

May 02, 2022

## Spandana Sphoorty Financial Limited: ICRA withdraws rating for pass through certificates (PTCs) issued under a micro loan securitisation transaction

### Summary of rating action

Trust Name	Instrument*	Initial Rated Amount (Rs. crore)	Previous rated amount (Rs. crore)	Current outstanding Amount (Rs. crore)	Rating Action
Vivriti Ohio 09 2020	PTC Series A1	49.93	3.94	0.00	[ICRA]AA+(SO); withdrawn

\*Instrument details are provided in Annexure-1

### Rationale

ICRA has withdrawn the rating for PTCs issued under a micro loan securitisation transaction originated by Spandana Sphoorty Financial Limited (SSFL), as tabulated above.

All the payouts to the investors in the above-mentioned instrument has been made and no further payment are due to the investors.

The key rating drivers, liquidity position, rating sensitivities have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click here](#)

### Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">ICRA's Policy on Withdrawal and Suspension of Credit Rating</a>
Parent/Group Support	Not Applicable
Consolidation/Standalone	Not Applicable

### About the company

Spandana Sphoorty Financial Limited (Spandana) was incorporated in 2003 as a non-banking financial company (NBFC) and it took over the microfinance operations of Spandana, a non-governmental organisation started by Ms. Padmaja Reddy in 1998. The company was classified as a non-banking financial company – microfinance institution (NBFC-MFI) in 2015. Following the microfinance crisis in Andhra Pradesh (AP), Spandana entered into a master restructuring agreement (MRA) as part of a corporate debt restructuring (CDR) with its lenders in September 2011. It exited the CDR in April 2017 after a fresh equity investment led by Kedaara Capital Investment Managers Limited (Kedaara Capital) and fresh funding from three banks. The company completed its initial public offering (IPO) in August 2019.

The company has a rating of [ICRA]A- and is placed under watch with developing implications on its long-term debt programmes.

## Key financial indicators (audited)

Spandana Sphoorty Financial Limited (standalone)	FY2020	FY2021	3M FY2022*
Total Income	1,217.0	1,365.2	389.4
Profit after Tax	336.7	129.0	47.5
Assets under management	6,660.8	7,812.7	7,042.6
Gross NPA (%)	0.4%	5.8%	4.7%
Net NPA (%)	0.1%	3.2%	2.4%

Source: Company, ICRA Research; \* Provisional numbers. All ratios as per ICRA calculations

**Status of non-cooperation with previous CRA: Not applicable**

**Any other information: None**

## Rating history for past three years

	Trust Name	Current Rating (FY2023)			Chronology of Rating History for the past 3 years				
		Instrument	Initial Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in FY2023	Date & Rating in FY2022	Date & Rating in FY2021		Date & Rating in FY2020
					May 02, 2022	Nov 29, 2021	Nov 3, 2020	Oct 05, 2020	-
1	Vivriti Ohio 09 2020	PTC Series A1	49.93	0.00	[ICRA]AA+(SO) withdrawn	[ICRA]AA+(SO)	[ICRA]A+(SO)	Provisional [ICRA]A+(SO)	-

## Complexity level of the rated instrument

Trust name	Instrument	Complexity Indicator
Vivriti Ohio 09 2020	PTC Series A1	Moderately Complex

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analyzing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [www.icra.in](http://www.icra.in)

### Annexure-1: Instrument details

Trust Name	Instrument	Date of Issuance / Sanction	Coupon Rate	Scheduled Maturity Date	Amount Rated (Rs. Crore)	Current Rating
Vivriti Ohio 09 2020	PTC Series A1	September 2020	9.75%	July 2022	0.00	[ICRA]AA+(SO); withdrawn

Source: Company

### Annexure-2: List of entities considered for consolidated analysis

Not Applicable

## ANALYST CONTACTS

**Abhishek Dafria**  
+91 22 6114 3440  
[abhishek.dafria@icraindia.com](mailto:abhishek.dafria@icraindia.com)

**Gaurav Mashalkar**  
+91 22 6114 3431  
[gaurav.mashalkar@icraindia.com](mailto:gaurav.mashalkar@icraindia.com)

**Sushant Vanmali**  
+91 22 6114 3436  
[sushant.vanmali@icraindia.com](mailto:sushant.vanmali@icraindia.com)

**Himanshi Doshi**  
+91 22 6114 3410  
[himanshi.doshi@icraindia.com](mailto:himanshi.doshi@icraindia.com)

## RELATIONSHIP CONTACT

**L Shivakumar**  
+91 22 6114 3406  
[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**  
Tel: +91 124 4545 860  
[communications@icraindia.com](mailto:communications@icraindia.com)

## Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

[info@icraindia.com](mailto:info@icraindia.com)

## About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit [www.icra.in](http://www.icra.in)

## ICRA Limited



### Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



### Branches



© Copyright, 2022 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website [www.icra.in](http://www.icra.in) or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.