

September 11, 2025

Spandana Sphoorty Financial Limited: Rating withdrawn for PTCs issued under a microfinance loan securitisation transaction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
Sunflower 03 2023	PTC Series A1	48.52	15.45	0.00	[ICRA]AA-(SO); Withdrawn

*Instrument details are provided in Annexure I

Rationale

ICRA has withdrawn the rating for pass through certificates (PTCs) issued under securitisation transaction backed by microfinance loans receivables originated by Spandana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]BBB+ (Negative)) as tabulated above. All the payouts to the investor(s) in the above-mentioned instrument has been made and no further payments are due to the investor(s).

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liquidity position, rating sensitivities have not been captured as the rating assigned to the instrument has been withdrawn.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 was incorporated in 2003 as a non-banking financial company. 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, the company entered into a master restructuring agreement (MRA) as 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 headed by Mr. Ashish Damani as the interim Chief Executive Officer. The company has a nine-member board of directors, including five independent directors.

Key financial indicators (Standalone; audited)

SSFL – Standalone	FY2024	FY2025	Q1FY2026
Total income	2,386.7	2,245.2	264.2
Profit after tax	467.9	(956.7)	(328.9)
Total managed assets	13,852.4	9,040.3	7,086.9
Gross stage 3	1.6%	4.9%	4.9%
CRAR	32.0%	36.3%	36.9%

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

		Current Rating (FY2026)		Chronology of Rating History for the past 3 years					
Trust Name	Instrument	Initial Amount Rated	Current Amount Rated	Date & Rating in FY2026	Date & Rating in FY2025		Date & Rating in FY2024		Date & Rating in FY2023
		(Rs. crore)	(Rs. crore)	September 11, 2025	December 23, 2024	June 24, 2024	June 21, 2023	May 04, 2023	-
Sunflower 03 2023	PTC Series A1	48.52	0.00	[ICRA]AA-(SO); withdrawn	[ICRA]AA-(SO)	[ICRA]AA-(SO)	[ICRA]A-(SO)	Provisional [ICRA]A-(SO)	-

Complexity level of the rated instrument

Trust Name	Instrument	Complexity Indicator
Sunflower 03 2023	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)	Rating
Sunflower 03 2023	PTC Series A1	April 29, 2023	12.00%	December 23, 2025	0.00	[ICRA]AA-(SO); Withdrawn

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not Applicable

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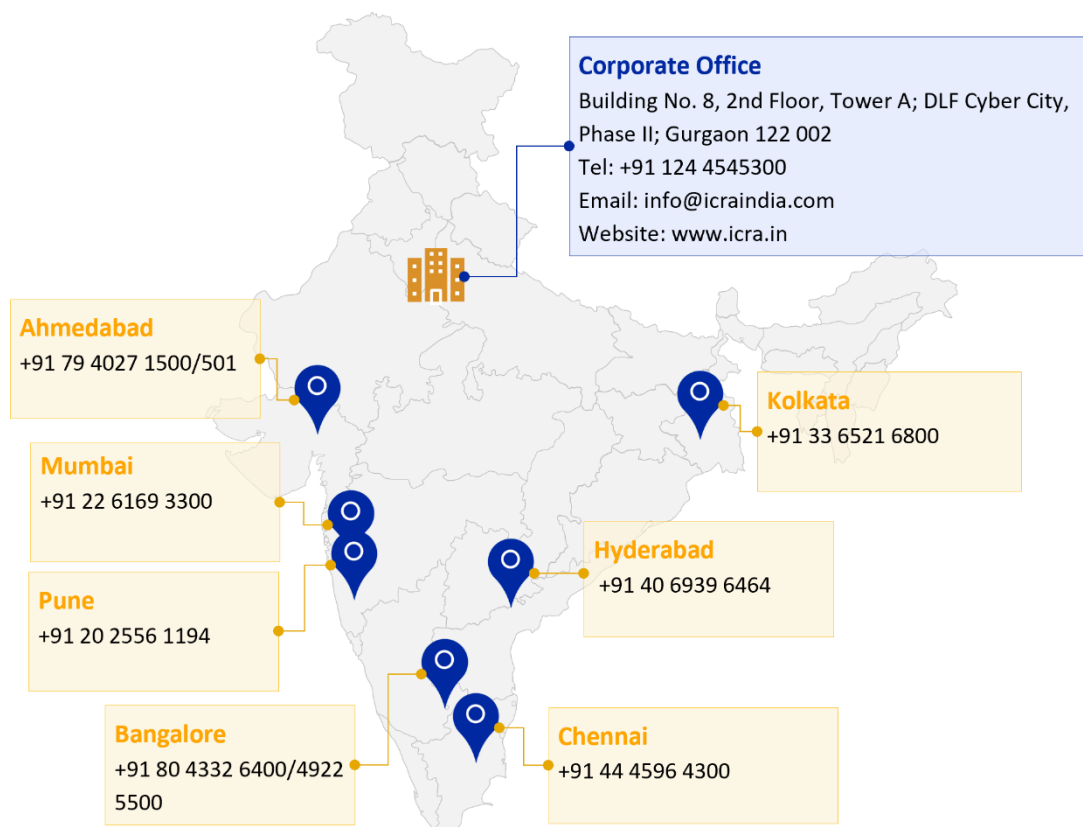


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