



Ref: SSFL/Stock Exchange/2025-26/055

August 14, 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 ended June 30, 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 ended June 30, 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

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PRESS RELEASE

Spandana Strengthens Balance Sheet with ₹400 Cr Rights Issue (partly paid), well-positioned to meet future growth

Hyderabad, August 14, 2025: Spandana Sphoorty Financial Limited (NSE: SPANDANA, BSE: 542759) ("Spandana") announced its unaudited financial results for the quarter ended June 30th, 2025, today.

Highlights for Q1FY26:

• AUM	-	₹4,958 Cr; 27% QoQ decline (₹6,819 Cr)
• Disbursement	-	₹280 Cr; 23% QoQ decline (₹365 Cr)
• GNPA & NNPA (standalone)	-	4.88% & 0.96% (31-Mar-25 - 4.85% & 0.96% respectively)
• Income	-	₹304 Cr; 27% QoQ decline (₹419 Cr)
• Net Interest Income	-	₹113 Cr; 43% QoQ decline (₹197 Cr)
• PPOP	-	₹ -59 Cr; ₹25 Cr in Q4FY25

Mr. Ashish Damani, Interim CEO, President and CFO, while announcing the results stated, *"We successfully closed the ₹400 Crore rights issue with participation in full from promoters and institutional investors. This capital raise will further strengthen our capital structure and position us for future growth. Post-issue, our CRAR has improved to 46%, up from 40.8% at the end of June 2025 on consolidated basis."*

During Q1FY26, we prioritized strengthening our products, processes, and technology across the customer journey, while maintaining a disciplined approach to disbursements. The operating environment is improving gradually, and we remain focused on identifying the right opportunities to serve our customers effectively. We continued to grapple with industry-wide challenges that emerged in FY2024-25. Despite stabilization in operations, these factors continued to disrupt operations and collections, driving up gross slippage, credit costs and resulting in a loss for the quarter ended June 30, 2025. Disbursements for the quarter stood at ₹280 Cr. AUM at the end of Q1FY26 was ₹4,958 Cr. Standalone GNPA and NNPA were at 4.88% and 0.96%, respectively.

Spandana continues to maintain comfortable liquidity with ₹1,731 Cr which is 26% of our assets. As of Jun-25, our PCR was maintained at ~80% and gearing was at 1.9x. As the industry moves forward with full implementation of SRO guidelines, we are confident that team Spandana is well-equipped to meet customer lifecycle needs and continue building a quality portfolio."

Key performance metrics for Q1FY26:

1. AUM – ₹4,958 Cr 27% QoQ decline (₹6,819 Cr – March'25).
2. Disbursement – Muted disbursements owing to very selective lending and continued industry headwinds. Total disbursement for the quarter was ₹280 Cr as against ₹365 Cr disbursed in Q4FY25 - a QoQ decline of 23%.
3. Asset Quality (Consolidated) –
 - a. GNPA – 5.49% (31-March-2025 – 5.63%); NNPA – 1.15% (31-March-2025 – 1.19%)
 - b. PCR – Provision Coverage Ratio has been maintained at ~80%
4. Collection Efficiency-
 - a. Gross Collection Efficiency was at 91.1% for Q1FY26 (91.5% in Q4FY25).
 - b. Net collection efficiency was flat QoQ at 90.6% (90.9% in Q4FY25)
5. Sufficient liquidity of ₹1,731 Cr at the end of June 2025.
6. Financial Performance for Q1FY26 vs. Q4FY25 -
 - a. Total Income: ₹304 Cr in Q1FY26 - 27% QoQ decline
 - b. Net Interest Income: ₹113 Cr in Q1FY26, lower by 43% QoQ
 - c. Yield: 19.35%, decline of 138 bps QoQ
 - d. Cost of borrowings: 12.34% in Q1FY26; decline by 21 bps QoQ
 - e. Pre-Provision Operating Profit (PPOP): (₹59 Cr) for Q1FY26 vs. ₹25 Cr reported in Q4FY25
 - f. The Company reported a net loss of ₹360 crore for Q1 FY26, driven by elevated credit costs stemming from higher gross slippage, coupled with subdued income due to degrowth in loan book and increased operational expenses.

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.

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