



Ref: SSFL/Stock Exchange/2021-22/061

Date: November 22, 2021

To
BSE Limited,
Department of Corporate Services
P. J. Towers, 25th 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: Press release of Spandana Sphoorty Financial Limited (the Company") pursuant to Regulation 30 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Please find enclosed herewith the press release on the appointment of Mr. Shalabh Saxena as the MD and CEO; Ashish Damani as the Chief Financial Officer and on other key business updates of the Company.

Kindly take the above on your records.

Yours Sincerely,
For Spandana Sphoorty Financial Limited

Ramesh Periasamy
Company Secretary and Compliance Officer

Encl. as above



Press Release

Spandana Sphoorty Announces Shalabh Saxena as the MD and CEO, and also Announces Other Key Business Updates

Additionally, Ashish Damani will take over as President and Chief Financial Officer, and Abanti Mitra to take over as Chairperson of the Board, while Deepak Vaidya will continue as an Independent Director

November 22, 2021: Spandana Sphoorty Financial Limited's (NSE: SPANDANA; BSE: 542759, the "Company") Board of Directors met today, and discussed several critical matters related to the leadership transition and business operations.

Key Leadership Updates:

Spandana has announced that Mr. Shalabh Saxena has accepted the position of Managing Director and Chief Executive Officer of the company. Mr. Saxena is currently serving as the MD & CEO of Bharat Financial Inclusion Ltd., one of the leading microfinance institutions in the country. He brings over 27 years of experience with various financial institutions, including Canara HSBC OBC Life Insurance and Standard Chartered Bank.

Also, Mr. Ashish Damani has accepted the position of President and Chief Financial Officer of the Company. Mr. Damani has nearly two decades of experience at Bharat Financial Inclusion Ltd. and is currently serving as its Chief Financial Officer. Both Mr. Saxena and Mr. Damani will join Spandana soon.

"With his immense experience in financial services and strong command of the microfinance industry, Shalabh is the right person to lead Spandana," said **Mr. K R Kamath, former Chairman & Managing Director of Punjab National Bank, and Chairman of the Management Committee of the Board of Spandana.** He further added, *"Spandana is on a positive growth trajectory, and we are very confident our market leadership will gain further traction under Shalabh's direction."*

Furthermore, the Board appointed Ms. Abanti Mitra, an independent director with Spandana since 2011, as non-executive Chairperson of the Board, with immediate effect. Outgoing Chairman, Mr. Deepak Vaidya, will continue to serve on the Board as an independent director.

Mr. Vaidya said that *"After several years of service as Chairman of the Board, I am delighted to hand over the role to Abanti. Her long association with the company and almost two decades of experience with the microfinance industry make her the ideal person to guide Spandana in its next phase of growth. I will continue to support the company as an independent director on the Board."*



Business Updates:

The Management Committee of the Board is fully engaged in supporting day-to-day operations. Spandana continues to perform strongly under the experienced leadership of its Chief Business Officer Mr. Amit Biswal, Chief Risk Officer Ms. Sharmila Kunguma and Company Secretary Mr. Ramesh Periasamy. The field team has responded positively to the transition, and Spandana continues to grow on various operational parameters significantly. Spandana has also hired independent third-party firms Alvarez & Marsal, PwC and CAM to provide support and conduct special review exercises during the leadership transition, and they are already fully engaged.

Spandana's business demonstrated healthy performance in the quarter that ended September 30, 2021 (unaudited basis), with standalone collection efficiency for the entire quarter of 105% and 113% for the month of September, including pre-payments. Excluding these, the standalone collection efficiency was 97% for the entire quarter and 99% for the month, respectively.

For the partial month of November, till November 16, 2021, the Company collected approximately INR 400 crore (standalone basis), which includes approximately INR 30 crore of advance collections done at the end of October related to loan instalments due in November, which is in line with collection trends from previous months. It has sufficient liquidity with cash and cash equivalents of approximately INR 1,300 crore, and additional undrawn sanctions of over INR 1,000 crore. It has been making all lender repayments on schedule and has already repaid INR 154 crore as of November 17, 2021. Further, it is on track to make additional repayments of INR 181 crore for the rest of the month.

The standalone disbursal volumes are also healthy at over Rs. 1,150 crores for the quarter ended September 30, 2021, with September alone accounting for Rs. 578 crores, resulting in closing assets under management ("AUM") of Rs. 7,034 crores (standalone basis). The company has also now recommenced new branch openings and new customer acquisitions, which will be further ramped up in the coming weeks.

The company has resumed the audit of the financial results for the quarter ended September 30, 2021, following a brief transition-related hiatus. It expects to be able to announce results in the next few weeks.

The Management Committee is also in the process of addressing gaps in the transition of services from the previous Managing Director, Ms. Padmaja Reddy. Shortly prior to her resignation, Ms. Reddy had transferred the company's IT systems to a new IT vendor and outsourced its management to that vendor. There has been no meaningful impact on the day-to-day business operations of the company from this. However, to ensure a smooth transition and business continuity, Spandana is taking steps to engage with this new vendor appropriately and has also made good progress on creating a parallel IT environment. Additionally, some potential concerns have been brought to the Board's notice regarding certain gold loan branches of Spandana's subsidiary, Criss Financial Limited. It is currently in the process of confirming the status of the same. The matter relates to its branches with a combined portfolio of less than 1% of Spandana's consolidated AUM, and therefore would not have a material financial impact on the company.



Spandana's Board reiterates its aim to grow the company and take it to greater heights with a professional and highly pedigreed management team. It remains fully committed to supporting the business and ensuring a smooth management transition and robust long-term trajectory.

About Spandana Sphoorty:

Spandana Sphoorty Financial Ltd. is a rural-focused non-banking financial company and a microfinance lender (NBFC-MFI) with a geographically diversified presence in India. The company offers income-generating loans under the joint liability group (JLG) model, predominantly to women from low-income households in rural areas. Spandana was started as an NGO in 1998 in Guntur, which later converted to an NBFC in 2004. In 2015, it transformed into an NBFC-MFI, licensed by the Reserve Bank of India, and is the second-largest microfinance company in India today.

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