

June 19, 2024

Spandana Sphoorty Financial Limited: Ratings withdrawn for PTCs issued under three microfinance loan securitisation transactions

Summary of rating action

| Trust Name | Instrument* | Initial Rated Amount (Rs. crore) | Previous rated amount (Rs. crore) | Current Amount Outstanding (Rs. crore) | Rating Action |
|-----------------------|---------------|----------------------------------|-----------------------------------|--|-----------------------------|
| Skyline 200 10 2022 | PTC Series A1 | 199.34 | 33.27 | 0.00 | [ICRA]AAA(SO); Withdrawn |
| NIMBUS 2022 MFI Bucky | PTC Series A1 | 73.98 | 13.80 | 0.00 | [ICRA]AAA(SO); Withdrawn |
| Cricket 12 2022 | PTC Series A1 | 52.68 | 6.32 | 0.00 | [ICRA]AAA(SO); Withdrawn |

*Instrument details are provided in Annexure I

Rationale

ICRA has withdrawn the ratings for pass through certificates (PTCs) issued under three securitisation transactions backed by microfinance loans receivables originated by Spandana Sphoorty Financial Limited (SSFL) (SSFL/Originator; rated [ICRA]A(Positive)) as tabulated above. All the payouts to the investors in the above-mentioned instrument have been made and no further payments are due to the investors.

The key rating drivers, liquidity position, rating sensitivities have not been captured as the rating assigned to the instruments has been withdrawn. The previous detailed rating rationales of previous rating exercise is available at the following links:

| Trust Name | Link |
|-----------------------|----------------------------|
| Skyline 200 10 2022 | Click Here |
| NIMBUS 2022 MFI Bucky | Click Here |
| Cricket 12 2022 | Click Here |

Analytical approach

| Analytical Approach | Comments |
|---------------------------------|--|
| Applicable rating methodologies | ICRA's Policy on Withdrawal of Credit Rating |
| Parent/Group support | Not Applicable |
| Consolidation/standalone | Not Applicable |

About the Originator

Spandana Sphoorty Financial Limited (SSFL) 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 an NBFC-microfinance institution (NBFC-MFI) in 2015. Following the microfinance crisis in Andhra Pradesh (AP), the company entered into a master restructuring agreement (MRA) as a part of the corporate debt restructuring (CDR) with its lenders in September 2011. It exited the CDR in April 2017 after an equity investment led by Kedaara Capital

Investment Managers Limited (Kedaara Capital) and fresh funding from three banks. SSFL completed its initial public offering (IPO) in August 2019. The current leadership team is led by Mr. Shalabh Saxena (Managing Director & Chief Executive Officer) and Mr. Ashish Damani (President & Chief Financial Officer). The company has a 10-member board of directors, including 5 independent directors.

Key financial indicators (standalone)

| | FY2022 | FY2023 | H1FY2024 |
|------------------------|---------|---------|----------|
| Total income | 1,350.8 | 1,355.8 | 1,105.1 |
| Profit after tax | 46.6 | 12.3 | 227.4 |
| Total managed assets | 7,985.5 | 9,933.3 | 11,862.1 |
| Gross stage 3 (on b/s) | 18.9% | 1.9% | 1.3% |
| CRAR | 50.7% | 36.9% | 37.0% |

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

| Sr. No. | Trust Name | Current Rating (FY2025) | | | | Chronology of Rating History for the Past 3 Years | | | |
|---------|---------------------|-------------------------|----------------------------------|--------------------------------|-----------------------------|---|-------------------------|-----------------------------|-------------------------|
| | | Instrument | Initial Amount Rated (Rs. crore) | Amount Outstanding (Rs. crore) | Date & Rating | Date & Rating in FY2024 | Date & Rating in FY2023 | | Date & Rating in FY2022 |
| | | | | | | | June 19, 2024 | December 14, 2023 | |
| 1 | Skyline 200 10 2022 | PTC Series A1 | 199.34 | 0.00 | [ICRA]AAA(SO); Withdrawn | [ICRA]AAA(SO) | [ICRA]A+(SO) | Provisional [ICRA]A+(SO) | - |

| Sr. No. | Trust Name | Current Rating (FY2025) | | | | Chronology of Rating History for the Past 3 Years | | | |
|---------|-----------------------|-------------------------|----------------------------------|--------------------------------|-----------------------------|---|-------------------------|-----------------------------|-------------------------|
| | | Instrument | Initial Amount Rated (Rs. crore) | Amount Outstanding (Rs. crore) | Date & Rating | Date & Rating in FY2024 | Date & Rating in FY2023 | | Date & Rating in FY2022 |
| | | | | | | | June 19, 2024 | February 22, 2024 | |
| 2 | NIMBUS 2022 MFI Bucky | PTC Series A1 | 73.98 | 0.00 | [ICRA]AAA(SO); Withdrawn | [ICRA]AAA(SO) | [ICRA]A+(SO) | Provisional [ICRA]A+(SO) | - |

| Sr. No. | Trust Name | Current Rating (FY2025) | | | | Chronology of Rating History for the Past 3 Years | | | |
|---------|-----------------|-------------------------|----------------------------------|--------------------------------|-----------------------------|---|-------------------------|-----------------------------|-------------------------|
| | | Instrument | Initial Amount Rated (Rs. crore) | Amount Outstanding (Rs. crore) | Date & Rating | Date & Rating in FY2024 | Date & Rating in FY2024 | | Date & Rating in FY2022 |
| | | | | | | | June 19, 2024 | February 22, 2024 | |
| 3 | Cricket 12 2022 | PTC Series A1 | 52.68 | 0.00 | [ICRA]AAA(SO); Withdrawn | [ICRA]AAA(SO) | [ICRA]A-(SO) | Provisional [ICRA]A-(SO) | - |

Complexity level of the rated instrument

| Trust Name | Instrument | Complexity Indicator |
|-----------------------|---------------|----------------------|
| Skyline 200 10 2022 | PTC Series A1 | Moderately Complex |
| NIMBUS 2022 MFI Bucky | PTC Series A1 | Moderately Complex |
| Cricket 12 2022 | 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 analysing 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 are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

| Trust Name | Instrument | Date of Issuance / Sanction | Coupon Rate | Maturity Date* | Amount Rated (Rs. crore) | Current Rating |
|------------------------------|---------------|-----------------------------|-------------|----------------|--------------------------|-----------------------------|
| Skyline 200 10 2022 | PTC Series A1 | October 2022 | 10.25% | July 2024 | 0.00 | [ICRA]AAA(SO); Withdrawn |
| NIMBUS 2022 MFI Bucky | PTC Series A1 | December 2022 | 10.50% | September 2024 | 0.00 | [ICRA]AAA(SO); Withdrawn |
| Cricket 12 2022 | PTC Series A1 | December 2022 | 11.00% | August 2024 | 0.00 | [ICRA]AAA(SO); Withdrawn |

* Scheduled PTC maturity date at transaction initiation; may change on account of prepayments

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not Applicable

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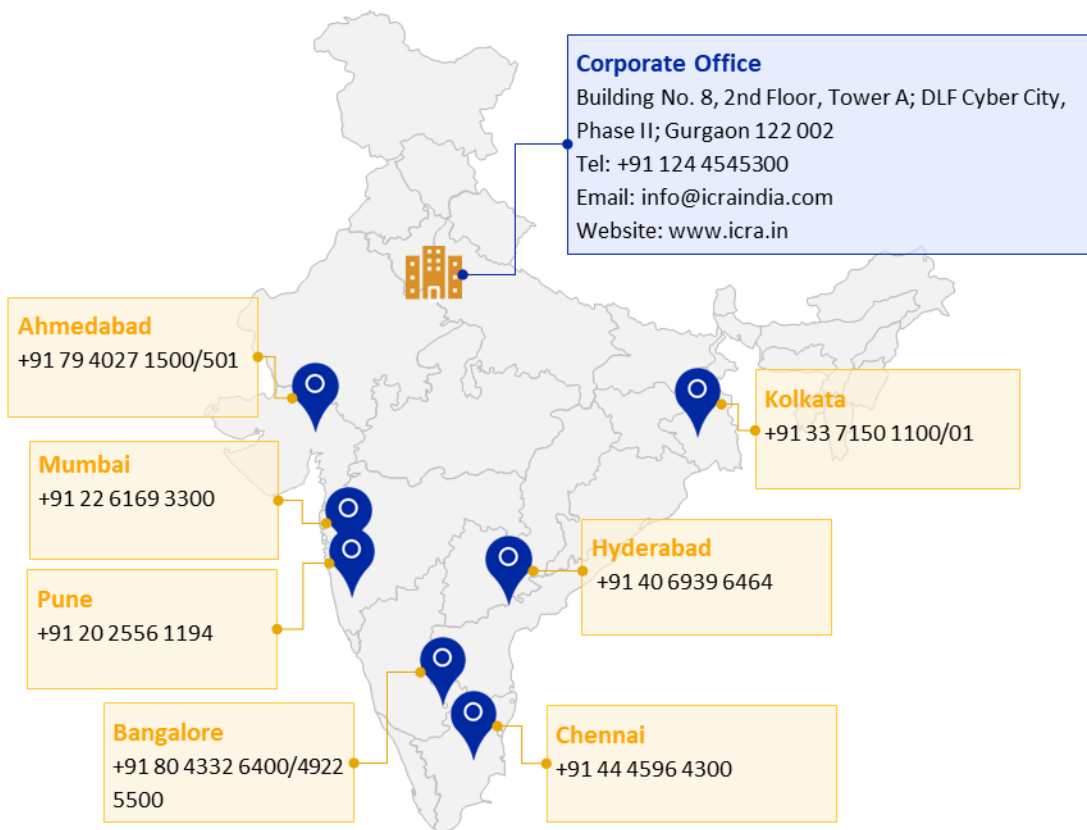
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