



Ref: SSFL/Stock Exchange/2025-26/098

November 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 and 890221

Symbol: SPANDANA and SSFLPP

Dear Sir/Madam,

Sub: Monitoring agency report for the quarter ended September 30, 2025

Pursuant to the Regulation 32(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Regulation 82(2) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, please find enclosed herewith the Monitoring agency report, for the quarter ended September 30, 2025 issued by CARE Ratings Limited, in respect of utilization of proceeds raised through the rights issue of equity shares.

The aforesaid information shall also be made available on the website of the Company at www.spandanasphoorty.com.

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,

TSIIC, Raidurg Panmaktha, Hyderabad – 500081, Telangana

Ph: +9140-48126666 | contact@spandanasphoorty.com | www.spandanasphoorty.com

No. CARE/NRO/GEN/2025-26/1125

Monitoring Agency Report

The Board of Directors

Spandana Sphoorty Financial Limited

16th Floor, Wing B, Galaxy Aurobindo Realty, Plot No.1, Survey No.83/1,
Knowledge City, TSIC,
Hyderabad
Telangana 500081

November 13, 2025

Dear Sir/Ma'am,

Monitoring Agency Report for the quarter ended September 30, 2025 - in relation to the Rights issue of Spandana Sphoorty Financial Limited ("the Company")

We write in our capacity of Monitoring Agency for the Rights Issue for the amount aggregating to Rs. 400 crore of the Company and refer to our duties cast under Regulation 82 of the Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations.

In this connection, we are enclosing the Monitoring Agency Report for the quarter ended September 30, 2025 as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated July 15, 2025.

Request you to kindly take the same on records.

Thanking you,

Yours faithfully,



Jatin Arora

Assistant Director

Jatin.arora@careedge.in

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Noida,
Gautam Budh Nagar, Uttar Pradesh -201301
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Report of the Monitoring Agency

Name of the issuer: Spandana Sphoorty Financial Limited

For quarter ended: September 30, 2025

Name of the Monitoring Agency: CARE Ratings Limited

(a) Deviation from the objects: Not Applicable

(b) Range of Deviation: Not Applicable

Declaration:

We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013.

The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit related analyses. We confirm that there is no conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer, or while undertaking credit rating or other commercial transactions with the entity.

We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title "Comments of the Board of Directors", that shall be captured by the Issuer's Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer's Management/Board.

Signature:



Name and designation of the Authorized Signatory: Jatin Arora

Designation of Authorized person/Signing Authority: Assistant Director

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RATINGS

1) Issuer Details:

Name of the issuer : Spandana Sphoorty Financial Limited
Name of the promoter : Kangchenjunga Limited and Kedaara Capital Fund III LLP
Industry/sector to which it belongs : Non-Banking Financial Company-Microfinance Institution

2) Issue Details

Issue Period : August 01, 2025 to March 31, 2027
Type of issue (public/rights) : Rights Issue
Type of specified securities : Equity Shares
IPO Grading, if any : Not Applicable
Issue size (in crore) : Rs. 400 crore

3) Details of the arrangement made to ensure the monitoring of issue proceeds:

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all utilization is as per the disclosures in the Offer Document?	No	CA Certificate*, Bank Statements, Offer Document	The company has fully utilized the amount of Rs. 190 crore towards object 1. Additionally, Rs. 5.02 crore which was to be utilized towards Object 2 (general corporate purpose) has been utilised towards Object 1.	The Company has fully utilized the proceeds for disbursements. Since General corporate purpose is defined to include <i>utilizing for the business growth, there has been no deviation from stated object in the offer document.</i>
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	Not Applicable	CA Certificate*, Bank Statements, Offer Document	Not applicable	None
Whether the means of finance for the disclosed objects of the issue have changed?	No	CA Certificate*, Bank Statements, Offer Document	Not applicable	None
Is there any major deviation observed over the earlier monitoring agency reports?	Not applicable	Not applicable	This is the first monitoring agency report	None

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Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all Government/statutory approvals related to the object(s) have been obtained?	Not applicable	Not applicable	Not applicable	None
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Not applicable	Not applicable	Not applicable	None
Are there any favorable/unfavorable events affecting the viability of these object(s)?	No	No	No	None
Is there any other relevant information that may materially affect the decision making of the investors?	Yes	Stock Exchange, Company	Over the past few quarters, the company has witnessed a significant decline in scale along with deterioration in asset quality and has been reporting losses since Q2FY24, owing to stress in Microfinance sector. Further, the company is in breach of some financial covenants which provides an option to the lenders/ investors to exercise accelerated repayment, for outstanding borrowing accounting for ₹432 crore (out of which SSFL has received waiver for ₹294 core debt) as on June 30, 2025.	In the second quarter of FY26, the Company demonstrated signs of recovery from the structural and external challenges faced during FY25, signaling a phase of progressive stabilization. Disbursement volumes showed an increased trend, indicating renewed borrower engagement. Concurrently, current bucket collection efficiency improved consistently across key states from April to September 2025. Additionally, loans originated in the current fiscal year exhibited strong collection efficiency.

* Chartered Accountant certificate from Raju & Prasad Chartered Accountants dated October 30, 2025

#Where material deviation may be defined to mean:

- a) Deviation in the objects or purposes for which the funds have been raised
- b) Deviation in the amount of funds actually utilized by more than 10% of the amount projected in the offer documents

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4) Details of objects to be monitored:

(i) Cost of objects –

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Original cost (as per the Offer Document) in Rs. Crore	Revised Cost in Rs. Crore	Comments of the Monitoring Agency	Comments of the Board of Directors		
						Reason for cost revision	Proposed financing option	Particulars of -firm arrangements made
1	Augmenting the capital base and resources for meeting funding requirements for our Company's business activities	Chartered Accountant certificate*, Offer Document	380.00	Not Applicable	No Change	Not applicable		
2	General corporate purposes#	Chartered Accountant certificate*, Offer Document	15.64	Not Applicable	No Change	Not applicable		
3	Issue related expenses	Chartered Accountant certificate*, Offer Document	4.36	Not Applicable	No Change	Not applicable		
Total			400.00					

* Chartered Accountant certificate from Raju & Prasad Chartered Accountants dated October 30, 2025

#The utilisation towards general corporate purposes shall be to drive business growth, including support to strategic growth initiatives like geographic expansion, and any other purpose as permitted by applicable laws and as approved by our Board or a duly appointed committee thereof, subject to meeting regulatory requirements and obtaining necessary approvals/ consents, as applicable. The management will have flexibility in utilizing the proceeds earmarked for general corporate purposes.

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(ii) Progress in the objects –

Sr. No	Item Head	Source information of / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore	Amount received at the allotment of rights share in Rs. Crore	Amount utilised in Rs. Crore			Total unutilised amount in Rs. crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
					As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore			Reasons for idle funds	Proposed course of action
1	Augmenting the capital base and resources for meeting funding requirements for our Company's business activities	Chartered Accountant certificate*, Bank statements	380.00	190.00	Nil	195.02	195.02	**3.18	Out of allowed utilization of Rs. 190 crore towards first object, the entire amount has been used in Q2 FY2026 in form of disbursements to borrowers. Out of Rs. 5.65 crore proposed to be utilised for GCP (Object 2), Rs. 5.02 crore has been additionally utilised towards Object 1.	The Company has fully utilized the proceeds for disbursements. Since General corporate purpose is defined to include <i>utilizing for the business growth, there has been no deviation from stated object in the offer document.</i>	
2	General corporate purposes		15.64	5.64	Nil	Nil	Nil				
	Issue related expenses	Management Certificate, Chartered Accountant certificate*, Bank statements, Offer Document	4.36	4.36	Nil	1.15	1.15		There was no utilisation towards general corporate purposes, as certified by management and CA. Accordingly, entire fund has been utilized for meeting funding requirements for Company's business	The amount of ₹3.18 crore remains unutilized/untransferred as on September 30, 2025, which pertains to issue expenses paid through account other than monitoring account.	

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Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore	Amount received at the allotment of rights share in Rs. Crore	Amount utilised in Rs. Crore			Total unutilised amount in Rs. crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
					As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore			Reasons for idle funds	Proposed course of action
									activities i.e. disbursements. **Rs. 3.18 crore excludes Rs. 0.37 crore w.r.t. income earned from temporary investments.		
Total			400.00@	199.35	Nil	196.17	196.17	3.18			

* Chartered Accountant certificate from Raju & Prasad Chartered Accountants dated October 30, 2025

@Out of the total issue of Rs.400.00 crore, the company received 50% of the proceeds. However, the company has actually received Rs. 199.35 crore owing to rejection of some of the invalid applications submitted by the applicants and balance Rs. 200 crore is yet to be received.

(iii) Deployment of unutilized proceeds:

Sr. No.	Type of instrument and name of the entity invested in	Amount invested	Maturity date	Remark	Return on Investment (%)	Market Value as at the end of quarter
1	Closing Balance of Monitoring Account	3.55	Not Applicable	Rs. 3.55 crore includes Rs. 0.37 crore w.r.t. income earned from temporary investments. The balance i.e. Rs. 3.18 crore pertains to issue expenses paid through account other than monitoring account, remaining to be reimbursed from monitoring account.	Not Applicable	Not Applicable

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(iv) Delay in implementation of the object(s) –

Objects	Completion Date		Delay (no. of days/ months)	Comments of the Board of Directors	
	As per the offer document	Actual		Reason of delay	Proposed course of action
Augmenting the capital base and resources for meeting funding requirements for our Company's business activities	Latest by March 31, 2027	Ongoing	No Delay		None
General corporate purposes					

5) Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document:

Sr. No	Item Head^	Amount in Rs. Crore	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of Monitoring Agency	Comments of the Board of Directors
1	Not applicable	-	CA Certificate*, Offer Document	The entire fund earmarked for GCP has been utilized for meeting funding requirements for Company's business activities and no amount is utilized toward GCP for the quarter ended September 30, 2025	The Company has fully utilized the proceeds for disbursements. Since General corporate purpose is defined to include <i>utilizing for the business growth, there has been no deviation from stated object in the offer document.</i>

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^ Section from the offer document related to GCP:

Our Company intends to deploy the balance Net Proceeds aggregating up to ₹ 15.64 crores towards general corporate purposes, provided that the amount to be utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds. Such utilisation towards general corporate purposes shall be to drive our business growth, including, amongst other things, support its strategic growth initiatives, including geographic expansion, and any other purpose as permitted by applicable laws and as approved by our Board or a duly appointed committee thereof, subject to meeting regulatory requirements and obtaining necessary approvals/ consents, as applicable. Our management will have flexibility in utilizing the proceeds earmarked for general corporate purposes.

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Disclaimers to MA report:

a) This Report is prepared by CARE Ratings Ltd (hereinafter referred to as "Monitoring Agency/MA"). The MA has taken utmost care to ensure accuracy and objectivity while developing this Report based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever.

b) This Report has to be seen in its entirety; the selective review of portions of the Report may lead to inaccurate assessments. For the purpose of this Report, MA has relied upon the information provided by the management /officials/ consultants of the Issuer and third-party sources like peer reviewed audit firm appointed by the Issuer believed by it to be accurate and reliable.

c) Nothing contained in this Report is capable or intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The MA is also not responsible for any errors in transmission and specifically states that it, or its directors, employees do not have any financial liabilities whatsoever to the users of this Report.

d) The MA and its affiliates do not act as a fiduciary. The MA and its affiliates also do not act as an expert to the extent defined under Section 2(38) of the Companies Act, 2013. While the MA has obtained information from sources it believes to be reliable, it does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives from peer reviewed audit firm (or from peer reviewed CA firms), lawyers, chartered engineers or other experts, and relies on in its reports.

e) The MA or its affiliates may have other commercial transactions with the entity to which the report pertains. As an example, the MA may rate the issuer or any debt instruments / facilities issued or proposed to be issued by the issuer that is subject matter of this report. The MA may receive separate compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors.

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