



Ref: SSFL/Stock Exchange/2025-26/024

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: Press release on the financial and operational performance of the Company for the quarter and year ended March 31, 2025.

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

Please find enclosed herewith the press release on the financial and operational performance 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

Ph: +9140-45474750 | contact@spandanasphoorty.com | www.spandanasphoorty.com

PRESS RELEASE

Spandana Positions for Sustainable Growth with Strengthened Fundamentals and Capital Infusion Plan

Hyderabad, May 30, 2025: Spandana Sphoorty Financial Limited (NSE: SPANDANA, BSE: 542759) ("Spandana") announced its audited financial results for the quarter & Financial year ended March 31, 2025 today.

Highlights for FY25:

• AUM	-	₹6,819 Cr; 43% YoY decline (₹11,973 Cr)
• Disbursement	-	₹5,605 Cr; 48% YoY decline (₹10,688 Cr)
• GNPA & NNPA (standalone)	-	4.85% & 0.96% (31-Mar-24 -1.43% & 0.29% respectively)
• Income	-	₹2,424 Cr; 3% YoY decline (₹2,511 Cr)
• Net Interest Income	-	₹1,228 Cr; 5% YoY decline (₹1,289 Cr)
• PPOP	-	₹608 Cr; 35% YoY decline (₹930 Cr)

Mr. Ashish Damani, Interim CEO, President and CFO, while announcing the results stated, *"With the microfinance industry now implementing guardrails, the entire ecosystem is likely to become more credit disciplined which should lead to sustainable improvement across key metrics. Early signs of progress were evident at Spandana, with X-bucket collection efficiency (excluding Karnataka) improving to 98.9% in March 2025, compared to 98% in December 2024. Furthermore, recoveries from GNPA and written-off portfolios strengthened to ₹52 crore in Q4 FY25, up from ₹21 crore in Q3 FY25.*

The financial year, however, was marked by macro challenges of heat wave, disruptions due to elections, weakening borrower discipline and employee attrition which intensified challenges across the microfinance sector, including elevated delinquencies and rising credit costs. Spandana adopted a prudent approach by calibrating its disbursement strategy, leading to a 43% reduction in Assets Under Management (AUM), which stood at ₹6,819 crore as of March 31, 2025. The heightened delinquencies contributed to elevated impairment cost and resulted in a net loss of ₹434 crore for Q4FY25.

Despite these headwinds, Spandana has been maintaining a PCR of ~80% and over ₹2,000 Cr in liquidity at the end of March-25. The company remains well-capitalized, with a Capital to Risk-Weighted Assets Ratio (CRAR) of 37.1% and a conservative gearing of 2.1x. The upcoming rights issue to raise capital will further enhance the growth capital which the company will deploy as market conditions improve. At Spandana we are confident that the experienced management team possess the strategic acumen and operational strength to steer the company into its next phase of growth, with a renewed focus on deepening engagement with its existing borrower base."

Key performance metrics for FY25:

1. AUM – ₹6,819 Cr 43% YoY decline (₹11,973 Cr – March'24).
2. Disbursement– A very cautious approach to disbursement was adopted during the year owing to elevated stress and challenging conditions across the industry. Total disbursement for the year was ₹5,605 Cr as against ₹10,688 Cr disbursed in FY24 - a decline of 48%.
3. Asset Quality – industry wide challenges had an impact on asset quality.
 - a. GNPA – 5.63% (31-Dec-24 – 4.85%) ; NNPA – 1.19% (31-Dec-24 – 0.98%)
 - b. PCR – Provision Coverage Ratio has been maintained at ~80%
4. Collection Efficiency-
 - a. Gross Collection Efficiency was at 91.5% for Q4FY25 (92.4% in Q3FY25).
 - b. Net collection efficiency was flat QoQ at 90.9% (90.7% in Q3FY25)
5. Borrowings- Borrowings for the year were calibrated to meet the company's disbursement and liquidity requirements. ₹4,482Cr was mobilized during FY25 (₹10,441 Cr in FY24)
6. Sufficient liquidity of ₹2,030 Cr at the end of March 2025.
7. Financial Performance for FY25 vs. FY24 -
 - a. Total Income: ₹2,424 Cr in FY25 - 3% YoY decline
 - b. Net Interest Income: ₹1,228 Cr in FY25, lower by 5% YoY
 - c. Yield: 22.5%, decline of 173 bps YoY
 - d. Cost of borrowings: 12.0% in FY25; improved by 0.2% bps YoY
 - e. Pre-Provision Operating Profit (PPOP): ₹608 Cr for FY25 - decline of 35% YoY
 - f. Higher credit cost due to an increase in delinquencies resulted in reported net loss of ₹1,035 Cr FY25.

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 became an NBFC-MFI, licensed by the Reserve Bank of India.

Disclaimer

This press release is prepared for general information purposes only. The information contained herein is based on management information and estimates. It is only current as of its date, has not been independently verified and may be subject to change without notice. Spandana makes no representation or warranty, express or implied, as to, and do not accept any responsibility or liability with respect to, the fairness and completeness of the content hereof. Each recipient will be solely responsible for its own investigation, assessment and analysis of the market and the market position of Spandana. Spandana does not provide any guarantee or assurance with respect to any distribution or the trading price of its Shares.

This press release contains forward-looking statements based on the currently held beliefs, opinions and assumptions of the Management. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance, or achievements of Spandana or industry results, to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements. Given these risks, uncertainties and other factors, including the impact of COVID-19 on us, our borrowers and the Indian economy, recipients of this press release are cautioned not to place undue reliance on these forward-looking statements. Spandana disclaims any obligation to update these forward-looking statements to reflect future events or developments or the impact of events which cannot currently be ascertained, such as COVID-19. In addition to statements which are forward looking by reason of context, the words 'may', 'will', 'should', 'expects', 'plans', 'intends', 'anticipates', 'believes', 'estimates', 'predicts', 'potential' or 'continue' and similar expressions identify forward-looking statements.

Investor Contact:

Investor.relations@spandanasphoorty.com

Strategic Growth Advisors Pvt. Ltd
Abhishek Shah
Contact: +91 99306 51660

Media Contact: