

April 10, 2026

Spandana Sphoorty Financial Limited: Rating confirmed as final for PTCs backed by microfinance loan receivables issued by Coral 12 2025

Summary of rating action

Trust name	Instrument*	Initial Rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Coral 12 2025	PTC Series A	196.74	196.74	[ICRA]AA-(SO); provisional rating confirmed as final

*Instrument details are provided in Annexure I

Rationale

In January 2026, ICRA had assigned Provisional [ICRA]AA-(SO) rating to Pass Through Certificate (PTC) Series A issued by Coral 12 2025. The PTCs are backed by microfinance loan receivables originated by Spandana Sphoorty Financial Limited {{SSFL/Originator; rated [ICRA]BBB+ (Negative)}} with an aggregate principal outstanding of Rs. 219.82 crore (pool receivables of Rs. 252.10 crore). SSFL is also the servicer of the rated transaction.

Further since the executed transaction documents are in line with the other rating conditions and the legal opinion for the transaction has been provided to ICRA, the said ratings have now been confirmed as final.

Pool performance summary

Parameter	Coral 12 2025
Payout month	March 2026
Months post securitisation	3
Pool amortisation	28.92%
PTC Series A amortisation	29.66%
Cumulative prepayment rate	6.31%
Cumulative collection efficiency ¹	99.47%
Loss-cum-0+ days past due (dpd) ²	0.71%
Loss-cum-30+ dpd ³	0.46%
Loss-cum-90+ dpd ⁴	0.00%
Cumulative cash collateral utilisation	0.00%

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 (to the extent of 89.5% of pool principal billing for first 3 payout months and from 4th payout month onwards it will be 100% of the pool billing) but is promised on the final maturity date. For the first three payouts any surplus excess interest spread (EIS) after making the promised and expected payments shall be passed on to the originator and from 4th payout month onwards to PTC Series A investors on every payout date. Any prepayment in the pool would be used for the redemption of the PTC Series A principal.

¹ (Cumulative current collections and overdue collections)/(Cumulative billings + Opening overdues at the time of securitisation)

² Unbilled and overdue principal portion of delinquent contracts as a % of Initial pool principal

³ Unbilled and overdue principal portion of contracts delinquent for more than 30 days as a % of Initial pool principal

⁴ Unbilled and overdue principal portion of contracts delinquent for more than 90 days as a % of Initial pool principal

The credit enhancement available in the structure is in the form of (i) a cash collateral (CC) of 7.50%⁵ of the initial pool principal, amounting to Rs. 16.49 crore, to be provided by the Originator, (ii) principal subordination of 10.50% of the initial pool principal for PTC Series A and (iii) the excess interest spread (EIS) of 10.17% of the initial pool principal for PTC Series A.

Key rating drivers and their description

Credit strengths

Granular pool supported by presence of credit enhancement – The pool is granular, consisting of 65,539 contracts, with no contract exceeding 0.003% of the pool principal, thereby reducing the exposure to any single borrower. Further, the credit enhancement available in the form of the CC, subordination and EIS would absorb some amount of the losses in the pool and provide support in meeting the PTC payouts.

No overdue contracts in the pool- The pool has been filtered in such a manner that there are no overdue contracts.

Seasoned contracts in the pool – The pool has amortised by almost ~45% as on the cut-off date with no delinquencies seen in any of the contracts, post loan disbursement, thereby reflecting the borrowers' relatively better credit profile.

Adequate servicing capability of the originator – The originator 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 across multiple geographies.

Credit challenges

High geographical concentration – The pool has high geographical concentration with the top 3 states, viz. Madhya Pradesh, Andhra Pradesh and Odisha contributing ~48% to the initial pool principal amount. The pool's performance would thus be exposed to any state-wide disruption that may occur due to natural calamities, political events, etc. Nonetheless, the contracts are well-diversified across multiple districts with the top 10 districts constituting around 18% of the initial pool amount, which alleviates the concentration risk to some extent.

Risks associated with lending business – The pool performance would remain exposed to macro-economic shocks, business disruptions and natural calamities that may impact the income-generating capability of the borrowers and their ability to make timely repayments of their loans. The performance of microfinance loans would also be exposed to political and communal risks.

Higher delinquencies in microfinance sector – The microfinance sector has seen lower collections and elevated delinquencies since April 2024 on account of multiple factors like heat wave, general elections, borrower overleveraging and attrition in collection teams. While portfolio collections have improved in last few months, any sustained impact of these factors on the collections from the pool would be monitorable.

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.

⁵ CC at time of provisional rating was 7.25% of pool principal

For the current pool, ICRA has estimated the shortfall in the pool principal collection during its tenure at 4.50% of the pool principal with certain variability around it. The average prepayment rate for the underlying pool is modelled in the range of 3% to 9% per annum. Various possible scenarios have been simulated at stressed loss levels and prepayment rates and the incidences of default to the investor as well as the extent of losses are measured after factoring in the credit enhancement to arrive at the final rating for the instrument.

Details of key counterparties

The key counterparties in the rated transaction are as follows:

Transaction Name	Coral 12 2025
Originator	Spandana Sphoorty Financial Limited
Servicer	Spandana Sphoorty Financial Limited
Trustee	Catalyst Trusteeship Limited
CC holding bank	Bandhan Bank Limited
Collection and payout account bank	ICICI Bank Limited

Liquidity position: Strong

The liquidity for the PTC Series A instrument in the transaction is strong after factoring in the credit enhancement available to meet the promised payouts to the investors. The total credit enhancement for PTC Series A is 5.50 times the estimated loss in the pool.

Rating sensitivities

Positive factors – The sustained strong collection performance of the underlying pool of contracts (monthly collection efficiency >95%), leading to lower-than-expected delinquency levels, and an increase in the cover available for future investor payouts from the credit enhancement would result in a rating upgrade.

Negative factors – The sustained weak collection performance of the underlying pool (monthly collection efficiency <90%), leading to higher-than-expected delinquency levels and higher credit enhancement utilisation levels, would result in a rating downgrade. Weakening in the credit profile of the servicer (SSFL) could also exert pressure on the rating.

Analytical approach

The rating action is based on the trustee confirming compliance with the terms of the transaction and the executed transaction documents being in line with the terms initially shared with ICRA.

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
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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	Current rating (FY2027)			Chronology of rating history for the past 3 years			
	Instrument	Initial rated amount (Rs. crore)	Current rated amount (Rs. crore)	Date & rating in FY2027	Date & rating in FY2026	Date & rating in FY2025	Date & rating in FY2024
Coral 12 2025	PTC Series A	196.74	196.74	April 10, 2026 [ICRA]AA-(SO)	January 02, 2026 Provisional [ICRA]AA-(SO)	-	-

Complexity level of the rated instrument

Instrument	Complexity Indicator
PTC Series A	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 name	Date of Issuance / sanction	Coupon rate (p.a.p.m)	Maturity date	Amount rated (Rs. crore)	Current rating
Coral 12 2025	PTC Series A	December 29, 2025	10.50%	September 17, 2027	196.74	[ICRA]AA-(SO)

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not applicable

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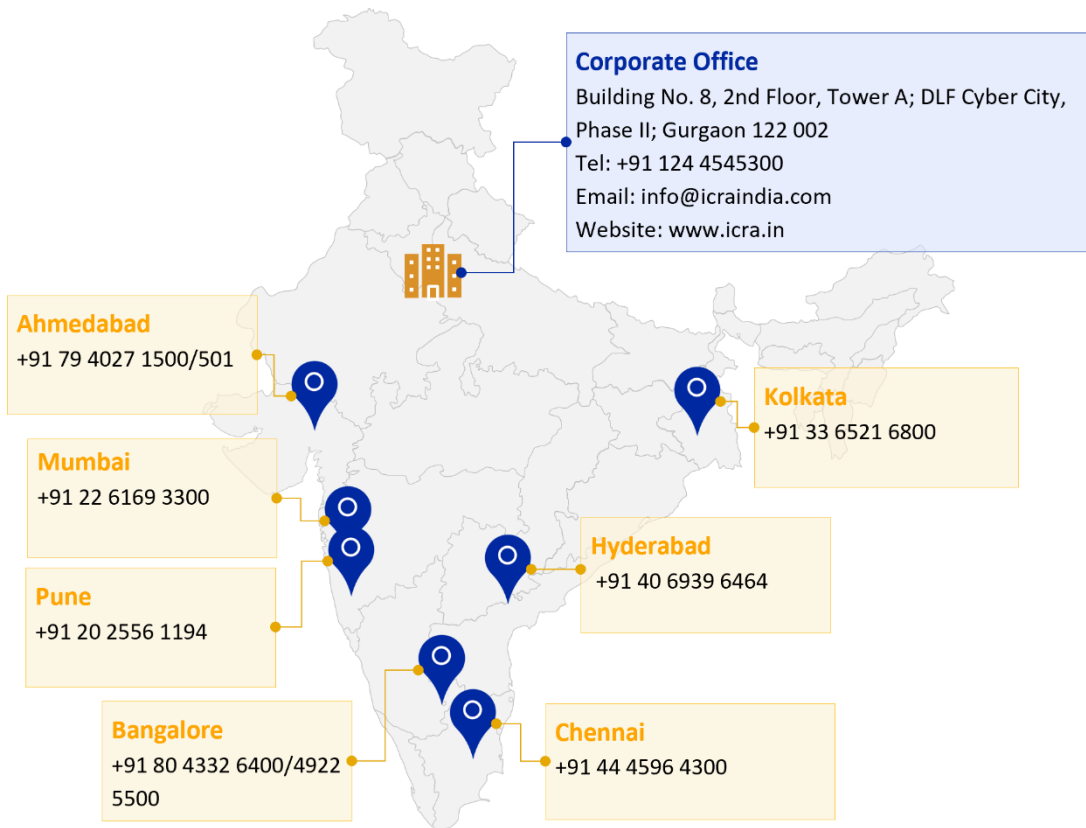
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