

September 16, 2024

## NeoGrowth Credit Private Limited: Rating withdrawn for PTCs issued under MSME business loan receivables

### Summary of rating action

TRUST NAME	Instrument*	Initial Rated Amount (Rs. crore)	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Aryabhata-1 Trust July 2023	Series A1 SN	25.38	25.38	0.00	[ICRA]A+(SO); Withdrawn

\*Instrument details are provided in Annexure-1

### Rationale

ICRA has withdrawn the rating for the pass-through certificates (PTCs) issued under a micro, small and medium enterprise (MSME) business loan receivables originated by Neogrowth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 investor(s) in the above-mentioned instrument 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liquidity position and rating sensitivities have not been captured as the rating assigned to the instrument has been withdrawn. The previous detailed rating rationale of the exercise is available at the following link:

For Aryabhata-1 Trust July 2023: [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 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
<b>Total income</b>	363	383	601
<b>Profit after tax</b>	-39	17	71
<b>Total managed assets</b>	1,852	2,250	3,113
<b>GS3</b>	12.9%	3.2%	3.7%
<b>CRAR</b>	23.2%	32.7%	28.5%

Source: Company, ICRA Research; All ratios as per ICRA calculations; 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	Instrument	Current Rating (FY2025)		Chronology of Rating History for the Past 3 Years					
			Initial Amount Rated (Rs. crore)	Current Rated Amount (Rs. crore)	Date & Rating in FY2025		Date & Rating in FY2024		Date & Rating in FY2023	Date & Rating in FY2022
					September 16, 2024	November 21, 2023	July 28, 2023	-	-	
1	<b>Aryabhata-1 Trust July 2023</b>	Series A1 SN	25.38	0.00	[ICRA]A+(SO); Withdrawn	[ICRA]A+(SO)	Provisional [ICRA]A+(SO)	-	-	

### Complexity level of the rated instrument

Instrument	Instrument	Complexity Indicator
Aryabhata-1 Trust July 2023	Series A1 SN	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 (p.a.p.m.)	Maturity Date	Current Rated Amount (Rs. crore)	Current Rating
Aryabhata-1 Trust July 2023	Series A1 SN	July 26, 2023	11.10%	June 16, 2025	0.00	[ICRA]A+(SO); Withdrawn

Source: Company

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

Not Applicable

## ANALYST CONTACTS

**Abhishek Dafria**

+91 22 6114 3440

[abhishek.dafria@icraindia.com](mailto:abhishek.dafria@icraindia.com)

**Sachin Joglekar**

+91 22 6114 3470

[sachin.joglekar@icraindia.com](mailto:sachin.joglekar@icraindia.com)

**Sumit Pramanik**

+91 22 6114 3462

[sumit.pramanik@icraindia.com](mailto:sumit.pramanik@icraindia.com)

**Sheetal Nayak**

+91 22 6114 3420

[sheetal.nayak@icraindia.com](mailto:sheetal.nayak@icraindia.com)

**Tina Parekh**

+91 22 6114 3455

[tina.parekh@icraindia.com](mailto:tina.parekh@icraindia.com)

## RELATIONSHIP CONTACT

**L Shivakumar**

+91 22 6114 3406

[Shivkumar@icraindia.com](mailto:Shivkumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**

Tel: +91 124 4545 860

[communications@icraindia.com](mailto:communications@icraindia.com)

## Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

[info@icraindia.com](mailto:info@icraindia.com)

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## ICRA Limited



### Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



### Branches



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