



Ref: SSFL/Stock Exchange/2022-23/141

Date: January 31, 2023

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
BandraKurla 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 ended December 31, 2022.

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 ended December 31, 2022.

Kindly take the above on record.

Thanking you.

Yours sincerely,
For Spandana Sphoorty Financial Limited

Ramesh Periasamy
Company Secretary and Compliance officer

Spandana Sphoorty Financial Limited

CIN - L65929TG2003PLC040648

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Spandana reports 29% QoQ increase in PAT; Disbursement increases by 70% with 19% growth in AUM as Asset Quality Improves

Hyderabad, January 31, 2023: Spandana Sphoorty Financial Limited (NSE: SPANDANA, BSE: 542759) ("Spandana") announced its unaudited financial results subject to limited review for quarter ended December 31, 2022 today.

Mr. Shalabh Saxena- Managing Director and CEO commenting on the performance of the Company for the Quarter said: "While steering through the challenges, we continue to make progress with our results in line with what we had set out to achieve beginning of the year. The quarter delivered a holistic improvement in all business parameters primarily driven by improvement in asset quality and disbursements. Initiatives that we had embarked upon to strengthen Controls, Refining Processes, using technology for monitoring risks & Audit are progressing at desired pace. We are thus readying the organization to pursue the Growth agenda and the coming quarters will see the same unfold."

Highlights for the Quarter 3, FY-23:

1. AUM – ₹6,852 Cr a 19% growth over Q2FY23 (₹5,782 Cr)
2. Disbursement & Member Acquisition – Strong growth in new borrower addition and loan disbursement during the quarter
 - a. Disbursement of ₹2,361 Cr (Q2 FY23 – 1,391 Cr), QoQ growth of 70%
 - b. Member Acquisition 2.19 L (Q2 FY23 – 1.23 L), QoQ growth of 77%
3. Asset Quality – Asset book continues to improve with current book at 92.1% of AUM vs. 86.9% in Q2 FY23.
 - a. SMA book (1-90) – 2.6% (Q2 FY23 – 5.7%)
 - b. GNPA – 5.3% (Q2 FY23 – 7.4%)
 - c. NNPA – 2.5% (Q2 FY23 – 3.8%)
 - d. Provisioning - ₹272 Cr; 4.0% of AUM (Q2 FY23 - ₹279 Cr; 4.8%)
 - e. PCR – 52.5% (Q2 FY23 – 47.9%)
4. Collection Efficiency- continues to remain stable at 102.1% (101.3% in Q2FY23). Net collection efficiency improved to 94.5% (93.3% in Q2FY23)
5. Borrowings-
 - a. Extended relationships by adding 8 New Lenders, while continuing to strengthen relationships with existing Lenders.
 - b. ₹2,138 Cr funds mobilized in Q3 FY23 v/s ₹1,080 Cr in Q2 FY23, a growth of 98%
6. Financial Performance-
 - a. Total Income: ₹375 Cr (₹310 Cr in Q2FY23) – growth of 21% QoQ
 - b. Net interest income: ₹254 Cr (₹219 Cr in Q2FY23) – growth of 16% QoQ
 - c. Yield: 21.5% (19.5% in Q2FY23) – improvement of 200 bps
 - d. Cost of borrowings: 11.5% (11.2% in Q2FY23) – increase of 30 bps
 - e. Pre-Provision Operating Profit (PPOP): ₹141 Cr (₹110 Cr in Q2 FY23) – growth of 28% QoQ
 - f. Profit after tax: ₹71 Cr (₹55 Cr in Q2FY23) – growth of 29% QoQ

Mr Saxena, while announcing the results for the quarter added – "We will continue to pursue the growth agenda in Q4, FY23 by opening ~100 new branches in identified geographies. The company's focus on quality growth remains intact and we will keep expanding our business while strengthening our teams & stakeholder relationships towards meeting the goals envisaged in our Vision 2025".

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.

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.

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