

July 22, 2024

NeoGrowth Credit Private Limited: Ratings withdrawn for PTCs issued under MSME business loan securitisation transactions

Summary of rating action

TRUST NAME	Instrument*	Initial Rated Amount (Rs. crore)	Previous Rated Amount (Rs. crore)	Current outstanding Amount (Rs. crore)	Rating Action
Nimbus 2023 UBL Tyson	PTC series A	49.96	49.96	0.00	[ICRA]A(SO); Withdrawn
Shark 02 2023	PTC series A1	44.56	44.56	0.00	[ICRA]A-(SO); Withdrawn

*Instrument details are provided in Annexure-1

Rationale

ICRA has withdrawn the ratings for the pass-through certificates (PTCs) issued under two micro, small and medium enterprise (MSME) business loan receivables originated by Neogrowth Credit Private Limited {NCPL/Originator; rated [ICRA]BBB+ (Stable)}. All the payouts to the investors in the above-mentioned instruments have been made and no further payments are due to the investors.

The key rating drivers, liquidity position and rating sensitivities have not been captured as the rating assigned to the instruments have been withdrawn. The previous detailed rating rationale of surveillance exercise is available at the following link:

For Nimbus 2023 UBL Tyson: [Click Here](#)

For Shark 02 2023: [Click 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 company

NeoGrowth Credit Private Limited, which commenced operations in FY2013, is a non-deposit taking systemically important non-banking financial company (NBFC) providing loans to small and medium enterprises (SMEs). The company was founded by Mr. Dhruv Khaitan and Mr. Piyush Khaitan, and its investors include Omidyar Network, Aspada Investment Advisors, Khosla Impact Fund, Frontier Investments Group (Accion), Trinity Inclusion (Leapfrog Investments), FMO, Plenitude Ventures Private Limited and IIFL Seed Ventures Fund. Prior to setting up NeoGrowth, the founders had founded 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 point of sales terminals. The assets under management (AUM) stood at Rs. 2,750.46 crore as on March 31, 2024.

Key financial indicators

NCPL	FY2022	FY2023	FY2024
	Audited	Audited	Audited
Total income	363	383	601
Profit after tax	(39)	17	71
Total AUM	1,559	1,852	2,750
Gross stage 3	10.8%	3.2%	3.7%*
CRAR	22.3%	23.2%	28.5%

Source: Neogrowth

Gross stage 3 % is derived as (Gross stage 3 loans)/(Gross loans). During December 23, the company revised the classification of Stage 3 asset to align it with the definition of Substandard asset as per the RBI norms

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Sr. No.	Trust Name	Instrument	Current Rating (FY2025)		Chronology of Rating History for the Past 3 Years				
			Initial Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in FY2025	Date & Rating in FY2024		Date & Rating in FY2023	Date & Rating in FY2022
					July 22, 2024	September 12, 2023	May 25, 2023	-	-
1	Nimbus 2023 UBL Tyson	PTC series A	49.96	0.00	[ICRA]A(SO); Withdrawn	[ICRA]A(SO)	Provisional [ICRA]A(SO)	-	-

Sr. No.	Trust Name	Instrument	Current Rating (FY2025)		Chronology of Rating History for the Past 3 Years				
			Initial Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in FY2025	Date & Rating in FY2024		Date & Rating in FY2023	Date & Rating in FY2022
					July 22, 2024	September 12, 2023	March 30, 2023	-	
1	Shark 02 2023	PTC Series A1	44.56	0.00	[ICRA]A-(SO); Withdrawn	[ICRA]A-(SO)	Provisional [ICRA]A-(SO)	-	

Complexity level of the rated instrument

Instrument	Instrument	Complexity Indicator
Nimbus 2023 UBL Tyson	PTC series A	Moderately complex
Shark 02 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 analyzing 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*	Current Amount Rated (Rs. Crore)	Current Rating
Nimbus 2023 UBL Tyson	PTC series A	May 2023	11.25%	March 2025	0.00	[ICRA]A(SO); Withdrawn
Shark 02 2023	PTC series A1	March 2023	12.05%	November 2025	0.00	[ICRA]A-(SO); Withdrawn

*Source: Company; *Scheduled maturity at transaction initiation*

Annexure II: List of entities considered for consolidated analysis

Not Applicable

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About ICRA Limited:

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