

December 30, 2024

Spandana Sphoorty Financial Limited: Ratings withdrawn for PTCs issued under a microfinance loan securitisation transaction

Summary of rating action

Trust Name	Instrument*	Initial Rated Amount (Rs. crore)	Amount O/s after Last Surveillance (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Sunrise 2024	PTC Series A1	30.46	N.A.	0.00	Provisional [ICRA]AAA(SO); Withdrawn
	PTC Series A2	45.69	N.A.	0.00	Provisional [ICRA]A-(SO); Withdrawn

*Instrument details are provided in Annexure I

Rationale

ICRA has withdrawn the ratings for pass through certificates (PTCs) issued under securitisation transaction backed by microfinance loans receivables originated by Spandana Sphoorty Financial Limited (SSFL) (SSFL/Originator; rated [ICRA]A+(Negative)) as tabulated above. The ratings have been withdrawn as the instruments have not been placed and the Originator does not intend to proceed with issuance under this structure.

The key rating drivers, liquidity position, rating sensitivities have not been captured as the rating assigned to the instrument has been withdrawn. The previous detailed rating rationales of previous rating exercise can be accessed [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

SSFL – Standalone	FY2023	FY2024	H1 FY2025
Total income	1,355.8	2,386.7	1,342.2
Profit after tax	12.3	467.9	(152.7)
Total managed assets	9,933.3	13,852.3	12,387.8
Gross stage 3 assets	1.9%	1.6%	5.3%
CRAR	36.9%	32.0%	35.7%

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

Trust Name	Instrument	Current Rating (FY2025)				Chronology of Rating History for the past 3 years		
		Initial Amount Rated (Rs. crore)	Current Amount Rated (Rs. crore)	Date & Rating in FY2025		Date & Rating in FY2024	Date & Rating in FY2023	Date & Rating in FY2022
				Dec 30, 2024	Aug 23, 2024			
Sunrise 2024	PTC Series A1	30.46	0.00	Provisional [ICRA]AAA(SO); withdrawn	Provisional [ICRA]AAA(SO)	-	-	-
	PTC Series A2	45.69	0.00	Provisional [ICRA]A-(SO); withdrawn	Provisional [ICRA]A-(SO)	-	-	-

Complexity level of the rated instrument

Trust Name	Instrument	Complexity Indicator
Sunrise 2024	PTC Series A1	Moderately Complex
	PTC Series A2	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)	Rating
Sunrise 2024	PTC Series A1	NA as not issued	NA as not issued	NA as not issued	0.00	Provisional [ICRA]AAA(SO); Withdrawn
	PTC Series A2		NA as not issued		0.00	Provisional [ICRA]A-(SO); Withdrawn

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not Applicable

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