

Spandana reports QoQ 24% growth in AUM; 48% increase in PAT. NNPA at 0.64% as portfolio improves significantly.

Mumbai, May 2, 2023: Spandana Sphoorty Financial Limited (NSE: SPANDANA, BSE: 542759) ("Spandana") announced its Audited financial results for the quarter and year ended March 31, 2023 today.

Mr. Shalabh Saxena- Managing Director and CEO while presenting the results of the company stated: "FY23 was a year of consolidation for Spandana. Efforts of the management team were dedicated to multiple priorities which included building a strong team; refining systems & processes; strengthening governance & control; and expanding operations. FY23 was the first of the three-year plan articulated under Vision 2025 and we are happy to inform that the performance is in line with the plan.

With focus on customer acquisition led growth, we were able to add about 8.8 Lac new borrowers during the year, thus taking the total customer base to 23 lacs end of March'23. Our asset quality saw a sharp improvement with GNPA improving from 18.7% at the end of FY22 to 2.07% at the end of FY23. NNPA during the same period improved from 10.5% to 0.64%.

Further he presented the highlights of the Quarter 4, FY-23:

1. AUM – ₹8,511 Cr a 24% growth over Q3FY23 (₹6,852 Cr) and a 29% growth over FY22 (₹6,581 Cr).
2. Disbursement & Member Acquisition – Growth in new customer addition and loan disbursement continued during the quarter.
 - a. Disbursement of ₹3,054 Cr (Q3 FY23 – ₹2,361 Cr), QoQ growth 29.4%. Disbursement during the year was ₹8,125 Cr in FY23 vs. ₹3,373 Cr disbursed in FY22 registering a growth of 141%
 - b. New customer addition during the quarter was 4.3 Lacs (Q3 FY23 – 2.19 Lac), QoQ growth 95%. About 8.8 Lac new customers were acquired during the year FY23 a growth of 166% over FY22.
3. Asset Quality – Asset book continues to improve with current book at 96.6% of AUM vs. 92.1% in Q3 FY23. The GNPA and NNPA numbers were-
 - a. GNPA – 2.07% (Q3 FY23 – 5.31%); v/s 18.7% as on 31-Mar-22
 - b. NNPA – 0.64% (Q3 FY23 – 2.52%); v/s 10.5% as on 31-Mar-22
 - c. PCR – Provision Coverage Ratio is 70% on unsecured portfolio; 69.1% at consolidated level (Q3 FY23 – 52.5%);
4. Collection Efficiency-
 - a. Gross Collection Efficiency continues to remain stable at 102.5% (102.1% in Q3FY23).
 - b. Net collection efficiency improved to 97.6% (94.5% in Q3FY23)
5. Borrowings-
 - a. We added 8 new lenders in the quarter. The relationship base now is of 48 lenders.
 - b. ₹2,402 Cr funds mobilized in Q4 FY23 v/s ₹2,138 Cr in Q3 FY23, a growth of 12%. ₹5,775 Cr was mobilized during the year – up 208% over ₹1,875 Cr in FY22.
6. Financial Performance QOQ-
 - a. Total Income: ₹533 Cr (₹375 Cr in Q3FY23) – growth of 42% QoQ
 - b. Net interest income: ₹384 Cr (₹254 Cr in Q3FY23) – growth of 51% QoQ
 - c. Normalized Yield: 22.8% (21.2% in Q3FY23) – improvement of 168 bps
 - d. Normalized Cost of borrowings: 12.4% (11.5% in Q3FY23) – increase of 88 bps
 - e. Pre-Provision Operating Profit (PPOP): ₹261 Cr (₹141 Cr in Q3 FY23) – growth of 85%
 - f. Profit after tax: ₹106 Cr (₹71 Cr in Q3FY23) – growth of 48% QoQ.
 - g. PAT for FY23 was down 82% to ₹12 Cr owing to write-off of ₹702 Cr in Q1FY23.

Mr. Saxena added, "While there are concerns due to geo-political and macro-economic challenges, we are cautiously optimistic about the prospects of Indian economy in the medium term. For FY2024, we have plans to open 400 new branches across select states and disburse close to ₹11,500 crs during

the financial year. Our focus will be to deliver quality growth that adds value for all stakeholders and every step we take is aimed at achieving that objective.”

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.

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