

PRESS RELEASE

Spandana AUM grows by 32% YoY, NII up by 47% YoY. Reports ₹56 Cr PAT despite disruptions induced by heat wave and long drawn general elections.

Hyderabad, July 27th, 2024: Spandana Sphoorty Financial Limited (NSE: SPANDANA, BSE: 542759) (“Spandana”) announced its unaudited financial results for the quarter June 30, 2024 today.

Highlights for Q1FY25:

• AUM	-	₹11,723 Cr; +32% over Q1FY24 (₹8,848 Cr)
• Disbursement	-	₹2,283 Cr; +37% over Q1FY24 (₹1,664 Cr)
• GNPA & NNPA	-	2.60% & 0.53% (1.63% & 0.49% in Q1FY24)
• Income	-	₹737 Cr; +40% over Q1FY24 (₹527 Cr)
• Net Interest Income	-	₹425 Cr; +47% over Q1FY24 (₹290 Cr)
• PAT	-	₹56 Cr; -53% over Q1FY24 (₹119 Cr)

Mr. Shalabh Saxena, CEO and Managing Director, while announcing the results stated, “Q1FY25 was a challenging quarter for the company. The long drawn 7 phase general elections, severe heat wave across the country and higher attrition in select geographies posed a challenge to the quality of the portfolio.

Despite these temporary disruptions, our teams were able to add about 2 lac new borrowers during the quarter taking our total customer base to 34.1 Lacs (+42% YoY). Disbursement for the quarter was up by 37% YoY to ₹2,283 Crore. Income was up 40% YoY to ₹737 Crore and NII increased by 47% YoY to ₹425 Crore.

The challenges faced during the quarter reflected in elevated delinquencies and higher credit costs resulting in PAT declining to ₹56 Crore from ₹119 Crore reported for Q1FY24. GNPA at the end of the quarter was at 2.60% and NNPA was at 0.53%. We expect the business to be normalized by the second half of the year.

With the constant support of all our stakeholders and the efforts of our employees, we are reasonably confident of sustaining our growth momentum while improving the efficiencies of existing operations during the course of the year.”

Highlights for the quarter Q1FY25:

1. AUM – ₹11,723 Cr a 32% YoY growth (₹8,848 Cr – Q1FY24).
2. Disbursement & Member Acquisition – Our focus on customer acquisition led growth continues.
 - a. ~2 Lac new customers were added during Q1FY25 - a decline of 23% YoY. The decline was largely due to challenges including heat wave and general elections.
 - b. Disbursement for the quarter was ₹2,283 Cr vs. ₹1,664 Cr in Q1FY24, growth of 37%
3. Asset Quality – temporary disruptions had an impact on asset quality.
 - a. GNPA – 2.60% (31-Mar-24 – 1.50%)
 - b. NNPA – 0.53% (31-Mar-24 – 0.30%)
 - c. PCR – Provision Coverage Ratio has been maintained at 79.66%
4. Collection Efficiency-
 - a. Gross Collection Efficiency was at 97.5% for Q1FY25 (99.3% in Q4FY24).
 - b. Net collection efficiency for the quarter Q1FY25 was 94.0% (96.5% in Q4FY24)
5. Borrowings- We continue to optimize our borrowing mix. Banks now account for 59% of total borrowings
 - a. ₹1,554 Cr was mobilized during Q1FY25 – flat as compared to Q1FY24.
6. Financial Performance -
 - a. Total Income: ₹737 Cr in Q1FY25 - growth of 40% YoY
 - b. Net Interest Income: ₹425 Cr in Q1FY25, QoQ growth of 47%
 - c. Yield: 24.4% (24.0% in Q1FY24) – improvement of 35 bps YoY
 - d. Cost of borrowings: 11.6% in Q1FY25 decrease of 92 bps YoY
 - e. Pre-Provision Operating Profit (PPOP): ₹287 Cr for Q1FY25 - growth of 52% YoY
 - f. Profit after tax: PAT for the quarter was impacted by credit cost due to an increase in delinquencies. Q1FY25 PAT was ₹56 Cr vs. ₹119 Cr in Q1FY24.

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.

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