



Ref: SSFL/Stock Exchange/2025-26/025

May 30, 2025

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: Investor presentation on the audited financial results of the Company for the quarter and year ended March 31, 2025.

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

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of investor presentation on the audited financial results of the Company for the quarter and year ended March 31, 2025.

Kindly take the same on record.

Thanking you.

Yours sincerely,
For Spandana Sphoorty Financial Limited

Vinay Prakash Tripathi
Company Secretary

Encl: as above

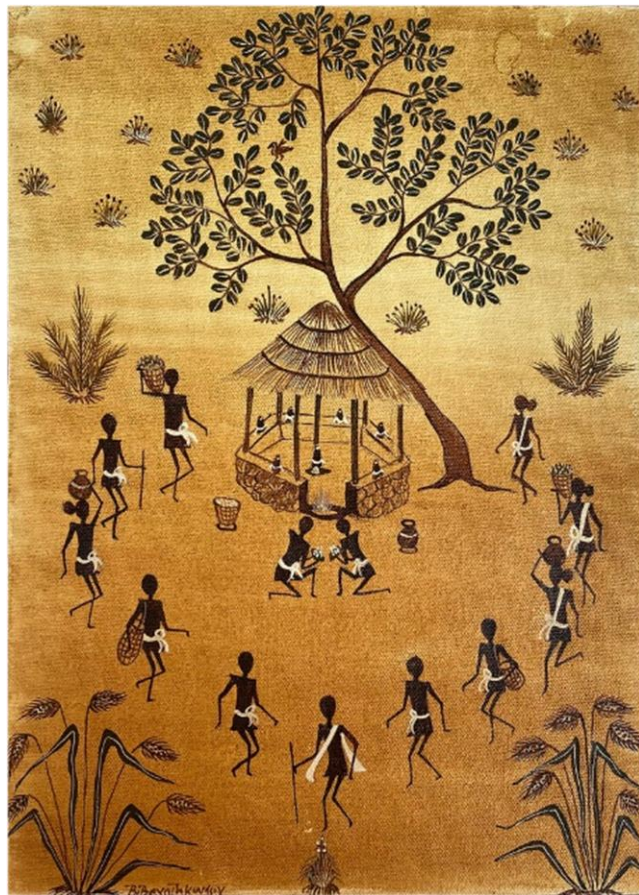
Spandana Sphoorty Financial Limited

CIN - L65929TG2003PLC040648

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

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Kurumba Art



SPANDANA
Spandana Sphoorty Financial Limited

Q4 FY25 & FY25 Investor Presentation

Safe Harbor



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Executive Summary



FY25 was a challenging year for the microfinance industry:

- Multiple external headwinds including borrower overleveraging, weakening of JLG model, deterioration in borrower discipline and socio-political influences had an impact on the industry in FY25.
- Cautious disbursement approach adopted as delinquencies increased during the year
- AUM at the end of March 2025 was ₹6,819 Cr - YoY decline of 43%
- Standalone GNPA & NNPA was 4.85% & 0.96% at the end of March-25 vs. 1.43% & 0.29% respectively at the end of March-24

Continuing improvement in lead indicators:

- X-bucket Collection Efficiency at 98.9% (ex-Karnataka) & 98.6% overall in March 2025
- Recovery of ₹52 Cr & ₹96 Cr in Q4FY25 & FY25 respectively from GNPA / Write-off pool

Sufficient liquidity:

- Maintained liquidity of ₹2,030 Cr as on 31 March 2025 to meet short- and medium-term needs
- Company well capitalized with CRAR of 37.1% as on 31 March 2025

Equity raise:

- ₹750 Cr capital raise approved by shareholders in March 2025
- Board Committee formed to oversee capital raise including a possible rights issue in Q2FY26 with promoter participation

Envisioning future growth:

- Multiple technology driven controls to be introduced across customer journey to strengthen credit underwriting
- Engagement with over 50% of existing quality borrowers to be prioritized in FY26 for fresh disbursements
- Reassessment of branches to improve efficiencies

Underlying indicators show continuing upward trend in green shoots

Microfinance industry traversed a turbulent FY25



Green shoots continue to gain momentum

- Pace of flows into higher buckets has slowed down in the recent months
- Industry reporting X-bucket collection efficiency of ~99% for March 2025
- Normalization expected by end of Q2FY26

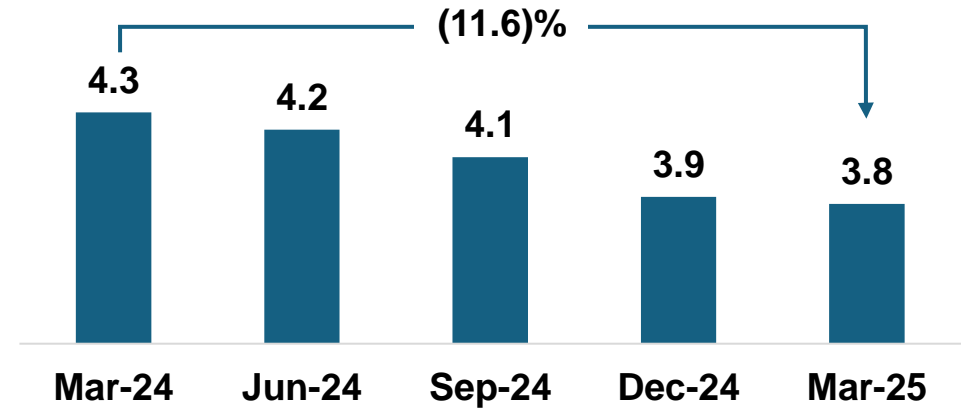
Multiple challenges have impacted the industry in FY25...

- Variety of issues impacted the microfinance industry in FY25 resulting in 11.6% decline of portfolio to ₹3.8 L Cr in Mar-25 from ₹4.3 L Cr in Mar-24.
- Issues include extreme climate conditions, deteriorating borrower discipline, increasing borrower leverage, third party influence on borrowers, industry wide attrition and regulatory changes in few states.

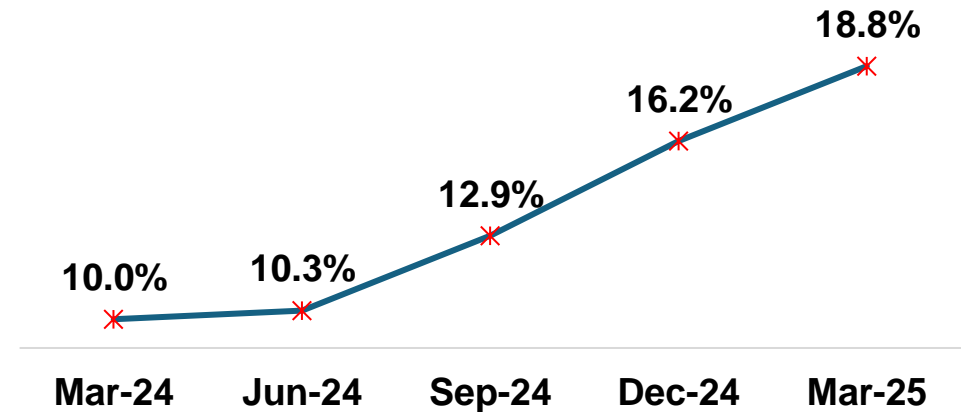
... resulting in elevated PAR

- Industry wide PAR across buckets increased during FY25
- PAR 31 – 90 increased from 1.2% in Mar-24 to 2.7% by Mar-25. Similarly, PAR 90+ increased from 8.8% in Mar-24 to 16.0% by Mar-25
- Industry has adopted a cautious disbursement stance owing to elevated PAR

Industry Portfolio* (₹ L Cr)



Industry PAR 30+*








Spandana following a conservative approach by tightening credit controls



Key risk parameters put in place by Spandana		Guidelines prescribed by SROs
Spandana can be upto 3 rd microfinance lender	✓	Complies with Guardrail
Households with a microfinance and unsecured retail loan exposure beyond ₹2,00,000 will not be given an additional loan. 50% FOIR norm continues to apply	✓	Complies with Guardrail
<u>Existing borrower</u> : Not to lend to borrowers / households with DPD > 30 days irrespective of amount with any lender <u>New borrower</u> : Not to lend to borrowers / households with DPD > 1 day irrespective of amount with any lender	✓	No lending to clients with DPD > 60 days with loan amount outstanding over ₹3,000 with any regulated entity
Pricing policy approved by Board. Processing fee capped at 1.0%. CDL & other products offered only after a sufficient healthy credit behaviour is established	✓	Pricing policy to be approved by Board. Processing fee capped at 1.5%. No hidden charges and product bundling
All loans to be included for calculation of FOIR including (a) Bullet loans and (b) Tradelines with missing EMI and (c) loan being assessed	✓	Complies with Guardrail
Daily submission of data to CICs	✓	Daily submission of data to CICs by all Regulated Entities
Spandana undertakes e-verification of Voter-IDs	↔	Voter ID with mandatory e-validation to be primary ID.
No loans to borrowers with an existing loan disbursed in a span of 12 months or <50% repayment – to be implemented by June 2025	⌚	No loans to borrowers with an existing loan disbursed in a span of 12 months or <50% repayment

Multiple initiatives rolled-out during the year to tackle challenges

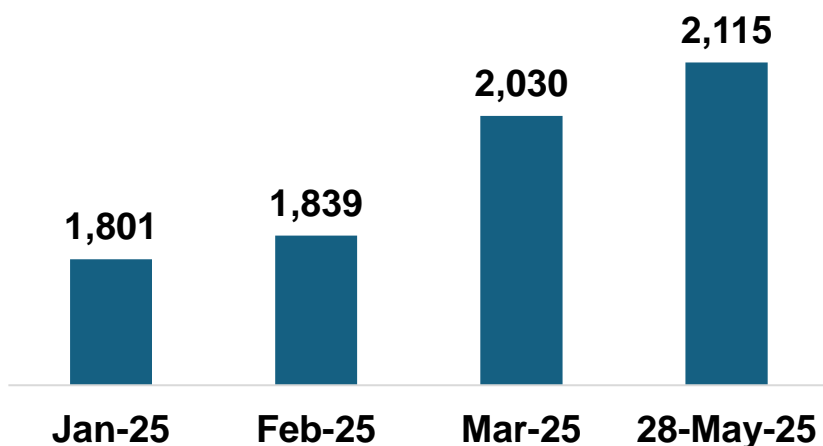


- Control function introduced at branch level to improve process hygiene & checks 
- Increased Loan Officer head count to ease stress of field employees 
- Dedicated team for collections from 90+ dpd customers 
- Increased engagement with field staff through various channels 
- Tele-calling delinquent borrowers to encourage them for timely payment of dues 

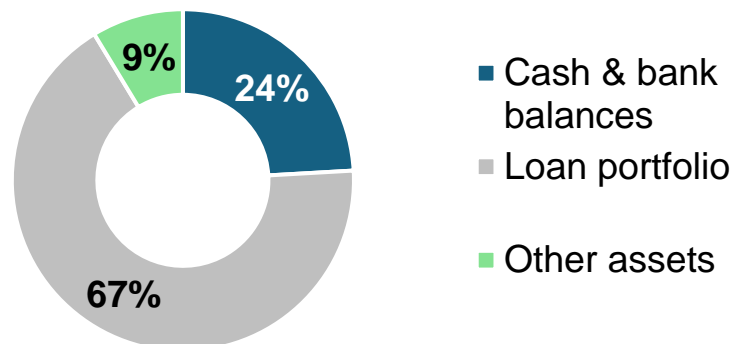
Prudent measures taken to ensure sufficient liquidity



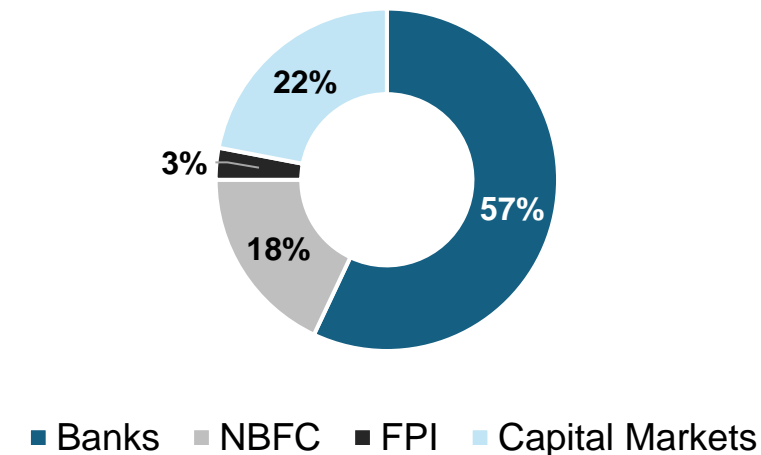
Liquidity (₹ Cr)



Asset distribution (31-Mar-25)



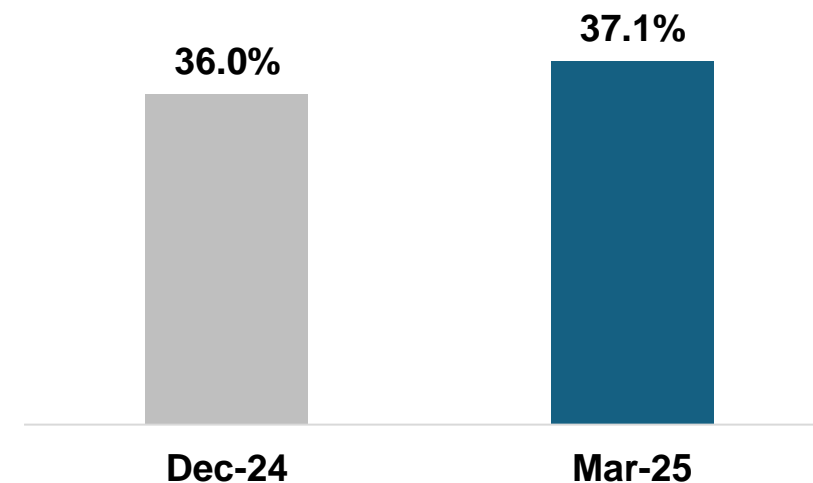
Diversified borrowing



On track to raise confidence capital:

- Comfortable liquidity; ~24% assets held as cash and equivalents
- 37% CRAR at the end of March-2025
- ₹750 Cr capital raise approved by shareholders in March 2025
- Board Committee formed to oversee capital raise including a possible rights issue in Q2FY26 with promoter participation

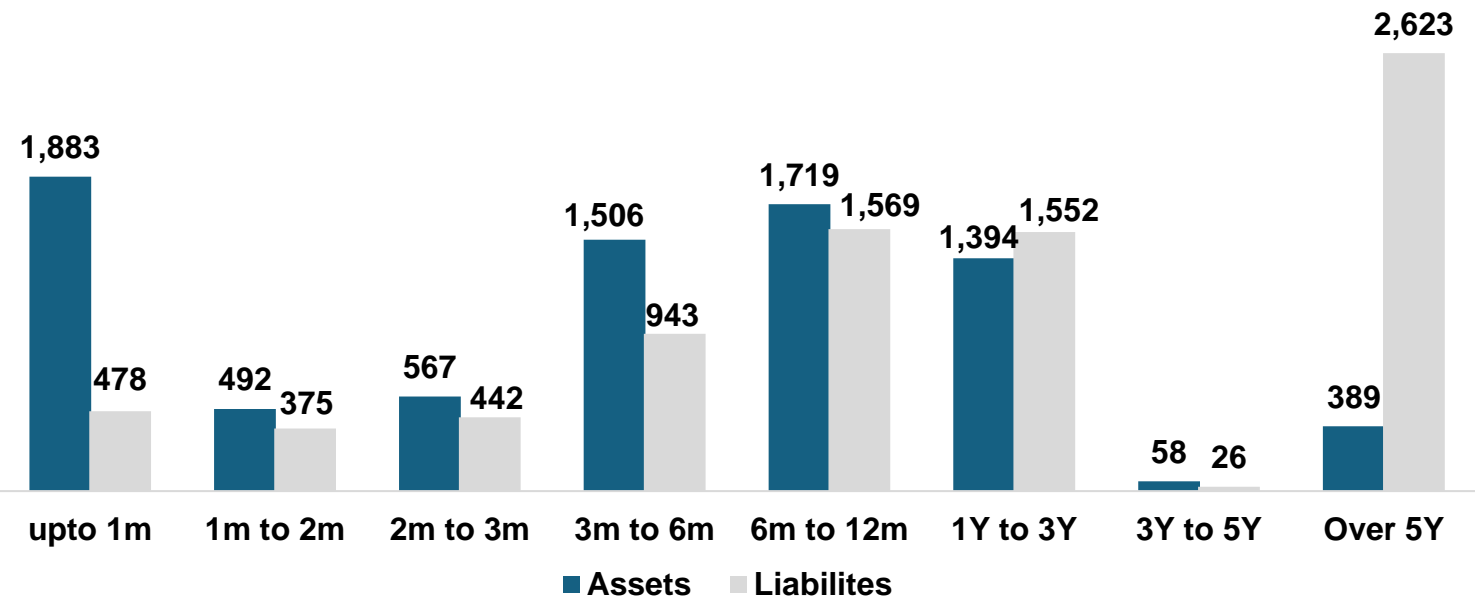
CRAR (%)



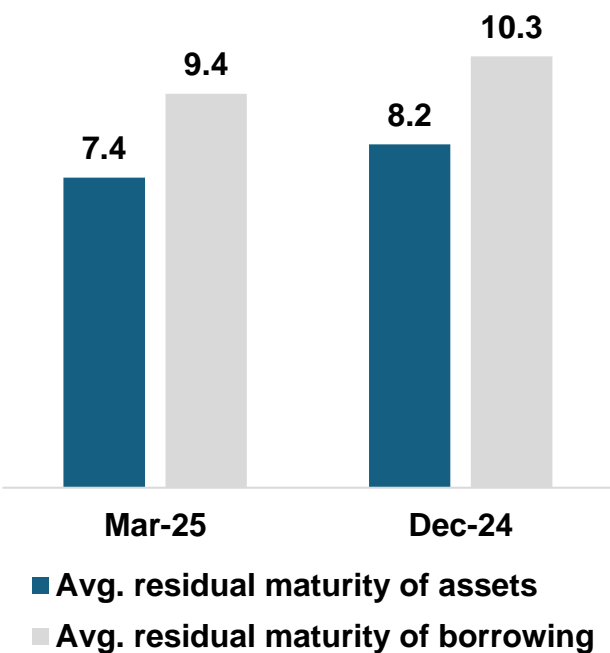
ALM remains positive across maturity buckets



Positive ALM (₹ Cr)*



Maturity profile* (in months)



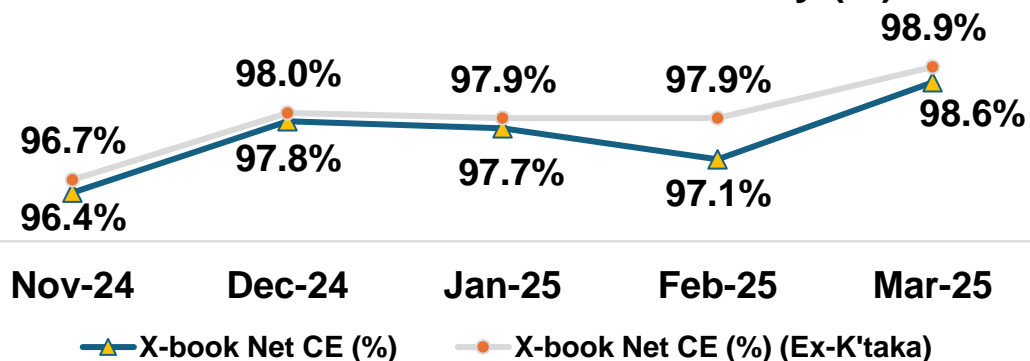
- Positive ALM on cumulative basis with assets maturing faster than liabilities
- Closing liquidity of ₹1,977 Cr as on 31 Mar 2025

* Standalone

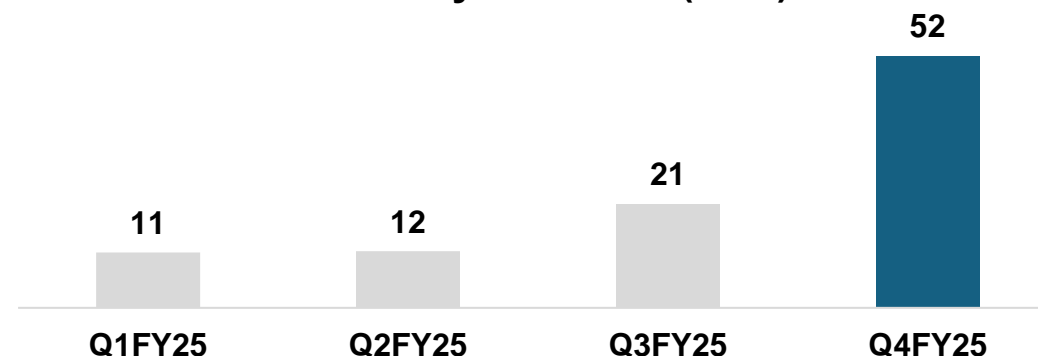
Spandana seeing improvements in lead indicators



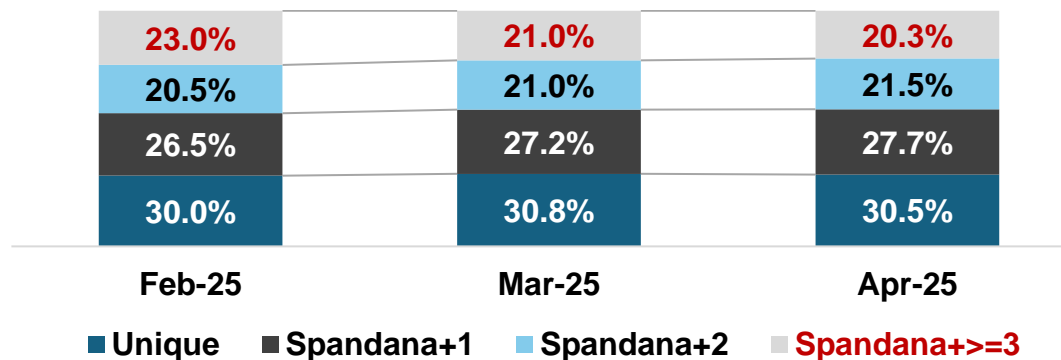
X-Bucket Net Collection Efficiency (%)



Recovery from 90+ (₹ Cr)













Lender Overlap* - ≥ 3 lenders reduced to 20.3% from ~23% in 3 months



* Based on Credit bureau data as of respective months

Long term goal remains intact; temporary pause in journey



	Goal set out for the organization	Our assessment	Way forward
	Customer acquisition led growth		<ul style="list-style-type: none"> Conservative credit rules along with focus on quality borrowers to drive medium term growth
	Diversify operations		<ul style="list-style-type: none"> North India now contributes ~22% of AUM vs. ~13% in FY22. Graded re-assessment of all branches to be taken up Current diversified operations to be maintained / improved going forward
	Transition to weekly model		<ul style="list-style-type: none"> Continue to believe in the inherent strength of the weekly model ~14% AUM contributed by Weekly-only branches with X-bucket Collection Efficiency of 99.3% ~21% disbursements to be weekly repayment loans
	AUM Growth		<ul style="list-style-type: none"> Industry wide challenges impacted FY25 performance Long term goal remains intact albeit with altered timelines
	Improve Efficiencies		<ul style="list-style-type: none"> Focus will be on improving operational efficiencies in FY26 and beyond FY26 target will be to improve borrowers / LO count to ~340 from ~228 at the end of FY25.

Reimagining customer journeys with enhanced focus on JLG

Key technology and process enhancements to be introduced in FY26



Monitoring enhancements

- ➔ **Geo location verification**
At various stages of CGT, house visit and GRT
- ➔ **Tele verification**
Pre-disbursement checks by BQM with digital checklists and approvals
- ➔ **Supervisory overview**
With multiple digital tools like photos, geo-tags, questionnaires
- ➔ **JLG Consent**
Form for new disbursements
- ➔ **Recency verification**
Identity documents to be verified for vintage before processing loan application

Process improvements

- ➔ **Geo fencing**
Village, center & member houses
- ➔ **Face matching**
Across IDs, photos of center meeting
- ➔ **Disbursement controls**
Presence of group members during application & disbursement
- ➔ **Liveliness checks**
Multiple check points at enrollment, on-boarding and disbursement
- ➔ **E-Sign**
Digital documentation with identity verification inbuilt

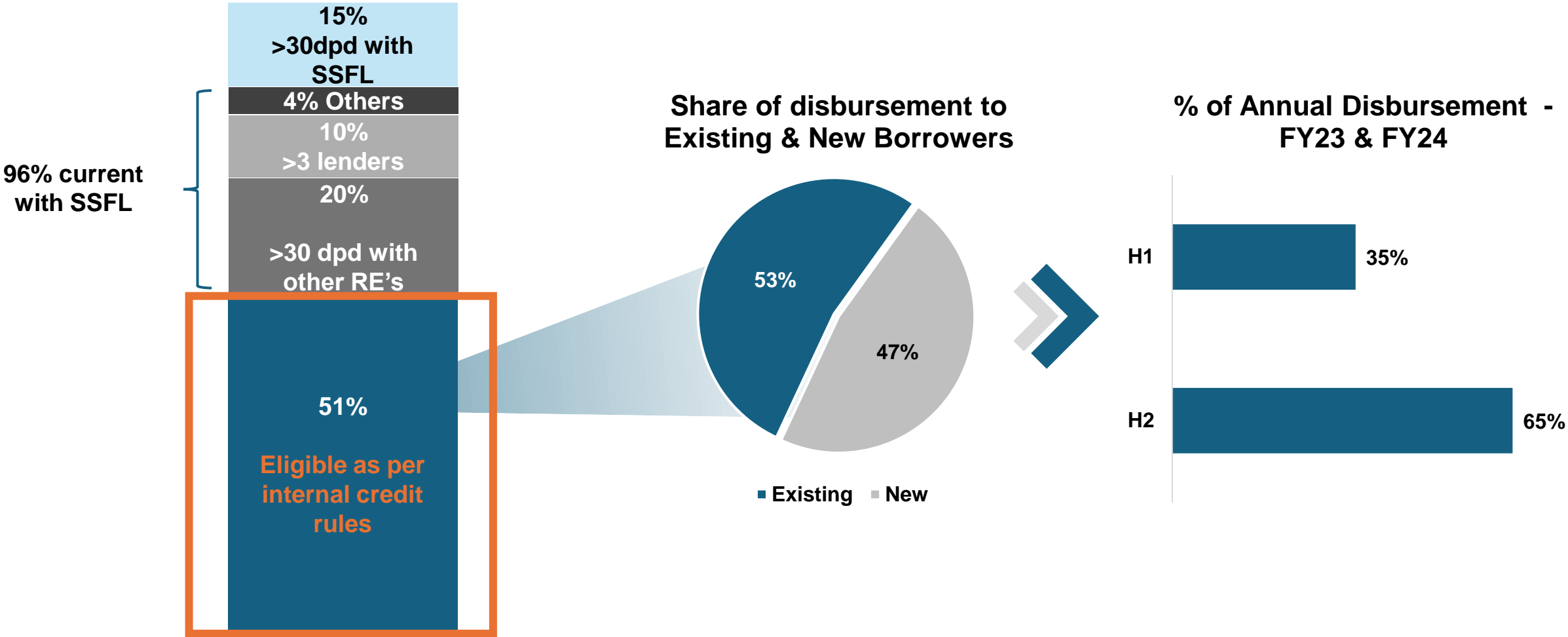


Focus in FY26 will be on serving quality borrowers



March 2025 Borrower Base Split

FY26 disbursement to follow similar trend as FY23 & FY24



Note: Eligible base as per Guardrails is 58%

Taking a step back to build a sustainable tomorrow

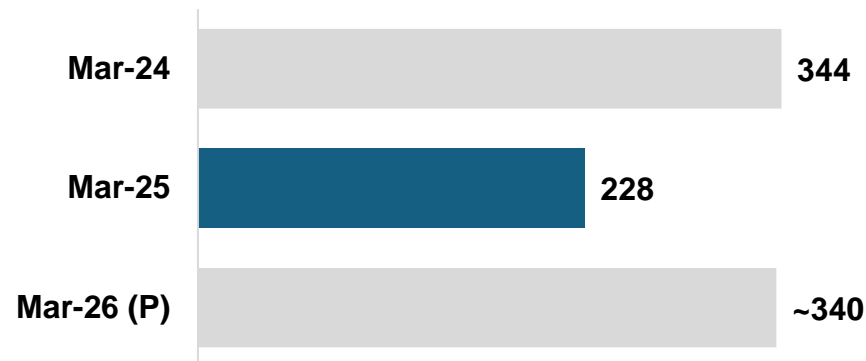
Rationalization of presence to have an impact on opex and efficiencies



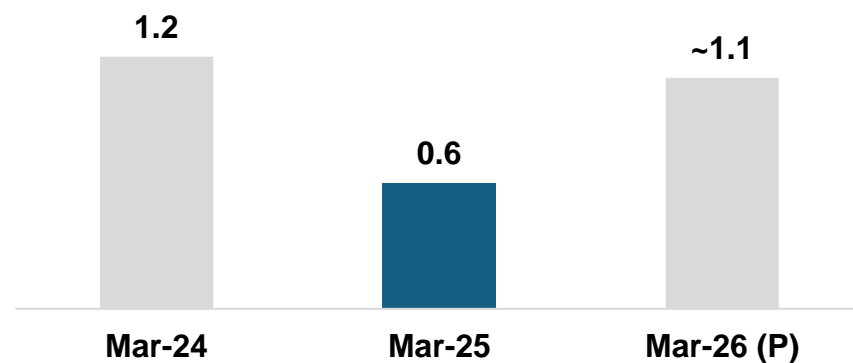
Rationalizing distribution network & head count

Calibrated scale-back in certain markets while maintaining position in others

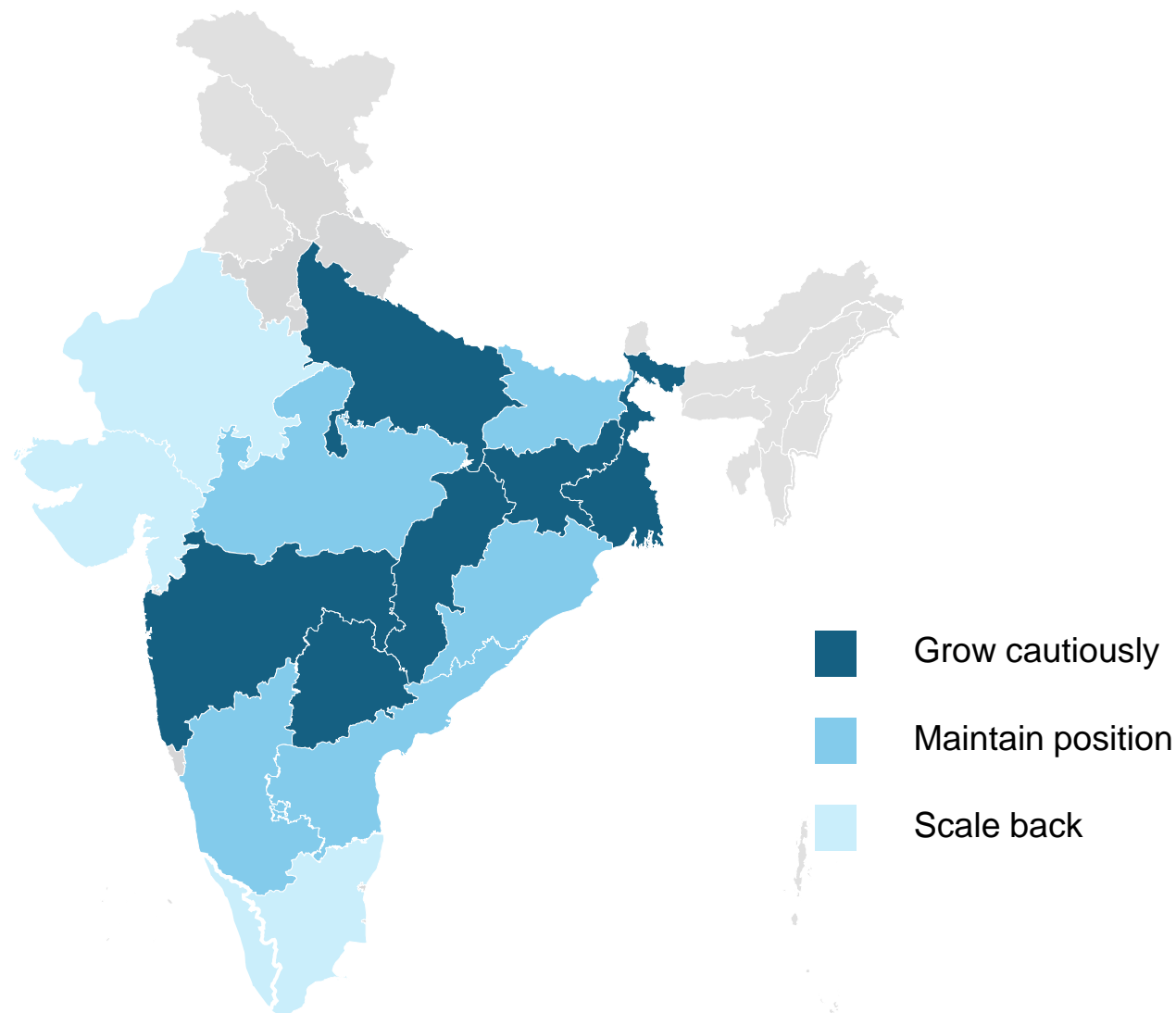
Borrowers per LO*



AUM per LO* (₹ Cr)



* Standalone





FY25 & Q4FY25 Results

Operations consolidated in Q4FY25 owing to external factors

Cautious disbursement approach and high delinquencies impact FY25 operations

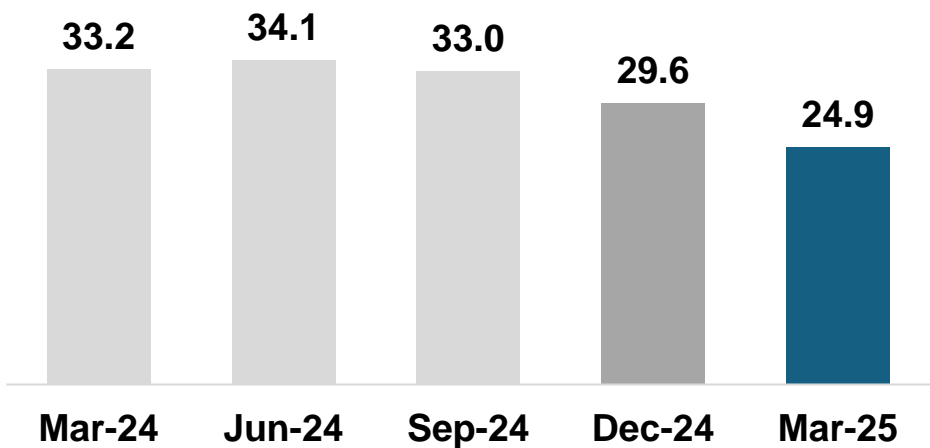


	Q4 FY25	Q4 FY24	YoY (%)	Q3 FY25	QoQ (%)	FY25	FY24	YoY (%)
Disbursement (₹ Cr)	365	3,970	(91)%	1,443	(75)%	5,605	10,688	(48)%
AUM (₹ Cr)	6,819	11,973	(43)%	8,936	(24)%	6,819	11,973	(43)%
Funds raised (₹ Cr)	473	3,428	(86)%	872	(46)%	4,482	10,441	(57)%
Income (₹ Cr)	419	703	(40)%	569	(26)%	2,424	2,511	(3)%
Net Interest Income (₹ Cr)	197	378	(48)%	265	(26)%	1,228	1,289	(5)%
PPOP (₹ Cr)	25	259	(90)%	75	(67)%	608	930	(35)%
Impairment (₹ Cr)	603	87	592%	663	(9)%	1,986	259	666%
PAT (₹ Cr)	(434)	129	(563) Cr	(440)	6 Cr	(1,035)	501	(1,536) Cr
GNPA	5.63%	1.50%	+413 bps	4.85%	+78 bps	5.63%	1.50%	+413 bps
NNPA	1.19%	0.30%	+88 bps	0.98%	+20 bps	1.19%	0.30%	+88 bps
<u>Standalone</u>								
GNPA	4.85%	1.43%	+342 bps	4.85%	0 bps	4.85%	1.43%	+342 bps
NNPA	0.96%	0.29%	+68 bps	0.96%	0 bps	0.96%	0.29%	+68 bps

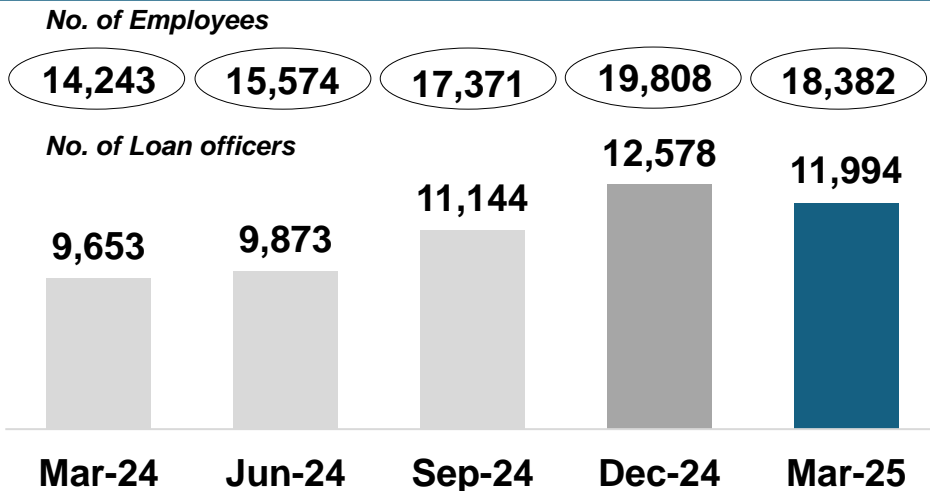
Customer base at ~25L



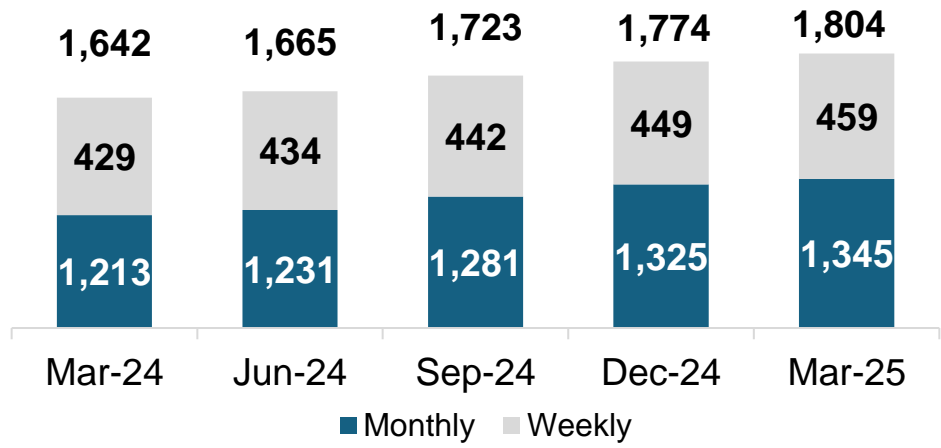
No. of customers (in L)



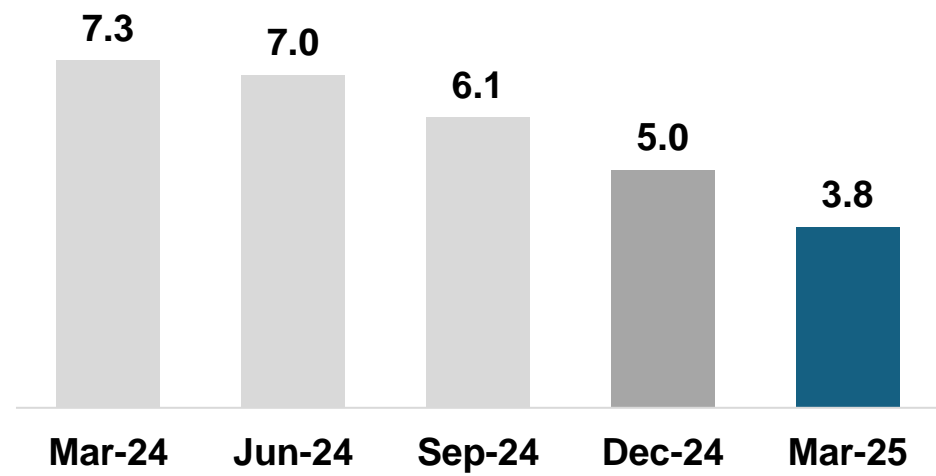
Number of employees



Branch count



AUM per branch (₹ Cr)

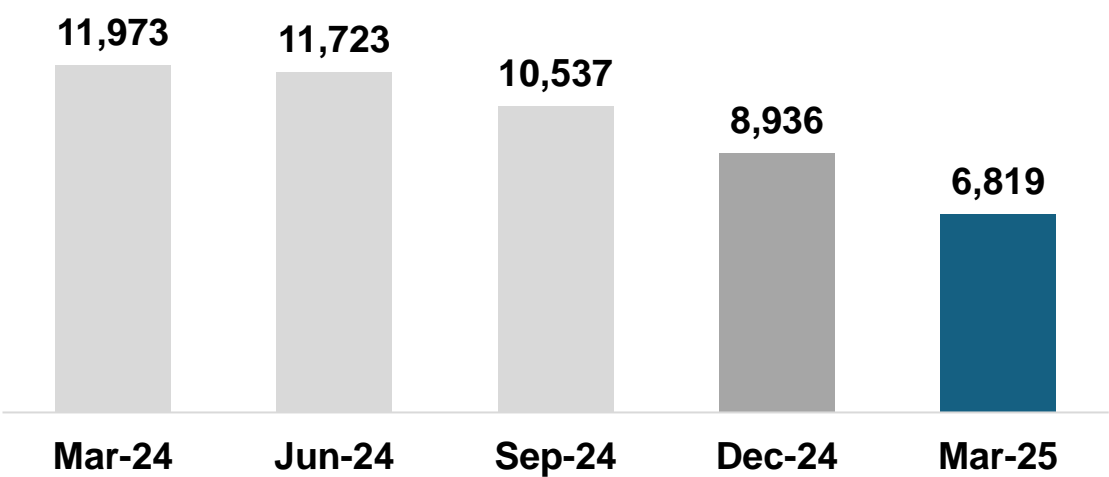


Cautious disbursement approach adopted in wake of guardrails

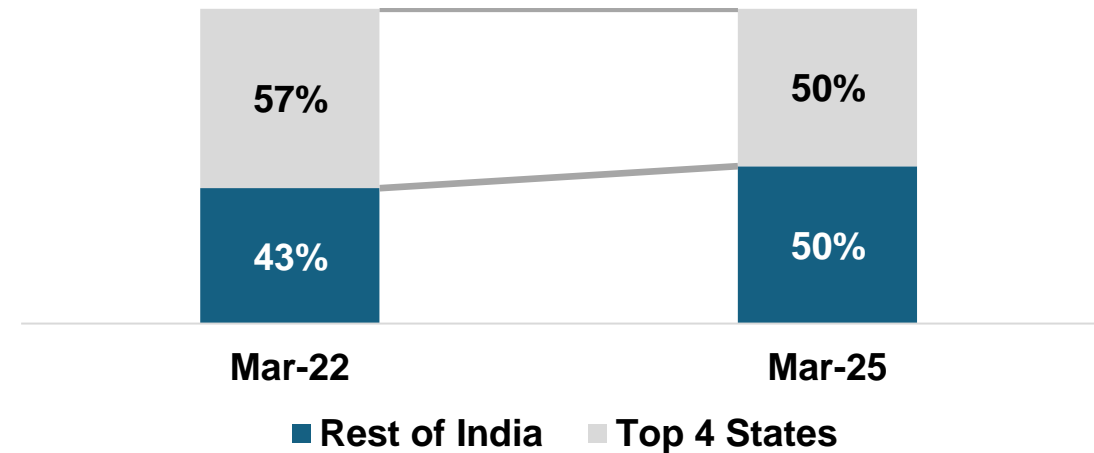
₹6,819 Cr AUM at the end of FY25



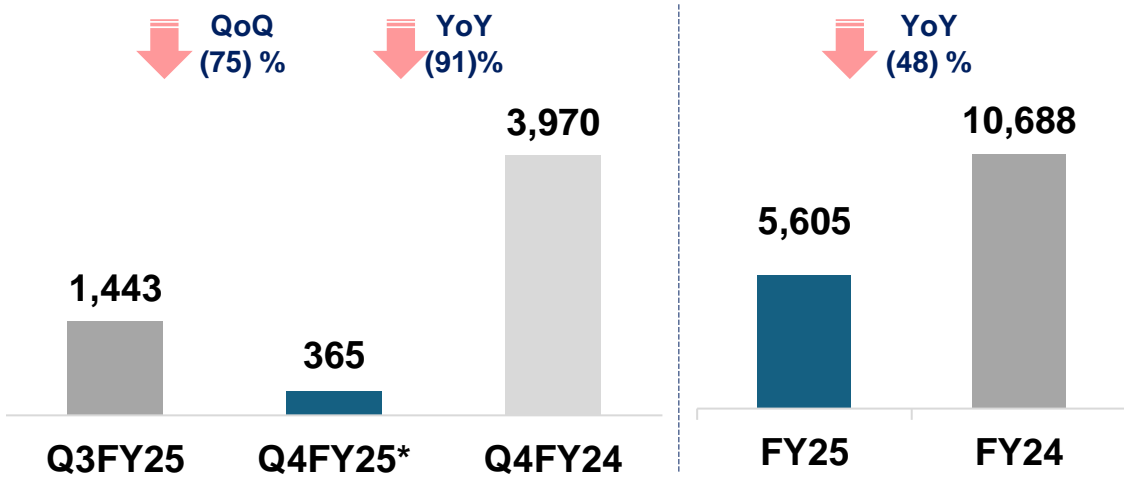
AUM (₹ Cr)



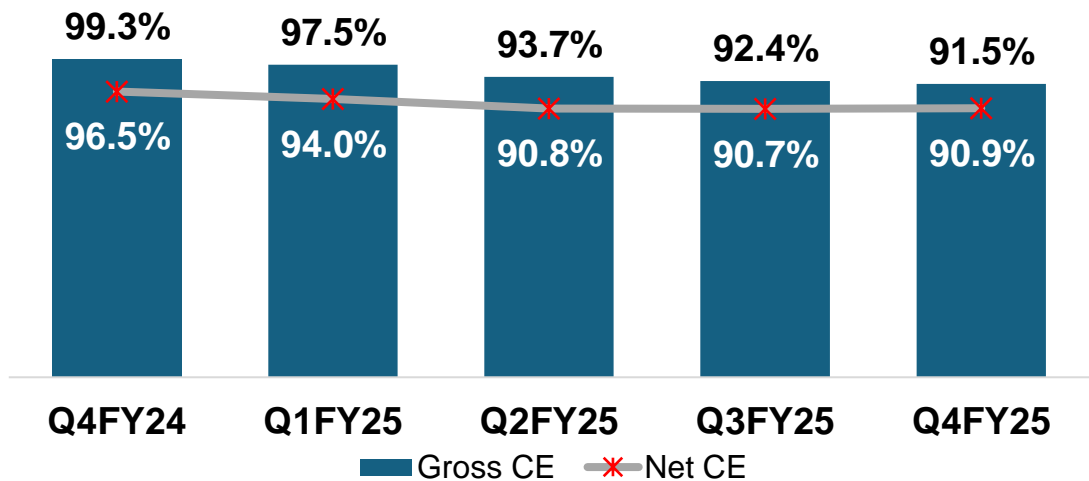
AUM Concentration of top 4 states down to 50%



Disbursement (₹ Cr)



Collection Efficiency (%)

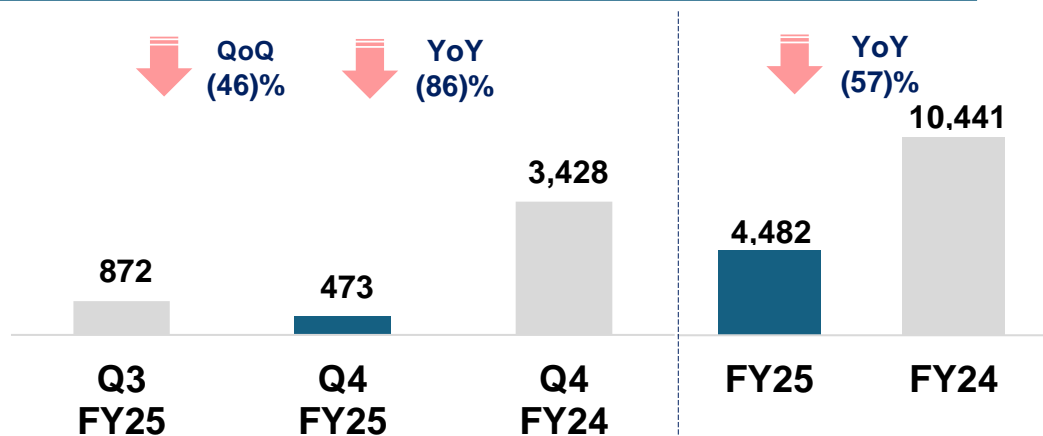


* Disbursements muted in Q4FY25 as implementation of Guardrails was deferred by SRO to April 2025 while SSFL was live with credit rules in conformity with Guardrails from January 2025

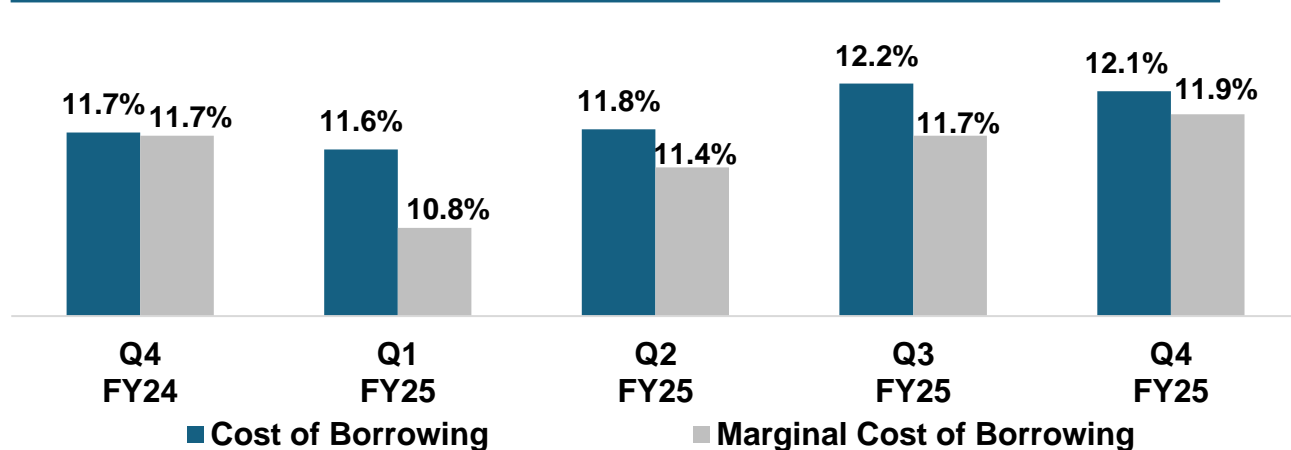
Comfortable liquidity maintained



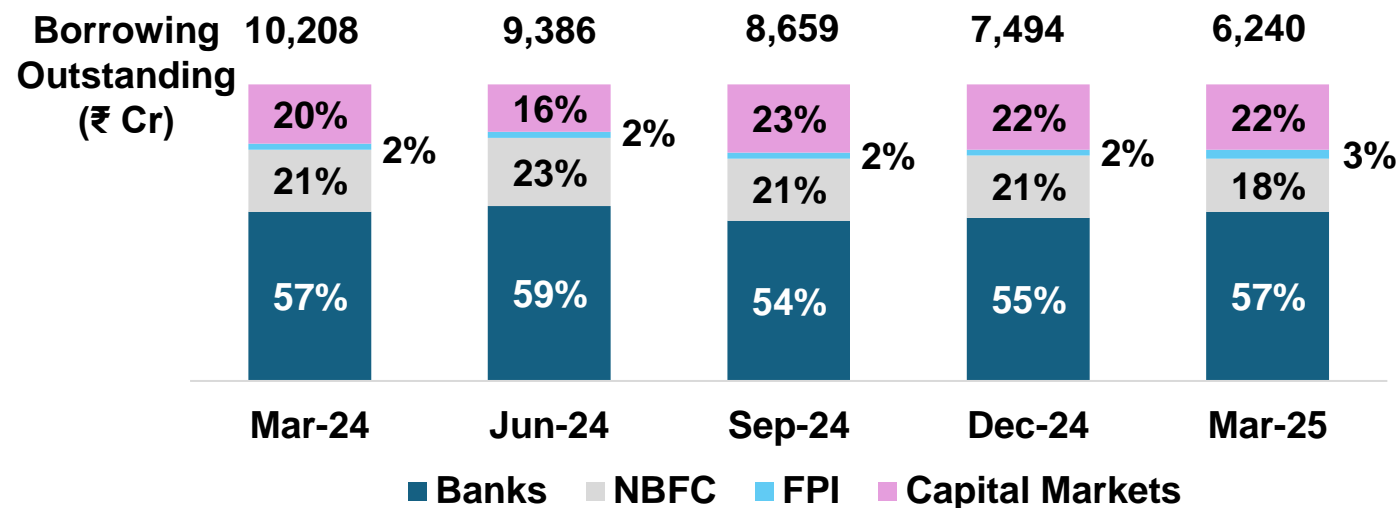
Incremental borrowing (in ₹ Cr)



Cost of borrowing



Diversified borrowing mix



PCR maintained at ~80%



Asset Classification	Consolidated				Standalone			
	Loans Outstanding (₹ Cr)	% of Loans Outstanding	ECL Provision (₹ Cr)	Coverage	Loans Outstanding (₹ Cr)	% of Loans Outstanding	ECL Provision (₹ Cr)	Coverage
Stage 1 (Current)	5,194	82.57%	64	1.23%	4,552	82.75%	40	0.88%
Stage 1 (1 – 30)	164	2.61%	2	1.27%	144	2.63%	1	0.88%
Stage 2 (31 – 60)	326	5.19%	143	43.81%	304	5.53%	136	44.70%
Stage 2 (61 – 90)	252	4.01%	118	47.03%	234	4.25%	113	48.25%
Stage 3 (GNPA)	354	5.63%	279	78.90%	267	4.85%	214	80.17%
NNPA	75	1.19%			53	0.96%		
Total	6,290	100%	607	9.65%	5,501	100%	504	9.16%

Impairment on financial instruments	Amount (₹ Cr)		
	Q3FY25	Q4FY25	FY25
- On technical write-off's	678	647	1,618
- On GNPA	(61)	(39)	144
- On stage 1, 2 & others	24	(56)	158
- Recovery of loans written-off	(3)	(17)	(28)
Sub-total	637	534	1,892
- On Security receipts & others	26	68	94
Total	663	603	1,986

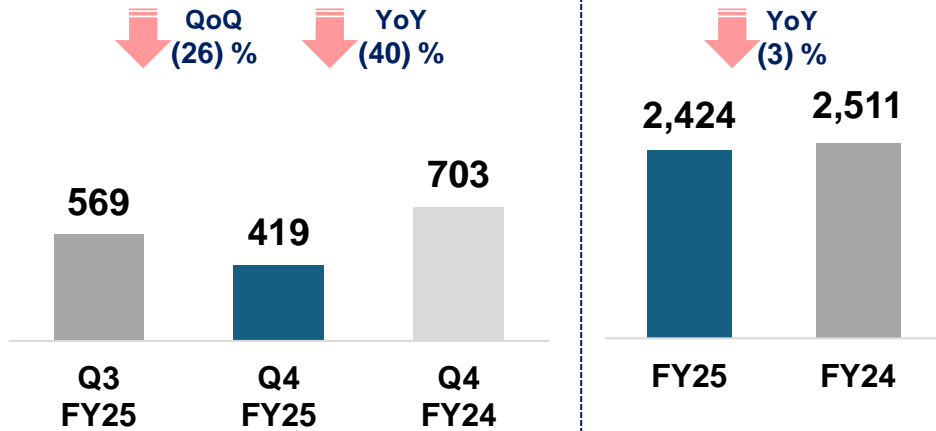
As a prudent measure, ₹68 Cr provision was made on Security Receipts in Q4FY25. Excluding the impact of this, Net Loss would have been ₹383 Cr

FY25 PPOP at ₹608 Cr impacted by lower AUM, higher opex & reversals

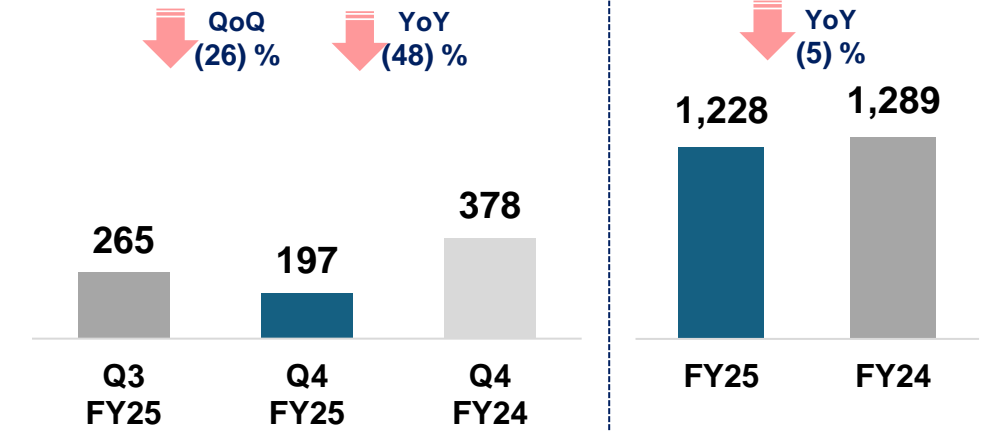


In ₹ Cr

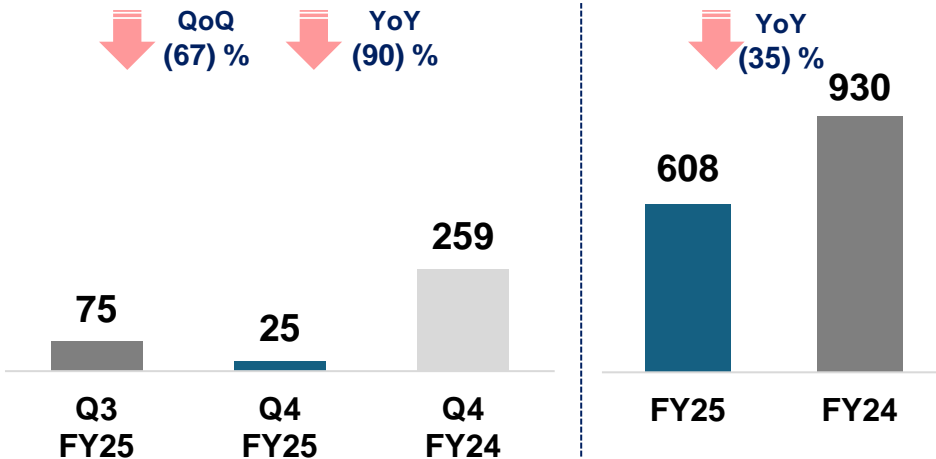
Income



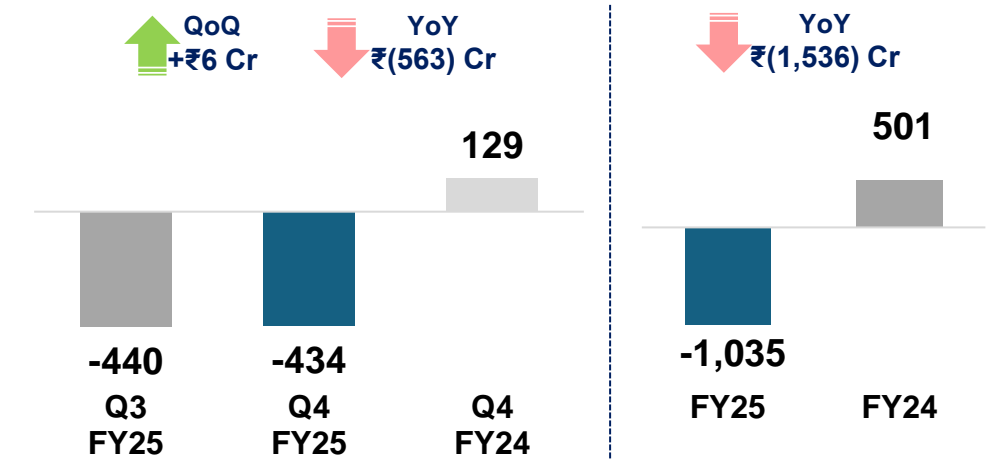
Net Interest Income



PPOP^



PAT*

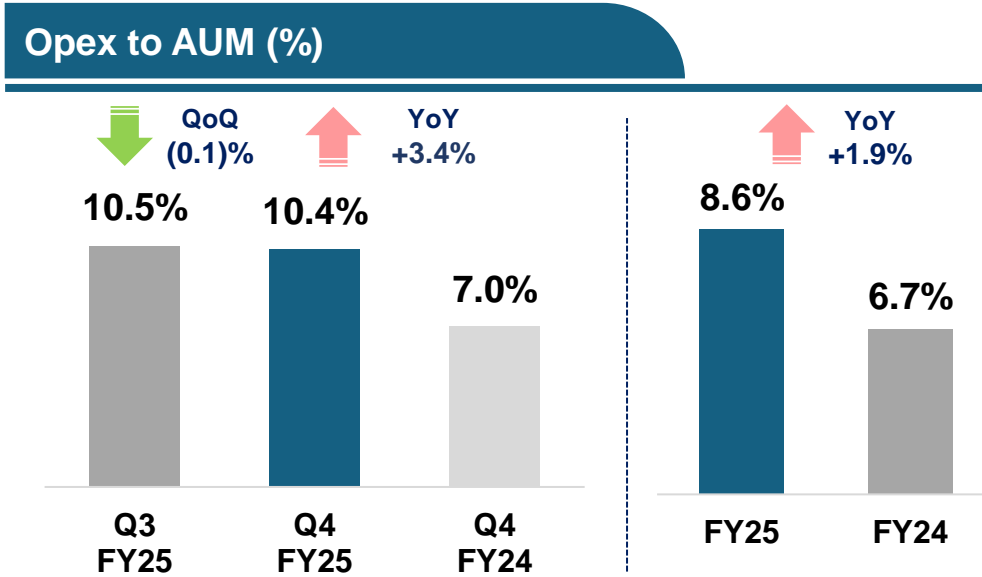
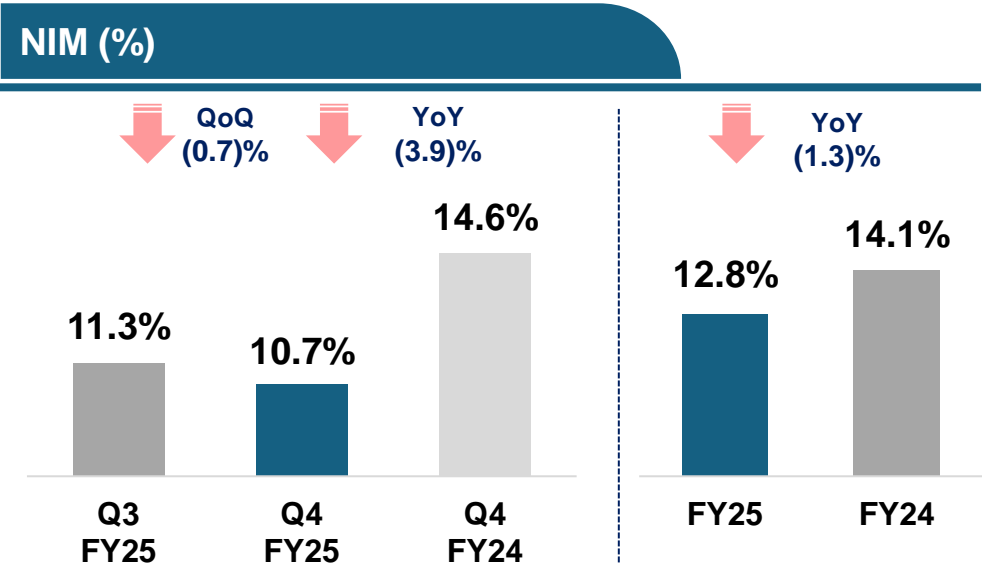
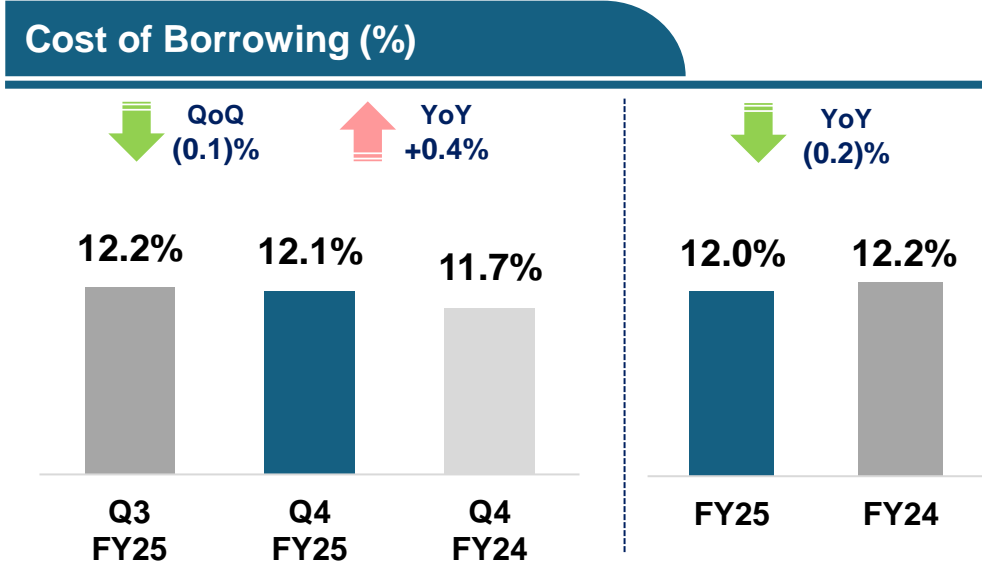
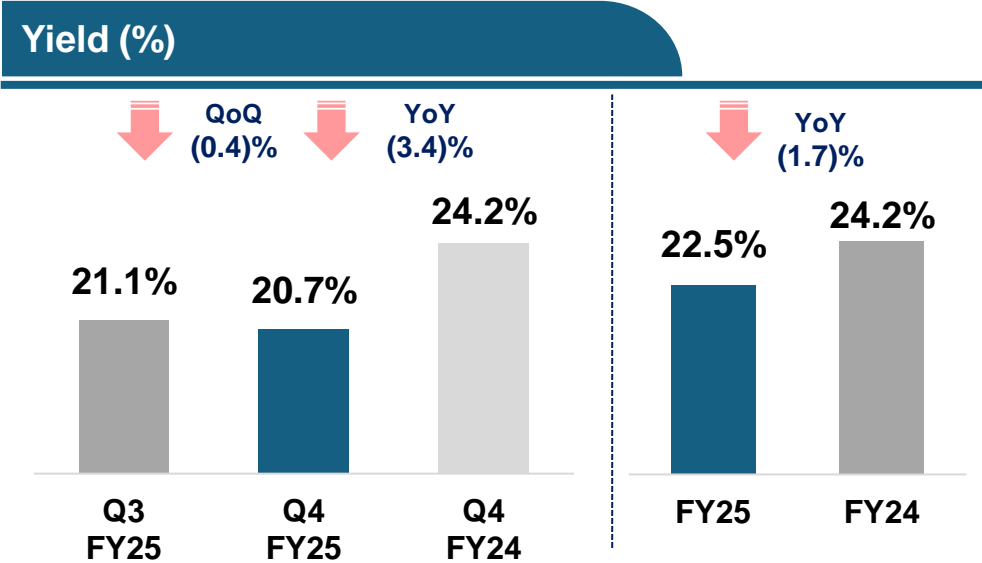


^ PPOP including recovery from written-off loans is ₹40 Cr in Q4FY25, ₹78 Cr in Q3FY25, ₹266Cr in Q4FY24, ₹632 Cr for FY25, ₹950 Cr for FY24

* Loss excluding provisions against Security Receipts would have been ₹383 Cr

Yield and NIM impacted by decline in AUM and higher delinquencies

Cost of borrowing at 12% for FY25

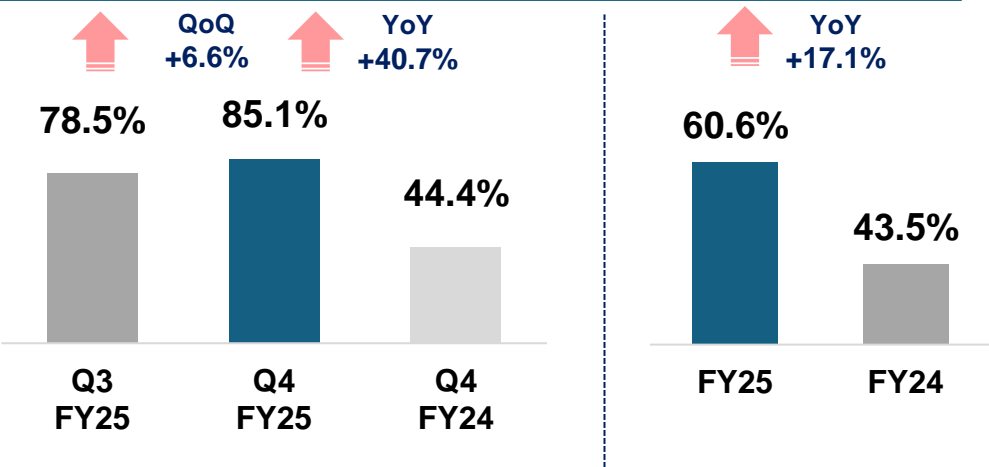


Elevated cost-to-income due to higher opex & lower income

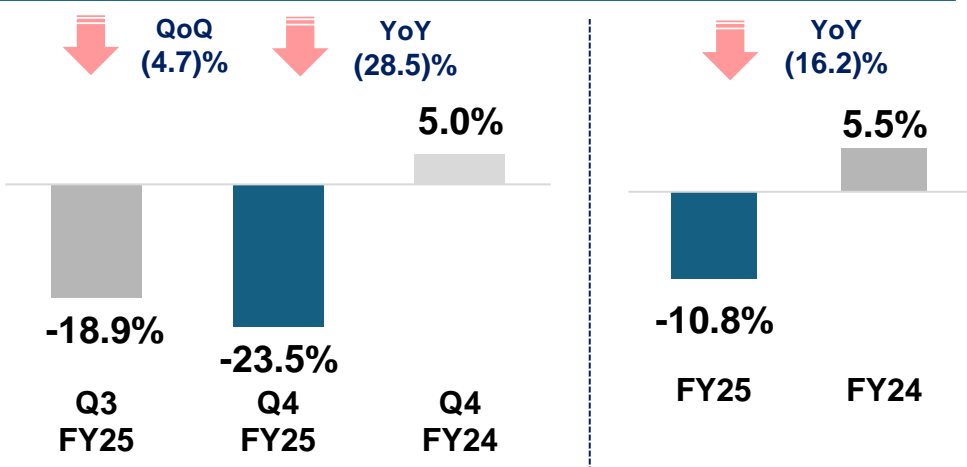
Decline in RoA due to high impairment cost & deliberate slowdown in disbursement



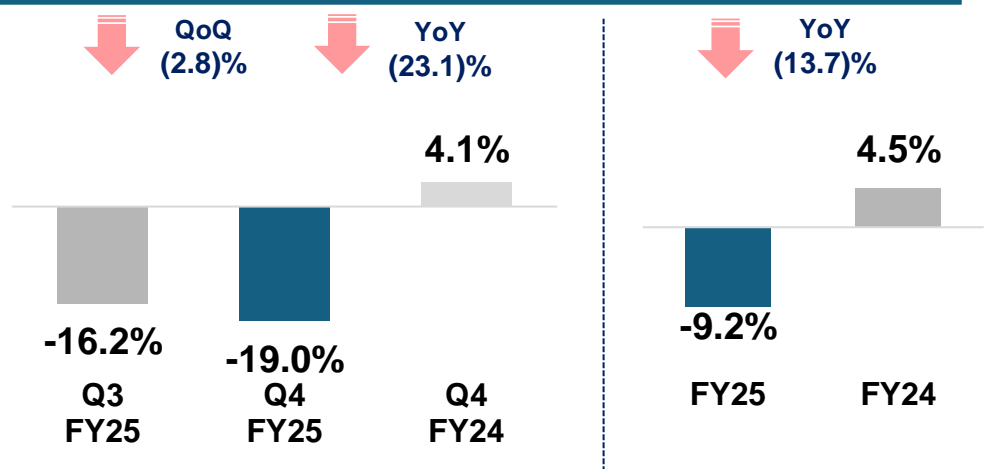
Cost to income (%)



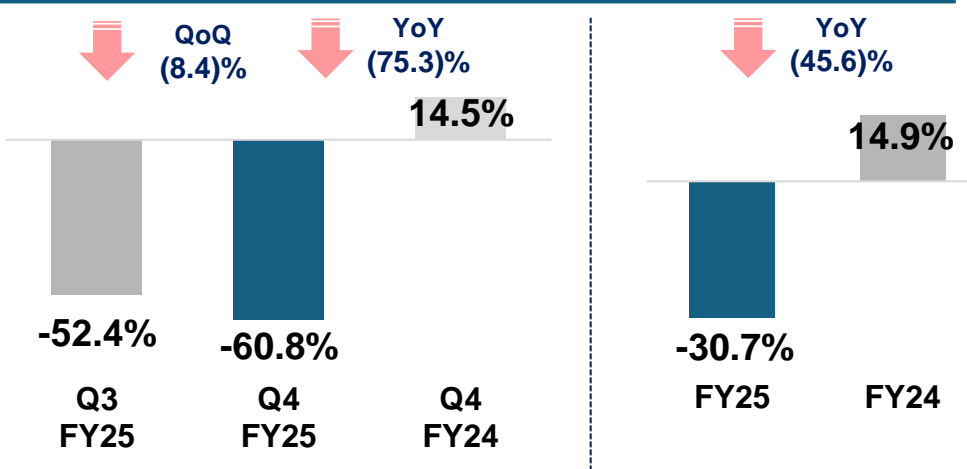
ROA (Total Assets) (%)



ROA (On book POS) (%)



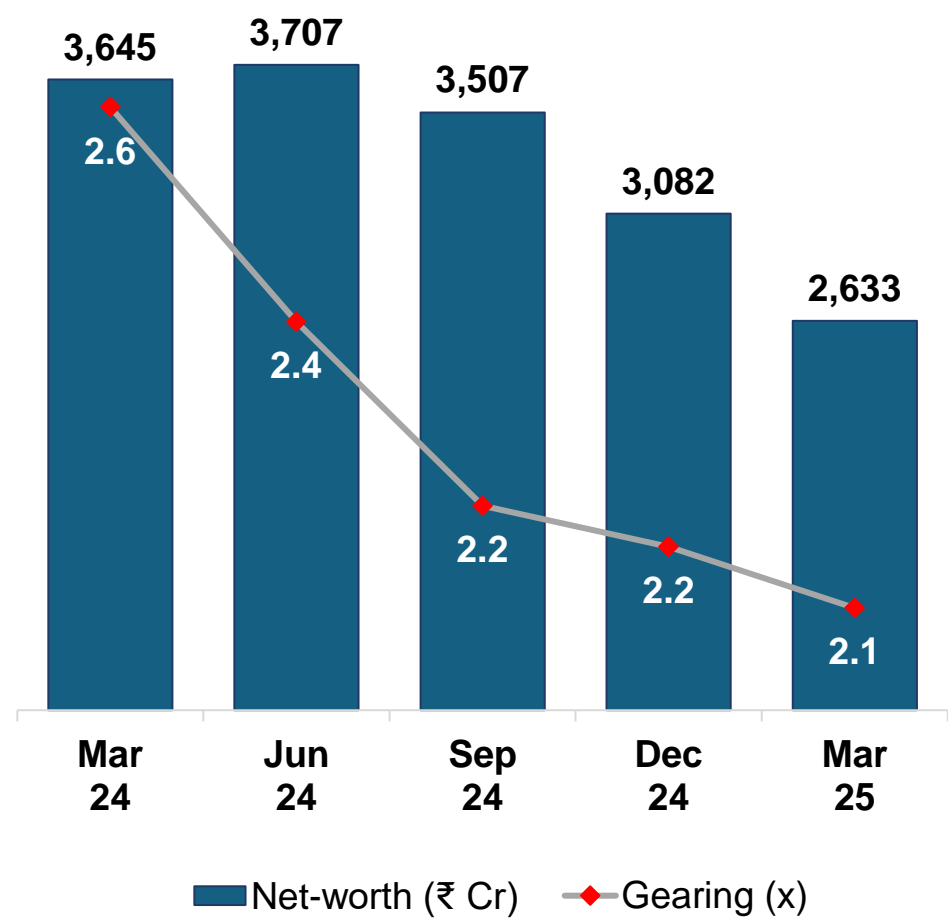
ROE (%)



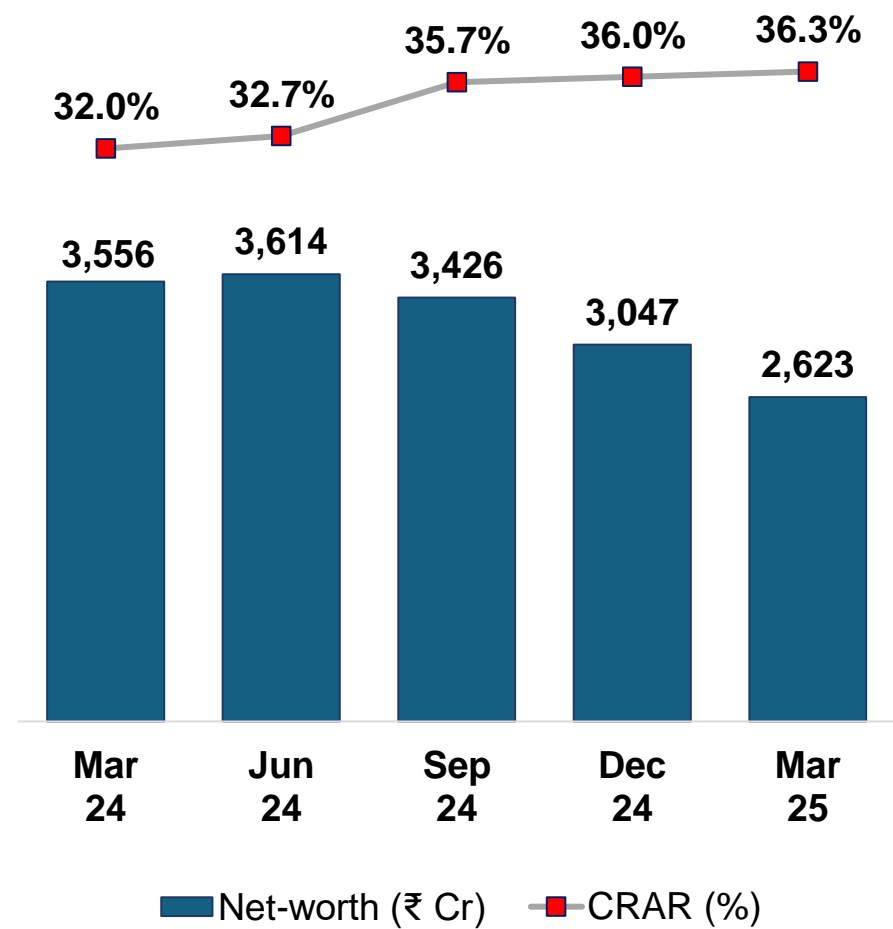
Consolidated Net-worth of ₹2,633 Cr, CRAR at 37.1%



Gearing at 2.1x (consolidated)



SSFL Standalone Net-worth & CRAR



Consolidated Income Statement



Particulars (₹ Cr)	Q4 FY25	Q3 FY25	Q4 FY24	QoQ	YoY	FY25	FY24	YoY
Revenue from Operations								
Interest income on loans	383	494	628	(22)%	(39)%	2,160	2,216	(3)%
Net gain on fair value changes	24	49	34	(50)%	(29)%	161	162	(1)%
Interest on deposits with banks	8	9	8	(12)%	6%	34	22	54%
Total income from operations	415	552	669	(25)%	(38)%	2,355	2,401	(2)%
Non-operational Income	4	18	34	(79)%	(89)%	69	110	(37)%
Total income	419	569	703	(26)%	(40)%	2,424	2,511	(3)%
Finance cost	185	229	249	(19)%	(26)%	932	927	1%
Net Income	233	340	454	(31)%	(49)%	1,492	1,584	(6)%
Expenses								
Employee benefit expense	161	184	141	(13)%	14%	632	473	34%
Depreciation and amortization expense	7	6	7	28%	3%	23	20	11%
Other expenses	40	76	46	(47)%	(13)%	230	160	43%
Total Expenses	208	265	194	(22)%	7%	884	654	35%
Pre-Provision Operating Profit (PPOP)	25	75	259	(67)%	(90)%	608	930	(35)%
Impairment on financial instruments	603	663	87	(9)%	592%	1,986	259	666%
Profit before Tax	(578)	(588)	172	+10 Cr	(750) Cr	(1,379)	671	(2,049) Cr
Tax expense	(143)	(147)	44	+4 Cr	(187) Cr	(344)	170	(513) Cr
Profit after tax	(434)	(440)	129	+6 Cr	(563) Cr	(1,035)	501	(1,536) Cr

Consolidated Balance Sheet



ASSETS (₹ Cr)	Mar 31, 2025	Mar 31, 2024
Financial Assets		
Cash and bank balances	1,844	1,872
Loan Portfolio	5,708	11,014
Investments	110	112
Other financial assets	140	106
Total Financial Assets	7,802	13,104
Non-Financial Assets		
Inventories		-
Current tax assets (net)	118	49
Deferred tax assets (net)	475	133
Property, Plant and Equipment	31	30
Intangible assets	3	5
Goodwill	17	17
Other non-financial assets	47	44
Total Non-financial assets	692	278
Total Assets	8,494	13,383

LIABILITIES & EQUITY (₹ Cr)	Mar 31, 2025	Mar 31, 2024
Financial Liabilities		
Debt Securities	2,264	4,064
Borrowings (Other than Debt Securities)	3,391	5,340
Subordinated Liabilities	-	20
Other Financial liabilities	146	253
Total Financial Liabilities	5,802	9,678
Non-Financial Liabilities		
Current Tax Liabilities (net)	5	6
Provisions	27	17
Other Non-Financial liabilities	26	37
Total Non-Financial Liabilities	58	60
Equity		
Equity Share Capital	71	71
Other Equity	2,562	3,573
Equity attributable to shareholders of the company	2,633	3,645
Non-Controlling Interest	0.2	0.3
Total Equity	2,633	3,645
Total Liabilities and Equity	8,494	13,383



Annexure

Credit Rating



Spandana Sphoorty Financial Ltd

Rating Agency	Rating Instrument	Rating / Outlook (Current)	Rating / Outlook (31-Dec-24)
ICRA	Bank Facilities / NCD's	A / Negative	A+ / Negative
India Ratings	Bank Facilities / NCD's	A / Negative	A+ / Negative
CARE	Bank Facilities / NCD's CP's	A / Negative A1	A+ / Negative A1+
CRISIL	Bank Facilities	A- / Stable	A / Stable

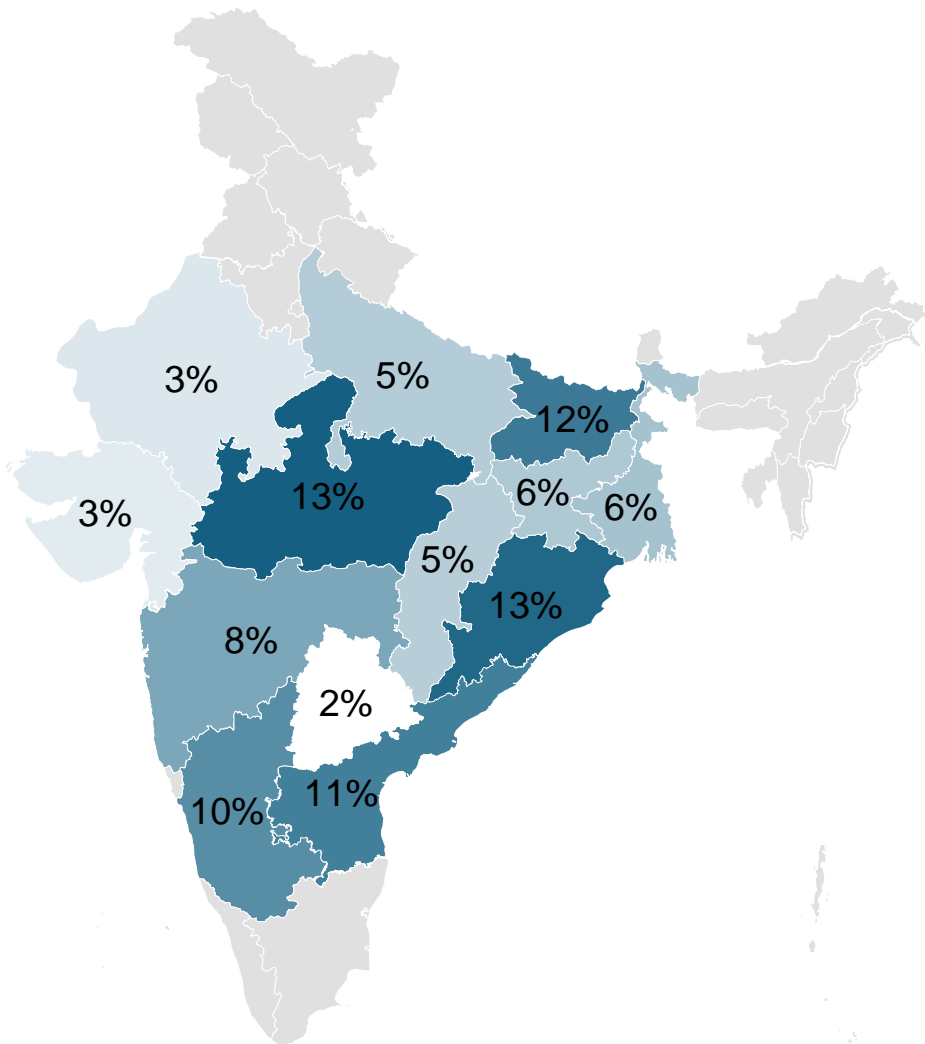
Criss Financial Ltd

Rating Agency	Rating Instrument	Rating / Outlook (Current)	Rating / Outlook (31-Dec-24)
ICRA	Bank Facilities / MLD's	A- / Negative	A / Negative
India Ratings	Bank Facilities / NCD's	A- / Negative	A / Negative

Well diversified presence

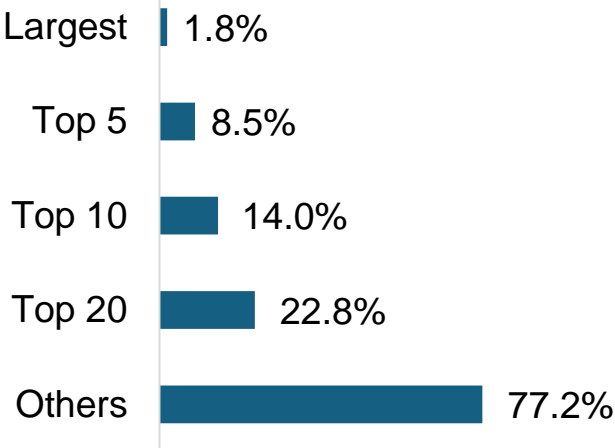


AUM concentration* - ~49% from top 4 States

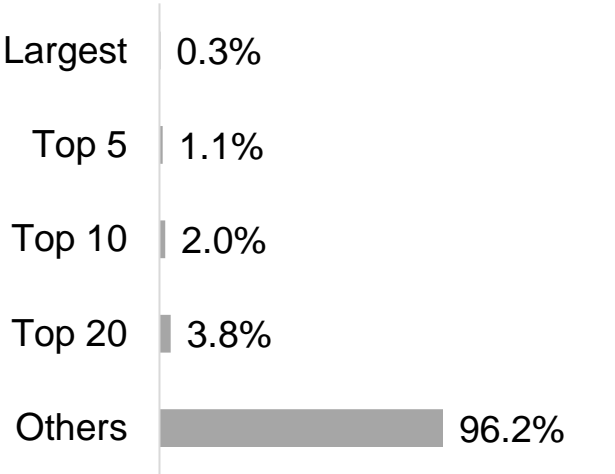


State	% of AUM		
	Mar-25	Mar-24	Mar-23
Odisha	13%	14%	15%
Madhya Pradesh	13%	13%	17%
Bihar	12%	12%	8%
Andhra Pradesh	11%	10%	11%
Karnataka	10%	10%	11%
Maharashtra	8%	9%	10%
West Bengal	6%	2%	1%
Jharkhand	6%	6%	7%
Uttar Pradesh	5%	6%	3%
Chhattisgarh	5%	5%	5%
Rajasthan	3%	5%	5%
Gujarat	3%	4%	5%
Telangana	2%	2%	1%
Tamil Nadu	1%	1%	0.1%
Other states	2%	1%	2%
Total	100%	100%	100%

District level concentration*



Branch level concentration*

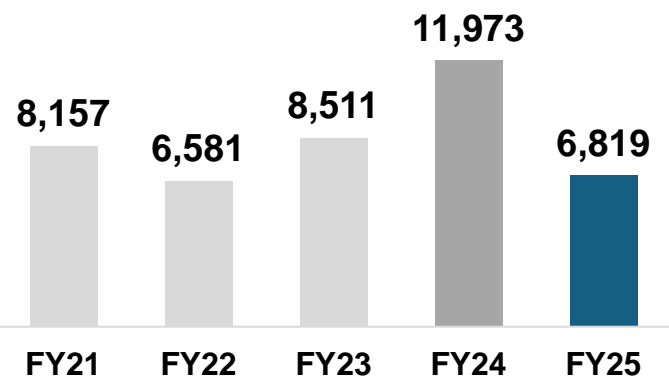


* Standalone for SSFL

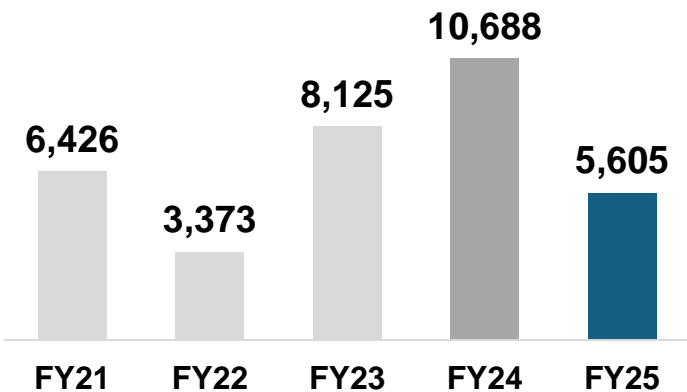
Metrics over the years



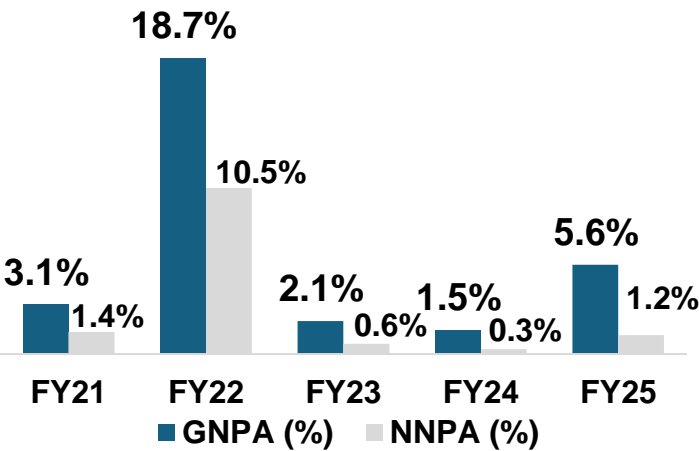
AUM (₹ Cr)



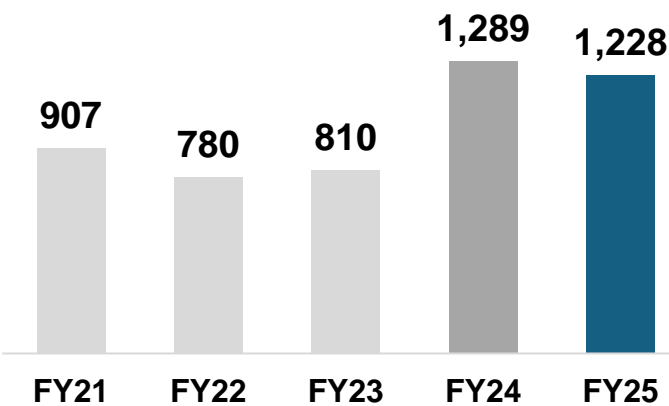
Disbursement (₹ Cr)



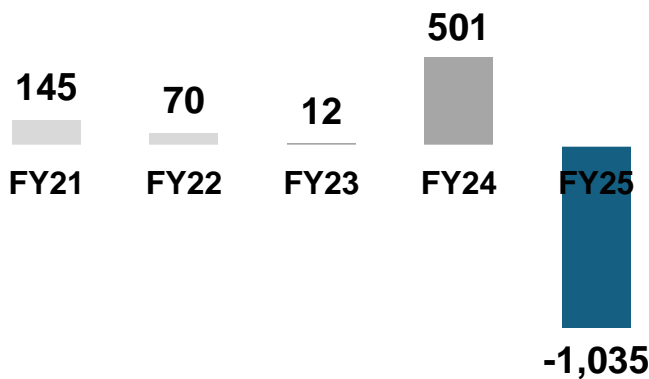
GNPA (%) & NNPA (%)



Net Interest Income (₹ Cr)



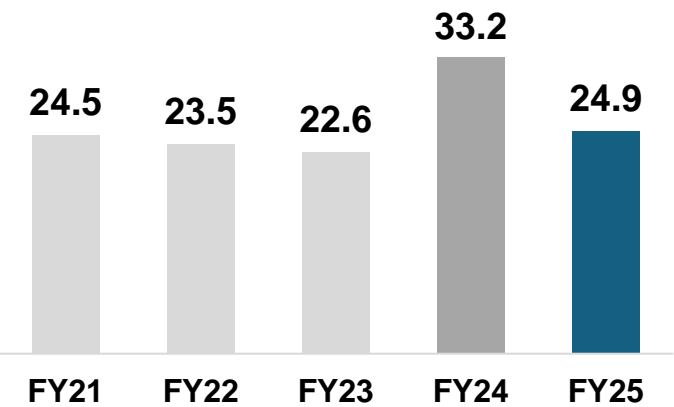
PAT (₹ Cr)



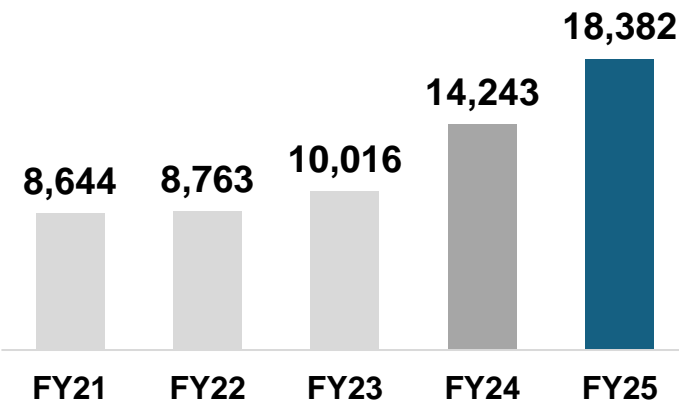
Accelerated growth delivered over last year



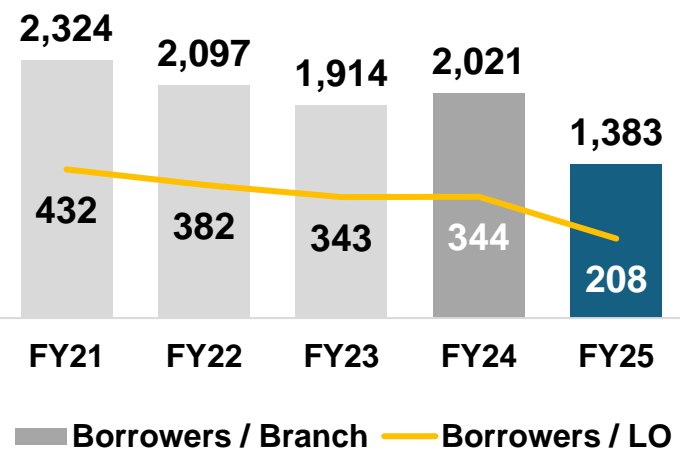
Customers (in L)



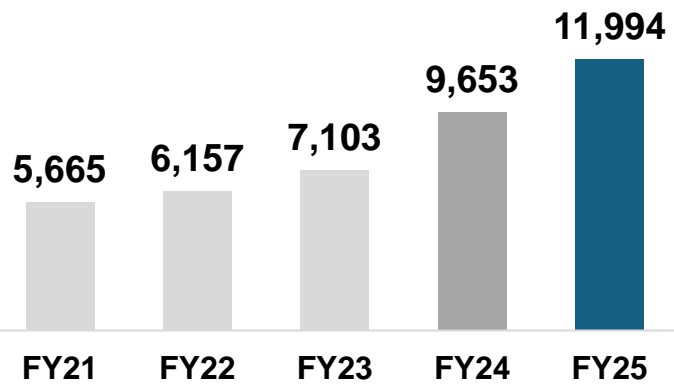
Employees



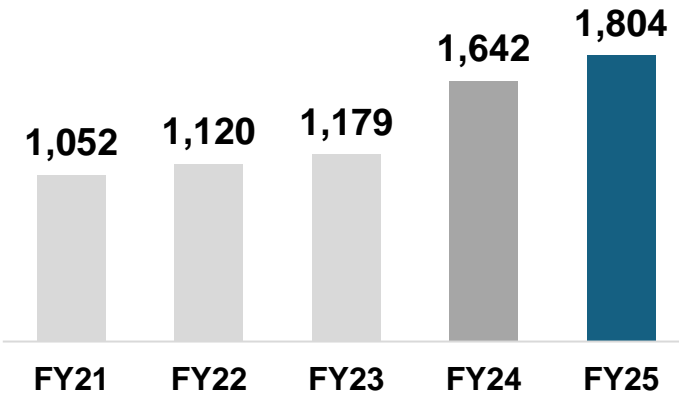
Customers / Branch & LO



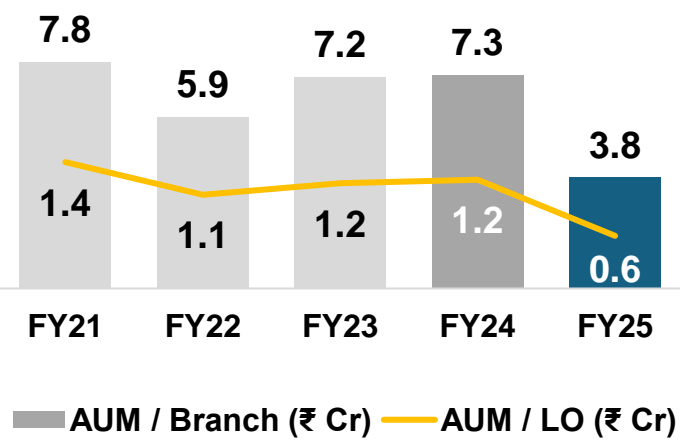
Loan Officers



Branches



AUM / Branch & AUM / LO



Glossary



	Key Ratio	Abbreviation	Definition
1	Portfolio Yield	Yield	Interest income divided by average monthly loan outstanding
2	Cost of borrowing	COB	Interest expenses divided by average monthly borrowing outstanding
3	Marginal COB (XIRR)		Multiplication of borrowing availed during the period and cost of borrowing (inclusive all cost on XIRR) divided by total borrowing availed during the period
4	Marginal COB (Nominal XIRR)		Multiplication of borrowing availed during the period and cost of borrowing (inclusive all cost on Nominal XIRR) divided by total borrowing availed during the period
5	Net Interest Income	NII	Interest income on loans less finance cost
6	Net Interest Margin	NIM	Net Interest Income divided by average monthly loan outstanding
7	Pre-Provision Operating Profit	PPOP	Total Income minus finance cost minus operating expenses
8	Cost to Income	C / I	Operating expenses / Total income minus finance cost
9	Portfolio Outstanding	POS	On Balance Sheet loan outstanding at the end of reporting period
10	Assets Under Management	AUM	POS + Direct Assignment outstanding at the end of reporting period
11	Operating expenses-to-AUM	Opex-to-AUM	Total operating expenses divided by average monthly AUM
12	Return On Assets (Total Assets)	ROA (Total Assets) or ROTA	PAT divided by average quarterly total assets
13	Return On Assets (On-book POS)	ROA (On-book POS)	PAT divided by average monthly loan outstanding
14	Return on Equity	ROE	PAT divided by average monthly Net-worth
15	Gross Non-Performing Assets	GNPA	Represents stage III loan outstanding at the end of reporting period
16	Net Non-Performing Assets	NNPA	Represents stage III loan outstanding at the end of reporting period net of ECL provision against stage III loans
17	Provision Coverage	PCR	ECL on stage III loans divided GNPA



SPANDANA
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Thank you!

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