**May 25, 2026**

# NeoGrowth Credit Private Limited: Rating reaffirmed for PTCs issued under a MSME business loan securitisation transaction

## Summary of rating action

| Trust Name | Instrument* | Initial Rated Amount (Rs. crore) | Previous Rated Amount (Rs. crore) | Current Rated Amount (Rs. crore) | Rating Action |
|---|---|---|---|---|---|
| Scorpio Trust April 2025 | PTC Series A1 | 48.09 | 48.09 | 17.60 | [ICRA]A(SO); reaffirmed |

**Instrument details are provided in Annexure II*

## Rationale

The pass-through certificates (PTCs) are backed by pools of micro, small and medium enterprise (MSME) business loan receivables originated by NeoGrowth Credit Private Limited {NCPL/Originator; rated [ICRA]BBB (Negative) )/[ICRA]A3+}. NCPL also acts as the servicer for the transaction.

The rating reaffirmation factors in a buildup in credit enhancement cover over the future PTC payouts on account of healthy amortisation of pool and PTCs. Although the pool has reported moderate collection efficiency in recent months, the rating draws comfort from the fact that the breakeven collection efficiency is lower compared to the actual collection level observed in the pool till the April 2026 payout month.

## Pool performance summary

| Parameter | Scorpio Trust April 2025 |
|---|---|
| **Payout month** | April 2026 |
| **Months post securitisation** | 11 |
| **Pool amortisation (as % of initial pool principal)** | 54.7% |
| **PTC Amortization - PTC Series A1** | 63.4% |
| **Cumulative collection efficiency[1]** | 91.8% |
| **Loss-cum-0+ (% of initial pool principal)[2]** | 5.2% |
| **Loss-cum-30+ (% of initial pool principal)[3]** | 4.5% |
| **Loss-cum-90+ (% of initial pool principal)[4]** | 3.2% |
| **Cumulative cash collateral (CC) utilisation** | 0.0% |
| **Cumulative prepayment rate** | 14.5% |
| **Breakeven collection efficiency[5]for PTC Series A1** | 58.2% |
| **CC (% of balance pool)** | 8.8% |
| **Principal subordination (% of balance pool) PTC Series A1** | 29.7% |
| **Excess interest spread (EIS; % of balance pool) for PTC Series A1** | 8.2% |

*[1] (Cumulative current and overdue collections till date)/(Cumulative billing till date + Opening overdues at the start of the transaction)*
*[2] POS on contracts aged 0+ dpd / POS on the pool at the time of securitization*
*[3]POS on contracts aged 30+ dpd / POS on the pool at the time of securitization*
*[4] POS on contracts aged 90+ dpd / POS on the pool at the time of securitization*
*[5] (Balance cash flows payable to investor – CC available)/Balance pool cash flows*

## Transaction structure

As per the structure for the transaction, 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. Any surplus excess interest spread (EIS), after meeting the promised and expected payouts, will 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.

## Key rating drivers and their description

### Credit strengths

**Substantial credit enhancement available in the structure** – The rating action factors in the significant build-up in the credit enhancement with cash collateral increasing to ~8.83%of the balance pool compared to 4% at the time of initial rating exercise. Further internal credit support is also available through principal subordination and excess interest spread (EIS). Additionally, there has been nil CC utilization in the pool in any of the payouts.

**Servicing capability of the originator –** The company has adequate processes for servicing the loan accounts in the securitised pool. It has demonstrated a considerable track record of regular collections and recovery across a wide geography and multiple economic cycles.

### Credit challenges

**Moderate Collections with delinquencies yet to stabilise –** The pool has seen a moderate collections with average collections ~90% with cumulative collection efficiency as on April payout as on 90.62%. The delinquencies are on increasing trend with 90+ dpd as on April 2026 payout stands at 3.20%. Limited recoveries are expected from harder buckets given the unsecured nature of the pool. Nonetheless, the breakeven collection efficiency is still higher than the actual collections seen in the pool

**Risks associated with lending business –** The pool's 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 pool is exposed to the inherent credit risk associated with the unsecured nature of the asset class and that recovery from delinquent contracts tends to be lower.

## 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.

ICRA has estimated the shortfall in the pool principal collection during its tenure at 5.25% with certain variability around it. The average prepayment rate for the underlying pool is modelled in the range of 4.8% to 18.0% 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 | Scorpio Trust April 2025 |
|---|---|
| **Originator** | NeoGrowth Credit Private Limited |
| **Servicer** | NeoGrowth Credit Private Limited |
| **Trustee** | Catalyst Trusteeship Limited |
| **CC Bank** | DCB Bank |
| **Collection and payout account bank** | ICICI Bank Limited |

## Liquidity position: Strong

The liquidity for Series A1 PTC is strong after factoring in the credit enhancement available to meet the promised payouts to the investor. The total credit enhancement would be ~3.50 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 could also exert pressure on the rating.

## Analytical approach

The rating actions are based on the performance of the pool till April 2026 (payout month), the present delinquency levels and the credit enhancement available in the pool, and the performance expected over the balance tenure of the pool.

| Analytical Approach | Comments |
|---|---|
| **Applicable rating methodologies** | Securitisation Transactions |
| **Parent/Group support** | Not Applicable |
| **Consolidation/Standalone** | Not Applicable |

## About the originator

NeoGrowth Credit Private Limited, which commenced operations in FY2013, is a non-deposit taking systemically important non-banking financial company (NBFC) providing loans to SMEs. The company was founded by Mr. Dhruv Khaitan and Mr. Piyush Khaitan, and its investors include ON Mauritius, Aspada Investment Advisors, Khosla Impact Fund, Frontier Investments Group (Accion), Trinity Inclusion Ltd. (Leapfrog), Mr. Arun Nayyar {Managing Director (MD) & Chief Executive Officer (CEO)}, M/s 360 One Seed Ventures Fund and FMO (the Dutch entrepreneurial development bank). Before setting up NeoGrowth, the founders had established and managed Venture Infotek, which provided end-to-end card payment processing solutions to banks that issue credit cards and with whom merchants have point of sales terminals.

### Key financial indicators

| Indicators | FY2024 Audited | FY2025 Audited | FY2026 Audited |
|---|---|---|---|
| **Total income** | 601 | 571 | 591 |
| **Profit after tax** | 71 | 9 | (72) |
| **Total managed assets** | 3,113 | 3,112 | 2,537 |
| **GS3** | 3.7% | 6.8% | 5.8% |
| **CRAR** | 28.5% | 29.1% | 29.1% |

*Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore*

### Status of non-cooperation with previous CRA: Not applicable

**Any other information:** Neogrowth Credit Private Limited is rated by ICRA and its rating was not migrated to speculative / default category in the current and the last three financial years. The current rating rationale of the originator is available at this **link**.

## Rating history for past three years

| S.No | Trust Name | Current Rating (FY2027) | | | | Chronology of Rating History for the Past 3 Years | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Instrument | Initial Rated Amount (Rs. crore) | Amount Outstanding (Rs. crore) | Date & Rating in FY2027 | Date & Rating in FY2026 | | Date & Rating in FY2025 | Date & Rating in FY2024 |
| | | | | | MaY 25, 2026 | May 12, 2025 | May 05, 2025 | - | - |
| 1 | **Scorpio Trust April 2025** | PTC Series A1 | 48.09 | 17.60 | **[ICRA]A(SO)** | **[ICRA]A(SO)** | **Provisional [ICRA]A(SO)** | - | - |

### Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

| Sr. No. | Instrument | FSR |
|---|---|---|
| 1 | Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities) | SEBI |
| 2 | Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities) | MCA |
| 3 | Listed SNs / Securitisation Notes (originated by entities regulated by RBI) (*) | SEBI |
| 4 | Listed SNs / Securitisation Notes (originated by entities not regulated by RBI) (*) | SEBI |
| 5 | Unlisted SNs / Securitisation Notes (originated by entities regulated by RBI) (*) | RBI |
| 6 | Listed Commercial Paper and NCDs with original maturity less than 1 year | RBI |
| 7 | Unlisted Commercial Paper and NCDs with original maturity less than 1 year | RBI |
| 8 | Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs ($) | RBI |
| 9 | External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings | RBI |
| 10 | Certificates of Deposit | RBI |
| 11 | Fixed Deposits raised by NBFCs, Banks, HFCs, FIs | RBI |
| 12 | Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs | MCA |
| 13 | Inter Corporate Deposits/Loans extended by Corporates | MCA |
| 14 | Listed Security Receipts | SEBI |
| 15 | Unlisted Security Receipts | RBI |
| 16 | Unlisted SNs / Securitisation Notes (originated by entities not regulated by RBI) (*) | Investor-side Regulator such as IRDAI, PFRDA (%) |

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

($) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

| Sr. No. | Activity Name | FSR |
|---|---|---|
| 1 | Credit Ratings for Capital Protection Oriented Schemes (by Mutal Funds and AIFs) | SEBI |
| 2 | Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs | SEBI |
| 3 | Independent Credit Evaluation (ICE) | RBI |
| 4 | Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs) | RBI |
| 5 | Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities)) | SEBI |
| 6 | Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities)) | MCA |
| 7 | Credit Rating of Borrowing programme | (@) |
| 8 | Issuer Ratings | (#) |
| 9 | Monitoring Agency | SEBI |
| 10 | Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs) | NA |

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

**Disclosure:** SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

## Complexity level of the rated instrument

| Trust Name | Instrument | Complexity Indicator |
|---|---|---|
| **Scorpio Trust April 2025** | 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 II: Instrument details

| ISIN | Trust Name | Instrument | Date of Issuance / Sanction | Coupon Rate (p.a.p.m.) | Maturity Date | Current Rated Amount (Rs. crore) | Current Rating |
|---|---|---|---|---|---|---|---|
| **INE1XH815015** | **Scorpio Trust April 2025** | Series A1 PTC | April 30, 2025 | 11.35% | October 14, 2027 | 17.60 | [ICRA]A(SO) |

*Source: Company*

### Annexure III: List of entities considered for consolidated analysis

Not Applicable

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## ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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