



Ref: SSFL/Stock Exchange/2021-22/090

Date: February 15, 2022

To  
BSE Limited,  
Department of Corporate Services  
P. J. Towers, 25<sup>th</sup> Floor,  
Dalal Street,  
Mumbai - 400001  
Scrip Code: 542759

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

Dear Sir/Madam,

**Sub: Investors' Presentation - Quarter and nine months ended December 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 nine months ended December 31, 2021.

This presentation will also be available on the website of the Company at [www.spandanasphoorty.com](http://www.spandanasphoorty.com).

Kindly take the above on record.

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

February 2022

Q3 FY22



# Safe Harbor

This presentation and the accompanying slides (the “Presentation”), which have been prepared by **Spandana Sphoorty Financial Limited** (the “Company”), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment what so ever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

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1	Business Update
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2	Key Operating Metrics
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3	Key Financial Metrics
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4	Borrowing Profile
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5	Overview of Criss Financial (Subsidiary)
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6	Annexure
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# Current Key Focus Areas

<b>Transition Update</b>	<ul style="list-style-type: none"> <li>▪ Organisation augmentation continues to be a key focus area. Company has onboarded a CTO with 20+ years of BFSI experience. Previously, he was leading digital initiatives in a leading private sector bank in India. CEO and CFO with prior experience of MFI lending expected to join very soon. Senior management team has continued to oversee day to day operations under the guidance of Management Committee</li> <li>▪ Company has stabilised operations, systems and processes in the interim transition period and has a future roadmap laid out for growth. Disbursed ~Rs.135 crore till mid-February and expected to disburse Rs. 1,000 crore+ in Q4 FY22</li> <li>▪ Further, Company has implemented a new fully automated Loan Management System, Loan Origination system in a parallel secure environment</li> </ul>
<b>Robust Asset Quality &amp; Prudent Provisioning</b>	<ul style="list-style-type: none"> <li>▪ Focus of the interim management has shifted to cash collected and deposited at HO. December and January cash collections stood at ~Rs.445 crore; 5% more than October and November (transition period) inspite of 11% reduction in AuM</li> <li>▪ For Q3 FY22, Collection efficiency (including arrears) was 98.2% in Q3 FY22*</li> <li>▪ Company has continued to be very conservative in provisioning for the quarter and will revalidate the provisioning buffer based on the inputs of the new management team</li> <li>▪ On a standalone basis, Company currently holds total provisions of Rs.760 crore which accounts for ~12.9% of the Q3 FY22 AuM. On the non-restructured book, company is carrying provisions of ~7.6% of the AuM. On total restructured book, Company is carrying a provision of ~27.5%</li> <li>▪ GNPA at 5.5% in Q3 FY22 vs. 6.2% for Q2 FY22. PAR 31-60 @ 5.0% and 61-90 @ 2.8% for non-restructured book. Balance sheet carries significant provisions for Par 60+ restructured book</li> <li>▪ In spite of lower AuM, employee incentive increase, Company reported normalized profit of ~Rs. 153 crore in Q3 FY22 vs. Rs.79 crore in Q2 FY22</li> </ul>
<b>Strong Liquidity Position</b>	<ul style="list-style-type: none"> <li>▪ Adequate liquidity surplus of ~Rs.1,540 crore as on 7th February 2021. Company is in advanced discussions to raise Rs. 700-1,000 crore debt. Credit ratings continue to be A / A-</li> <li>▪ Company has consistently made lender repayments on time over July-January'22 with total repayment of ~Rs.2,675 crore in the period</li> <li>▪ Incremental cash generation of Rs. 75-100 crore per month, and along with the new drawdown and equity raise will provide the company enough dry powder to ramp-up disbursements</li> </ul>
<b>Equity Raise Update</b>	<ul style="list-style-type: none"> <li>▪ Company has got board approval to raise ~Rs. 300 crore through preferential allotment to support future growth plans</li> <li>▪ One of company's existing promoter shareholder, Kedaara Capital, and long term shareholder, Valiant, are committed to support the company though this journey and will subscribe to shares in the preferential allotment</li> </ul>

*Note: Numbers for standalone entity; \* Q3 FY22 collection includes arrears. The demand and collection of restructured loans is not included*

# Key Focus Area Continues to be Organization Augmentation

Company has recently onboarded a CTO, who was leading digital initiatives in a leading Indian private sector bank. CEO and CFO with prior experience of leading large MFI organizations expected to join very soon

Management Committee ('MC') with long serving Directors continues to guide the Company through strategic initiatives



**Ramachandra Kasargod Kamath |  
Nominee Director**

Mr. Kamath 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.



**Abanti Mitra |  
Independent Director**

Abanti 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.



**Kartikeya Dhruv Kaji |  
Nominee Director, Kedaara Capital**

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

Interim Management Continues to drive day to day operations...



**Nitin Prakash Agrawal |  
Interim CEO**

Nitin was previously associated with Spandana as the Deputy Chief Executive Officer and its Chief Risk Officer. He has 20+ years of experience in retail financial services and has held senior management roles across multiple NBFCs, a leading bank and a rating agency



**Amit Mittal |  
Interim CFO**

Amit has 30+ years of experience as a Corporate CFO managing finance, supply chain and business across diversified industries and geographies at Unilever and Forbes and Co. He also served as a CFO of publicly listed businesses like Greaves Cotton. He also serves as Operating Director – Finance at Kedaara Capital

...With the support of senior incumbent team members



**Amit Ranjan Biswal |  
Chief Business Officer**

Amit had previously worked with Spandana 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.



**Sharmila Kunguma |  
Chief Risk Officer**

Sharmila has been associated with Spandana 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.



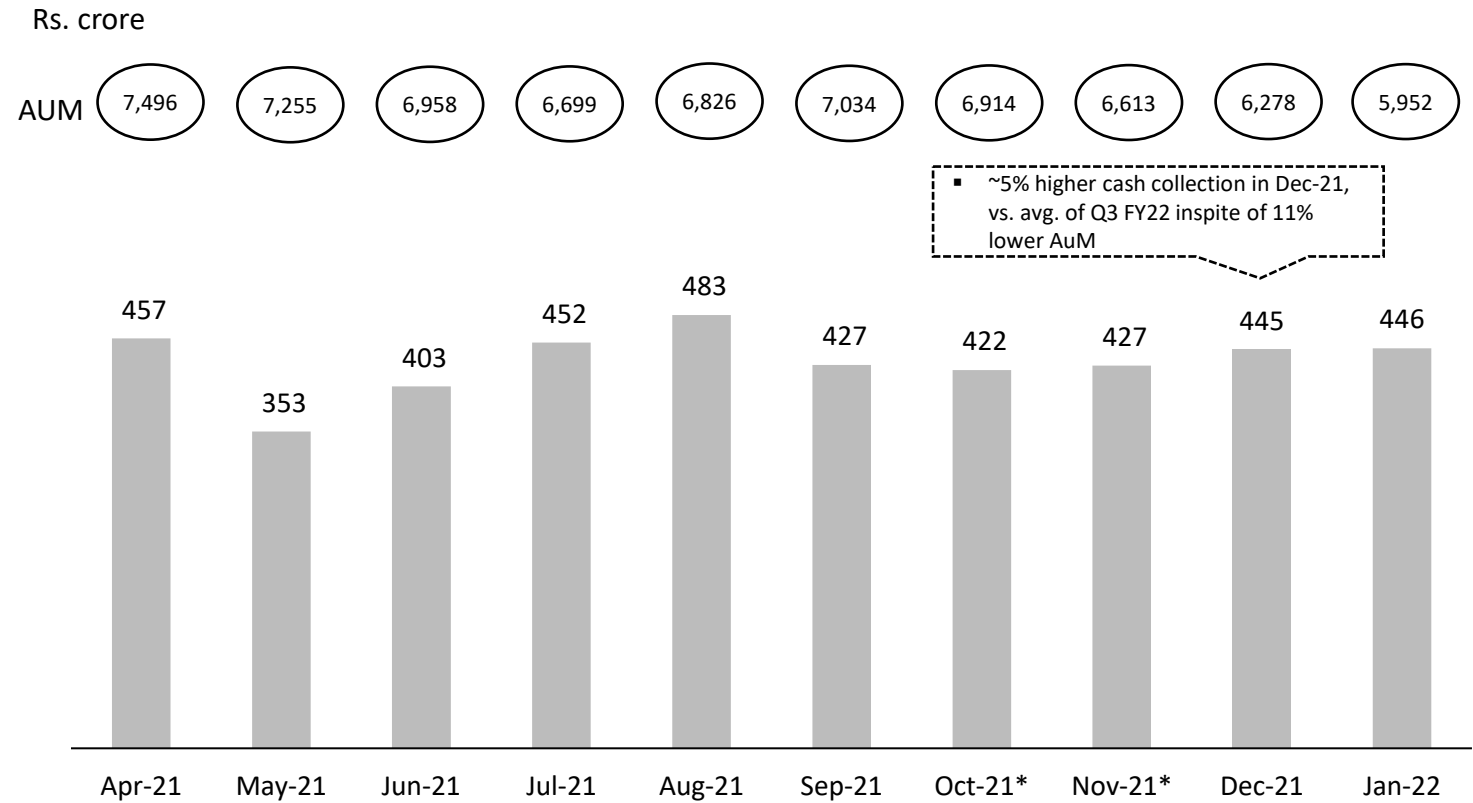
**Ramesh Periyasamy |  
Company Secretary & Compliance Officer**

Ramesh is Company Secretary & Compliance Officer. He is qualified CS 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 Ltd, Kalyan Jewellers and NeST Technologies as CS, Legal and Compliance Officer. He also practiced law in trial courts and Madras High Court

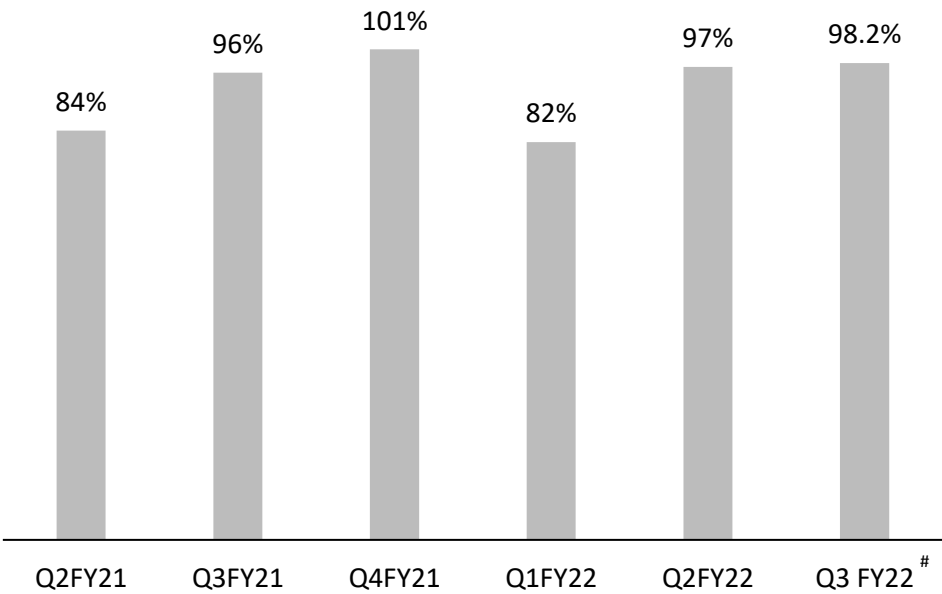
# Focus on tracking cash collections which have continued to be robust inspite of run down of portfolio

Cash deposited at HO from branches continues to be robust...

...with healthy collection efficiency trends continuing in the quarter

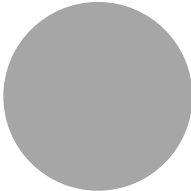





Collection Efficiency# (Incl. Arrears; Excl. pre-payment)

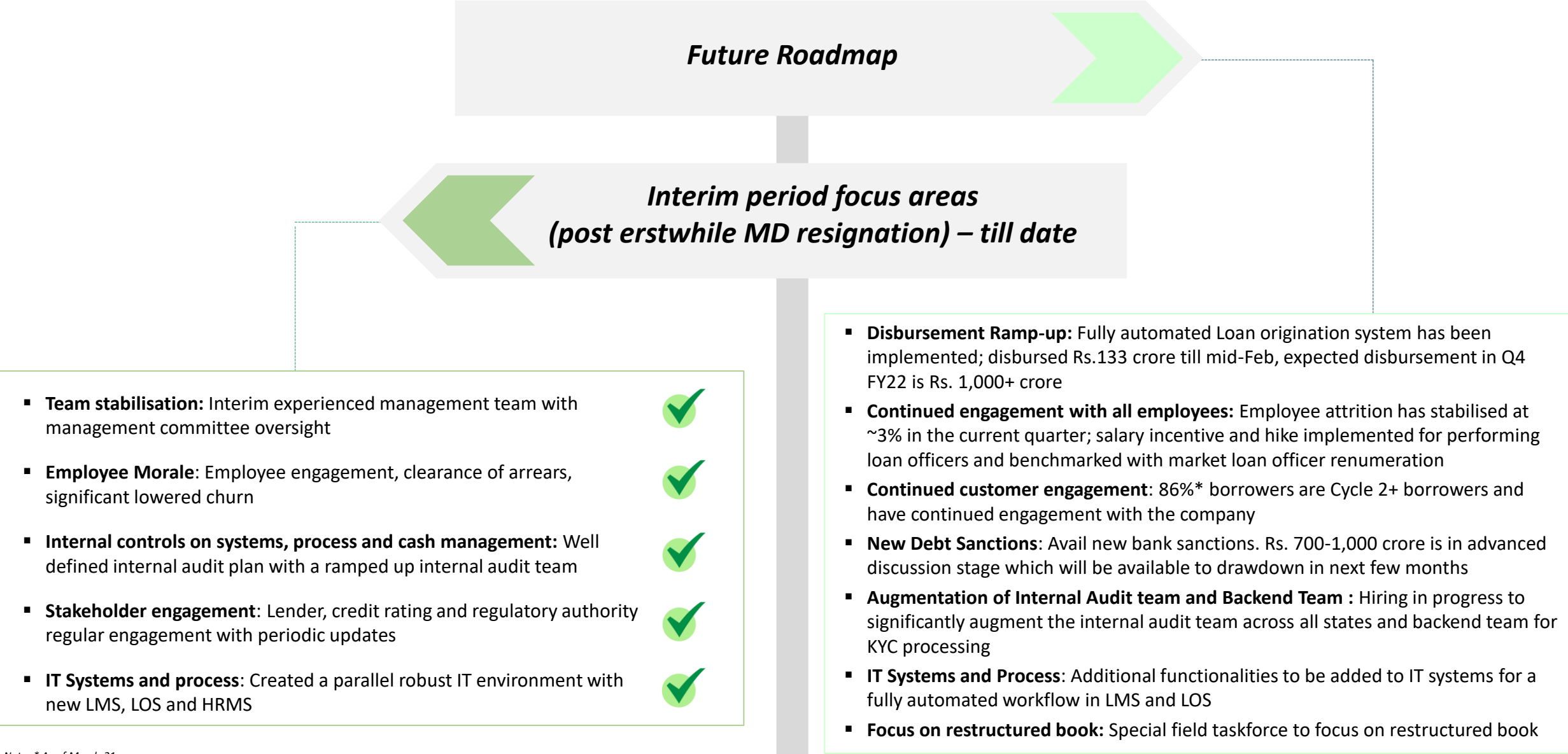


Note: Numbers for Spandana standalone; \*Adjusted for pre-Diwali advance collections for the month of November'21 in October'21; Numbers for standalone entity; # Q3 FY22 for non-restructured book

# Company has made significant progress on IT Systems Implementation over the last 3 months

	Overview of the system	Implementation Progress
Overall System Architecture	<ul style="list-style-type: none"><li>▪ Web based technology with Anytime + Anywhere access</li><li>▪ Encrypted architecture with Captcha, 3D Verification and OTP</li><li>▪ IP / Mac Address linked unique access protocols enabled</li><li>▪ Comprehensive audit trail with robust maker-checker systems</li><li>▪ Tightly integrated system from Loan Origination to General Ledger</li></ul>	
Loan Origination System	<ul style="list-style-type: none"><li>▪ Flexible workflow management and seamless integration with Credit Bureaus (CIBIL, HiMark, Equifax); Ability to process entries in parallel</li><li>▪ Tight integration with CGT (Compulsory Group Training) and GRT (Group Recognition Test); Streamlined process for KYC document uploads</li><li>▪ Fully automated sanction process with tight workflow from CB investigation and document printing to sanction</li></ul>	
Loan Management System	<ul style="list-style-type: none"><li>▪ Regular advance and overdue collections via mobile entries; Demand reports generated automatically from the system</li><li>▪ Provisions for Claims settlement, Write-offs and other nuances already built into the system; Configurable product schemes and fee structures</li><li>▪ MIS reports on portfolio with drill down facilities enabled; Configurable Chart of Accounts with no requirement for a dedicated ERP</li></ul>	
HRMS	<ul style="list-style-type: none"><li>▪ Implementing DarwinBox to streamline and automate all payroll processes</li><li>▪ Attendance and leave management processes to be standardized and conducted completely via the system</li></ul>	

Organisation has stabilized post management transition, with a roadmap to drive sustainable growth and profitability



# Conservative Provisioning Levels built into the Portfolio

**Total provisions on BS of Rs.760 crore alone account for 12.9% of the portfolio\***

Balance Sheet Particulars (Rs. crore)	Q3FY22
Standard Provisions	129
COVID related Provisions	631
<b>Total Provisions towards Loan Assets</b>	<b>760</b>
<b>Total Provisions on Balance Sheet</b>	<b>760</b>

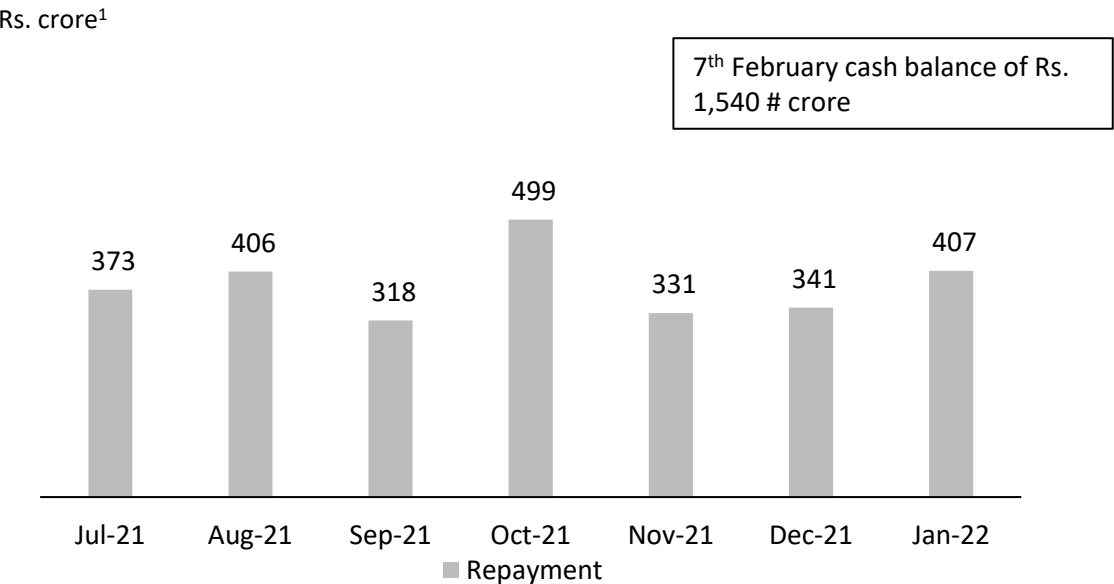
P&L Particulars (Rs. crore)	YTD FY22	Q3FY22
Incremental Provisions for FY22	342.1	(39.1)
Provision towards Excess Interest (RBI pricing)	-	-
<b>Total Provisions (as per P&amp;L account)</b>	<b>342.1</b>	<b>(39.1)</b>
<b>Write-offs during the year#</b>	<b>103.1</b>	<b>103.1</b>
Interest de-recognition on Stage III loans	14.2	5.2
<b>Cumulative Provisions &amp; Write-offs (as per profit &amp; Loss Account)</b>	<b>459.4</b>	<b>69.2</b>

- Company has been carrying higher provision buffer for this quarter inspite of lower portfolio at risk, focus is to reduce this over the next few months
- Focus is to reduce the provision buffer over the next few months

\*On Standalone Spandana (OWN+PTC) book including interest exposure\*\* RS. 53.9 crore provisioned for Excess interest (RBI pricing) - Reflected in other liability, pending updation of loan cards.

# Spandana's liquidity position continues to be comfortable with no change in credit ratings amidst the recent management changes

Total repayments of ~Rs. 2,675<sup>1</sup> crore have been made over the past 7 months



- All ongoing lender repayments/commitments continue to be fulfilled on the scheduled dates
- Current closing cash balance is sufficient to meet future liquidity needs for lender repayments and embark on new disbursements

High level of engagement with rating agencies by Company's Management Committee

Rating Instrument	Rating Agency	Rating	Year
Bank Facilities / NCD's/ MLD's	Ind-Ra	A / A-	Dec 2021
Bank Facilities / NCD's/ MLD's	CRISIL/ ICRA	A / A-	Nov 2021
Bank Facilities	CRISIL	A	July 2021
Bank Facilities / NCD's/ MLD's	Ind-Ra	A	Dec 2020
Bank Facilities / NCD's	ICRA	A-	Mar 2019
Bank Facilities / NCD's	ICRA	BBB+	May 2018
Bank Facilities / NCD's	ICRA	BBB	Feb 2018
Bank Facilities / NCD's	ICRA	BBB-	Aug 2017

Note: 1 Includes DA, PTC and regular payments for SSFL standalone and CFL; \*ratings under watch; the rating agencies will continue to monitor the impact of changes and will resolve RWN soon; #cash and cash equivalents (incl FDs)

1 Business Update

2 Key Operating Metrics

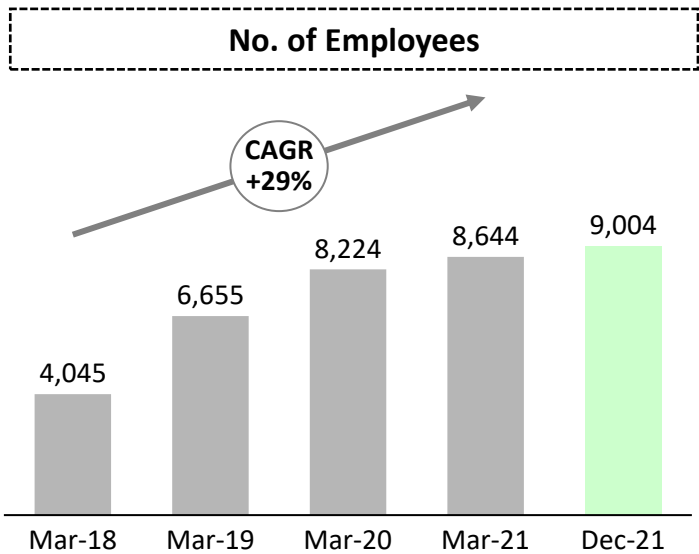
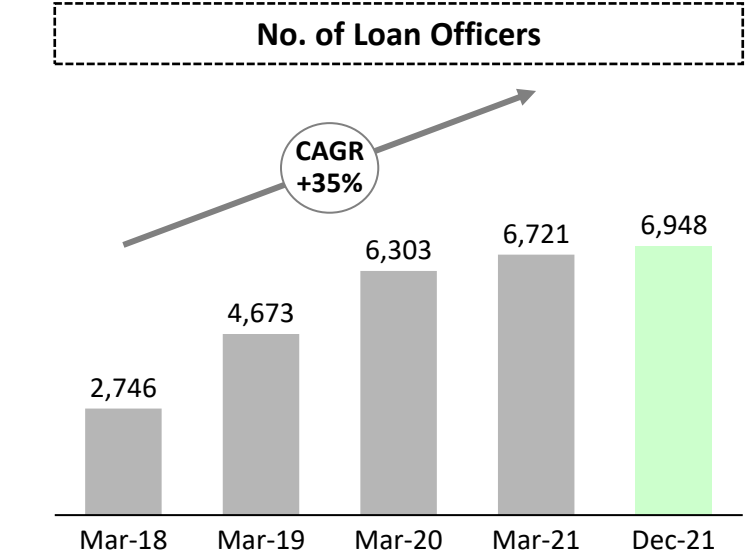
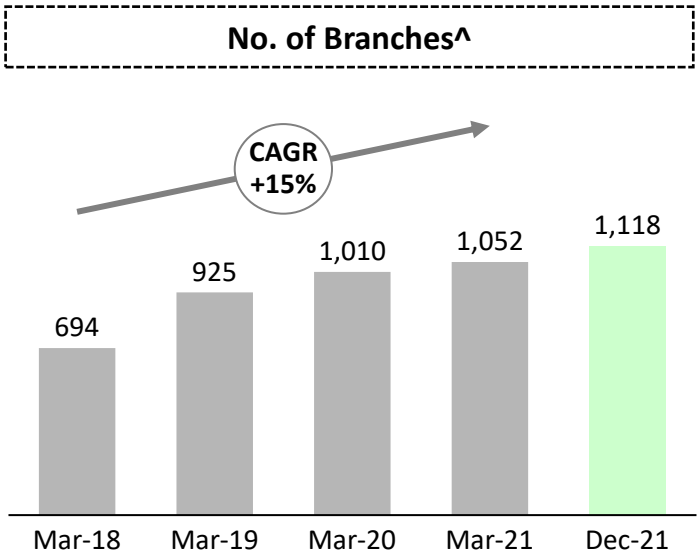
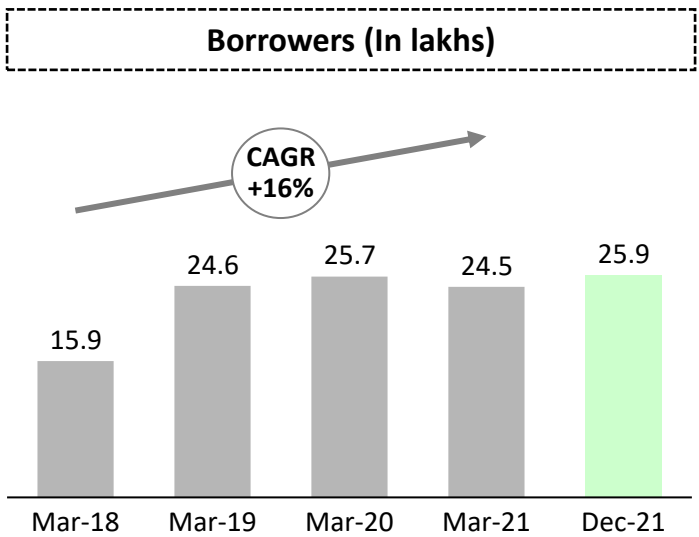
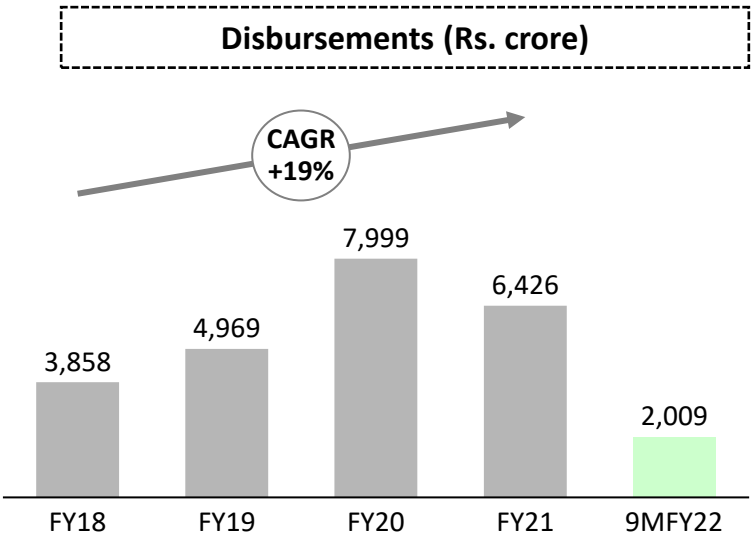
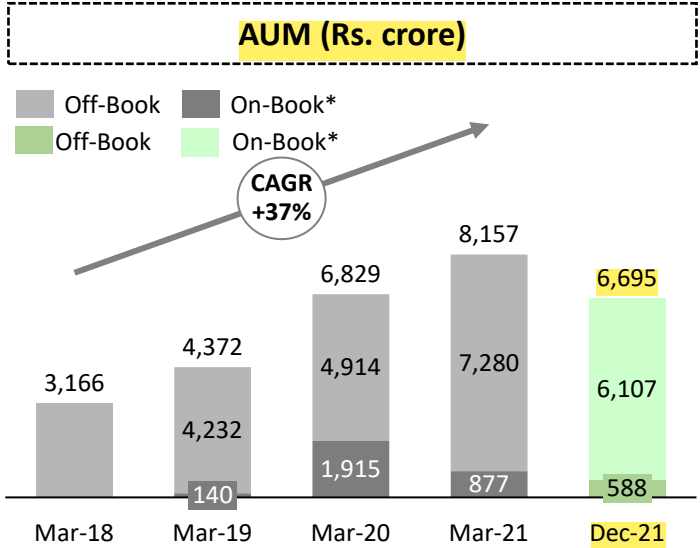
3 Key Financial Metrics

4 Borrowing Profile

5 Overview of Criss Financial  
(Subsidiary)

6 Annexure

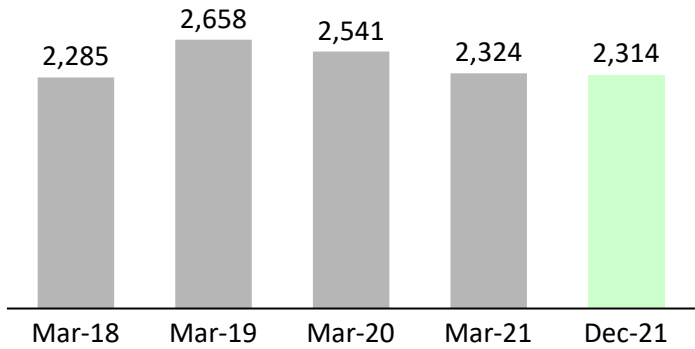
# Operational Summary



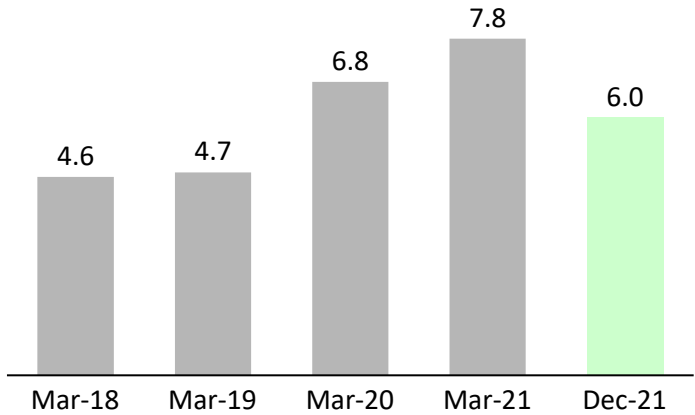
**Note:** \* Includes PTC ^No branches have been closed. Inactive branches have been excluded from the count

Employee Productivity lower in the transition period due to run-down of portfolio, expected to increase in Q4 FY22 with ramp-up in fresh disbursements which are already underway

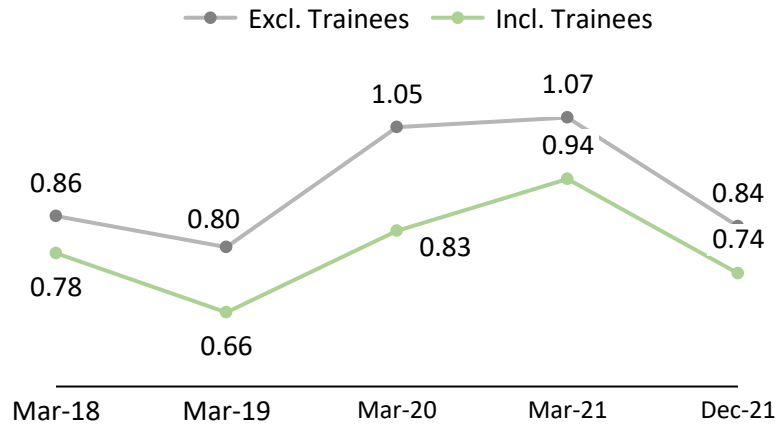
Active Borrowers/Branch (#)



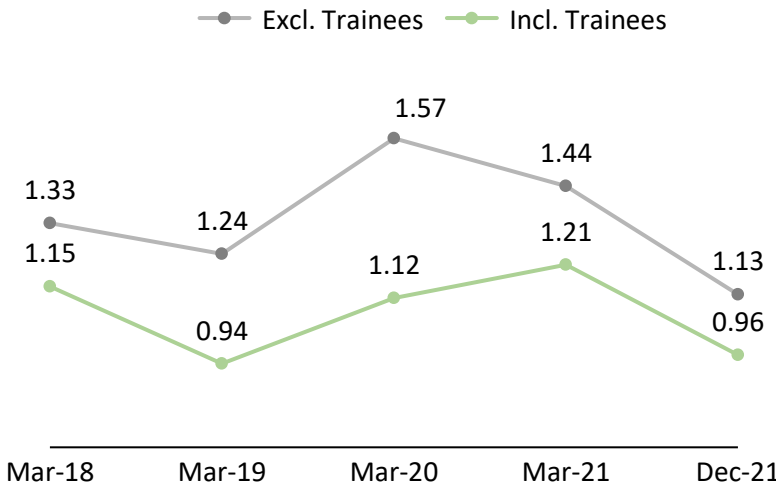
AUM/Branch (Rs. crore)



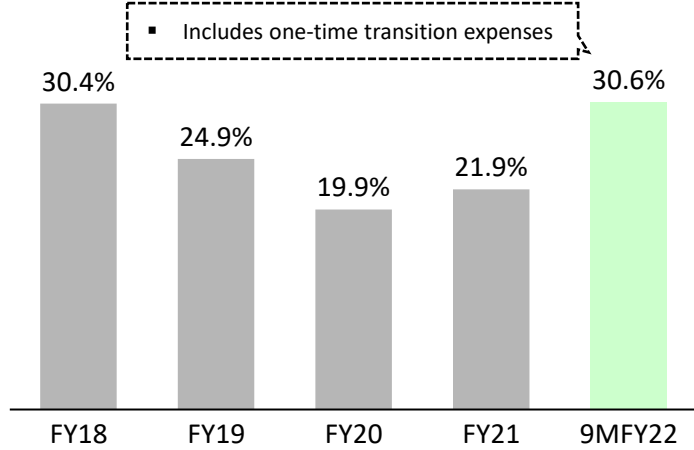
AUM/Employee (Rs. crore)



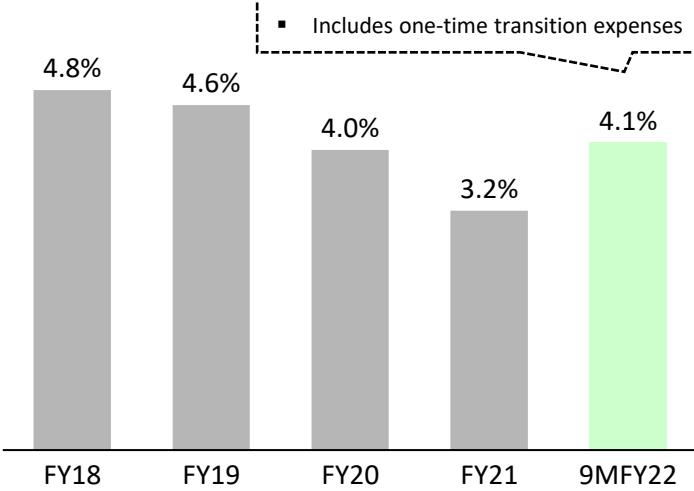
AUM/Loan Officer (Rs. crore)



Cost To Income (%)



Opex/AUM (%)



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

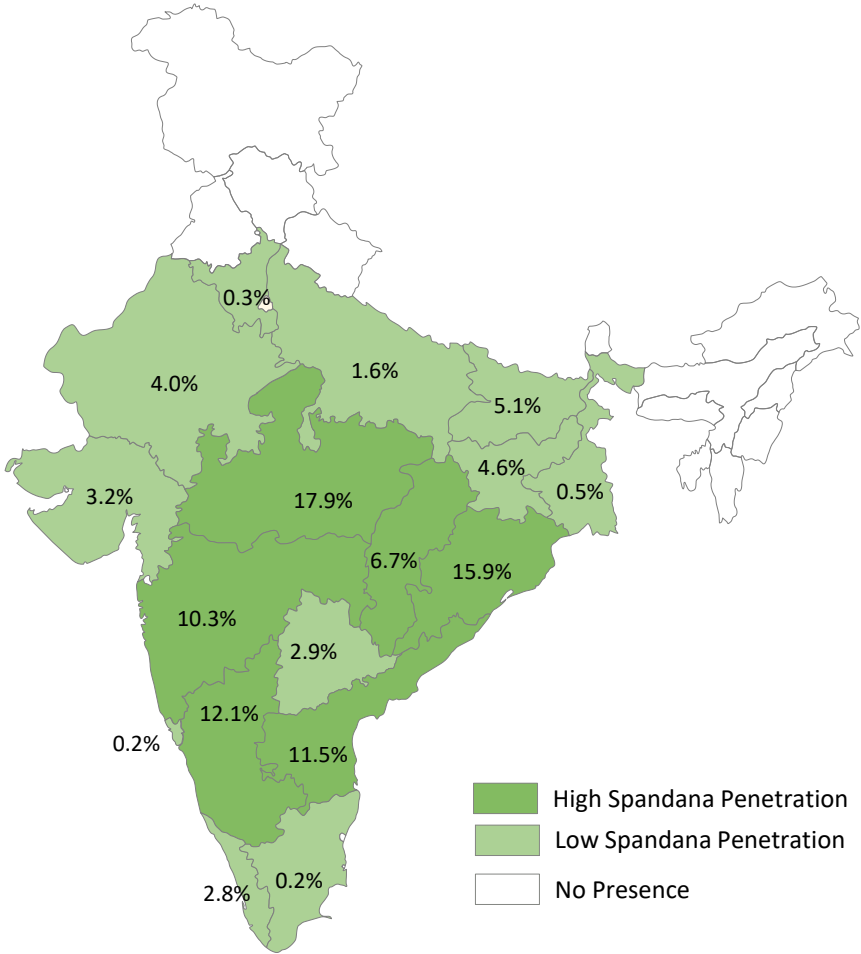
## State-wise Concentration

Top States	AUM Concentration*
Madhya Pradesh	17.9%
Orissa	15.9%
Karnataka	12.1%
Andhra Pradesh	11.5%
Maharashtra	10.3%
Chhattisgarh	6.7%
Other States	25.6%

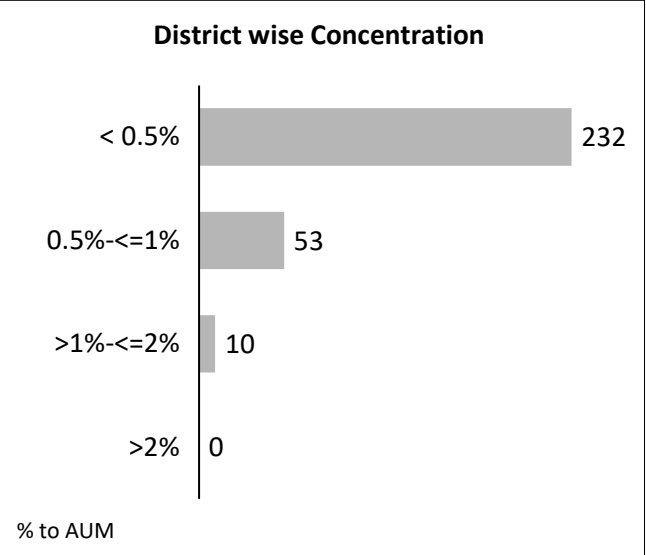
## Top States By Branch Network

Top States	Number of Branches
Madhya Pradesh	161
Orissa	157
Karnataka	134
Maharashtra	124
Andhra Pradesh	121
Chhattisgarh	74

## Well diversified portfolio across States



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

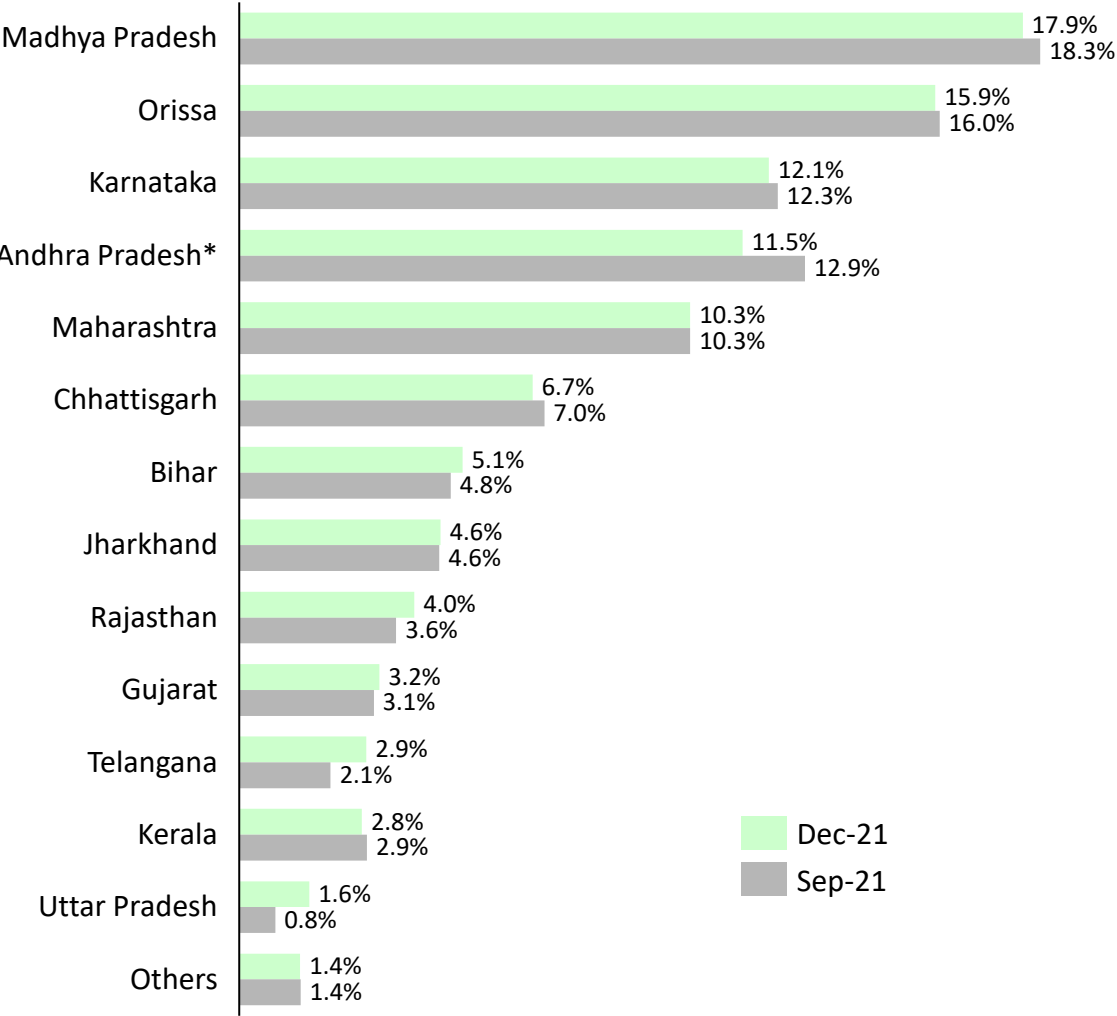


- Top 3 States constitute less than 45.9% of AUM
- No State more than 17.9% of AUM
- No District more than 1.9% of AUM
- No Branch has more than 0.24% of AUM

Maps not to scale. All data, information, and maps are provided "as is" without warranty or any representation of accuracy, timeliness or completeness  
\* Includes total AUM on consolidated basis

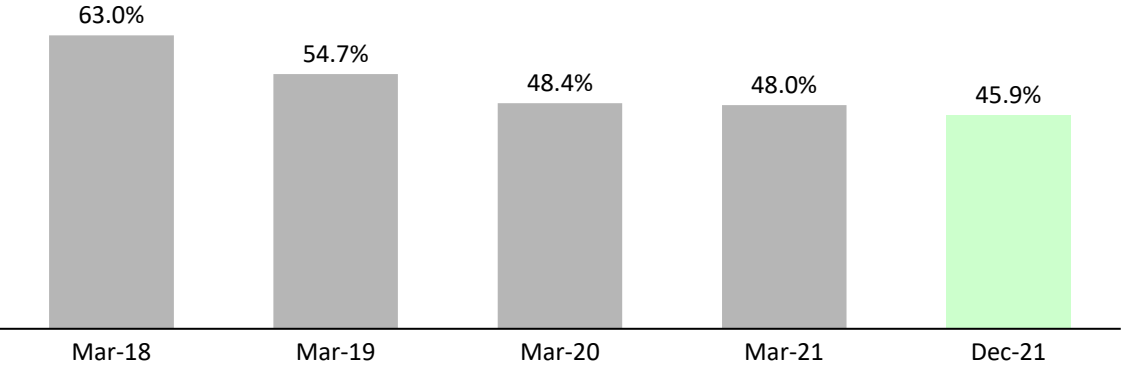
# Continued Focus on Further Increasing Diversification, Without Compromising Rural Focus

State-wise Consolidated AUM Mix – Greater Diversification

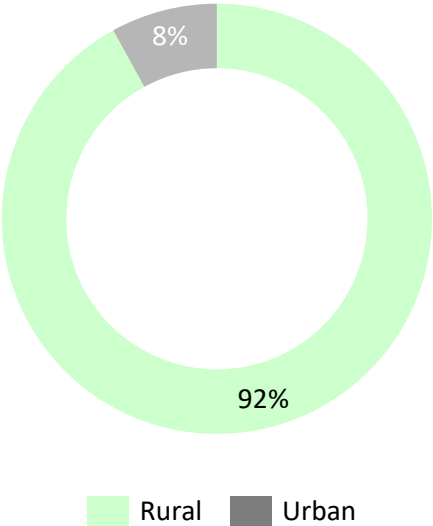


\* Andhra Pradesh has significant non MFI portfolio

Concentration (by AUM) of Top 3 States is Reducing



Continued Focus on Rural Geographies (AUM)



1	Business Update
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2	Key Operating Metrics
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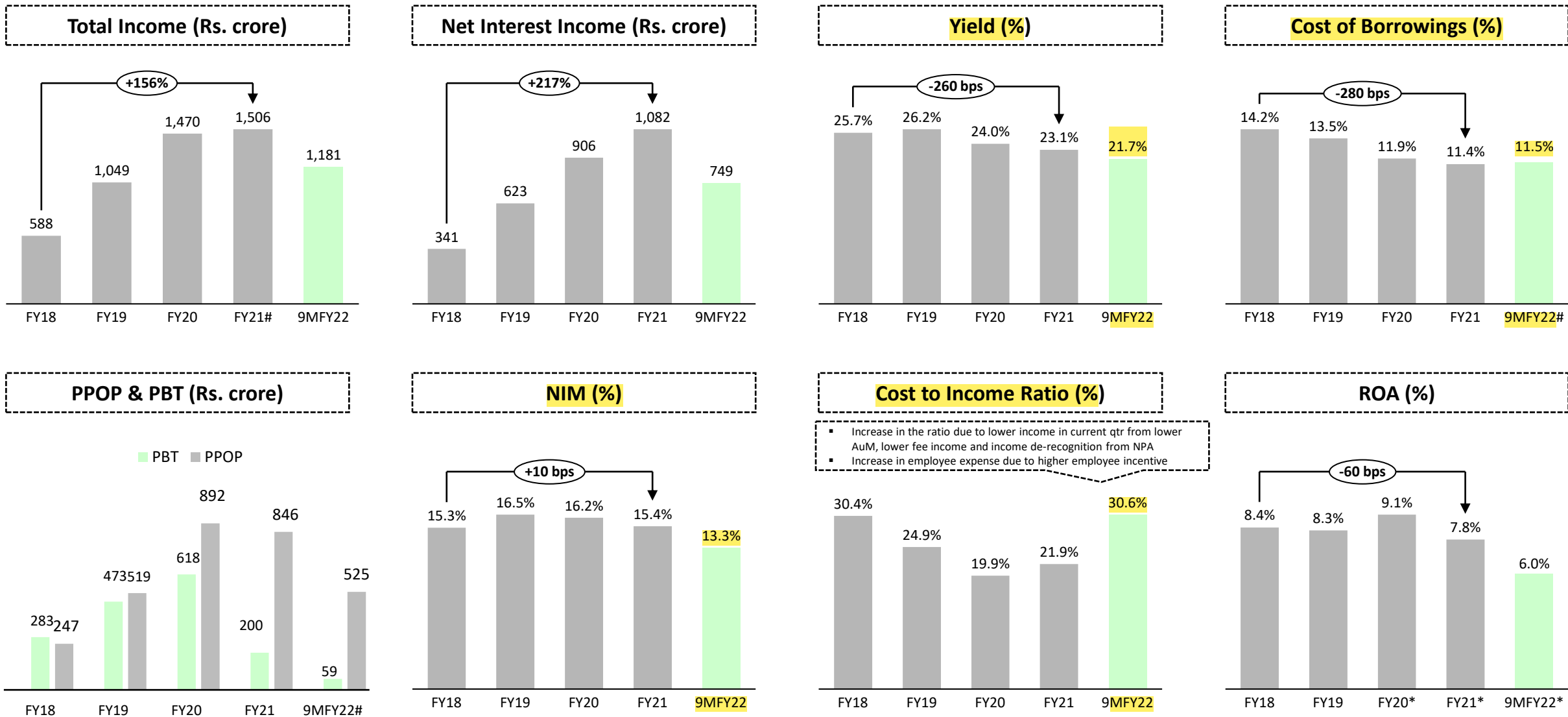
3	Key Financial Metrics
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4	Borrowing Profile
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5	Overview of Criss Financial (Subsidiary)
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6	Annexure
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# Financial Performance



\*Normalized figures (excluding Covid related provisions, provision on restructuring accounts & one-time deferred adjustments)  
# Excludes one time payment of interest on income tax of 5.6 crore; for consol portfolio excl DA. All ratios calculated on average monthly AuM or cost of borrowing where applicable

# Consolidated Profit & Loss Statement

Particulars (Rs. crore)	9M FY22	9M FY21	Q3 FY22	Q2 FY22	Q3 FY21
<b>Revenue from Operations</b>					
Interest income	1,075.7	959.7	328.5	350.5	332.6
Commission and incentive income	-	0.9	-	-	0.5
Net gain on fair value changes	69.9	38.9	10.1	31.1	(0.4)
Other Income	30.4	9.2	7.5	14.1	5.1
<b>Total income from operations</b>	<b>1,176.0</b>	<b>1,008.7</b>	<b>346.1</b>	<b>395.7</b>	<b>337.9</b>
Non-operational Income	5.0	16.6	3.7	0.5	6.4
<b>Total income</b>	<b>1,181.0</b>	<b>1,025.3</b>	<b>349.9</b>	<b>396.2</b>	<b>344.3</b>
<b>Expenses</b>					
Finance cost	432.2	285.0	139.0	149.8	116.0
Net loss on financial assets and liabilities designated at fair value through profit or loss	0.1	-	(0.0)	(0.0)	-
Impairment on financial instruments and other provisions	68.9	30.1	(38.8)	103.5	0.2
Employee benefit expense	164.3	127.5	61.3	56.2	43.8
Depreciation and amortization expense	6.5	5.2	2.4	1.5	2.0
Other expenses	53.7	40.9	18.9	19.0	19.1
<b>Total Expenses</b>	<b>725.7</b>	<b>488.7</b>	<b>182.8</b>	<b>329.8</b>	<b>181.1</b>
<b>Profit before Tax</b>	<b>455.2</b>	<b>536.7</b>	<b>167.1</b>	<b>66.4</b>	<b>163.1</b>
Tax expense	17.8	37.1	14.4	(12.8)	(6.9)
<b>Normalized Profits</b>	<b>437.4</b>	<b>499.6</b>	<b>152.7</b>	<b>79.2</b>	<b>170.0</b>
Provision and write-off related to Covid-19 and others	391.7	403.4	103.1	137.9	199.7
Exceptional expense	4.5	-	4.5		
<b>Net Profit (as reported)</b>	<b>41.2</b>	<b>96.2</b>	<b>45.1</b>	<b>(58.7)</b>	<b>(29.7)</b>

# Consolidated Balance Sheet

ASSETS (Rs. crore)	Dec 31, 2021	Mar 31, 2021	Dec 30, 2020
<b>Financial Assets</b>			
Cash and cash equivalents	914.6	1,135.2	775.8
Bank Balances other than cash and cash equivalents	495.9	245.8	233.6
Trade Receivables	3.0	12.1	3.6
Loan Portfolio	5,423.9	6,933.0	6,552.4
Investments	2.4	2.3	2.4
Other financial assets	47.9	75.7	58.1
<b>Total Financial Assets</b>	<b>6,887.7</b>	<b>8,404.2</b>	<b>7,625.9</b>
<b>Non-Financial Assets</b>			
Current tax assets (net)	18.7	15.3	15.3
Deferred tax assets (net)	216.3	104.7	85.8
Property, Plant and Equipment	17.3	19.9	14.3
Intangible assets	0.5	0.8	0.9
Goodwill	17.4	17.4	17.4
Other non-financial assets	54.7	14.7	13.4
<b>Total Non-Financial Assets</b>	<b>325.0</b>	<b>172.8</b>	<b>147.1</b>
<b>Total Assets</b>	<b>7,212.7</b>	<b>8,576.9</b>	<b>7,773.0</b>

LIABILITIES & EQUITY (Rs. crore)	Dec 31, 2021	Mar 31, 2021	Dec 30, 2020
<b>Financial Liabilities</b>			
Debt Securities	1,992.0	2,034.6	1,396.8
Borrowings (Other than Debt Securities)	2,287.2	3,318.4	3,202.7
Subordinated Liabilities	20.2	20.2	20.2
Other Financial liabilities	104.4	269.7	262.9
<b>Total Financial Liabilities</b>	<b>4,403.7</b>	<b>5,642.9</b>	<b>4,882.6</b>
<b>Non-Financial Liabilities</b>			
Current Tax Liabilities (net)	41.9	146.3	116.6
Provisions	2.0	1.7	1.3
Other Non-Financial liabilities	29.4	34.9	34.3
<b>Total Non-Financial Liabilities</b>	<b>73.3</b>	<b>182.9</b>	<b>152.3</b>
<b>Equity</b>			
Equity Share Capital	64.4	64.3	64.3
Other Equity	2,669.0	2,684.8	2,672.3
<b>Equity attributable to shareholders of the company</b>	<b>2,733.4</b>	<b>2,749.1</b>	<b>2,736.7</b>
Non-Controlling Interest	2.2	2.0	1.5
<b>Total Equity</b>	<b>2,735.6</b>	<b>2,751.1</b>	<b>2,738.2</b>
<b>Total Liabilities and Equity</b>	<b>7,212.7</b>	<b>8,576.9</b>	<b>7,773.0</b>

1	Business Update
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2	Key Operating Metrics
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3	Key Financial Metrics
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4	Borrowing Profile
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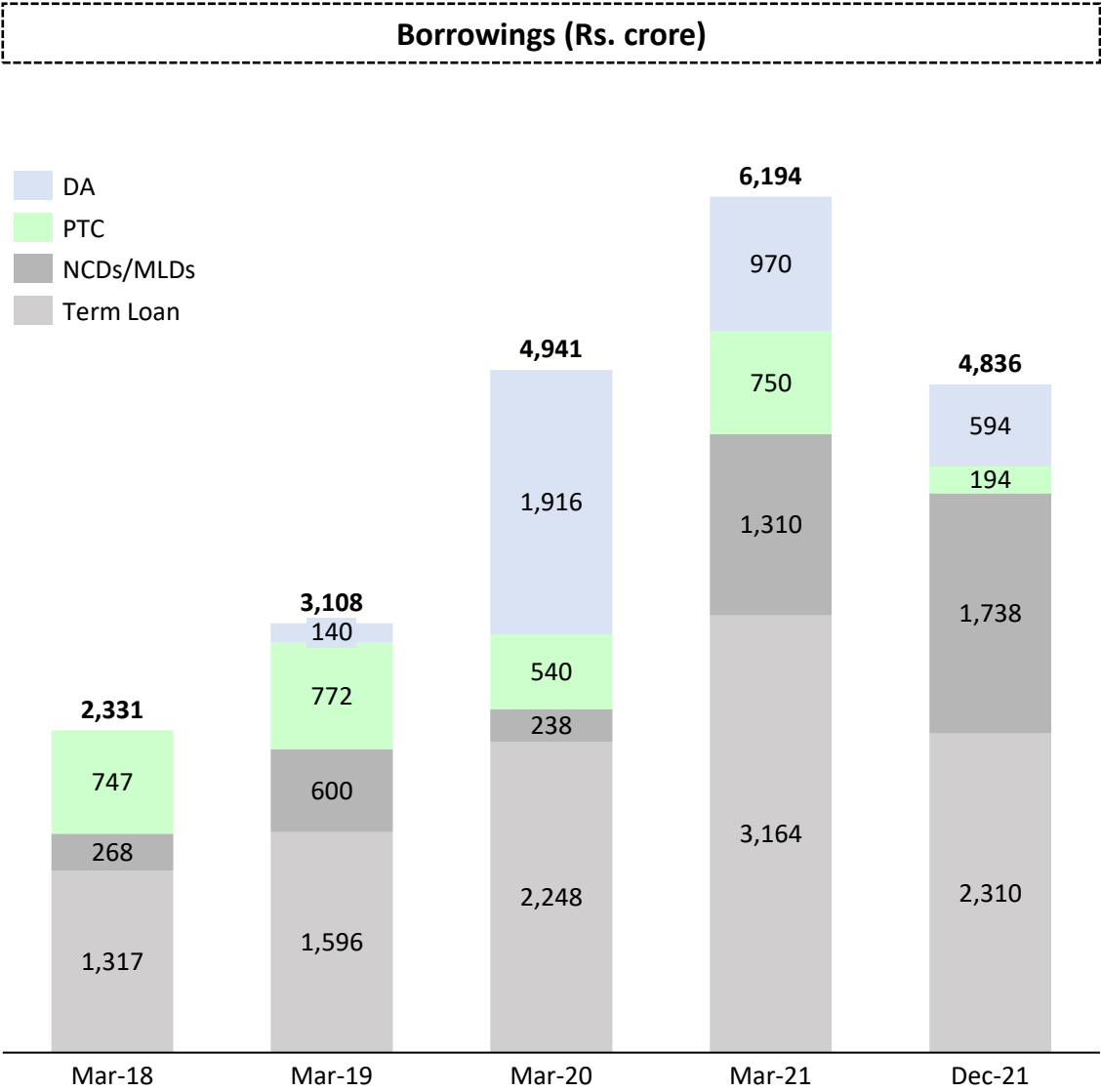
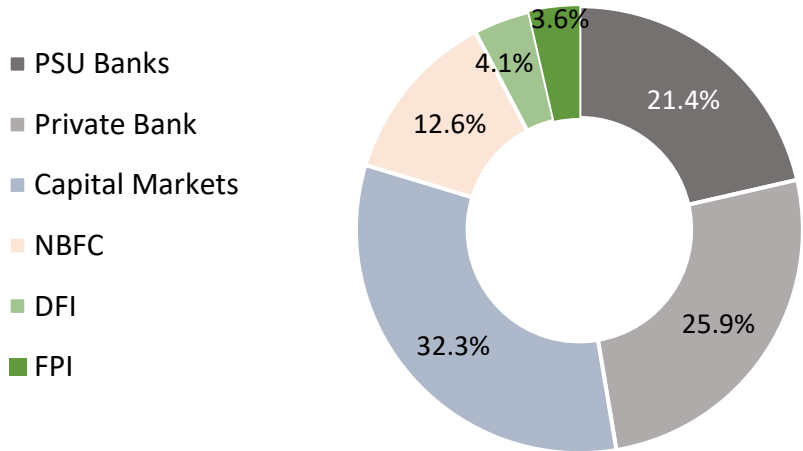
5	Overview of Criss Financial (Subsidiary)
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6	Annexure
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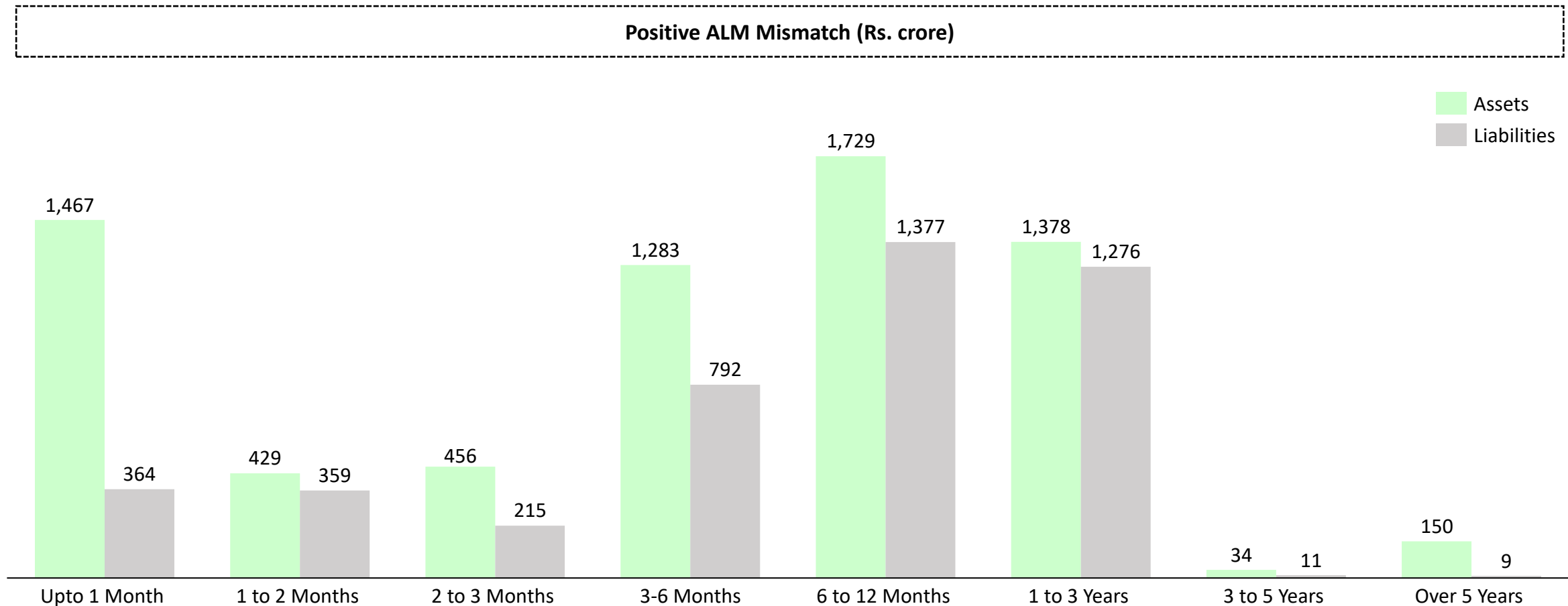
# Diversified Borrowing Profile

- Management committee led by Mr. Kamath has been having regular discussions and periodic dialogue with lenders
- No adverse / remedial action initiated by any lender for change in management

Diversified Funding Mix (As on Dec-21)



# Comfortable Liquidity Position Driven by Strong Track Record



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

1	Business Update
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2	Key Operating Metrics
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3	Key Financial Metrics
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4	Borrowing Profile
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5	Overview of Criss Financial (Subsidiary)
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6	Annexure
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# Overview of Criss Financial

## About CFL

- Criss Financial Limited (CFL) is an NBFC, which is a 98.5% 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 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 71 Branches covering 19 Districts, 98,010 borrowers and 411 employees

## Performance Snapshot

- AUM of CFL grew by 46% CAGR in the last four years to Rs 410 crore
- CFL has collection efficiency of 95% for Q3FY22 and GNPA of 5.49%
- With diversified mix of products, operating cost ratio is lowest at **3.8%**
- CFL has a healthy 4.07% ROA, 12.2% ROE and 32% Capital adequacy

# Criss Financial – Robust Financial Performance



## Criss Financial – Q3 FY22 Profit & Loss Statement

Particulars (Rs. crore)	Q3 FY22 (3M)	Q2 FY22 (3M)	Q3 FY21 (3M)	9M FY22 (9M)	9M FY21 (9M)	FY21 (12M)
<b>Revenue from operations</b>						
Interest income	21.72	26.31	13.93	71.79	34.86	51.12
Net gain on fair value changes	0.01	(0.02)	0.01	-	0.01	1.66
Others	0.02	0.44	0.55	0.79	0.91	1.32
Total income from operations	21.75	26.75	<b>14.49</b>	<b>72.58</b>	<b>35.79</b>	<b>54.10</b>
Other income	0.78	0.39	0.10	1.41	1.18	2.06
<b>Total income</b>	<b>22.53</b>	<b>27.13</b>	<b>14.60</b>	<b>73.99</b>	<b>36.97</b>	<b>56.16</b>
Expenses						
Finance cost	10.80	10.06	6.27	29.81	14.01	20.86
Net loss on fair value changes	-	-	-	0.08	-	-
Impairment on financial instruments and other provisions	0.38	12.40	5.32	15.33	5.57	5.26
Employee benefit expense	3.69	2.82	1.23	8.85	3.28	5.18
Depreciation and amortization expense	0.12	0.24	0.02	0.53	0.09	0.14
Other expenses	0.69	1.13	0.55	2.44	1.8	1.46
<b>Total expenses</b>	<b>15.67</b>	<b>26.67</b>	<b>13.39</b>	<b>57.04</b>	<b>24.75</b>	<b>32.90</b>
<b>Profit before tax</b>	<b>6.86</b>	<b>0.46</b>	<b>1.20</b>	<b>16.95</b>	<b>12.22</b>	<b>23.26</b>
Tax expense	1.50	0.27	0.57	4.14	3.42	6.32
<b>Profit after tax</b>	<b>5.36</b>	<b>0.20</b>	<b>0.63</b>	<b>12.81</b>	<b>8.80</b>	<b>16.94</b>

## Criss Financial – Balance Sheet

ASSETS (Rs. crore)	Dec 31, 2021	Mar 31, 2021
<b>Financial Assets</b>		
Cash and cash equivalents	3.26	4.41
Bank Balances	-	0.50
Loan Portfolio	393.99	390.78
Other financial assets	39.05	1.40
<b>Total Financial Assets</b>	<b>436.29</b>	<b>397.09</b>
<b>Non-Financial Assets</b>		
Current tax assets (net)	2.37	0.37
Deferred tax assets (net)	3.51	0.21
Property, Plant and Equipment	0.58	0.20
Other non-financial assets	0.33	2.02
<b>Total Non-Financial Assets</b>	<b>6.80</b>	<b>2.81</b>
<b>Total Assets</b>	<b>443.09</b>	<b>399.90</b>

LIABILITIES & EQUITY (Rs. crore)	Dec 31, 2021	Mar 31, 2021
<b>Financial Liabilities</b>		
Debt Securities	19.23	-
Borrowings	263.97	248.63
Other Financial liabilities	10.01	14.73
<b>Total Financial Liabilities</b>	<b>293.21</b>	<b>263.36</b>
<b>Non-Financial Liabilities</b>		
Current Tax Liabilities (net)	6.75	5.93
Provisions	0.09	0.06
Other Non-Financial liabilities	0.12	0.39
<b>Total Non-Financial Liabilities</b>	<b>6.96</b>	<b>6.38</b>
<b>Equity</b>		
Equity Share Capital	7.67	7.67
Other Equity	135.25	122.50
<b>Total Equity</b>	<b>142.92</b>	<b>130.17</b>
<b>Total Liabilities and Equity</b>	<b>443.09</b>	<b>399.90</b>

1	Business Update
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2	Key Operating Metrics
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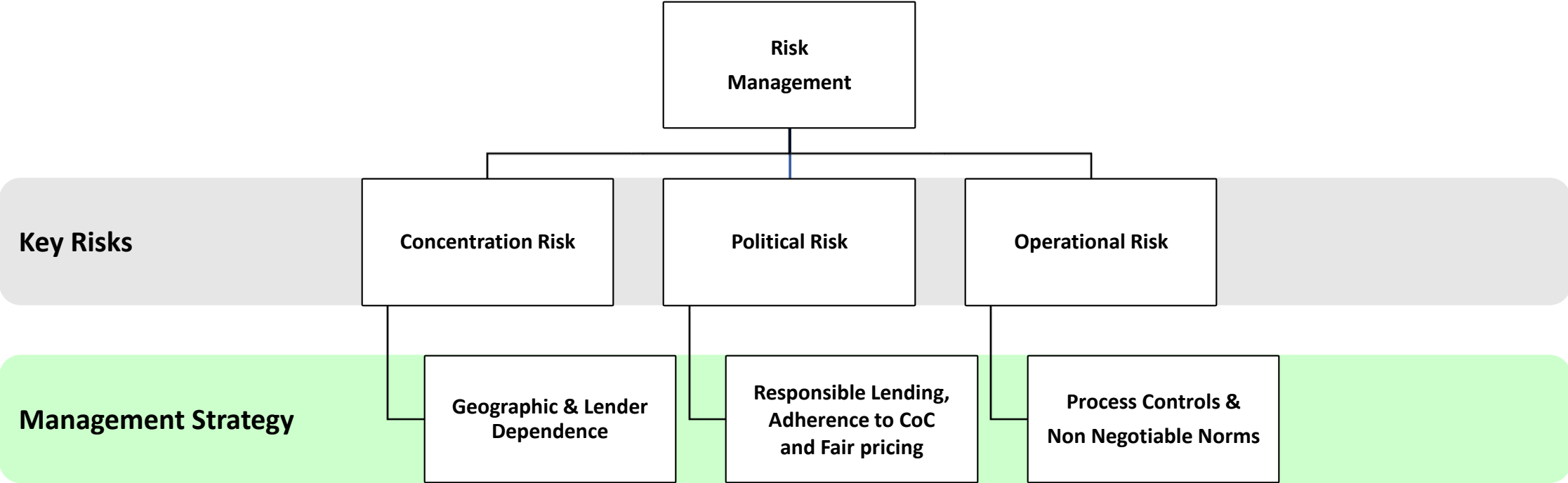
3	Key Financial Metrics
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4	Borrowing Profile
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5	Overview of Criss Financial (Subsidiary)
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6	Annexure
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# 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

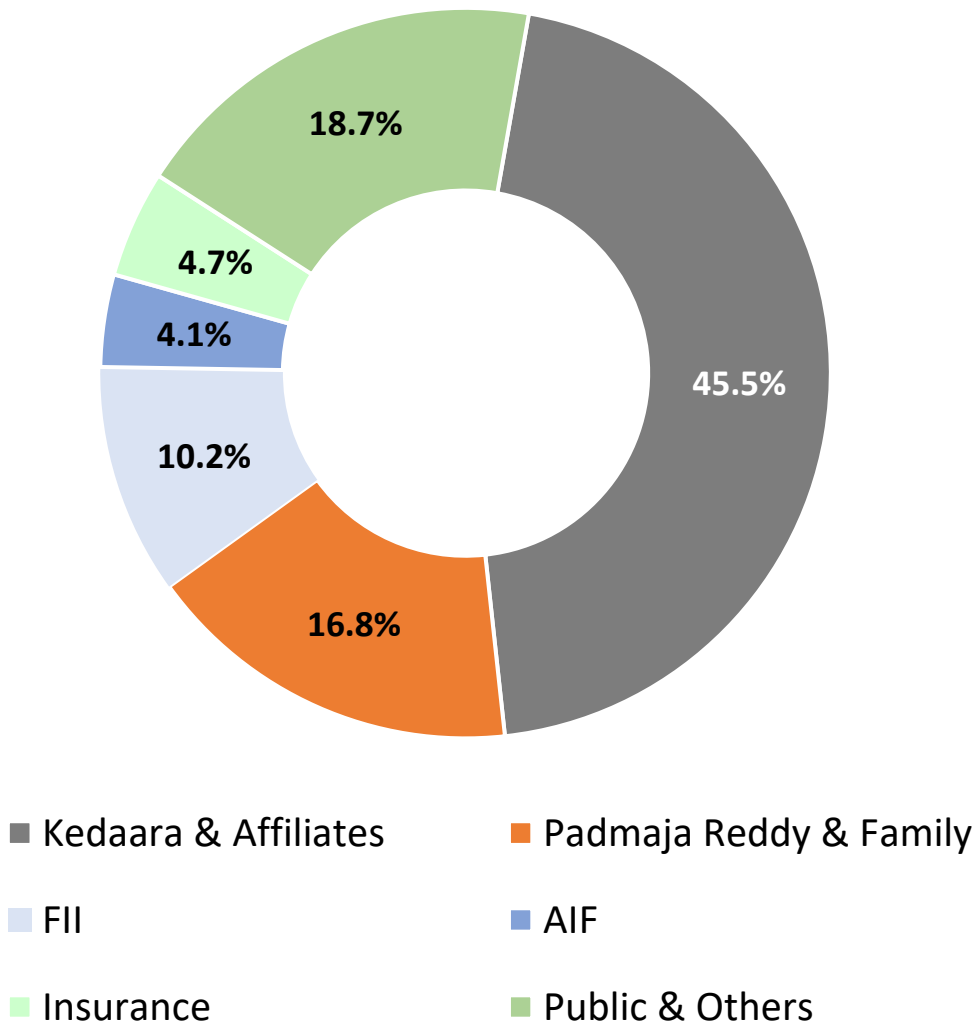
- Product and process design
- Real-time Portfolio Scrub
- Cap on loans disbursed
- Borrowers cap per loan officer
- Strict employee transfer policy
- Minimal cash balance permitted at branches at end of every day

# Products

Product Name	Purpose	Interest Rate (%)	Tenor	Ticket Size (Rs.)	Mix (%)
Core Product					
Abhilasha / Chethana	<ul style="list-style-type: none"><li>These unique loan products are designed especially for low-income households who aspire to improve their financial well-being</li><li>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</li></ul>	21.3%	12 to 36 Months	25,000 to 80,000	94.7%
Interim Loans	<ul style="list-style-type: none"><li>Loans given only to existing borrowers to meet their interim and emergency requirements</li></ul>	21.3%	12 to 24 Months	10,000 to 20,000	3.6%
Other Products					
Loan Against Property (LAP)	<ul style="list-style-type: none"><li>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)</li></ul>	18% to 24%	3 to 7 Years	3,00,000 to 2,00,00,000	0.1%
Business Loans / Personal Loans	<ul style="list-style-type: none"><li>Offered to Clients to expand their existing income generating activities</li></ul>	22% to 26%	12 to 36 Months	50,000 to 2,00,000	0.1%
Gold - Keertana Loans	<ul style="list-style-type: none"><li>Offered in the states of Andhra Pradesh and Telangana for Agriculture, Business and short-term liquidity needs</li></ul>	16% to 27%	1 to 12 Months	1,000 to 10,00,000	0.0%
Consumer Loans	<ul style="list-style-type: none"><li>Offered to finance the purchase of consumer products</li></ul>	21.3%	6 to 24 Months	1,000 to 16,000	1.4%

# Shareholding Pattern

As on December-21



Non-Promoter Investor Details	% Holding
Valiant Mauritius Partners*	11.88%
ICICI Prudential Life Insurance	4.74%
JM Financial India Trust	2.50%
Edelweiss Alternative Investment	1.25%
Goldman Sachs India	1.17%
Helion Venture Partners	1.01%

\* Through Various Funds

# 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 , Zonal & state offices (only branches & corporate office)



**Processes**

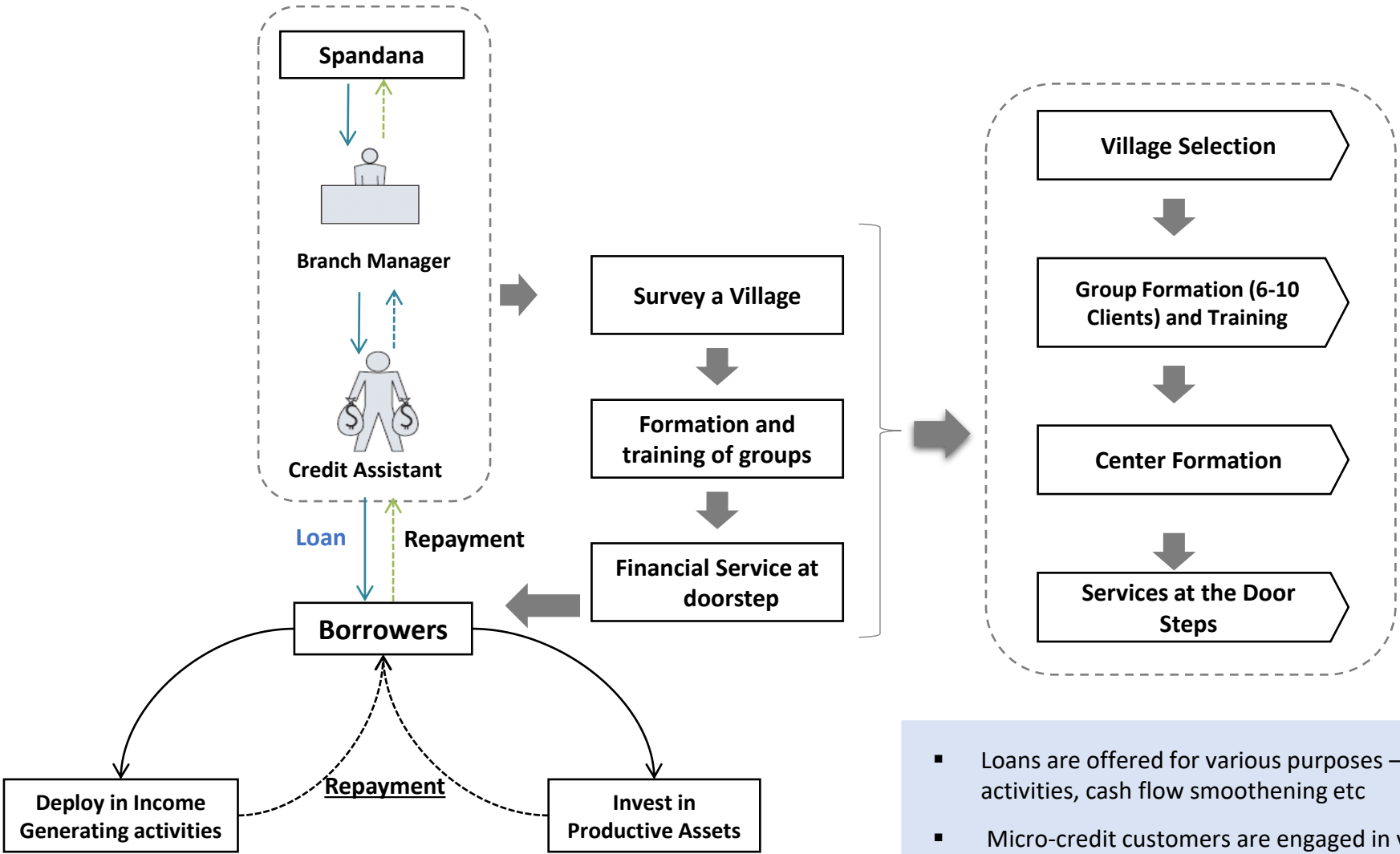
- Standardized systems and a front-end interface that gives real time information on demand and collections
- Checks and controls built on the system have been automated with minimal human intervention
- Timely disbursement of loan to all in the group at one-go
- Disbursement norms are also calibrated 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 smoothening etc
- Micro-credit customers are engaged in variety of livelihoods and have different credit needs for which these funds are utilised

# 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

