

September 13, 2023

## NeoGrowth Credit Private Limited: Rating withdrawn for PTCs backed by MSME loan receivables securitisation transaction

### Summary of rating action

Trust Name	Instrument*	Initial Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Libra Trust August 2022	PTC Series A1	36.88	0.00	[ICRA]A(SO); Withdrawn

\*Instrument details are provided in Annexure I

### Rationale

ICRA has withdrawn the rating for pass through certificates (PTCs) issued under the aforesaid transaction which is backed by a pool of MSME loans originated by NeoGrowth Credit Private Limited ((NeoGrowth/Originator; rated [ICRA]BBB(Stable)). 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liquidity position, rating sensitivities have not been captured as the rating assigned to the instrument has been withdrawn. The previous detailed rating rationale of previous rating exercise is available at the following link: [Click here](#)

### Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">ICRA's Policy on Withdrawal of Credit Rating</a>
Parent/Group Support	Not Applicable
Consolidation/Standalone	Not Applicable

### About the originator

NeoGrowth Credit Private Limited (NCPL) is a non-deposit taking systemically important non-banking financial company, which started operations in FY2013. It was founded by Mr. Dhruv Khaitan and Mr. Piyush Khaitan, and its investors include Leapfrog Investments, FMO, Omidyar Network, Aspada Investment Advisors, Khosla Impact Fund, Frontier Investments Group (Accion), and IIFL Seed Ventures Fund. Before setting up NCPL, the founders had established and managed Venture Infotek, which provided end-to-end card payment processing solutions to banks that issue credit cards and those with whom merchants have a point-of-sales terminals. The founders divested their stake in the company in 2010.

### Key financial indicators

NeoGrowth Credit Private Limited	FY2021	FY2022	FY2023
	Audited	Audited	Audited
Total income	313	363	383
Profit after tax	(42)	(39)	17
Total managed assets	1,323	1,559	1,852
Gross stage 3	6.4%	12.9%	4.3%
Net stage 3	2.5%	5.1%	2.2%

Source: Company data, ICRA Research; 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 (FY2024)				Chronology of Rating History for the Past 3 Years				
		Instrument	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating	Date & Rating in FY2023		Date & Rating in FY2022	Date & Rating in FY2021	
						Sep 13, 2023	Dec 14, 2022			Sep 21, 2022*
1	Libra Trust August 2022	PTC Series A1	36.88	0.00	[ICRA]A(SO); Withdrawn	[ICRA]A(SO)	Provisional [ICRA]A(SO)	-	-	

\*Initial Rating Assigned

### Complexity level of the rated instrument

Trust Name	Instrument	Complexity Indicator
Libra Trust August 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, is available on ICRA's website [Click Here](#)

**Annexure I: Instrument details**

Trust Name	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. Crore)	Current Rating
Libra Trust August 2022	PTC Series A1	September 2022	9.25%	May 2024	0.00	[ICRA]A(SO); Withdrawn

*Source: Company*

**Annexure II: List of entities considered for consolidated analysis**

Not Applicable

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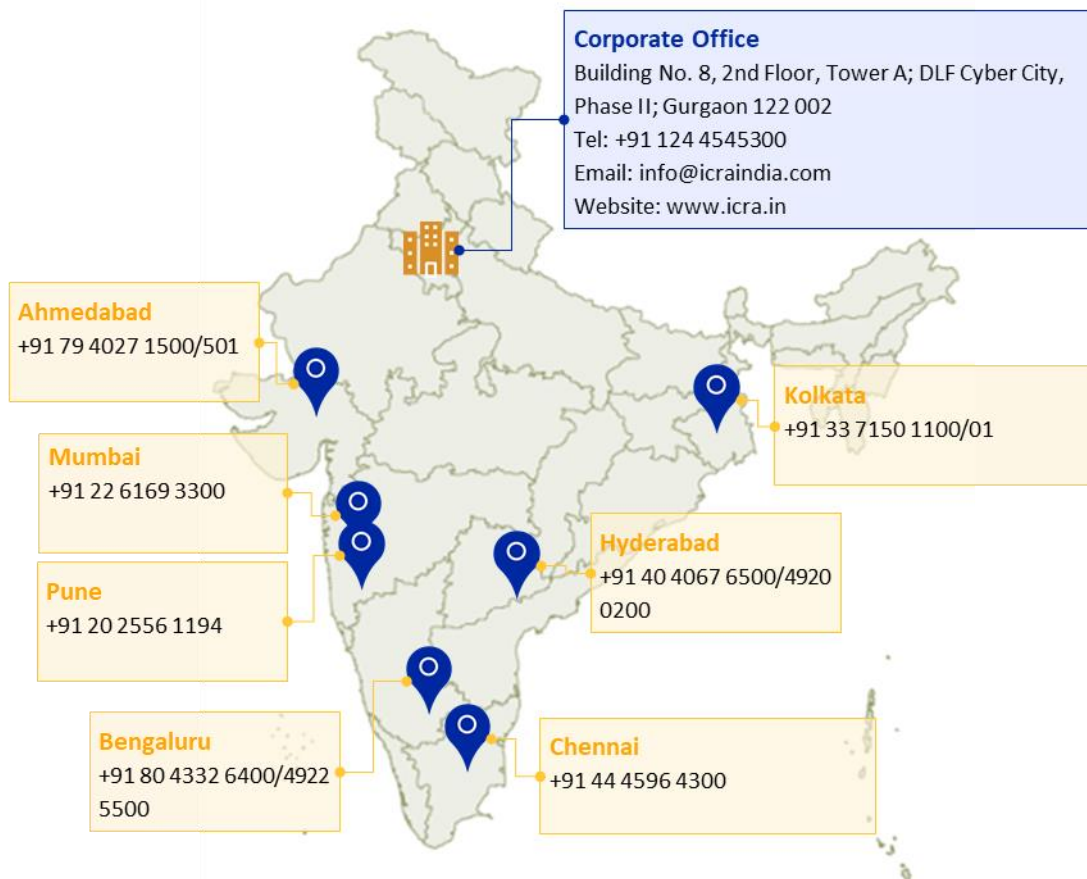
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