

January 19, 2026

Spandana Sphoorty Financial Limited: Rating reaffirmed for PTCs issued under microfinance loan receivables securitisation transaction

Summary of rating action

Trust Name	Instrument*	Initial Amount Rated (Rs. crore)	Amount O/s after last surveillance (Rs. crore)	Current Amount Rated (Rs. crore)	Rating Action
Celerity 09 2024	PTC Series A1	68.98	NA	3.48	[ICRA]AA+(SO); reaffirmed

*Instrument details are provided in Annexure I

Rationale

The pass-through certificates (PTCs) are backed by a pool of microfinance loan receivables originated by Spandana Sphoorty Financial Limited {SSFL/Originator; rated [ICRA]BBB+(Negative)}. SSFL is also the servicer for the rated transaction.

The rating has been reaffirmed on account of the build-up of the credit enhancement cover over the future PTC payouts on account of high pool amortisation and low expected balance tenor of the PTCs. The rating also draws comfort from the fact that the breakeven collection efficiency is nil as the cash collateral (CC) covers the entire future PTC payouts as on December 2025 payout month.

Pool performance summary

Parameter	Celerity 09 2024
Payout month	December 2025
Months post securitisation	13
Pool amortisation	84.5%
PTC Series A1 amortisation	95.0%
Cumulative collection efficiency ¹	90.8%
Loss-cum-30+ days past due (dpd ² ; % of initial pool)	10.4%
Loss-cum-90+ dpd ³ (% of initial pool)	9.5%
Cumulative CC utilisation	0.0%
CC available (as % of balance pool)	38.8%
Excess interest spread (EIS ⁴ ; % of balance pool): PTC Series A1	4.7%
Principal subordination (% of balance pool): PTC Series A1	71.8%
Breakeven collection efficiency ⁵ : PTC Series A1	0.0%

Transaction structure

As per the transaction structure, the monthly cash flow schedule comprises the promised interest payout. The principal is expected to be paid on a monthly basis (100% of the pool principal billed) but is promised on the final maturity date. The residual cash flows from the pool, after meeting the promised and expected payouts, will be flow back to the originator on a monthly basis. Any prepayment in the pool would be used for the prepayment of the PTC Series A1 principal.

¹ (Cumulative current and overdue collections till date)/(Cumulative billing till date + Opening overdues at the start of the transaction)

² Inclusive of unbilled and overdue principal portion of delinquent contracts overdue by more than 30 days, as a % of Initial pool principal

³ Inclusive of unbilled and overdue principal portion of delinquent contracts overdue by more than 90 days, as a % of Initial pool principal

⁴ (Pool cash flows – Cash flows to PTC investors – Originator's residual share)/Pool principal outstanding

⁵ (Balance cash flows payable to investor – CC available)/Balance pool cash flows

Key rating drivers and their description

Credit strengths

Significant Build-up of credit enhancement – The rating factors in the significant build-up in the credit enhancement such that CC fully covers subsequent PTC payouts and the subordination increasing to 71.8% of the balance pool principal from 13.5% at the time of securitisation. Credit support is also available through EIS of 4.7% of the balance pool principal. There has been no CC utilisation in the pool in any of the months post securitisation.

Adequate servicing capability of the originator – The company has adequate processes for servicing of the loan accounts in the securitised pool. It has a demonstrated track record of over a decade of regular collections and recovery across multiple geographies.

Credit challenges

Not applicable

Key rating assumptions

ICRA’s cash flow modelling for rating securitisation transactions involves the simulation of potential losses, delinquencies and prepayments in the pool. The losses and prepayments are assumed to follow a log-normal distribution. The assumptions for the losses and the coefficient of variation are considered on the basis of the values observed from the analysis of the past performance of the Originator’s loan portfolio as well as the characteristics of the specific pool being evaluated. The resulting collections from the pool, after incorporating the impact of the losses and prepayments, are accounted for in ICRA’s cash flow model, in accordance with the cash flow waterfall of the transaction.

Details of key counterparties

The key counterparties in the rated transaction are as follows:

Transaction Name	Celerity 09 2024
Originator	SSFL
Servicer	SSFL
Trustee	Axis Trustee Services Limited
CC holding bank	Axis Bank Limited
Collection and payout account bank	Axis Bank Limited

Liquidity position: Superior

The liquidity for the PTC instrument is superior as the CC fully covers entire future PTC payouts.

Rating sensitivities

Positive factors/Negative factors – Rating is unlikely to be revised as the CC covers entire future PTC payouts.

Analytical approach

The rating action is based on the performance of the pool till the December 2025 payout month (November 2025 collection month), the present delinquency profile of the pool, the credit enhancement available in the pool, and the performance expected over the balance tenure of the pool.

Analytical Approach	Comments
Applicable rating methodologies	Rating Methodology for Securitisation Transactions
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.

Key financial indicators (audited)

SSFL (standalone)	FY2024	FY2025	H1FY2026
Total income	2,386.7	2,245.2	472.1
Profit after tax	467.9	(956.7)	(547.0)
Total managed assets	13,852.4	9,040.3	5,950.0
Gross Stage 3 (%)	1.6%	4.9%	5.0%
CRAR	32.0%	36.3%	36.5%

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amounts 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 (FY2026)		Chronology of rating history for the past 3 years					
		Initial amount rated (Rs. crore)	Current amount rated (Rs. crore)	Date & rating in FY2026		Date & rating in FY2025		Date & rating in FY2024	Date & rating in FY2023
				January 19, 2026	January 13, 2025	December 02, 2024	-	-	
Celerity 09 2024	PTC Series A1	68.98	3.48	[ICRA]AA+(SO)	[ICRA]AA+(SO)	Provisional [ICRA]AA+(SO)	-	-	

Complexity level of the rated instrument

Instrument	Complexity Indicator
PTC Series A1	Highly 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 Type	Date of Issuance	Coupon Rate (p.a.p.m.)	Maturity Date	Amount Rated (Rs. crore)	Current Rating
Celerity 09 2024	PTC Series A1	December 02, 2024	9.75%	July 17, 2026	3.48	[ICRA]AA+(SO)

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not applicable

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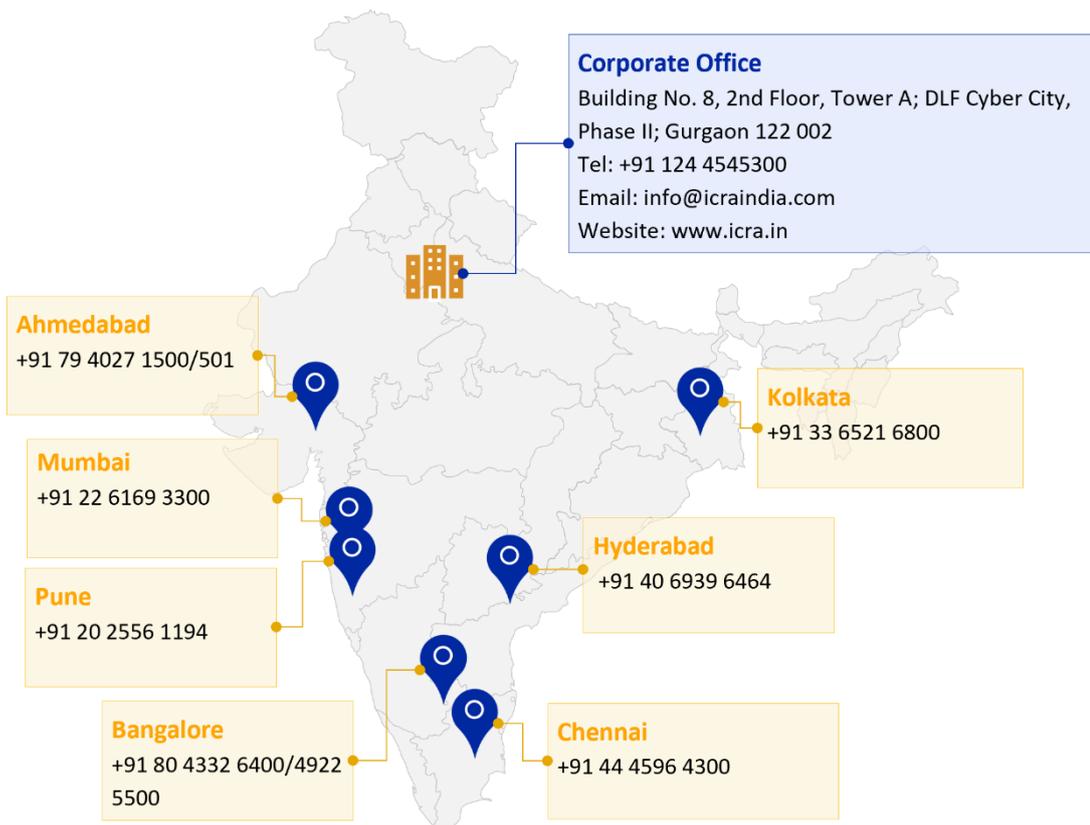
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