



Ref: SSFL/Stock Exchange/2023-24/025

Date: May 02, 2023

To  
BSE Limited,  
Department of Corporate Services  
P. J. Towers, 25<sup>th</sup> Floor,  
Dalal Street,  
Mumbai – 400001

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

Scrip Code: 542759

Symbol: SPANDANA

Dear Sir/Madam,

**Sub: Investor presentation on the audited financial results of the Company for the quarter and year ended March 31, 2023.**

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

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 please find enclosed herewith a copy of Investor Presentation of the Company on the audited financial results for the quarter and year ended March 31, 2023.

Kindly take the above on record.

Thanking you.

Yours sincerely,  
**For Spandana Sphoorty Financial Limited**

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

*Encl: as above*

**Spandana Sphoorty Financial Limited**

CIN - L65929TG2003PLC040648

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

Ph: +9140-45474750 | [contact@spandanaspchoorty.com](mailto:contact@spandanaspchoorty.com) | [www.spandanaspchoorty.com](http://www.spandanaspchoorty.com)

# Spandana Sphoorty Financial Limited

....Committed to low-income households



## Q4 FY23 & FY23 Investor Presentation

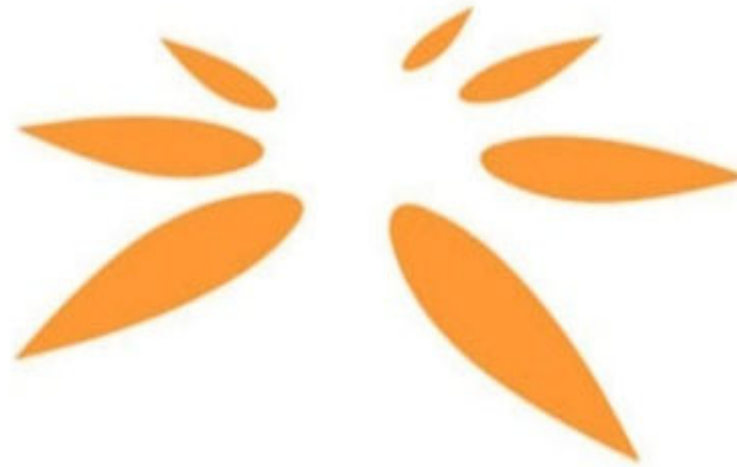


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## **Q4 FY23 & FY 2023 Business Performance**



**QOQ - AUM up 24%, Client Addition up 95%, NNPA at 0.64%, PAT increased by 48%**  
**YoY- AUM up 29%, Client Addition up 294%, NNPA at 0.64%, PAT increased by 269%**

### Growth in line with expectations

Client Addition	Disbursement	AUM
4.3 L	₹3,054 Cr	₹8,511 Cr
+294% YoY ↑ +95% QoQ	+120% YoY ↑ +29% QoQ	+29% YoY ↑ +24% QoQ

### Healthy asset quality

1 – 90 DpD	GNPA	NNPA
1.54%	2.07%	0.64%
-1280 bps YoY ↓ -105 bps QoQ	-1658 bps YoY ↓ -324 bps QoQ	-982 bps YoY ↓ -188 bps QoQ

### Continued momentum in fund raising

New lenders onboarded	Funds raised	Cash & Bank balance
8	₹2,402 Cr	₹1,005 Cr
Total lenders 48*	+680% YoY ↑ +12% QoQ	

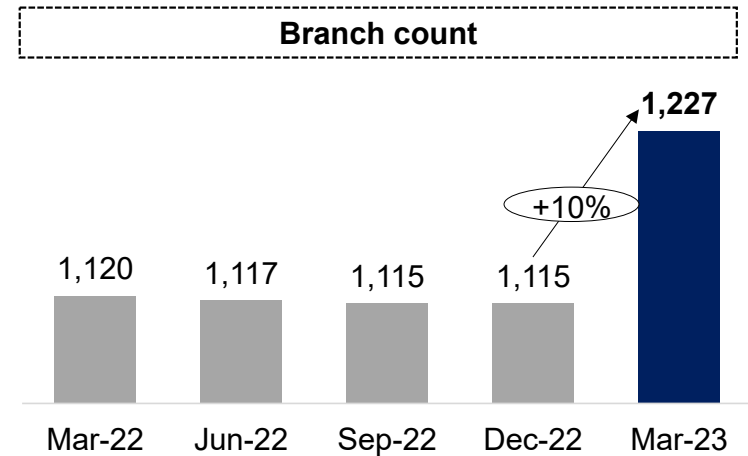
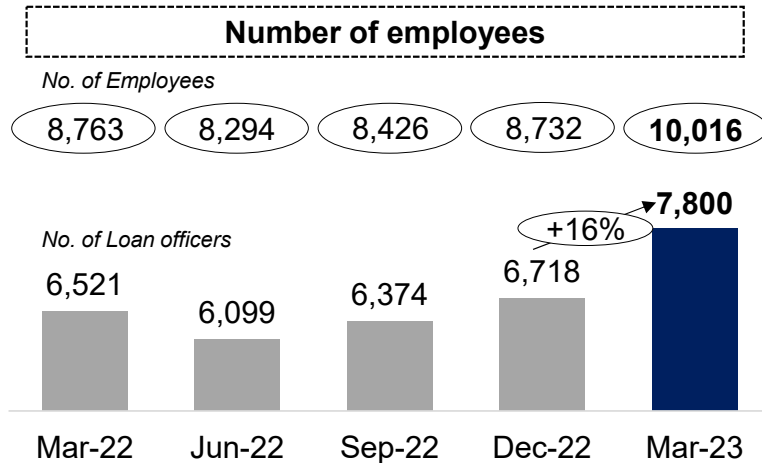
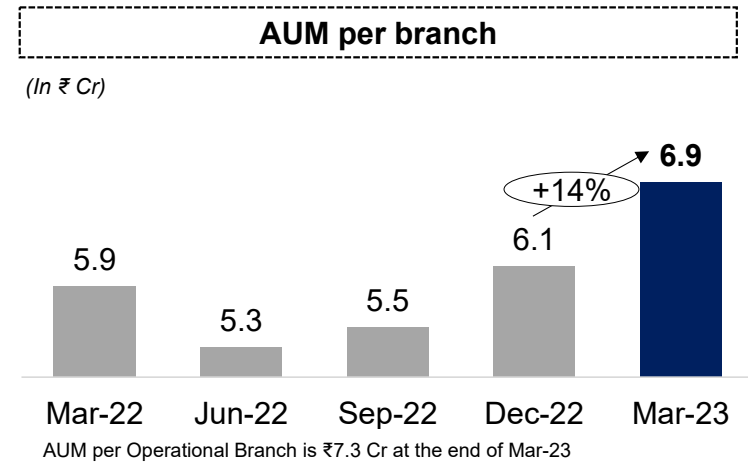
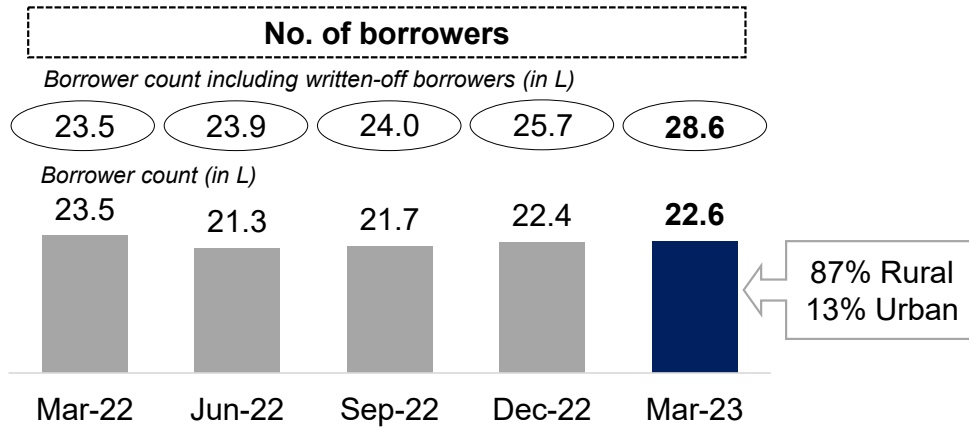
### Strong financial performance

Net Interest Income	PPOP	PAT
₹384 Cr	₹261 Cr	₹106 Cr
+101% YoY ↑ +51% QoQ	+351% YoY ↑ +85% QoQ	+269% YoY ↑ +48% QoQ

\* Includes arrangers of Capital Market instruments



# 112 new branches added; Positive momentum across key operational vectors

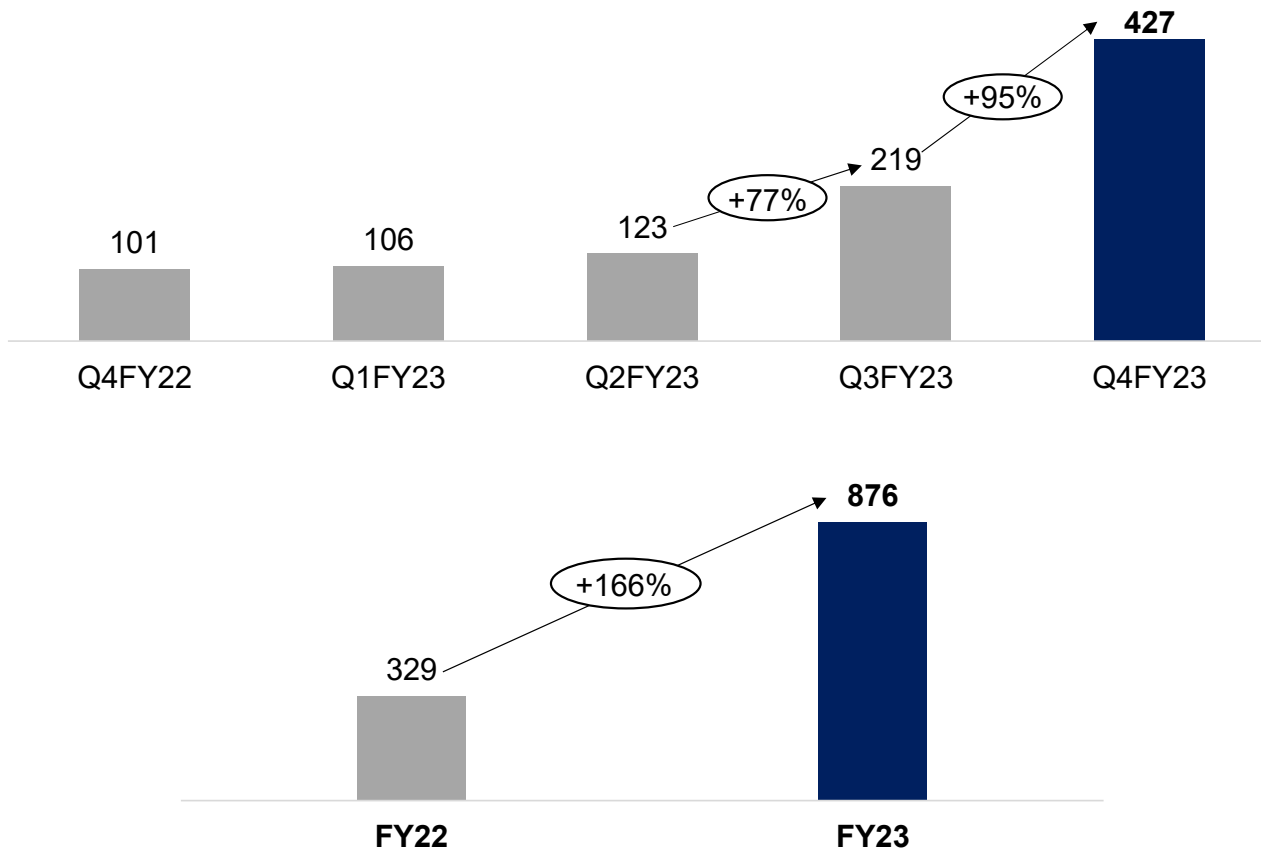




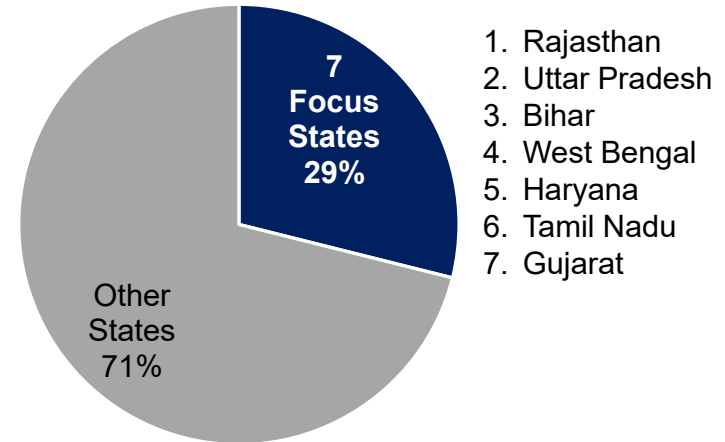
# New member acquisition driving growth

## 95% growth over Q3; 50% loans to new members in FY23

New members acquired (in '000)



Focus States contributed 29% of Q4 Member Acquisition



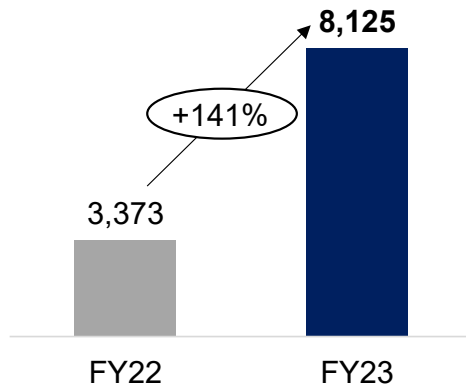
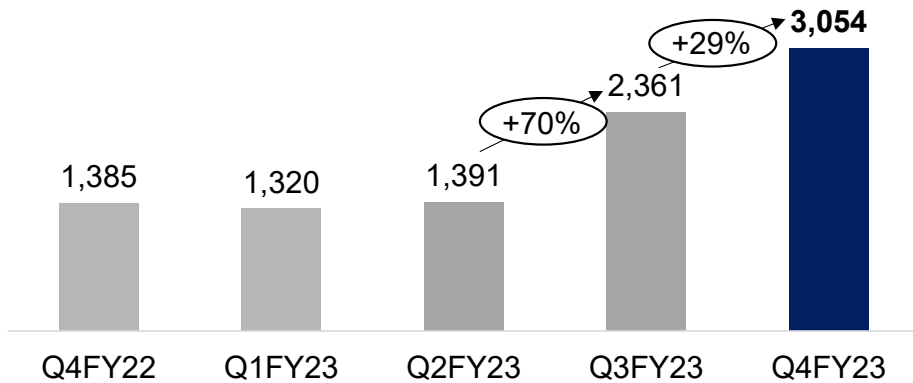
1. Rajasthan
2. Uttar Pradesh
3. Bihar
4. West Bengal
5. Haryana
6. Tamil Nadu
7. Gujarat



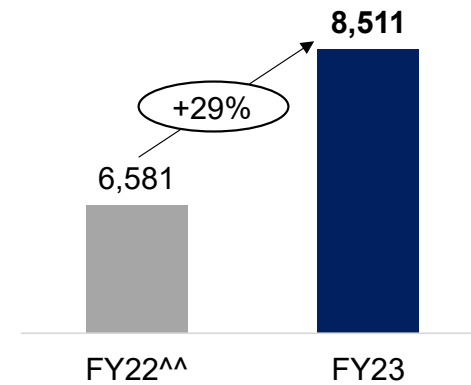
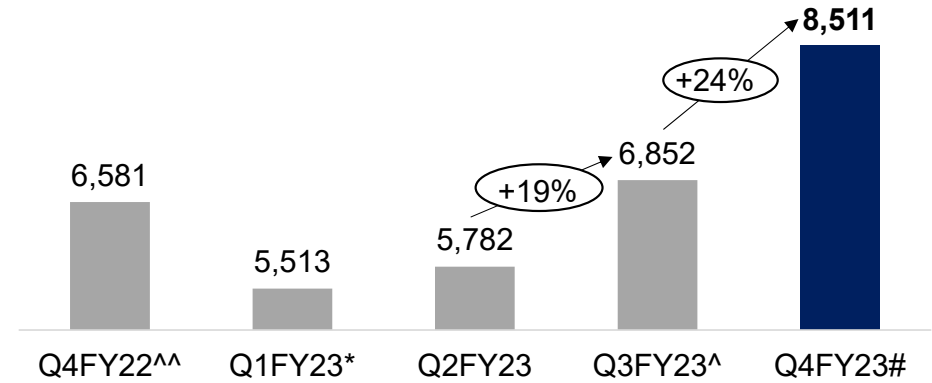
# Robust momentum in disbursement & growth in AUM

~29% increase in disbursement; AUM up by 24% QoQ & 29% YoY

Disbursement (in ₹ Cr)



AUM (in ₹ Cr)



<sup>^^</sup> Includes DA transaction executed prior to Jun'21

<sup>\*</sup> ₹702 Cr written-off in Q1

<sup>^</sup> Post Sale of ₹117 Cr portfolio to ARC;

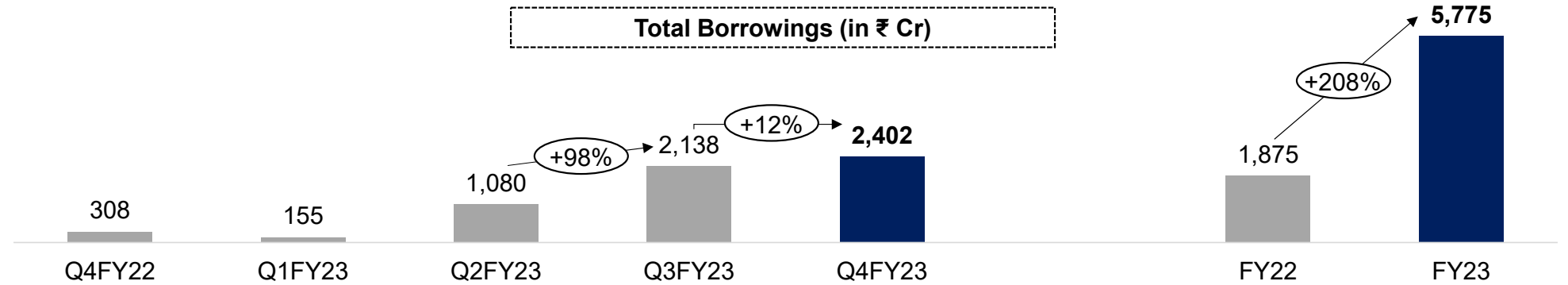
<sup>#</sup> Post sale of ₹133 Cr portfolio to ARC & ₹41 Cr written off during Q4





# Well diversified lender base

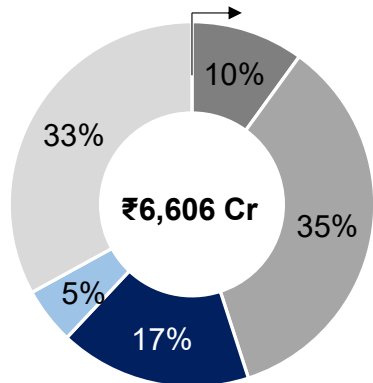
12% growth in fund mobilization; 8 new lenders added in Q4



Marginal cost of borrowing stable at 12.55% for Q4FY23 vs. 12.66% in Q3FY23;

Weighted average cost of borrowing at 12.4% vs. 11.5% end of Q3FY23

**Diversified funding mix^ (31-Mar-23)**

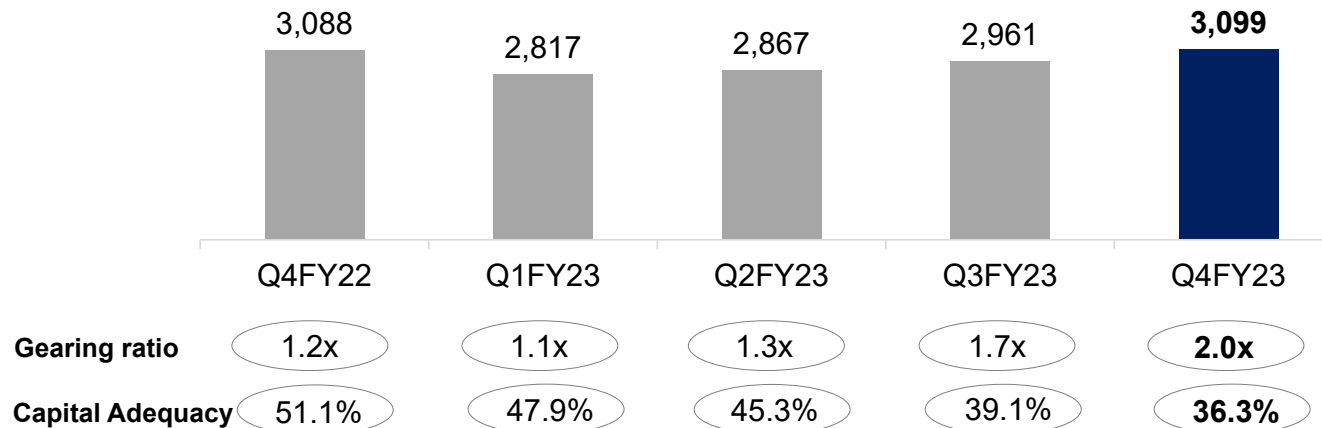


■ PSU ■ Private Banks ■ NBFC ■ FPI ■ Capital markets

**62% borrowings from Banks / FI's**

^ Including Direct Assignment transactions executed in Q4FY23 with outstanding of ₹532 Cr as on 31-Mar-23 (excluding DA transactions which were executed prior to June-21)

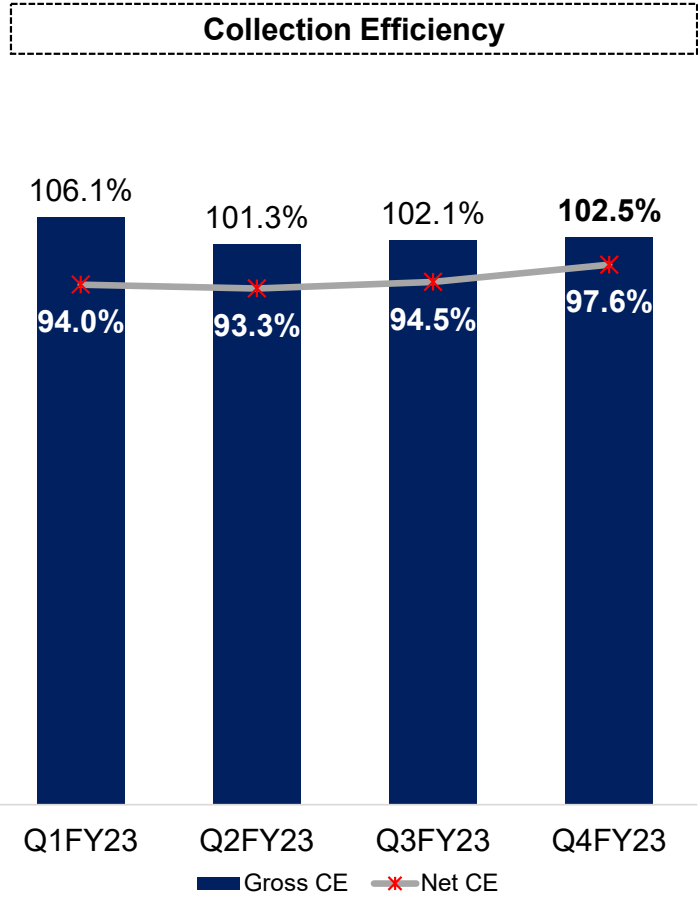
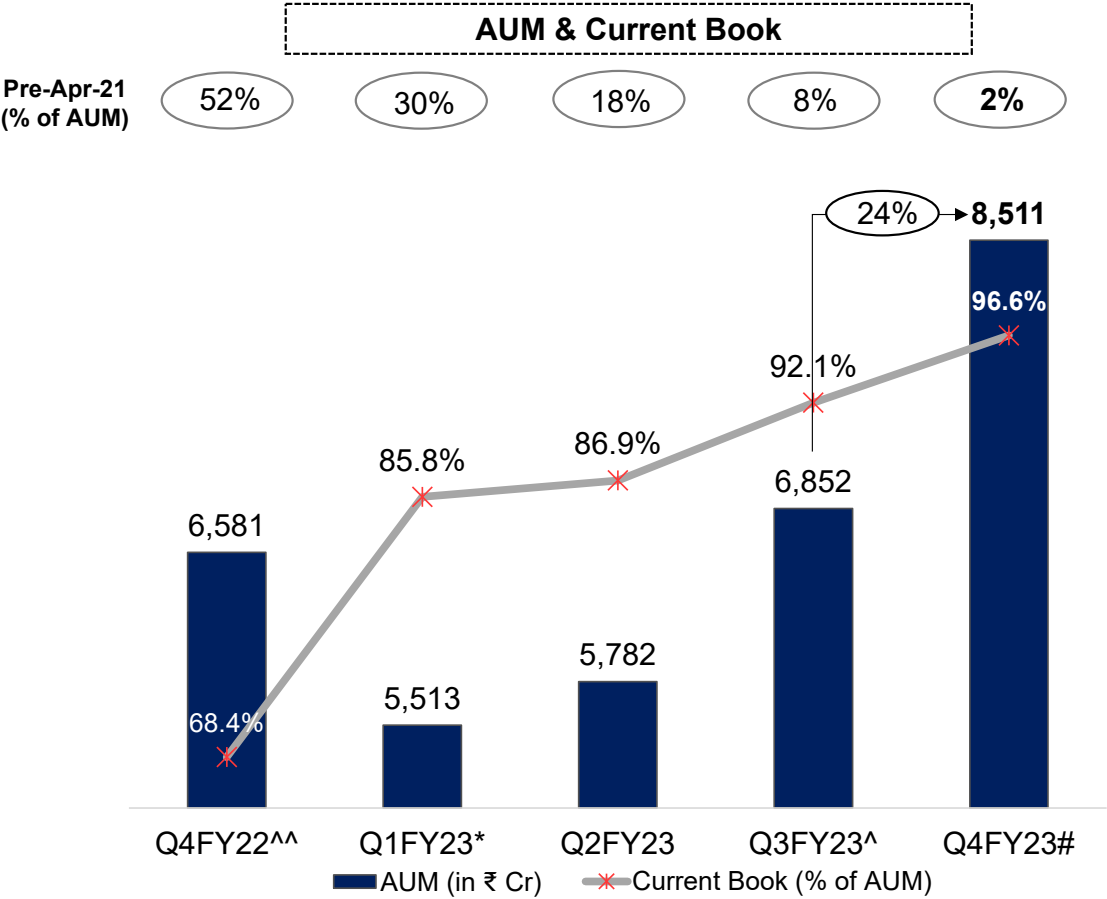
**Net-worth (₹ Cr)**





# Improvement in current book from 92.1% to 96.6%

## Collection efficiency continues to improve



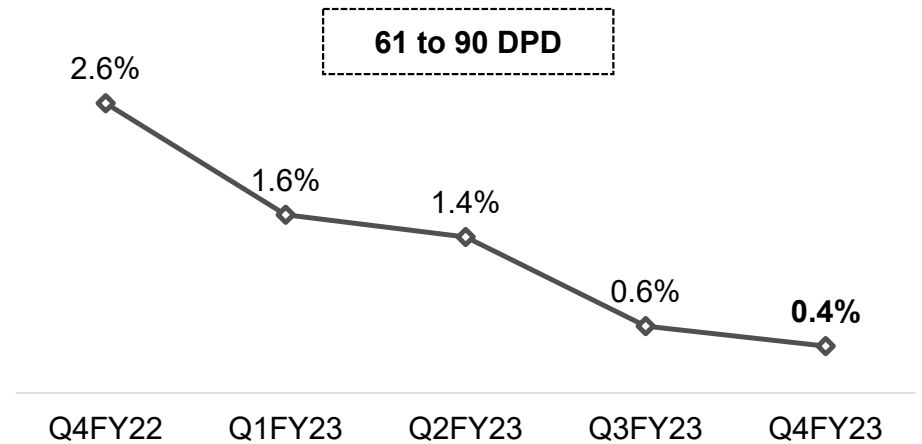
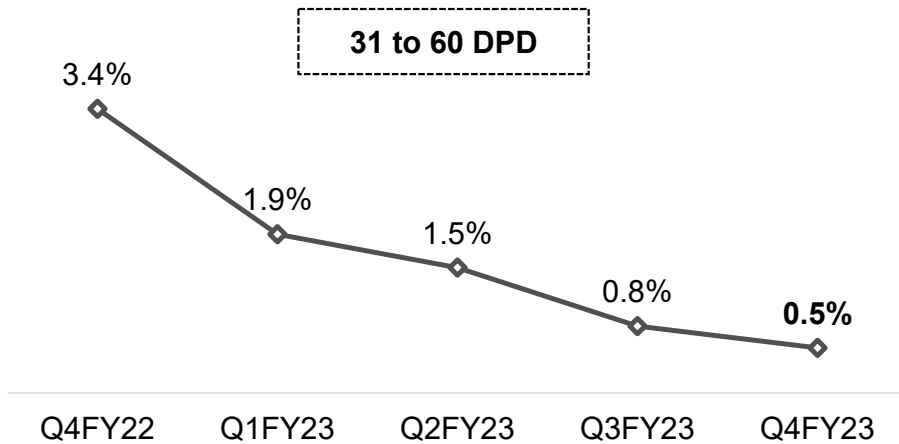
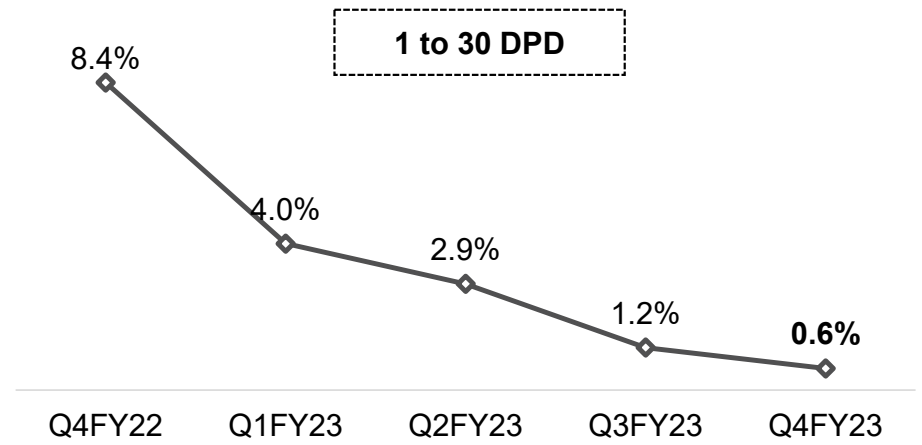
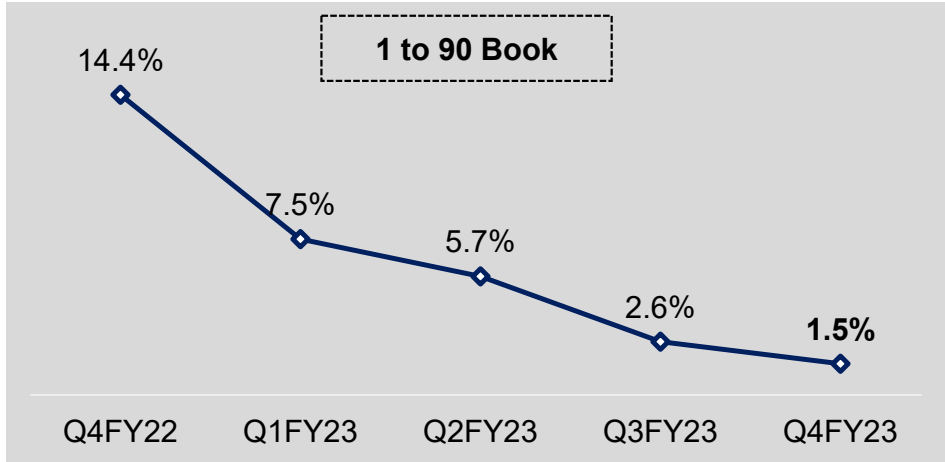
**Flows: 0.9% of AUM has moved forward while balance has been pulled back or stayed in same bucket**

<sup>^^</sup>Includes DA transaction executed prior to Jun'21; \* ₹702 Cr written-off in Q1FY23; <sup>^</sup> Post Sale of ₹117 Cr portfolio to ARC; <sup>#</sup> Post sale of ₹133 Cr portfolio to ARC & ₹41 Cr written off during Q4



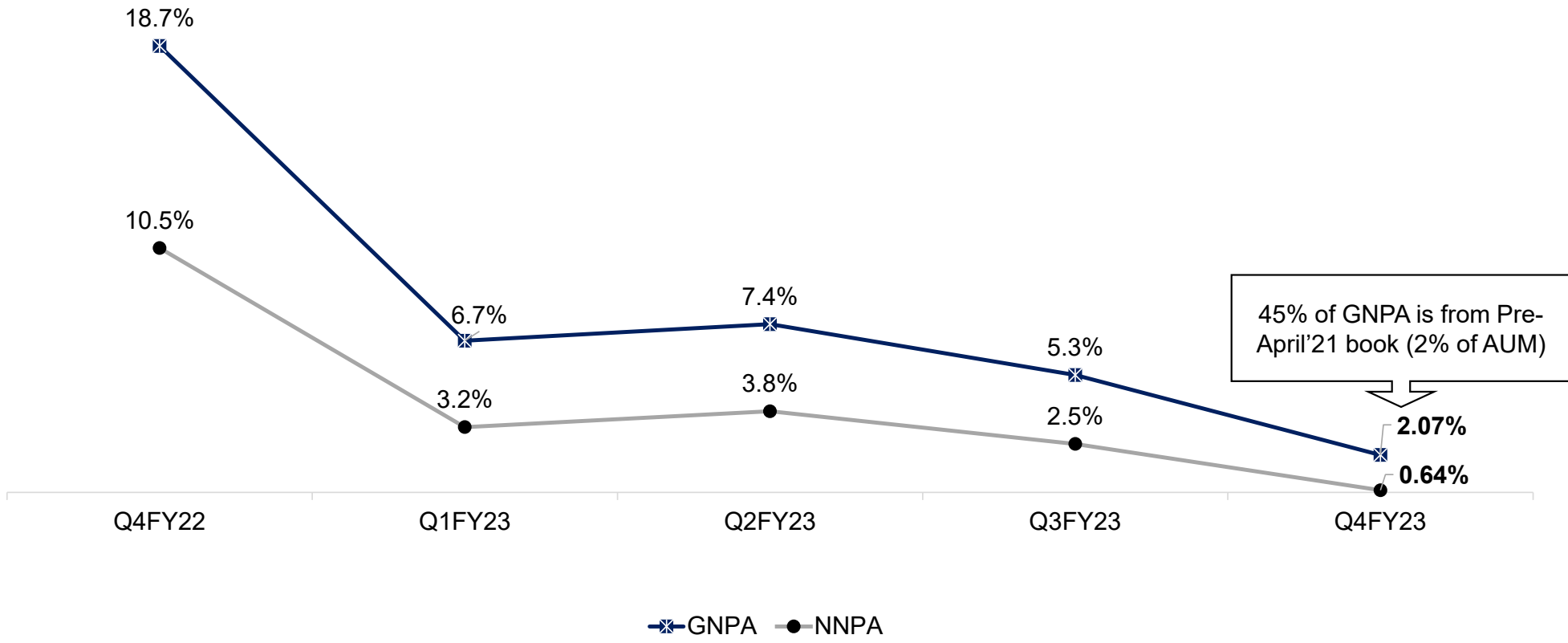
# Consistent improvement in (1 to 90) book...

1 to 90 book down from 2.6% to 1.5% (QoQ)





# ... accompanied by GNPA & NNPA reduction...





# ... and PCR at 70% on unsecured portfolio

PCR at 69.1% at consolidated level (due to lower provisioning in secured portfolio)

Provisioning & Coverage	Q4 FY23				Q3 FY23			
	Loans Outstanding (₹ Cr)^	% of Loans Outstanding	ECL Provision (₹ Cr)	Coverage	Loan Outstanding (₹ Cr)^	% of Loan Outstanding	ECL Provision (₹ Cr)	Coverage
<b>Stage 1</b>	<b>7,766</b>	<b>96.97%</b>	<b>90</b>	<b>1.16%</b>	<b>6,390</b>	<b>93.25%</b>	<b>41</b>	<b>0.63%</b>
Current	7720	96.39%	89	1.15%	6,311	92.10%	39	0.62%
- 1-30	46	0.58%	1	2.91%	79	1.16%	2	1.98%
<b>Stage 2</b>	<b>77</b>	<b>0.96%</b>	<b>30</b>	<b>38.88%</b>	<b>98</b>	<b>1.44%</b>	<b>41</b>	<b>41.60%</b>
<b>Stage 3*</b>	<b>166</b>	<b>2.07%</b>	<b>115</b>	<b>69.10%</b>	<b>364</b>	<b>5.31%</b>	<b>191</b>	<b>52.49%</b>
<b>Total</b>	<b>8,009</b>	<b>100%</b>	<b>235</b>	<b>2.93%</b>	<b>6,852</b>	<b>100%</b>	<b>272</b>	<b>3.98%</b>

	Q4 FY23		Q3 FY23	
	SSFL	Consolidated	SSFL	Consolidated
<b>GNPA#</b>	<b>1.95%</b>	<b>2.07%</b>	<b>5.10%</b>	<b>5.31%</b>
<b>NNPA</b>	<b>0.58%</b>	<b>0.64%</b>	<b>2.30%</b>	<b>2.52%</b>
<b>PCR</b>	<b>70.0%</b>	<b>69.1%</b>	<b>55.0%</b>	<b>52.5%</b>
<b>Capital Adequacy (CRAR %)</b>	<b>36.9%</b>	<b>36.3%</b>	<b>39.2%</b>	<b>39.1%</b>

Impairment on financial instruments in Q4FY23	Amount (₹ Cr)
- Write-off (ARC & others)	40.8
- Change in ECL % from 52.5% to 69.1% on opening NPA	34.6
- On flow during Q4	23.6
- On stage 1, 2 & others	23.2
<b>Total</b>	<b>122.2</b>

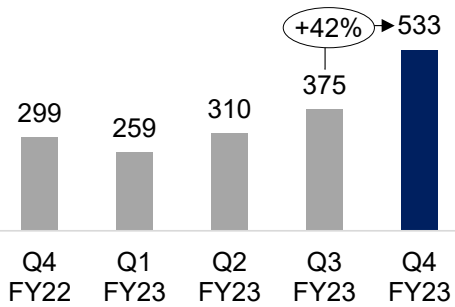
\* Post sale of ₹133 Cr portfolio to ARC in Q4FY23 and ₹117 Cr portfolio to ARC in Q3FY23

^ Excludes DA book

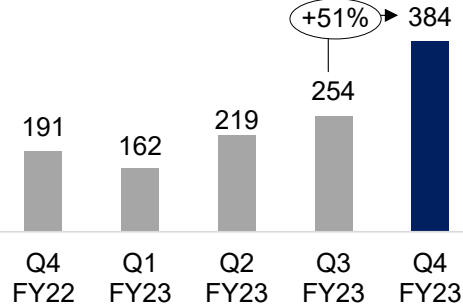


# Financials showing a healthy movement (1/2)

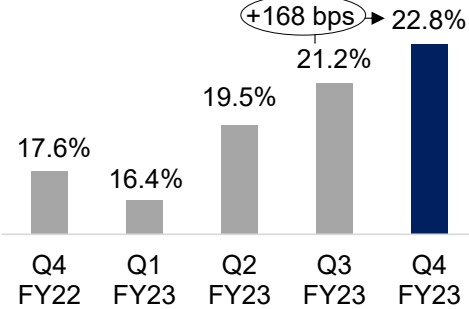
**Total Income\* (₹ Cr)**



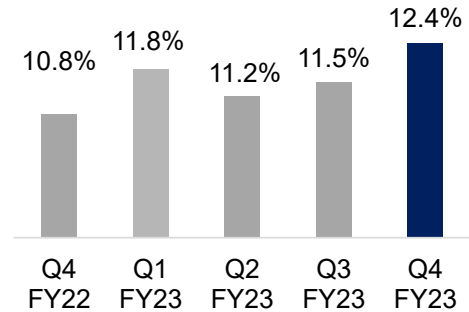
**Net Interest Income\* (₹ Cr)**



**Yield (%)**



**Cost of Borrowings (%)**

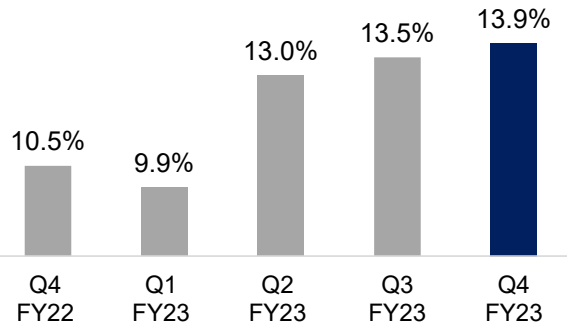


\*Includes Net gain on fair value change of ₹44 Cr toward DA transaction undertaken in Q4FY23

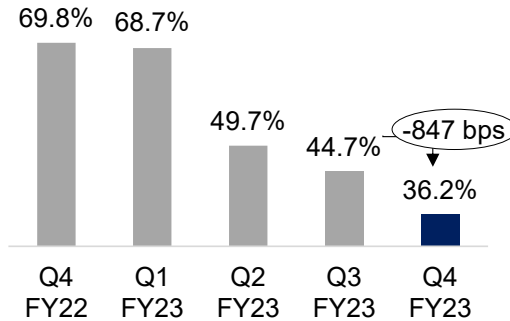
₹7 Cr income on ARC transaction recognized in Q4FY23 and ₹5 Cr in Q3FY23 as per IndAS. Including this, Yield is 23.2% in Q4 and 21.5% in Q3

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

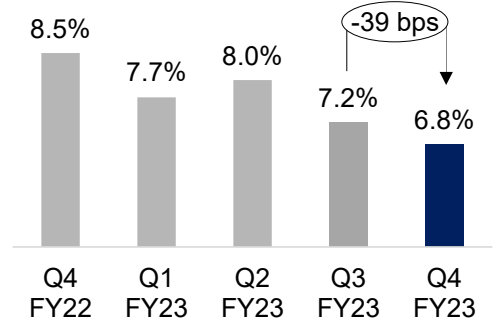
**NIM^ (%)**



**Cost to Income (%)**



**Opex to AUM (%)**

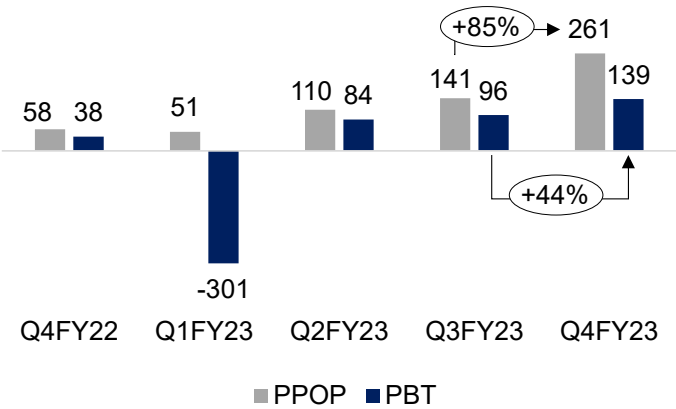


^₹7 Cr income on ARC transaction recognized in Q4FY23 and ₹5 Cr in Q3FY23 as per IndAS. Including this, Yield is 23.2% in Q4 and 21.5% in Q3. Normalized Finance cost is 9.0% for Q4, excluding ₹13 Cr upfront expenses recognized till previous quarter. Due to above, normalized NIM is 13.9% in Q4 and 13.5% in Q3 vs. actual 15% in Q4 and 13.8% in Q3

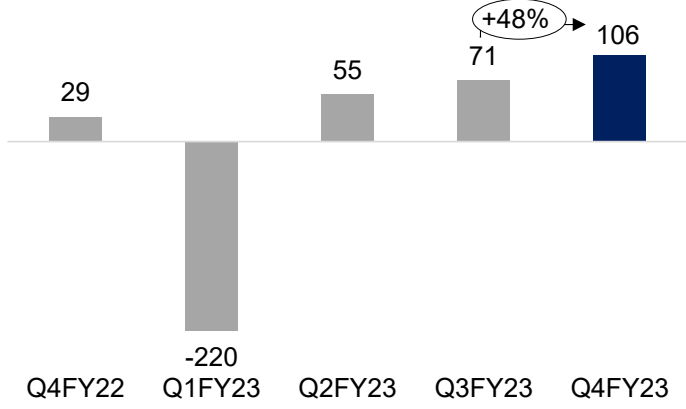


# Financials showing a healthy movement (2/2)

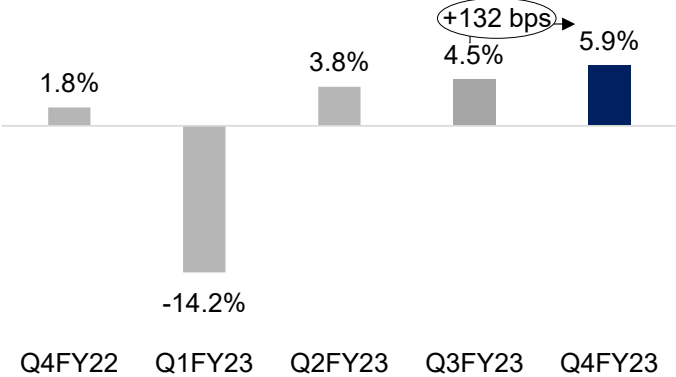
PPOP & PBT (₹ Cr)



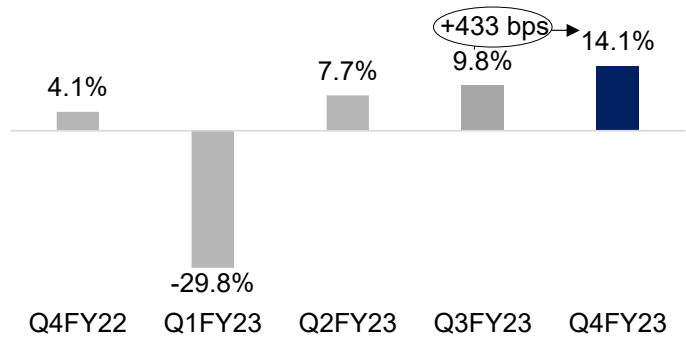
PAT (₹ Cr)



ROA (%)



ROE (%)

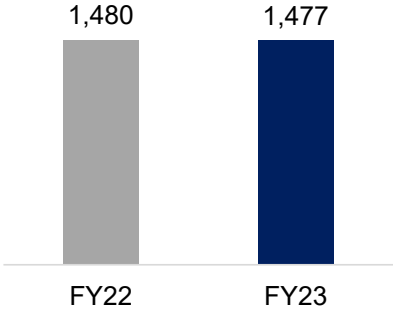


# Ready to pursue growth agenda as operating vectors stabilized

(Revenue, Credit Cost, Provisioning)

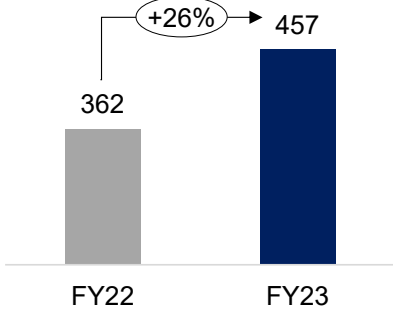


Total Income (₹ Cr)



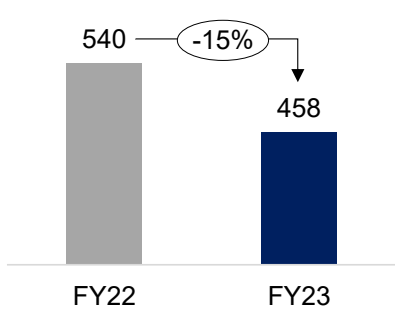
Average AUM reduction of 13% and income reversal of ₹38 Cr against write off in Q1 primarily led to flat income

Operating Cost (₹ Cr)



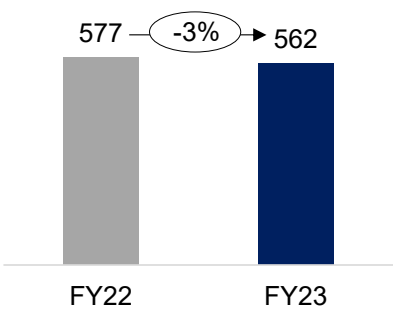
Opex growth in-line with business growth

Finance Cost (₹ Cr)

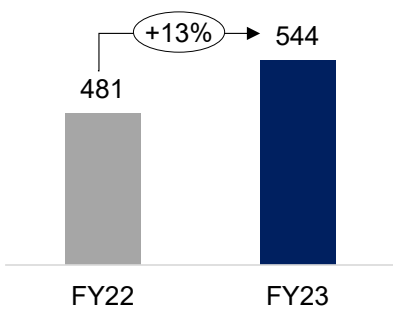


Average borrowing reduction of 13% led to reduction in finance cost by 15%

PPOP (₹ Cr)

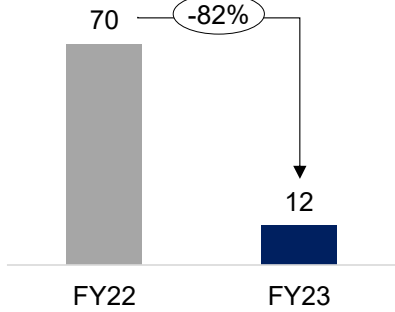


Credit Cost (₹ Cr)



Driven by higher NPA and SMA buckets at the start of the year

PAT (₹ Cr)







# Consolidated Income Statement

Particulars (₹ Cr)	Q4 FY23	Q3 FY23	Q4 FY22	FY23	FY22
<b>Revenue from Operations</b>					
Interest income	419.3	337.7	260.8	1,277.5	1,336.5
Net gain on fair value changes	65.7	8.4	8.3	84.5	78.2
Other Income	13.1	8.5	17.7	38.7	48.0
<b>Total income from operations</b>	<b>498.1</b>	<b>354.7</b>	<b>286.8</b>	<b>1,400.8</b>	<b>1,462.8</b>
Non-operational Income	34.9	20.3	12.3	76.3	17.2
<b>Total income</b>	<b>533.0</b>	<b>375.0</b>	<b>299.1</b>	<b>1,477.0</b>	<b>1,480.0</b>
<b>Expenses</b>					
Finance cost	149.0	120.7	107.9	457.9	540.1
Net loss on financial assets and liabilities designated at fair value through profit or loss	-	-	-	-	0.1
Employee benefit expense	85.5	69.2	64.1	305.7	228.4
Depreciation and amortization expense	3.7	2.6	2.7	10.9	9.2
Other expenses	34.0	41.8	66.6	140.4	124.8
<b>Total Expenses</b>	<b>272.2</b>	<b>234.4</b>	<b>241.3</b>	<b>914.9</b>	<b>902.6</b>
<b>Pre-Provision Operating Profit (PPOP)</b>	<b>260.8</b>	<b>140.6</b>	<b>57.8</b>	<b>562.1</b>	<b>577.4</b>
Impairment on financial instruments and other provisions	122.2	44.6	20.0	544.3	480.6
<b>Profit before Tax</b>	<b>138.6</b>	<b>96.0</b>	<b>37.8</b>	<b>17.8</b>	<b>96.9</b>
Tax expense	33.0	24.7	9.2	5.4	27.0
<b>Profit after tax</b>	<b>105.6</b>	<b>71.4</b>	<b>28.6</b>	<b>12.4</b>	<b>69.8</b>



# Consolidated Balance Sheet

Net-worth increased to ₹3,099 Cr

ASSETS (₹ Cr)	Mar 31, 2023	Mar 31, 2022
<b>Financial Assets</b>		
Cash and bank balances	1,004.5	1,202.3
Loan Portfolio	7,759.8	5,518.4
Investments	189.4	2.4
Other financial assets	122.1	94.6
<b>Total Financial Assets</b>	<b>9,075.8</b>	<b>6,817.7</b>
<b>Non-Financial Assets</b>		
Inventories	1.3	-
Current tax assets (net)	39.5	18.8
Deferred tax assets (net)	196.9	184.2
Property, Plant and Equipment	24.9	6.8
Intangible assets	4.7	7.1
Goodwill	17.4	17.4
Other non-financial assets	22.2	24.3
<b>Total Non-financial assets</b>	<b>306.8</b>	<b>258.6</b>
<b>Total Assets</b>	<b>9,382.6</b>	<b>7,076.3</b>

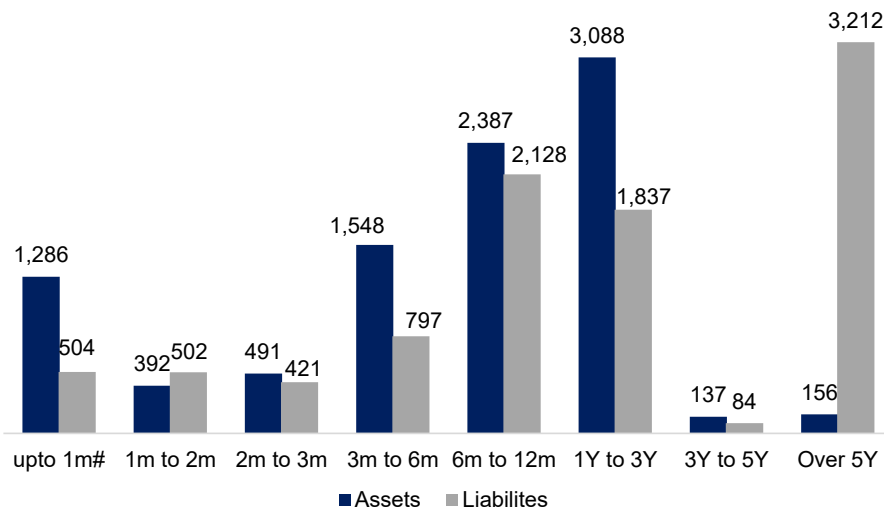
LIABILITIES & EQUITY (₹ Cr)	Mar 31, 2023	Mar 31, 2022
<b>Financial Liabilities</b>		
Debt Securities	3,368.8	1,778.2
Borrowings (Other than Debt Securities)	2,685.5	1,973.7
Subordinated Liabilities	20.0	20.2
Other Financial liabilities	155.3	131.2
<b>Total Financial Liabilities</b>	<b>6,229.6</b>	<b>3,903.3</b>
<b>Non-Financial Liabilities</b>		
Current Tax Liabilities (net)	4.0	28.2
Provisions	6.3	4.0
Other Non-Financial liabilities	43.5	50.9
<b>Total Non-Financial Liabilities</b>	<b>53.8</b>	<b>83.1</b>
<b>Equity</b>		
Equity Share Capital	71.0	69.1
Other Equity	3,028.0	3,018.5
<b>Equity attributable to shareholders of the company</b>	<b>3,099.0</b>	<b>3,087.6</b>
Non-Controlling Interest	0.2	2.4
<b>Total Equity</b>	<b>3,099.2</b>	<b>3,089.9</b>
<b>Total Liabilities and Equity</b>	<b>9,382.6</b>	<b>7,076.3</b>



# Rating outlook revision driven by improved performance

SSFL rating outlook revised by ICRA to “Positive” from “Stable” during the quarter  
 CFL rating outlook revised by ICRA to “Positive” from “Stable” during the quarter  
 CFL received a rating of BBB+ / Stable from India Ratings in March 2023

Positive ALM (₹ Cr)



- Positive ALM on cumulative basis with assets maturing faster than liabilities
- Closing Cash and Bank balance (Rs. 1,005 Cr as on 31 Mar'23), sufficient to meet future liquidity needs.

Credit Rating – Spandana Sphoorty Financial Ltd

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

Credit Rating – Criss Financial Ltd

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



**SPANDANA**

**THANK YOU**