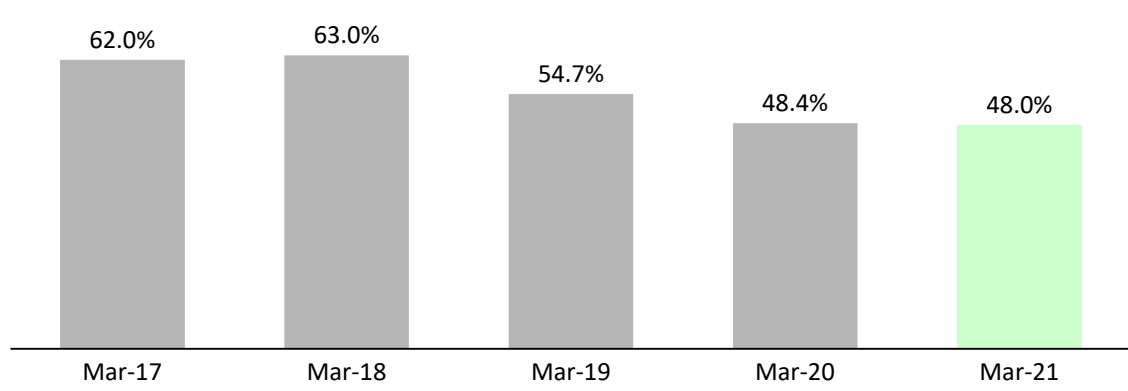
- Top 3 States constitute less than 48% of AUM
- No State more than 18.5% of AUM
- No District more than 2.25% of AUM
- No Branch has more than 0.25% of AUM

Continued Focus on Further Increasing Diversification, Without Compromising Rural Focus

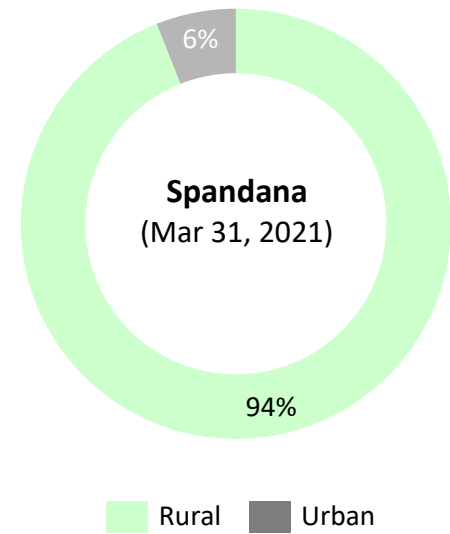
State-wise Consolidated AUM Mix – Greater Diversification



Concentration (by AUM) of Top 3 States is Reducing



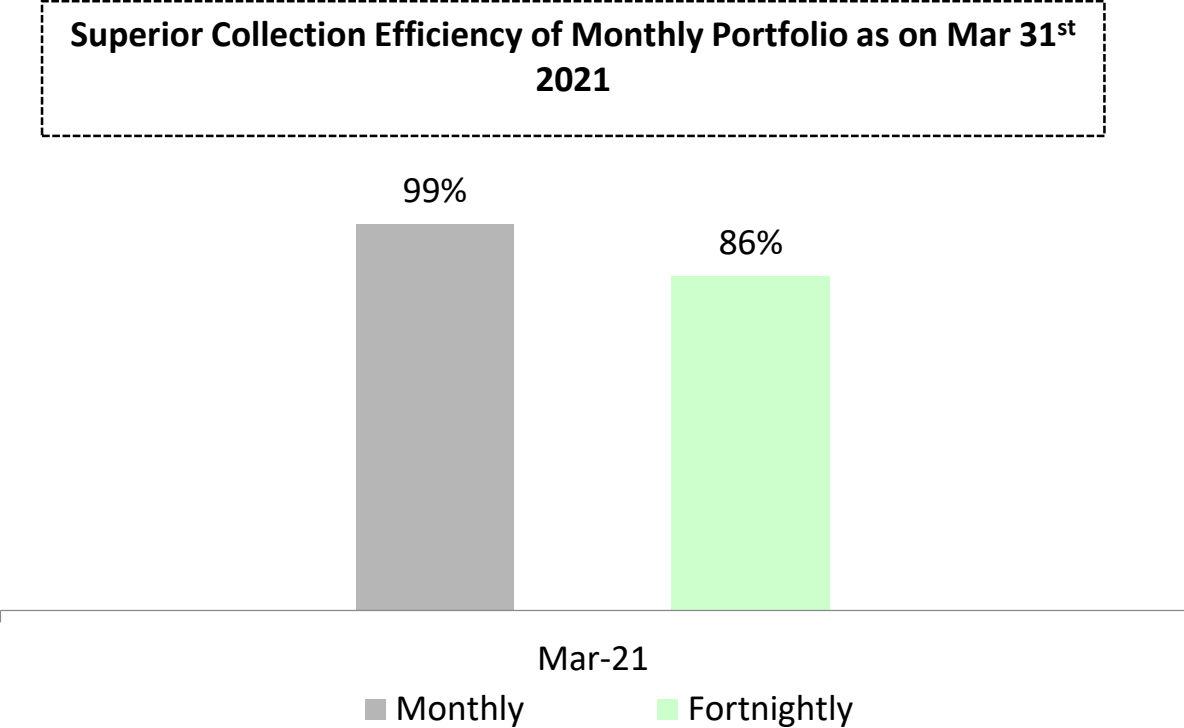
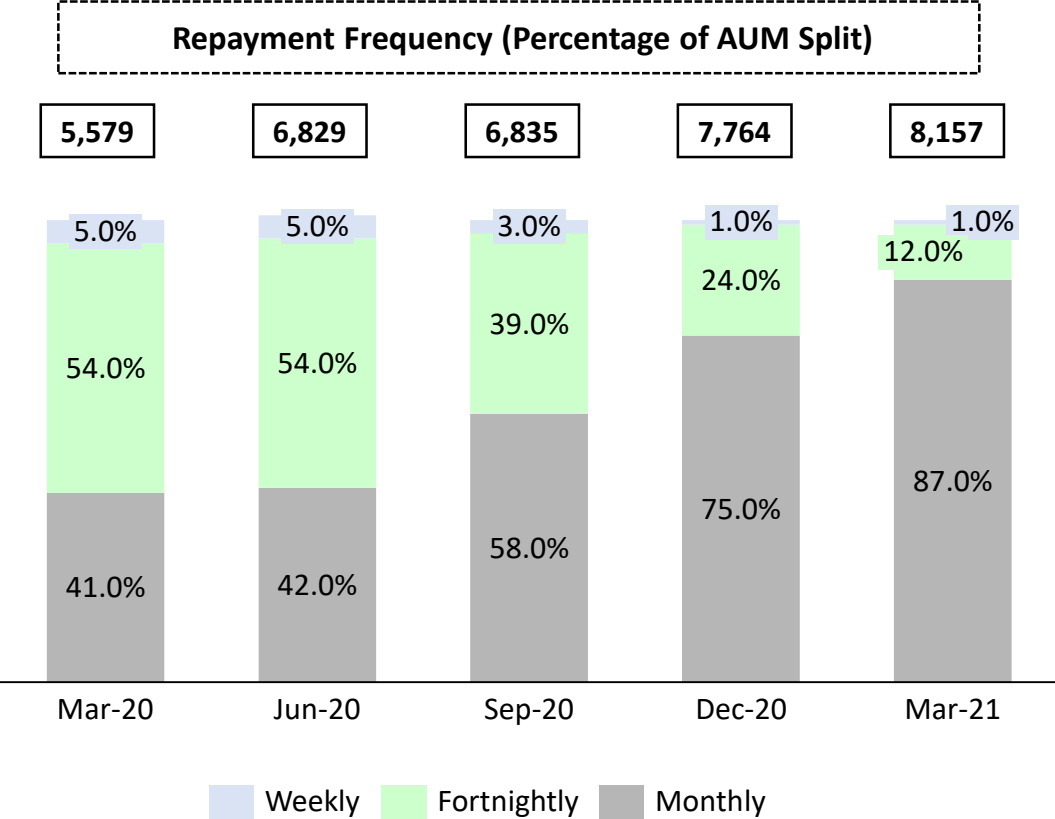
Continued Focus on Rural Geographies (AUM)



* Andhra Pradesh has significant non MFI portfolio

Successful Transition to Monthly Repayment

- Company started transition to monthly repayment in late-2019, in response to customer demand, driven by a lower time commitment from their side
- Industry has evolved, where more frequent borrower meetings were once required to maintain discipline – no longer needed, as borrowers have become more experienced with MFIs and credit bureaus
- Today, ~87% of our AUM is on the monthly repayment, and it is consistently demonstrating superior collection efficiency
- This will also have a positive long-term impact on our operating cost ratios & portfolio quality



1 Business Update

2 Key Operating Metrics

3 Key Financial Metrics

4 Borrowing Profile

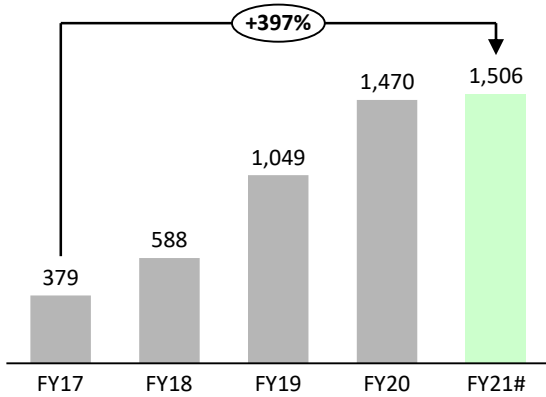
5 Overview of Criss Financial (Subsidiary) & Abhiram (Associate Co.)

6 Strong Management Team & Risk Management Processes

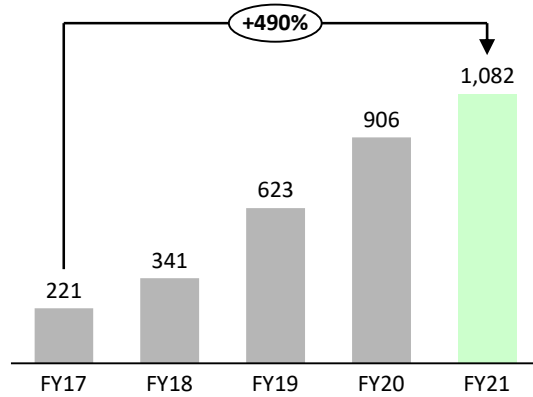
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Financial Performance

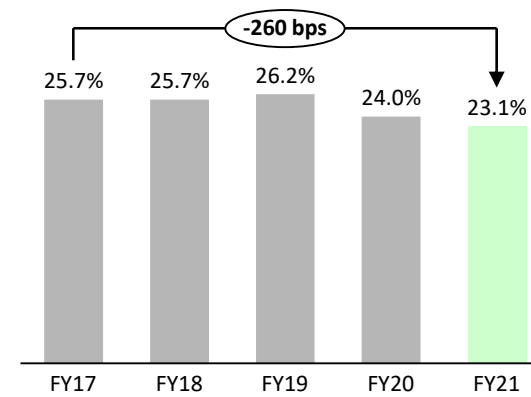
Total Income (Rs crore)



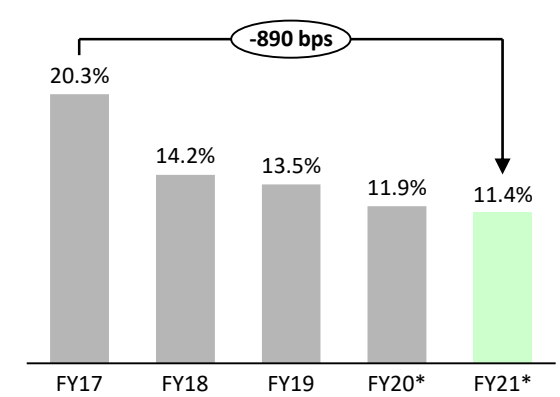
Net Interest Income (Rs crore)



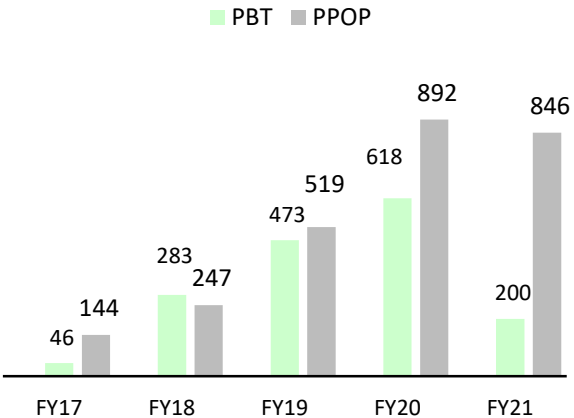
Yield (%)



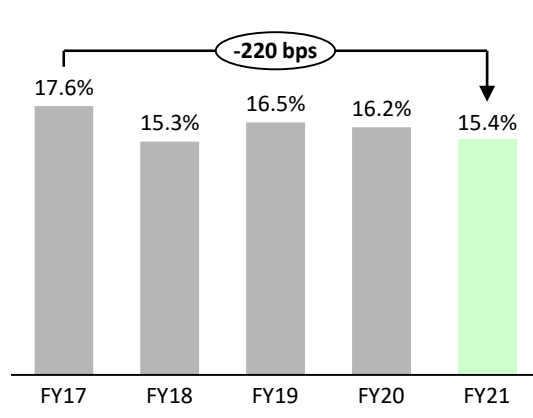
Cost of Borrowings (%)



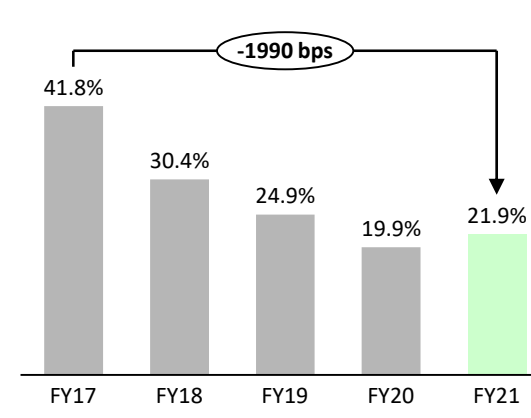
PPOP & PBT (Rs crore)



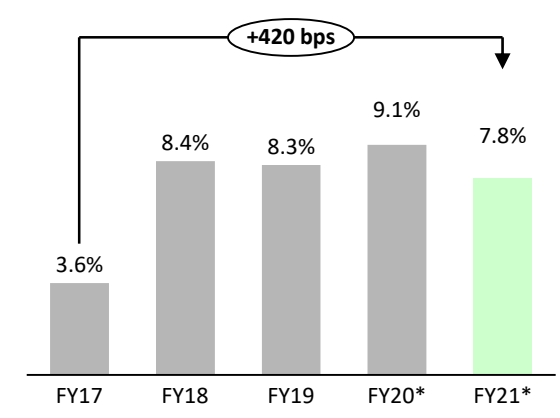
NIM (%)



Cost to Income Ratio (%)



ROA (%)



Total Income is lower due to less DA upfront income during FY21

*Normalized figures (excluding Covid related provisions & one-time deferred adjustments)

Consolidated Profit & Loss Statement

Particulars (Rs. crore)	FY21	FY20	Q4 FY21	Q4 FY20	Q3 FY21
Revenue from Operations					
Interest income	1,362.7	1,169.2	403.0	297.6	332.6
Net gain on fair value changes	76.1	218.5	37.2	108.6	-0.4
Other Income	43.9	47.6	33.7	22.5	5.6
Total income from operations	1482.6	1,435.3	473.9	428.7	337.9
Non-operational Income	23.0	34.2	6.4	11.1	6.4
Total income	1,505.6	1,469.5	480.3	439.8	344.3
Growth %	2.5%		9.2%		39.5%
Expenses					
Finance cost	423.2	356.3	138.1	82.5	82.5
Net loss on financial assets and liabilities designated at fair value through profit or loss	2.7	-	2.7	-	-
Impairment on financial instruments and other provisions	63.5	155.7	59.0	70.2	188.1
Employee benefit expense	171.5	170.7	44.1	48.6	48.6
Depreciation and amortization expense	7.6	8.8	2.5	2.3	2.3
Other expenses	55.0	41.6	14.1	9.7	9.7
Total Expenses	723.5	733.1	260.5	213.4	181.1
Profit before Tax	782.1	736.4	219.8	226.4	163.2
Tax expense	55.0	153.8	17.9	25.4	25.4
Normalized Profits	727.1	582.5	201.9	201.0	170.1
Growth %	24.8%		0.5%		18.7%
Provision and write-off related to Covid-19 and others	581.6	117.9	152.6	117.9	199.8
Exceptional Deferred Tax Adjustment	-	112.8	-	-	-
Net Profit (as reported)	145.5	351.8	49.27	83.0	-29.7

Consolidated Balance Sheet

ASSETS (Rs. crore)	Mar 31, 2021	Dec 31, 2020	Mar 31, 2020
Financial Assets			
Cash and cash equivalents	1,135.2	775.8	59.6
Bank Balances other than cash and cash equivalents	245.8	233.6	197.5
Trade Receivables	12.1	3.6	22.4
Loan Portfolio	6,933.0	6,552.4	4,976.7
Investments	2.3	2.4	487.5
Other financial assets	75.7	58.1	166.2
Total Financial Assets	8,404.2	6,462.9	5,909.9
Non-Financial Assets			
Current tax assets (net)	15.3	15.3	15.3
Deferred tax assets (net)	104.7	85.8	7.0
Property, Plant and Equipment	19.9	14.3	15.2
Intangible assets	0.8	0.9	1.3
Goodwill	17.4	17.4	17.4
Other non-financial assets	14.7	13.4	11.2
Total Non-Financial Assets	172.8	147.1	67.4
Total Assets	8,576.9	7,773.0	5,977.3

LIABILITIES & EQUITY (Rs. crore)	Mar 31, 2021	Dec 31, 2020	Mar 31, 2020
Financial Liabilities			
Debt Securities	2,034.7	1,396.8	777.6
Borrowings (Other than Debt Securities)	3,318.4	3,202.7	2,227.3
Subordinated Liabilities	20.2	20.2	20.3
Other Financial liabilities	269.7	262.9	227.2
Total Financial Liabilities	5,642.9	4,882.6	3,252.4
Non-Financial Liabilities			
Current Tax Liabilities (net)	146.3	116.6	64.7
Provisions	1.7	1.3	2.8
Other Non-Financial liabilities	34.9	34.3	30.1
Total Non-Financial Liabilities	182.9	152.3	97.6
Equity			
Equity Share Capital	64.3	64.3	64.3
Other Equity	2,684.8	2,672.3	2,561.7
Equity attributable to shareholders of the company	2,749.1	2,736.7	2,626.0
Non-Controlling Interest	2.0	1.5	1.2
Total Equity	2,751.1	2,738.2	2,627.2
Total Liabilities and Equity	8,576.9	7,773.0	5,977.3

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4 **Borrowing Profile**

5 Overview of Criss Financial (Subsidiary) & Abhiram (Associate Co.)

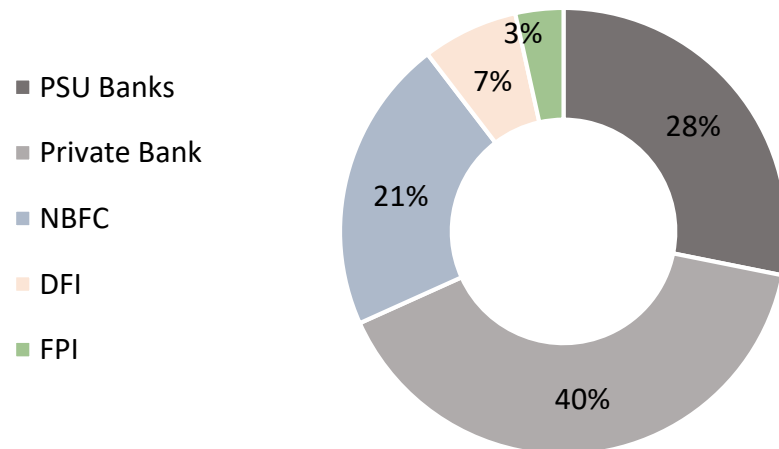
6 Strong Management Team & Risk Management Processes

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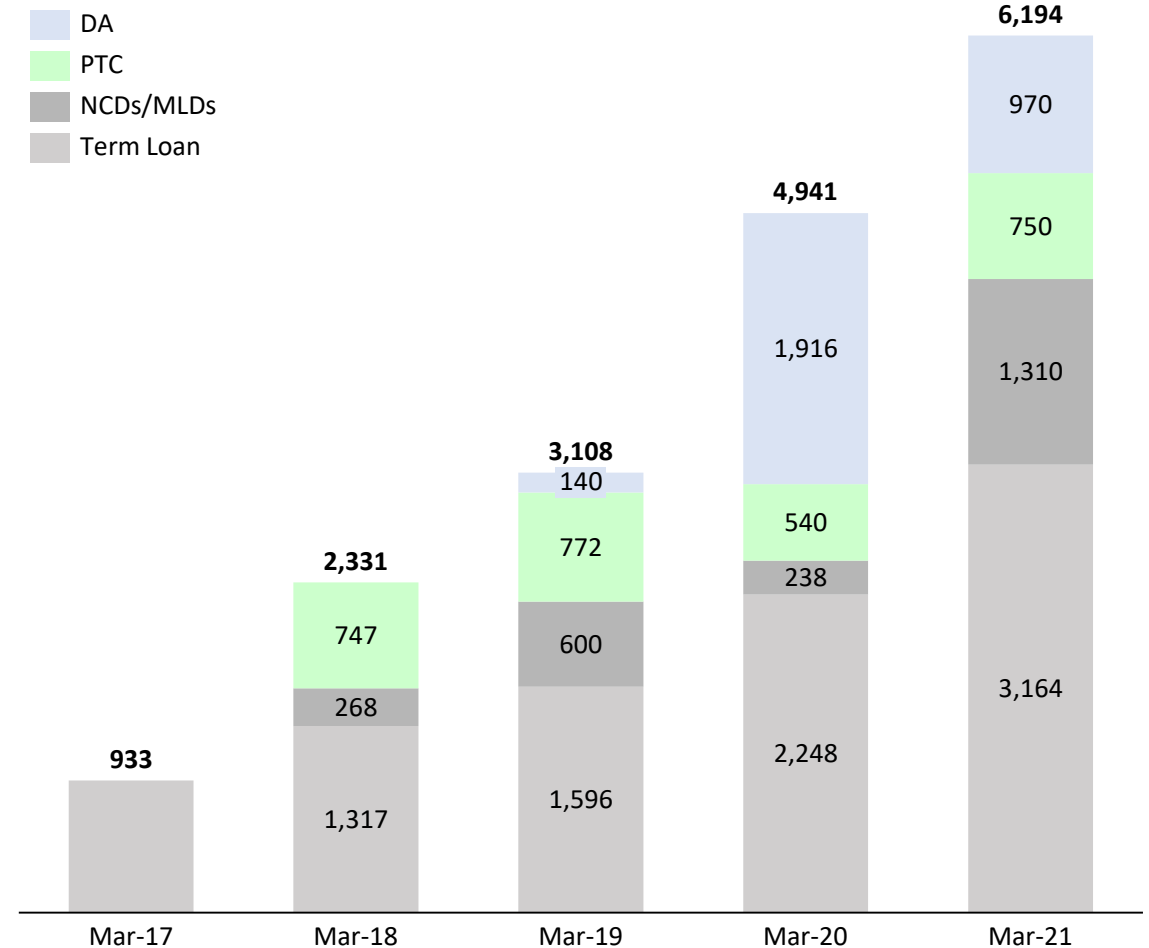
Diversified Borrowing Profile

- Total borrowings raised since lockdown is **Rs. 5,482 crore**
- No moratorium availed from lenders -- paid both interest and principal in full and on time, even during the lockdown
- Further diversified the borrowing profile by tapping into retail debt market through wealth management channels and money market instruments such as NCDs and MLDs
- Comfortable liquidity position with Rs. 2,000 Cr of sanctions in pipeline

Diversified Funding Mix (As on Mar-21)



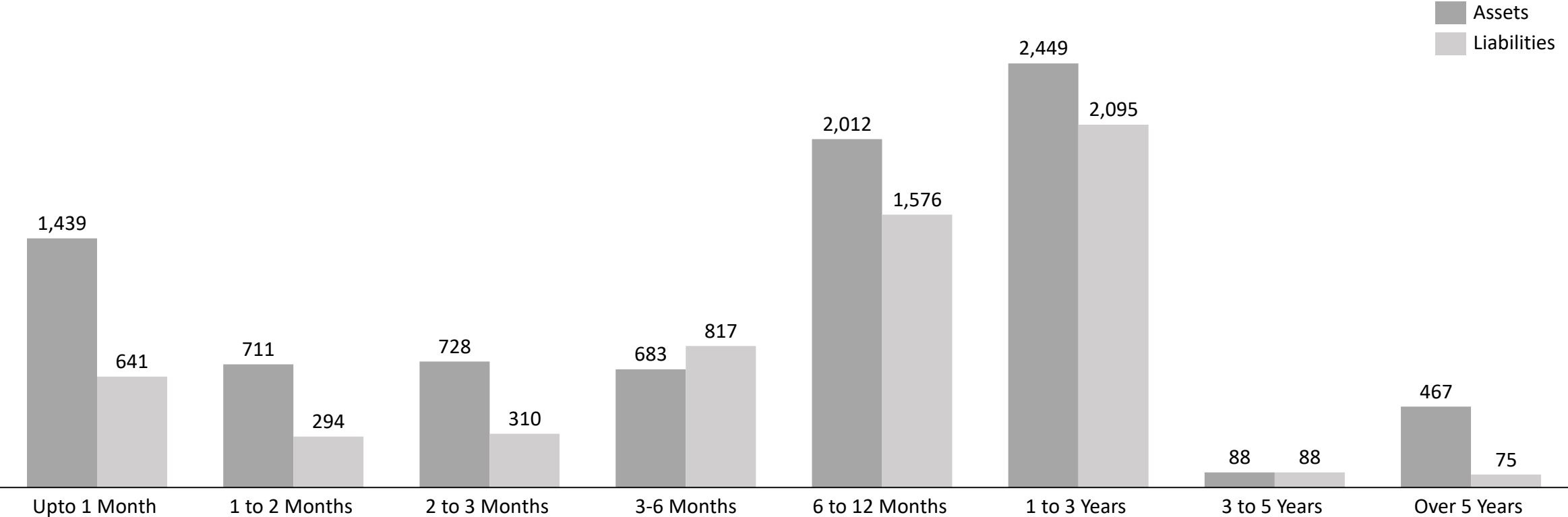
Borrowings (Rs crore)*



*On-Book Borrowings include PTC, NCDs and Term Loans

Comfortable Liquidity Position Driven by Strong Track Record

Positive ALM Mismatch (Rs. crore)

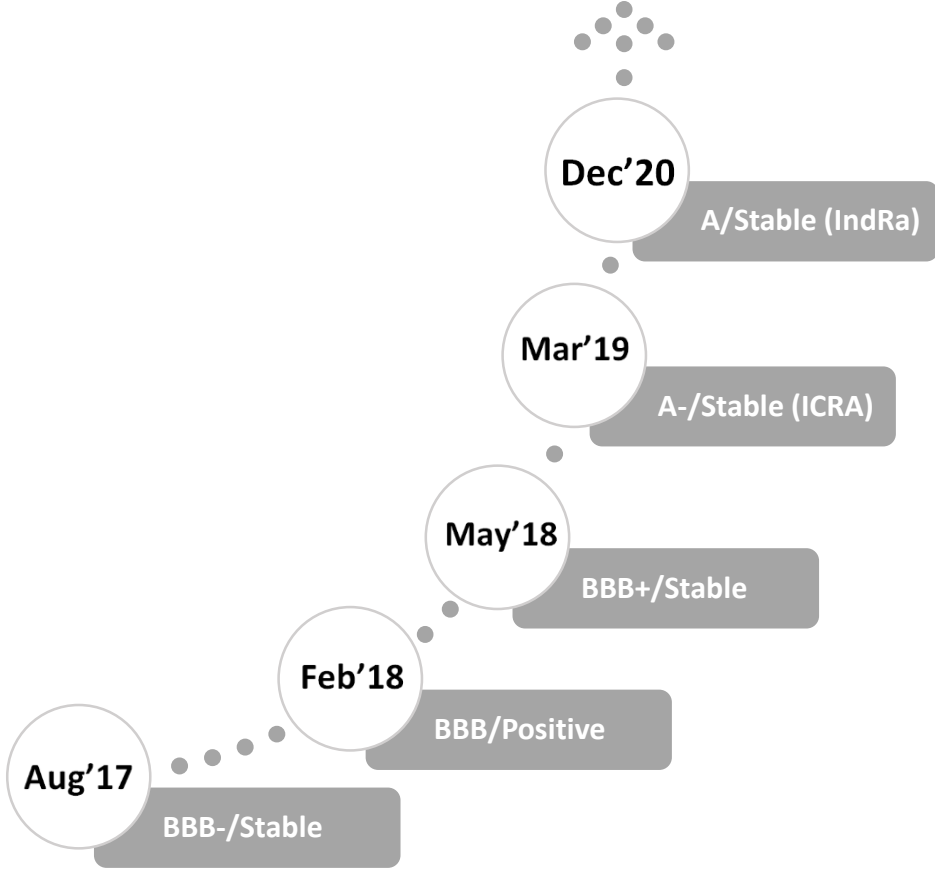


Positive ALM mismatch across all the buckets, where its assets mature faster than liabilities

Strong Credit Rating – Upgraded to ‘A’ rating in Dec, despite impact of Covid

Rating Instrument	Rating Agency	Rating
Bank Facilities	Ind-Ra*	A (Stable)
	ICRA	A- (Stable)
Non-Convertible Debentures	Ind-Ra*	A (Stable)
	ICRA	A- (Stable)
Market linked Debentures	Ind-Ra*	A (Stable)
	ICRA	A- (Stable)
Comprehensive Microfinance Grading (Institutional Grading/Code of Conduct Assessment (COCA))	SMERA	M1C1, highest grading

Consistent Rating Upgrades



*Recently got rated “A” from India Ratings even in these difficult circumstances

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Overview of Criss Financial

About CFL

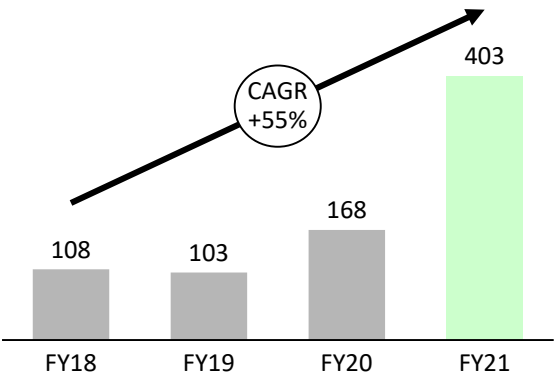
- Criss Financial Holdings Limited (CFL) is an NBFC, which is a 98.2% subsidiary of Spandana Sphoorty Financial Limited
- It was set up to operate in states / asset classes that SSFL itself could not, given its status as an NBFC-MFI
- CFL offers Loans against Gold, Loans against property, Business Loans and Personal Loans;
- CFL operates in Andhra Pradesh and Telangana states targeting households with Annual household income of >Rs.150,000, offering both secured and unsecured loans
- It operates through 70 Branches covering 18 Districts, 2,500 villages, and 65,000 borrowers, employing 320 employees

Performance Snapshot

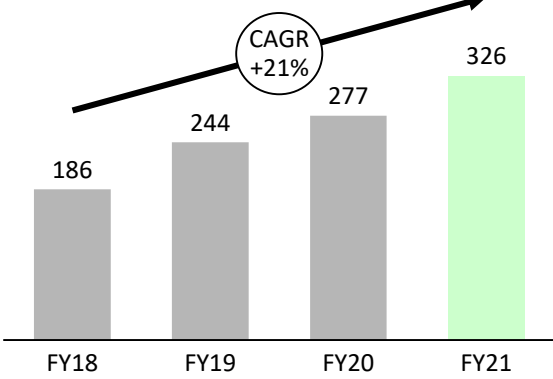
- AUM of CFL grew by 55% CAGR in the last four years to Rs 403 crore
- CFL has collection efficiency of 103.6% for Q4FY21 and best in class portfolio quality with GNPA of 1.1%
- CFL made net profit of Rs 17 crore in FY21 after making Rs 5.2 crore provision (including write off), which is 1.2% of AUM
- With diversified mix of products, operating cost ratio is lowest at **3.0%**
- CFL has a healthy 7.5% ROA (post provision and write off), 17.5% ROE and 33% Capital adequacy for FY21

Criss Financial – Robust Financial Performance

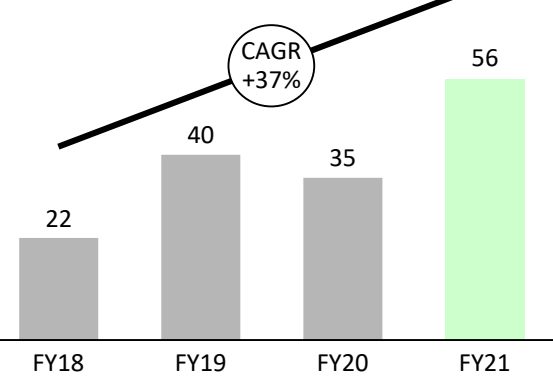
AUM (Rs crore)



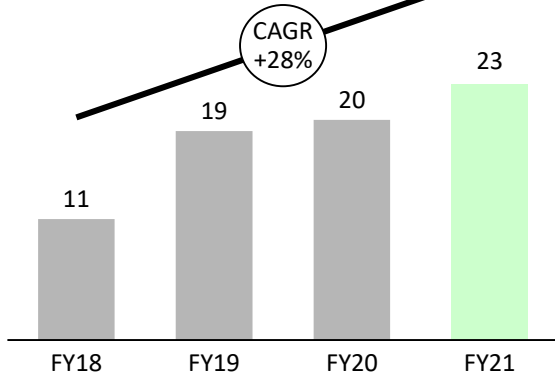
Disbursements (Rs crore)



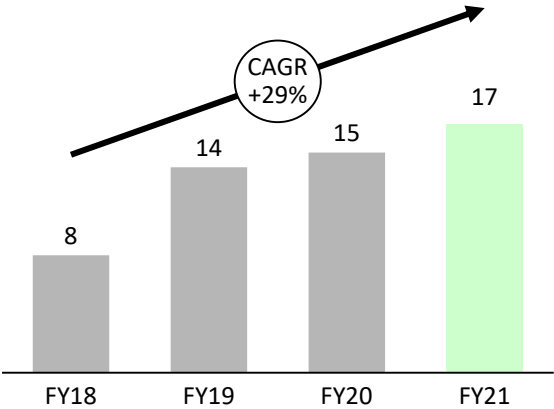
Total Income (Rs crore)



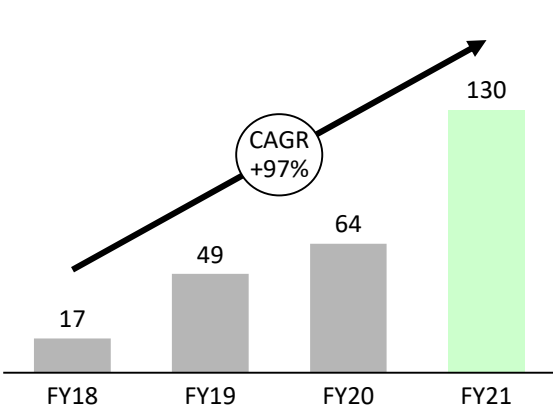
PBT (Rs crore)



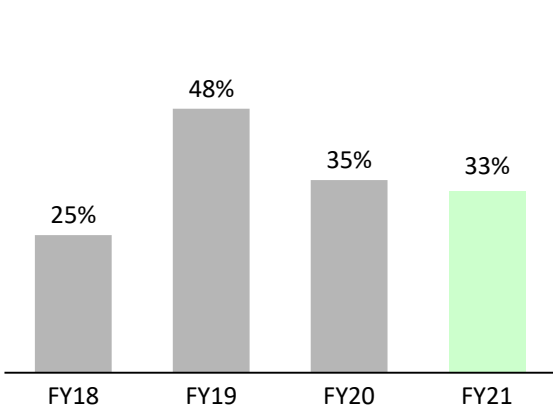
PAT (Rs crore)



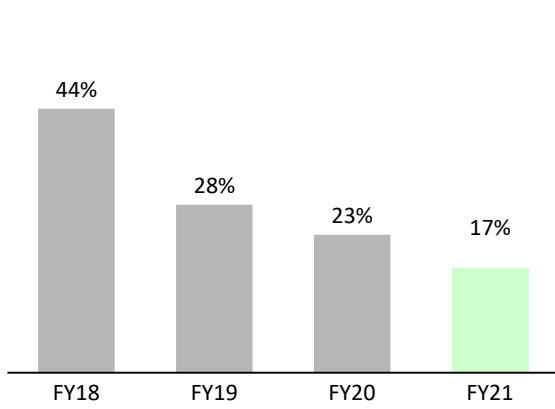
Networth (Rs crore)



CRAR (%)



ROE (%)



Criss Financial – Q4 & FY21 Profit & Loss Statement

Particulars (Rs. crore)	FY21	FY20
Revenue from Operations		
Interest income	51.4	30.5
Net gain on fair value changes	0.9	-
Others	2.1	1.9
Total income from operations	54.3	32.4
Other Income	2.1	2.3
Total income	56.4	34.7
Expenses		
Finance cost	20.9	8.9
Impairment on financial instruments and other provisions	5.3	0.7
Employee benefit expense	5.2	3.8
Depreciation and amortization expense	0.1	0.1
Other expenses	1.5	1.0
Total Expenses	32.9	14.5
Profit before Tax	23.5	20.2
Tax expense	6.1	5.2
Profit After Tax	17.4	15.0

Q4 FY21	Q4 FY20	Q3 FY21
16.3	10.0	13.9
0.9	0.0	0.0
1.2	0.7	0.5
18.3	10.7	14.5
0.9	2.3	0.1
19.2	13.0	14.6
6.9	3.5	6.3
-0.3	0.7	5.3
1.9	1.1	1.2
0.0	-	-
-0.3	0.3	0.6
8.2	5.6	13.4
11.3	7.4	1.2
2.7	1.8	0.6
8.6	5.5	0.6

Criss Financial – Balance Sheet

ASSETS (Rs. crore)	Mar 31, 2021	Dec 31, 2020	Mar 31, 2020
Financial Assets			
Cash and cash equivalents	4.4	7.2	6.0
Bank Balances	0.5	-	0.4
Loan Portfolio	392.4	255.7	167.9
Other financial assets	1.4	0.1	9.0
Total Financial Assets	398.7	263.0	183.3
Non-Financial Assets			
Current tax assets (net)	0.4	0.4	0.4
Deferred tax assets (net)	0.2	0.6	0.2
Property, Plant and Equipment	0.2	0.1	0.1
Intangible assets	-	-	-
Other non-financial assets	2.0	0.9	1.1
Total Non-Financial Assets	2.8	2.0	1.8
Total Assets	401.5	265.0	185.1

LIABILITIES & EQUITY (Rs. crore)	Mar 31, 2021	Dec 31, 2020	Mar 31, 2020
Financial Liabilities			
Borrowings	249.9	182.0	113.4
Subordinated Liabilities	-	-	0.2
Other Financial liabilities	13.5	6.2	1.6
Total Financial Liabilities	263.4	188.2	115.1
Non-Financial Liabilities			
Current Tax Liabilities (net)	5.7	3.5	5.0
Provisions	0.1	0.1	0.1
Other Non-Financial liabilities	0.4	0.2	0.7
Total Non-Financial Liabilities	6.2	3.9	5.8
Equity			
Equity Share Capital	7.7	4.8	4.8
Other Equity	124.3	68.1	59.3
Total Equity	132.0	72.9	64.2
Total Liabilities and Equity	401.5	265.0	185.1

Overview of Abhiram Marketing

Overview

- Abhiram Marketing is a consumer goods retail company, incubated by Spandana's promoter – it is hence an associate company of Spandana
- It purchases various consumer durables goods such as rice cookers, lamps, mobile phones, white goods, etc from OEMs, for sale to customers in harder-to-reach geographies that are not reached by traditional retailers.

Standard Business Model in MFI Industry

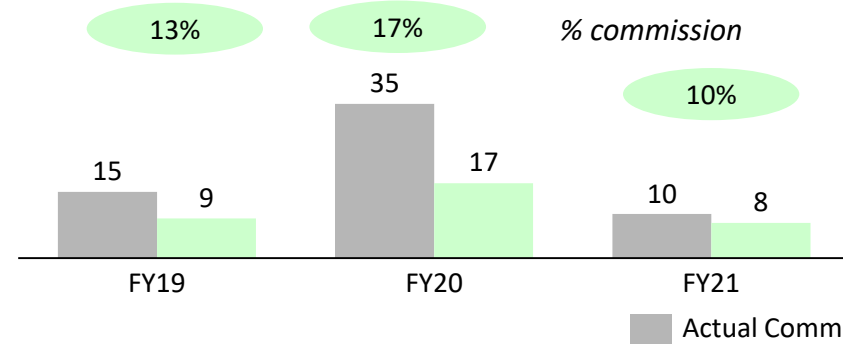
- Virtually all MFIs cross-sell consumer goods to their clients, as it provides them with access to products that significantly improve their lives – this is keeping with the industry's mission
- Besides offering loans to borrowers to buy these products, they also facilitate the supply of products via a third-party retailer, as such retailers do not have direct distribution available in the rural areas that MFIs operate it
- MFI's sale staff and branch spaces are used for this activity – such retailers hence pay MFIs a sales commission for this
- While there are various third-party retailers that do this with other MFIs, Spandana has chosen to do this through Abhiram, which provides better service / integration to our customers, at very competitive commission rates – **this is an enduring structural benefit for Spandana and its customers**
- Till March 2020, the sale of the consumer goods, and the loans taken by our customers against these, used to sit in Abhiram's balance sheet
- However, from FY21 onwards, these loans now sit on Spandana's own balance sheet, and only the sale of the goods remains in Abhiram's P&L

Insignificant Impact on Spandana's Opex due to Abhiram's Cost Sharing

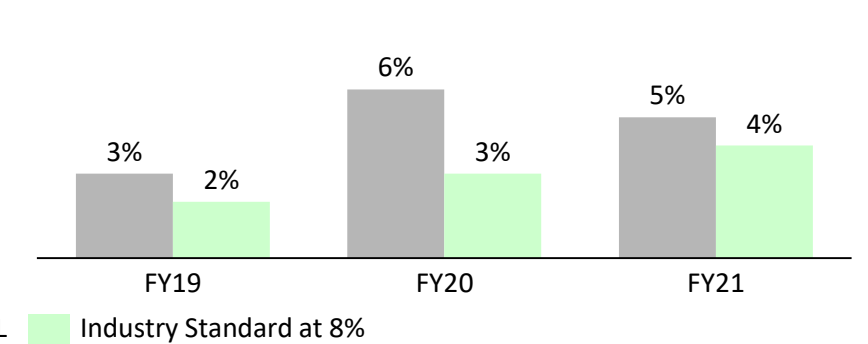
Fee Income

- Abhiram was incubated to help Spandana serve its customers more effectively, and hence does not seek to maximize its own profits
- Like all third-party retailers, it pays its partnering MFI a sales commission – this is ~10-13% for Abhiram, vs ~8% for other players in the industry, which is a small structural advantage that Spandana enjoys
- However, the difference between these rates is 3%-6% of Spandana total PBT, no impact in FY21

Actual Commission paid to SSFL vs. Industry Standard (Rs. crore)



Actual Commission paid to SSFL vs. Industry Standard (as a % of SSFL's normalised PBT)



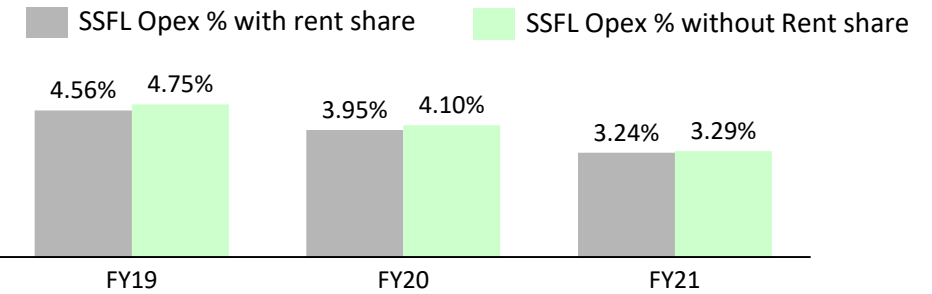
Cost Sharing

- Additionally, as Abhiram uses Spandana's branch network for storage of its goods, it also contributes to a small portion of their rental cost – sub 5 bps impact on Spandana's opex ratio in FY21

Actual Rent paid by Abhiram to SSFL (Rs. crore)



SSFL's Opex with & without Abhiram Rent Sharing



Abhiram Marketing – Profit & Loss and Balance Sheet

- Abhiram is a relatively small entity, which enables Spandana to serve its borrowers more effectively, by providing them with access to consumer durables and similar products
- It does not have a substantial P&L or balance sheet of its own, and has a very limited impact on Spandana's own financials
- Abhiram's PAT in the last three years: FY19 – Rs 1.4 crore, FY20 – Rs 6 Lakh, FY21 – Rs 1.3 crore

Abhiram – Profit & Loss Statement (Provisional)

Particulars (Rs crore)	FY21	FY20	YoY
Total Revenue	106.8	250.1	-57.3%
Cost of Goods Sold	70.5	179.5	
Gross Profit	36.3	70.6	-48.6%
<i>Gross Margin (%)</i>	34%	28%	
EBITDA	22.8	16.0	42.3%
<i>EBITDA Margin (%)</i>	21%	6%	
Profit After Tax	1.3	0.1	

Abhiram – Balance Sheet (Provisional)

Assets		
Particulars (Rs crore)	Mar,31 2021	Mar,31 2020
Non- Current Assets		
Other Non-Current Assets	0.4	69.2
Total Non- Current Assets	0.4	69.2
Current Assets		
Trade Receivables	20.6	97.4
Inventory	8.8	31.5
Other Current Assets	5.7	13.2
Cash & Bank Balance	0.9	0.2
Total Current Assets	36.1	142.3
Total Assets	36.5	211.5

Equity and Liabilities		
Particulars (Rs crore)	Mar,31 2021	Mar,31 2020
Equity		
Shareholders Equity	1.8	1.8
Reserves and Surplus	4.5	3.2
Networth	6.3	5.0
Current Liabilities		
Borrowings	18.0	165.0
Trade Payables	0.3	3.7
Other Liabilities	11.9	37.8
Total Current Liabilities	30.2	206.5
Total Liabilities	36.5	211.5

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Strong Top Management Team with Cross-Cycle Experience



PADMAJA REDDY

Managing Director

Padmaja is the Promoter and Managing Director. She has an overall experience of 24 years in the 'social development' and 'microfinance' industry. She founded 'Spandana' in 1998 and promoted the Company in 2003. Under her able leadership, the company has witnessed immense growth and scaled new heights. She holds a master's degree in Business Administration and has pursued trainings on Microfinance from Naropa University, Durham University Business School and Harvard Business School.



SATISH KOTTAKOTA

Chief Financial Officer

Satish has been associated with 'SSFL' since June 2020. He has 24+ years of experience in the BFSI and Healthcare sector. He has previously worked with organizations like ICICI Bank, HSBC, Apollo Health Sheet and CallHealth. He holds a bachelor's degree from Andhra University, and master's degree from INSEAD. He is also a Chartered Accountant.



SHARMILA KUNGUMA

Chief Risk Officer

Sharmila has been associated with 'SSFL' since December 2020. She has 17 years of experience across various banks and NBFCs such as Jana SFB, Kinara Capital, HSBC, Citibank and Bharti Airtel. She holds a bachelor's degree from Bangalore University and an MBA from Symbiosis. She is also member of Institute of Internal Auditors India.



ABDUL FEROUZ KHAN

Chief Strategy Officer

Feroz has been associated with SSFL since 2008 in various roles of Finance, IT, Operations etc., He played a vital role in CDR exit and IPO. He leads Spandana's digital transformation. Prior to Spandana, he was associated with Aditya Birla Sun life Insurance. He holds MBA from ICFAI



NAVEEN RAO ALURI

SVP & Business Head – West

Naveen has been associated with 'SSFL' since June 2010 in the sales and collections vertical. He holds a bachelor's degree from Dnyanopasak College and a masters degree from Sambalpur University.



AMIT RANJAN BISWAL

Chief Business Officer

Amit had previously worked with 'SSFL' between 2010-17 and re-joined in May 2020. He has 15+ years of expertise in leading field operations across diverse geographies. In his most recent role, he was CEO of Swarna Pragati Housing Microfinance. In the past, he has also worked with organizations such as Navdhan Capital, Adhikar Microfinance, and Bharat Financial Inclusion. He has done his MBA from Asian School of Business.



GOKULA NANDA MOHANTY

SVP & Business Head - East

Gokula has been associated with 'SSFL' in various sales and collection roles since May 2013. He holds a bachelor's degree from Dnyanopasak College and masters from Geetam University.



AMIT RAJ

SVP & Business Head - Central

Amit has been associated with 'SSFL' since June 2020. Previously, he was Zonal Manager of L&T Financial Services, responsible for the zone's micro loan business. He has 16+ years of experience across micro-finance (Arohan & Bharat Financial) and leading life insurance companies. He holds a bachelor's degree in science from St Zavier's College and master's degree from APJ Abdul Kalam Technical University.



DINESH SHENOY

SVP & Business Head - South

Dinesh has been associated with 'SSFL' since October 2019. Prior to this, he worked as Head of Sales & Distribution of Karnataka Region at Vodafone. In the past, he has also worked with Reliance Infocom and PepsiCo India. He holds a bachelors degree of arts from Mangalore University.



RAMESH PERIYASAMY

Company Secretary & Compliance Officer

Ramesh Periasamy is Company Secretary and Compliance Officer. He is qualified Company Secretary and graduate in Law from Bangalore University. He has 15+ years of experience in corporate laws, legal, listing, M&A and regulatory compliance. Before joining SSFL, he worked with Embassy Office Parks REIT, Manappuram Finance Limited, Kalyan Jewellers and NeST Technologies as Company Secretary, Legal and Compliance Officer. He also practiced law in trial courts and Madras High Court

MADHUSUDHAN KESIRAJU

SVP - Head of Finance

Madhusudhan re-joined 'SSFL' in September 2019. He had previously worked with the company in 2014-15. He has ~25 years of experience across organizations like Grameen Financial Services, K12 Techno Service, and CAPWDI. He is a Chartered Accountant and holds an MBA from Institute of Marketing & Management.

Experienced Second Layer of Management

OMKAR NAMDEV

VP & Business Head of Chhattisgarh

Omkar has been associated with 'SSFL' since last 16 years in the sales and collections vertical. He holds a bachelor's degree from Dr Hari Singh Gaur University

GOBIND PRASAD MOHANTY

VP & Business Head of Jharkhand & West Bengal

Gobind has been associated with 'SSFL' since last 10 years in various sales and collection roles. He holds a bachelor's degree from Dnyanopasak College and masters from Sambalpur University.

BASAVARAJA PARAMESHWARAPPA

VP & Business Head of North Karnataka

Basavaraj has been associated with 'SSFL' since last 10 years in the sales and collections vertical. He holds a bachelor's degree from Dnyanopasak College and masters from Sambalpur University.

ANUPAM JAIN

VP & Business Head of Madhya Pradesh

Anupam has been associated with 'SSFL' since February 2020. He has 24 years of experience in the sales and collections vertical. He was associated with Tata Group of Companies for 20 years. He holds a bachelor's degree from Devi Ahilya University.

ANKIT KUMAR TYAGI

VP & Business Head of Madhya Pradesh

Ankit re-joined 'SSFL' in December 2020. He had earlier worked with the company from 2010-13. He has 10 years of experience across ICICI Prudential Life Insurance, Vodafone Idea, Grameen Financial Services, K12 Techno Service and CAPWDI. He holds a masters degree from Symbiosis Institute of International Business.

RAVI KUMAR RANJAN

VP & Business Head of Bihar and UP

Ravi has been associated with 'SSFL' since October 2020. He has spent ~11 years in Sales and Business development across L&T Finance, Bharti Airtel, EKO India Financial Services, and Tata AIG. He holds a bachelor's degree from Sikkim Manipal University and Diploma from Apeejay School of Management.

VIKRAM KUMAR

VP & Business Head of Odisha

Vikram has been associated with 'SSFL' since July 2020. He has 15 years of experience in Sales and Business Development across Vodafone India, Reliance Communication and Nestle India. He holds a bachelor's degree from Bhubendra Narayan Mandal University and masters from FMS - IRM.

SUNIL KUMAR RANA

VP & Business head of Odisha

Sunil has been associated with 'SSFL' since January 2021. He holds a bachelor's degree from Utkal university and masters from Periyar university. He has an overall experience of 15 years and has previously worked with organizations like L&T Financial Services, Indusind Bank Ltd, Yes Bank, HDFC Bank Ltd, and Kotak Mahindra Bank Ltd.

ANUP MC

VP & Business Head of South Karnataka

Anup has been associated with 'SSFL' since February 2021. He has an overall experience of 24 years and was previously associated with organizations such as Gilly's Bengaluru-Dubai, Reliance Communications Ltd, Vodafone South Ltd, and Zip Telecom Ltd.

ANUP MATHEW

VP & Business Head of Kerala

Anup has been associated with 'SSFL' since February 2021. He holds a bachelor's degree from Calicut university and PG diploma from Kerala press academy. He has an overall experience of 21 years in Sales and Business Development and has previously worked with organizations such as Idea cellular & Vodafone Idea Ltd .

Jijo Varghese

VP & Business Head of Kerala

Jijo Varghese has been associated with SSFL from February 2021. He hold a bachelor's degree from Kerala University. He has an overall experience of 22 years in Sales and Business development and has previously worked with Organizations such as Oppo Cellular and Vodafone Ltd

Saurabh Nagpal

SVP & Business Head of Maharashtra

Saurabh Nagpal has been associated with 'SSFL' since April 2021. He holds a Bachelor's degree from Barkhatullah University and has done his MBA from CV Raman college, Raipur. He has an overall experience of 23 years in the field of Sales and Business development & has previously worked with organizations such as Vodafone and Samsung.

AMARNATH RAJU

VP & Business Head of Telangana

Amarnath has been associated with 'SSFL' since January 2021. He holds a bachelor's degree and masters degree from Osmania University . He has an overall experience of 17 years in Sales and Business development and was associated with organizations such as Airtel Payments Bank Ltd, Reliance Communication and Water health India.

ADITYA KUMAR GV

VP – Investor Relations

Aditya re-joined 'SSFL' in October 2020. His prior stint in the Company was from 2017-19. He has 8 years of experience and was previously associated with organizations such as Noon.com (Dubai) heading Treasury & Insurance, Cue Learn, and Sanmar Group. He is a Chartered Accountant and Company Secretary.

ANUP AGARWAL

VP – Accounts & Taxation

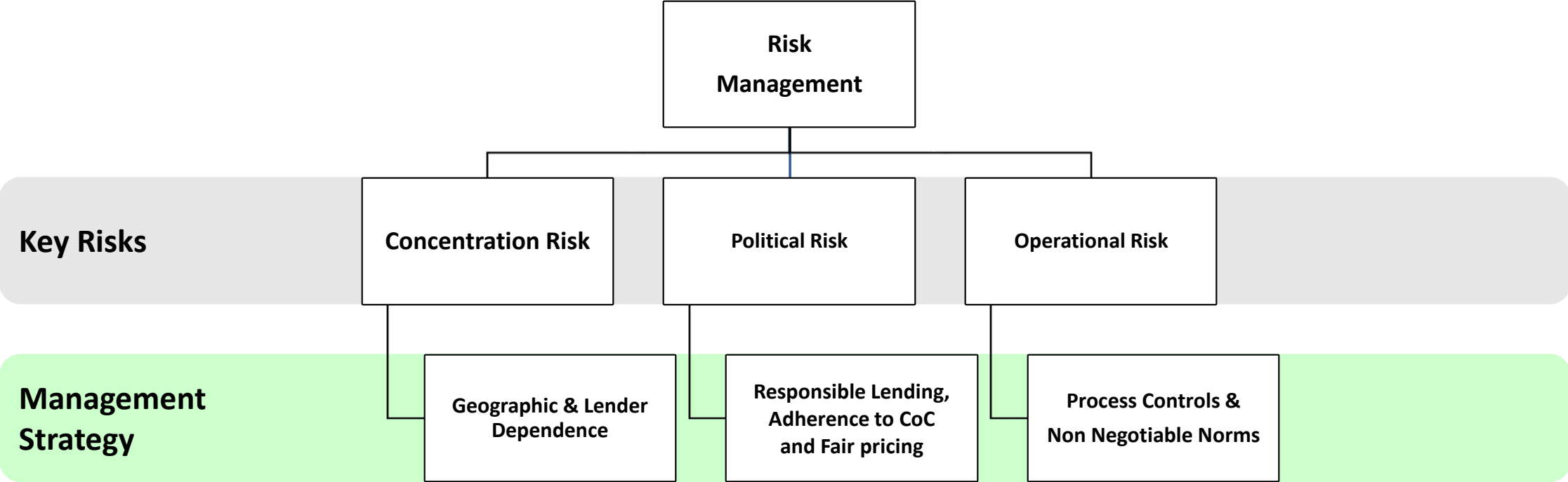
Anup has been associated with 'SSFL' since December 2020. He has 9+ years of experience across KPMG and Walker Chandio & Co LLP. Previously, he was Associate Director at KPMG, overlooking financial reporting and budgeting for various clients. He holds a bachelor's degree in commerce from Osmania University and is a Chartered Accountant.

DINESH REDDY

VP – Treasury

Dinesh has been associated with 'SSFL' since December 2020. He is a qualified ACCA (UK), with Masters in International Accounting, MBA (Finance). He joins Spandana with 11+ years of across in managing accounting functions, consulting.

Strong Risk Management DNA



Key Focus Areas

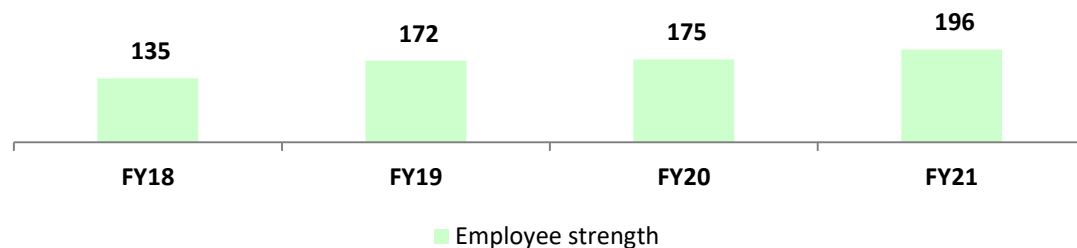
- Portfolio caps based on net worth and on overall Outstanding at State, District and Branch level
- Disbursement Cap at State, District and Branch level
- Borrowing Dependence caps
- Continue to remain rural focused
- Robust Customer grievance redressal
- Avoidance of over-indebtedness and multiple borrowing
- Establishing appropriate collection practices
- Product and process design
- Real-time Portfolio Scrub
- Cap on loans disbursed
- Borrowers cap per loan officer
- Strict employee transfer policy
- Zero cash balance permitted at branches at end of every day

Robust Internal Audit & FICM Functions

Exhaustive Scope for Internal Audit...

Internal Audit Scope	Process Followed
General Audit	<ul style="list-style-type: none"> Internal audit manager produces a monthly audit plan of branches. 3 days of audit per branch based on the ICQ (internal control questionnaire) Confidential document, submitted to the board
Closing Cash Verification	<ul style="list-style-type: none"> Regular monitoring of branches facing high cash collections. Daily reconciliation of bank statements and physical and FIMO denomination
Portfolio Verification	<ul style="list-style-type: none"> Physical meeting with the borrower by an independent EIA
Trigger based verification	<ul style="list-style-type: none"> Triggers raised by the operational team are verified by the internal audit team
Fraud verification	<ul style="list-style-type: none"> Escalation matrix defined for fraud reporting Regular monitoring of branches with history of any dubious previous transaction

..With a Significantly augmented team for higher internal audit coverage



Internal Audit Frequency of Audit is determined on Audit rating of the branch during the last Audit.

- Platinum and Gold graded Branches are audited once in a quarter
- Silver graded Branches are audited once in two months
- Bronze graded Branches are audited once in a month
- 85%+ coverage of branches in Q4 FY21
- Strengthened the team size with 196 Internal auditors as on Mar'21
- 1 Internal Auditor for every 5 branches
- 62 Members dedicated team for Crisis Mgt
- BDO is the external Internal Auditor

Technology Leveraged for Superior Efficiency and Control

finS : In-house Developed CRM/ERP Application



Smart and User friendly Web & Mobile enabled ERP system



Highly Capable and robust infrastructure to carry out millions of transactions



Automated reports for analysis and planning business activities in a matter of clicks



Control mechanism to limit transactions beyond allowed limits with real time reconciliation



Algorithm that restrict errors and fraud



A Complete IT solution catering to all functions

Efficiency

- ✓ Enables real-time paper-less processing of all loans, providing our borrowers with industry-leading TATs
- ✓ System / process design also leads to more efficiency for branch staff – enabling us to have a lower operating cost
- ✓ For examples, no data entry is done at branches KYC docs are all scanned, and then processed by the system + a central data team

Data & Analytics

- ✓ System provides real-time borrower-level information (not just group level), which enables sophisticated data analytics to be used

Control

- ✓ Disbursements and collections plans entirely system-controlled – removing risk of errors / frauds in field
- ✓ Enables corporate tactical decisions to be transmitted to the field instantly

1 Business Update

2 Key Operating Metrics

3 Key Financial Metrics

4 Borrowing Profile

5 Overview of Criss Financial (Subsidiary) & Abhiram (Associate Co.)

6 Strong Management Team & Risk Management Processes

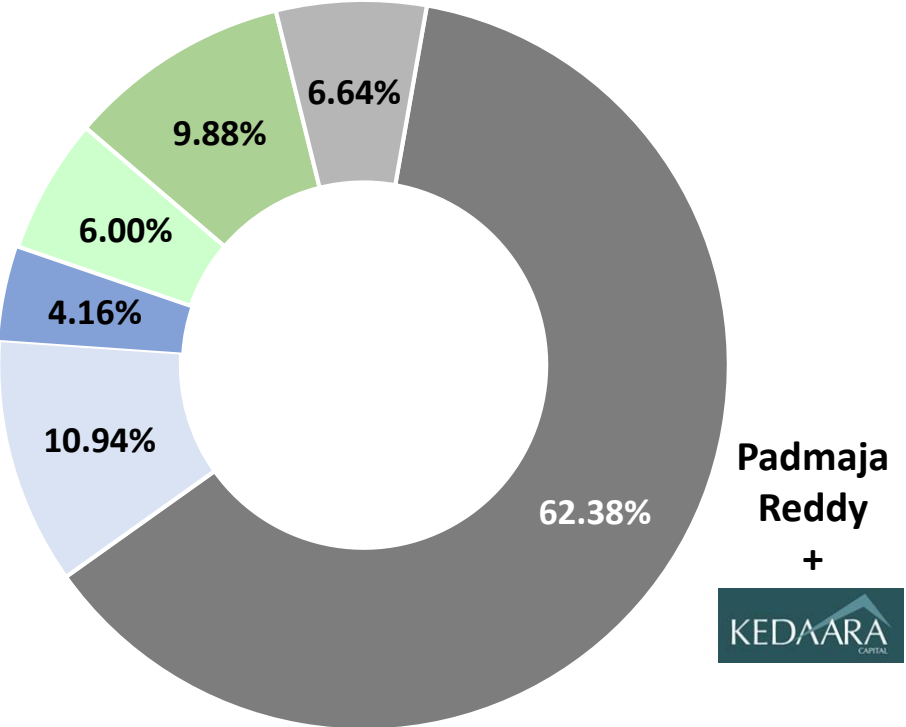
7 Annexure

Products

Product Name	Purpose	Interest Rate (%)	Tenor	Ticket Size (Rs.)
Core Product: 97% of AUM				
95.3% Abhilasha / Chethana	<ul style="list-style-type: none"> These unique loan products are designed especially for low-income households who aspire to improve their financial well-being The primary objective of this loan is to empower women in setting up and expanding income generating activities, smoothen household cash flows and acquire productive assets 	21.20%	12 to 30 Months	25,000 to 80,000
1.7% Interim Loans	<ul style="list-style-type: none"> Loans given only to existing borrowers to meet their interim and emergency requirements 	21.20%	12 to 24 Months	10,000 to 20,000
Other Products: 3% of AUM				
Loan Against Property (LAP)	<ul style="list-style-type: none"> Offered to clients who own business, are self-employed or salaried. These are given against the mortgage of residential/houses/ Commercial shops (excluding any open plots on agriculture land) 	18% to 24%	3 to 7 Years	3,00,000 to 2,00,00,000
Business Loans / Personal Loans	<ul style="list-style-type: none"> Offered to Clients to expand their existing income generating activities 	22% to 26%	12 to 36 Months	50,000 to 2,00,000
Gold - Keertana Loans	<ul style="list-style-type: none"> Offered in the states of Andhra Pradesh and Telangana for Agriculture, Business and short-term liquidity needs 	16% to 27%	1 to 12 Months	1,000 to 10,00,000
Consumer Loans	<ul style="list-style-type: none"> Offered to finance the purchase of consumer products 	21.20%	6 to 24 Months	1,000 to 16,000

Shareholding Pattern

As on Mar-21



- Promoters
- AIF
- Bodies Corporate
- FII
- Insurance
- Public & Others

Non-Promoter Investor Details	% Holding
Valiant Mauritius Partners*	7.77%
ICICI Prudential Life Insurance	4.75%
JM Financial India Trust	2.51%
Bajaj Allianz Life Insurance	1.25%
Edelweiss Alternative Investment	1.25%
Goldman Sachs India	1.18%
Helion Venture Partners	1.01%

* Through Various Funds

Experienced Board of Directors



Deepak Calian Vaidya | Chairman & Independent Director

A fellow of ICA in England and Wales since 1979. Served as a BoD of Capricorn Securities, Arc Advisory Services, Apollo Gleneagles Hospital, Bombay Oxygen Investments, UTI Capital, etc.



Ramachandra Kasargod Kamath | Nominee Director

He is a former Chairman & MD of PNB for 5 years. He was an ED at Bank of India for over 2 years and the Chairman & MD at Allahabad Bank for over 1 year. He has also held the post of Chairman of the Indian Banks Association for 2 years. He also serves as a BoD of Aavas Financiers and Centrum Capital.



Ms. G Padmaja Reddy | Managing Director

She is a post-graduated in management; worked in an NGO and later in 1998, started 'Spandana'. She pursued various trainings on Microfinance – all CGAP modules on Microfinance, a course on Microfinance at Naropa University, Credit and Micro Enterprise Development Training from Durham University, U.K Market Research for Micro Finance at Uganda etc.



Sunish Sharma | Nominee Director, Kedaara Capital

He is the Managing Partner and co-founder of Kedaara Capital. Previously, he was a MD at General Atlantic, where he worked for 8 years. He worked at McKinsey & Co. for over six years. He has extensive private equity investment experience. He has an MBA from IIM-Calcutta and is a qualified cost accountant from ICWAI.



Jagadish Capoor | Independent Director

He has previously worked as the deputy governor of the RBI for more than four years. He also serves as a BoD of HDFC Securities, LIC Housing Finance, LIC Pension Fund , LIC HFL Trustee Company Private etc



Kartikeya Dhruv Kaji | Nominee Director, Kedaara Capital

He serves as a Director at Kedaara Capital. He has previously worked with Perella Weinberg Partners and Merrill Lynch in New York, and with Temasek Holdings Advisors India.



Bharat Dhirajlal Shah | Independent Director

He is the Chairman of HDFC Securities. He is the co-founder of HDFC Bank, and he joined the bank in 1994 as an Executive Director on its board. He has held several lead roles at the bank for 12 years. He serves on the board of various companies including 3M India, Exide Industries etc.



Amit Sobti | Nominee Director, Kedaara Capital

He is currently a Director with the Private Capital division at Ontario Teachers' Pension Plan (Asia) in Hong Kong and has over 20 years of experience in private equity and investment banking including over two years with Unitas Capital, nine years with Warburg Pincus LLC, and two years with Rhone Group LLC.



Abanti Mitra | Independent Director

She has previously worked as an executive with Astra Marine Pvt. Ltd. for one year, a management executive at Micro-Credit Ratings International Ltd. for two years, and a manager with ICICI Bank for three years. She also serves as a BoD of Development Equities Pvt. Ltd. and Positron Consulting Services Pvt. Ltd.

Niche Business Model



Business Model

- Group size of 6 to 10 women
- Loans given under Joint Liability Group (JLG) model
- Monthly & Fortnightly centre meetings
- Leverage the existing customer network (borrowers and branches) to cross sell financial & non-financial products
- No Regional, Divisional and Zonal offices (only branches & corporate office)



Processes

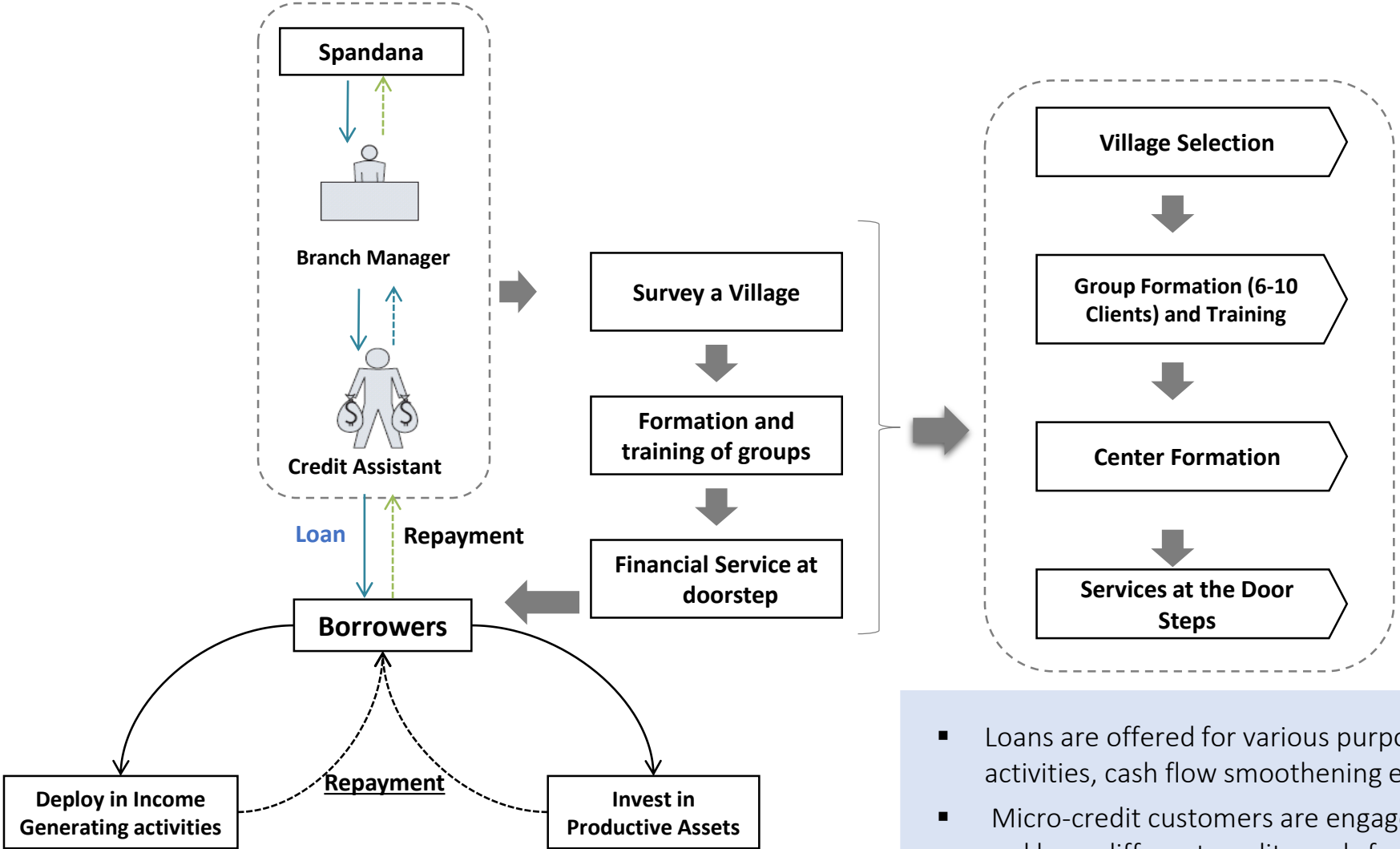
- Standardized systems and a front-end interface that gives real time information on demand and collections
- Checks and controls built on the system have been automated with minimal human intervention
- Timely disbursement of loan to all in the group at one-go
- Disbursement norms are also calibrated based on branch categories
- Mandatory credit bureau check prior to loan disbursement



HR policies

- Strict employee transfer policy with adherence to operational risk control
- Performance driven culture through incentive structure for field staff
- Seasoned Credit Assistants ("CAs") can be trained to assume the role of Branch Managers ("BMs") while seasoned BMs can be trained to assume the role of Cluster Managers
- Grooming internal employees and building talent pool for future growth

Efficient Business Process



- Loans are offered for various purposes – Agri/ Agri-allied activities, cash flow smoothing etc
- Micro-credit customers are engaged in variety of livelihoods and have different credit needs for which these funds are utilised

'Spandana' – A People Focused Organization: CSR Initiatives

'Spandana' is undertaking various CSR initiatives to promote better livelihood and quality of life for economically weaker section of people living in its areas of business presence. A brief overview of the major CSR activities has been given below:

Providing Free Tailoring Training to Household Women and Girls. Currently 682 women are part of vocational training



Distribution of 'solar lights & cycles' in 11 states (AP, Bihar, Gujarat, Karnataka, Maharashtra & Others) to improve living standards & productivity



Relief activities for Godavari flood victims in Kerala & Andhra Pradesh



Promoting Kitchen Gardening by distributing free samples of seed mix - Coriander, Tomato, Spinach & Bhindi seeds in Hyderabad zone



Awards & Accolades

Dun & Bradstreet – Leading BFSI & FinTech companies

Dun & Bradstreet placed Spandana in India's leading BFSI & FinTech companies 2021

NewsX - Excellence in Entrepreneurship

NewsX placed Mrs Padmaja Reddy in India's A-List for Excellence in Entrepreneurship

AIWMI - India's top 100 Women in Finance

AIWMI placed Mrs Padmaja Reddy in India's top 100 Women in Finance 2020

The Economic Times

The Economic Times recognizes Mrs Padmaja Reddy as one of the Promising Entrepreneurs of India

Next Fortune 500 List

Spandana is placed in next Fortune 500 list published by Fortune India

Inclusion in MSCI Small Cap Index

Morgan Stanley Capital International has placed Spandana in their India Domestic Small Cap Index

Company of the year in Financial Services

Dare to Dream Awards presented By Zee Business in association with SAP- 2019

Chief Strategy Officers Summit by Morpheus

Strategy Leader of the year - 2019

CII Entrepreneur Awards

Best Entrepreneur Award - 2019

Herald Global and BARC Asia

Most Admired Leader of Asia 2018

CMO Asia, Singapore

Women Leadership Award for Excellence in Banking & Finance, 2018

APS Research & Media, National ICON Awards, New Delhi

The Most Trusted Micro Financial Company of the Year 2018

International Achievers Conference, Thailand

Outstanding Achievement Award for Excellence in Banking & Finance

The Golden Star Awards, Delhi

The Best Micro Finance Company of the Year

Glossary

Sr. No.	Particulars	Formula
1	Networth	Shareholders Fund + Other Equity excluding Non controlling interest
2	Capital Adequacy	Tier I ratio + Tier II ratio
3	Leverage	Closing On Balance sheet Borrowings / Closing Net worth
4	Marginal Cost of Borrowing	(Borrowings availed during the period * interest rate + processing fees and other charges) / Borrowings availed during the period
5	Cost to Income Ratio	(Employee benefit expenses + Depreciation and amortization expense + Other Expenses) / (Total Income - Finance Cost)
6	Assets Under Management (AUM)	Loan Portfolio including portfolio assigned and excluding Old AP Portfolio
7	RoA (%)	Profit After Tax / Quarterly Average AUM (Annualised)
8	RoE (%)	Profit After Tax / Quarterly Average Net worth (Annualised)
9	Yield (%)	(Interest income on the loan portfolio + interest income on derecognised loan portfolio passed on to assignees + retained interest income on derecognised loan portfolio) / Quarterly Average AUM (Annualised)
10	Cost of Borrowings (%)	(Finance Cost - Interest on Lease Liability) / Quarterly Average Borrowings (Annualised)
11	Net Interest Income (NII)	(Interest income on the loan portfolio + retained interest income on derecognised loan portfolio) - (Finance Cost - Interest on Lease Liability)
12	NIM (%)	NII / Quarterly Average AUM (Annualised)
13	Opex to AUM Ratio	(Employee benefit expenses + Depreciation and amortization expense + Other Expenses) / Quarterly Average AUM (Annualised)

Contact Information



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THANK YOU

