November 20, 2025

NeoGrowth Credit Private Limited: Rating reaffirmed for Series A1 PTC issued under MSME business loan securitisation transaction

Summary of rating action

Trust name	Instrument*	Initial rated amount (Rs. crore)	Amount O/s after last surveillance (Rs. crore)	Current rated amount (Rs. crore)	Rating action
AGNI TRUST SEPTEMBER 2024	Series A1 PTC	104.27	NA	85.88	[ICRA]A(SO); reaffirmed

**Instrument details are provided in Annexure I*

Rationale

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

As of the October 2025 payout month, the transaction is currently in the replenishment period and the current pool meets the defined eligibility criteria. The rating reaffirmation takes into account the increase in the credit enhancement cover and the moderately healthy pool collections. ICRA has also taken comfort from the defined eligibility criteria, which ensures that the follow-on pools continue to have a better credit profile.

Pool performance summary

Parameter	AGNI TRUST SEPTEMBER 2024
Payout month	November 2025
Months post securitisation	13
Pool amortisation (as % of initial pool principal)	0.0%
Series A1 PTC amortisation	17.6%
Last 3 months' average collection efficiency[1]	89.9%
Cumulative collection efficiency[2]	90.0%
Cumulative cash collateral (CC) utilisation	0.0%
CC available (% of balance pool)	3.16%
Principal subordination (% of balance pool principal) for Series A1 PTC	24.4%

Transaction structure

As per the transaction structure, the tenure of the pool shall be divided into two periods – replenishment period and amortisation period.

Replenishment period

The replenishment period will be for 24 months from the transaction commencement date. During this period, Series A1 PTC investors will receive only the promised interest payouts on a monthly basis and the balance pool collections will be used by the trust to purchase fresh loan receivables as per the selection criteria such that the pool principal remains unchanged. Further, as per the transaction structure, residual pool collections will be used to redeem the Series A1 PTC, till the advance rate is more than or equal to 70%. The advance rate is defined as outstanding amount of Series A1 PTC divided by sum of the

[1] *Average of (Total current and overdue collections for the month as a % of Total billing for the month) for 3 months*

[2] *(Cumulative current and overdue collections till date)/(Cumulative billing till date + Opening overdues at the start of the transaction)*

principal outstanding value of all underlying loans (that are up to 30 days past due (dpd)) and cash collateral (CC). This will lead to buildup of subordination for the rated instruments.

The transaction also entails certain trigger events for early amortisation. A breach of any of these trigger events would lead to the end of the replenishment period and the start of the amortisation period. If a trigger event occurs at any time during the replenishment period, then the tenure of the PTCs shall be reduced and be co-terminus with the remaining tenure of the pool of receivables assigned to the trust.

Amortisation period

Post the replenishment period, the residual pool collections will be utilised to repay Series A1 PTC. The monthly cash flow schedule will comprise of the promised interest payout for Series A1 PTC. The principal for Series A1 PTC 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 either be used to prepay Series A1 PTC (if advance rate as defined earlier is more than or equal to 50%) or flow back to the Originator on a monthly basis. Any prepayment in the pool would be used for the prepayment of Series A1 PTC principal.

NCPL will initially be the Servicer for the transaction. However, Northern Arc Capital Limited has been identified to take over servicing upon occurrence of certain pre-defined events.

Key eligibility criteria for the receivables

Loans / receivables in the Initial Pool/Pool assigned to the Trust shall be selected based on the criteria specified below:

- Loans are not overdue.
- Loans should not have been overdue on any date since origination beyond 30 days.
- Loans should not have been restructured or rescheduled or given any moratorium.
- Loans have fixed rate of interest.
- Concentration to any state in the underlying pool to not exceed 25% and to any branch not to exceed 20%.
- Weighted average Annualised Rate of Interest (without any fees) on the underlying loans in the pool to be minimum 22%;
- Weighted average net seasoning is at least 4 months.
- CIBIL score of the obligors not to be lower than 700 at the time of their origination and on the date of assignment.

Trigger events for early amortisation

On the occurrence of any of the following trigger events, Replenishment Period will end immediately with no further loans / receivables being purchased and the PTCs will move to the Amortisation Period.

- The Originator does not have sufficient loans (which meet the Eligibility Criteria) for sale during the Replenishment Period
- Any default on its debt obligations by the Originator / Servicer or initiation of any insolvency proceedings by any lender of the Originator/Servicer or filing of insolvency application by any regulator of the Originator/Servicer
- Material breach of obligations by the Servicer
- Downward revision in the Servicer's rating below BBB- by any of the existing rating agencies rating the Originator/Servicer
- Any downward revision in the rating assigned to the Series A1 PTCs
- Series A1 PTC Outstanding Amount is greater than 88% of Performing Balance
- CC has been utilised
- Cumulative Default Rate has exceeded 9% in the first 12 months and exceeded 11% thereafter ; cumulative default rate is defined principle of loans in 30 Dpd or more divided by aggregate pool principal.
- For any of the Half Yearly Vintage in the Pool, the Cumulative Default Rate (for selected Half Yearly Vintage) has exceeded 10% in the first 12 months and exceeded 12% thereafter

Key rating drivers and their description

Credit strengths

Granular pool supported by presence of credit enhancement: The initial pool was granular and basis the eligibility criteria the follow-on pools are also expected to be granular with no obligor exceeding ~1% of the pool principal, thereby reducing the exposure to any single borrower. The EIS is passed to PTC Series A1 till advance rate falls below threshold of 70% during the replenishing period which has lead to increasing the subordination for PTC Series A1 to 24.43% as on October-25 payout month from 13.00% as per the initial rating. Further, the credit enhancement is available in the form of the CC of 3.16% of pool principal as on October-25 payout month.

No overdue contracts in the pool: The initial pool had no overdue contracts as on pool cut-off date. Further any follow-on pool would also not include any overdue contracts on date of assignment to trust which is credit positive.

Adequate servicing capability of the originator - The company has adequate processes for servicing of the loan accounts in the securitised pool. It has a demonstrated track record of over 10 years of regular collections and recovery across a wide geography.

Credit challenges

Moderate pool selection criteria: A potential concern pertaining to a replenishing structure is the uncertainty regarding the exact composition of the additional receivables. While the current transaction has a specified eligibility criteria the follow-on pools may have a lower seasoning, lower interest rate contracts, contracts from weaker geographies and moderate share of lower bureau score contracts.

Risks associated with lending business: The performance of both the initial and the follow-on pools 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. Both the initial and the follow-on pools are 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. However, since the pool in the current transaction would be revised during the replenishment period, the characteristics of the pool would change unlike other PTC transactions where the pool is static. ICRA has used the defined eligibility criteria to arrive at a potential loss for the follow-on pools. The resulting collections from the current pool and the follow-on pools, 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.

For the current transaction, ICRA has estimated the shortfall in the principal of the pool crystalised at the end of the replenishment period at 7.25% at the end of its tenure with certain variability around it. The average prepayment rate for the underlying pool is modelled in the range of 4.8% to 18% 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 ratings for the instruments.

Details of key counterparties

The key counterparties in the rated transaction are as follows:

Transaction name	AGNI TRUST SEPTEMBER 2024
Originator	NCPL
Servicer	NCPL
Trustee	Catalyst Trusteeship Limited
CC holding bank	DCB Bank Limited
Collection and payout account bank	ICICI Bank

Liquidity position: Strong

The liquidity for Series A1 PTC is strong after factoring in the credit enhancement available to meet the promised payout to the investor. The total credit enhancement would be ~5.25 times the estimated loss in the pool.

Rating sensitivities

Positive factors – Since the principal amortisation would begin on the crystallisation of the final pool, the rating is unlikely to be upgraded till the final pool is crystallised. The rating could be upgraded basis the healthy collections observed in the final crystallised pool, leading to the build-up of the credit enhancement cover over the rated PTCs.

Negative factors - The rating could be downgraded on the occurrence of a trigger event, non-adherence to the key transaction terms and deterioration in the performance of the follow-on pools such that the delinquencies during the amortisation period are higher than expected. Weakening in the credit profile of the servicer could also exert pressure on the rating.

Analytical approach

The rating action is based on the performance of the pool till the October 2025 payout month, the present delinquency profile of the pool of contracts, the performance expected over the balance pool tenure, and the credit enhancement available in the transaction.

Analytical approach	Comments
Applicable rating methodologies	Rating Methodology for 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)), IIFL Seed Ventures Fund and FMO (the Dutch entrepreneurial development bank). Prior to setting up NeoGrowth, the promoters 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 AUM stands at Rs 2,700.23 crores as on March 31, 2025.

Key financial indicators (audited)

Indicators	FY2024 Audited	FY2025 Audited	Q1FY2026 Audited
Total income	601	571	166
Profit after tax	71	9	(20)
Total managed assets	3,113	3,112	2,943
GS3	3.7%	6.8%	7.3%
CRAR	28.5%	29.1%	28.4%

Source: Company, 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

S. No.	Trust Name	Current Rating (FY2026)				Chronology of Rating History for the Past 3 Years			
		Instrument	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in FY2026	Date & Rating in FY2025		Date & Rating in FY2024	Date & Rating in FY2023
					November 20, 2025	November 21, 2024	September 30, 2024	-	-
1	**AGNI TRUST SEPTEMBER 2024**	Series A1 PTC	104.27	85.88	**[ICRA]A(SO)**	**[ICRA]A(SO)**	**Provisional [ICRA]A(SO)**	-	-

Complexity level of the rated instrument

Instrument	Complexity indicator
Series A1 PTC	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 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
AGNI TRUST SEPTEMBER 2024	Series A1 PTC	September 27, 2024	11.25%	September 14, 2029	85.88	[ICRA]A(SO)

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not applicable

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ABOUT ICRA LIMITED

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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.

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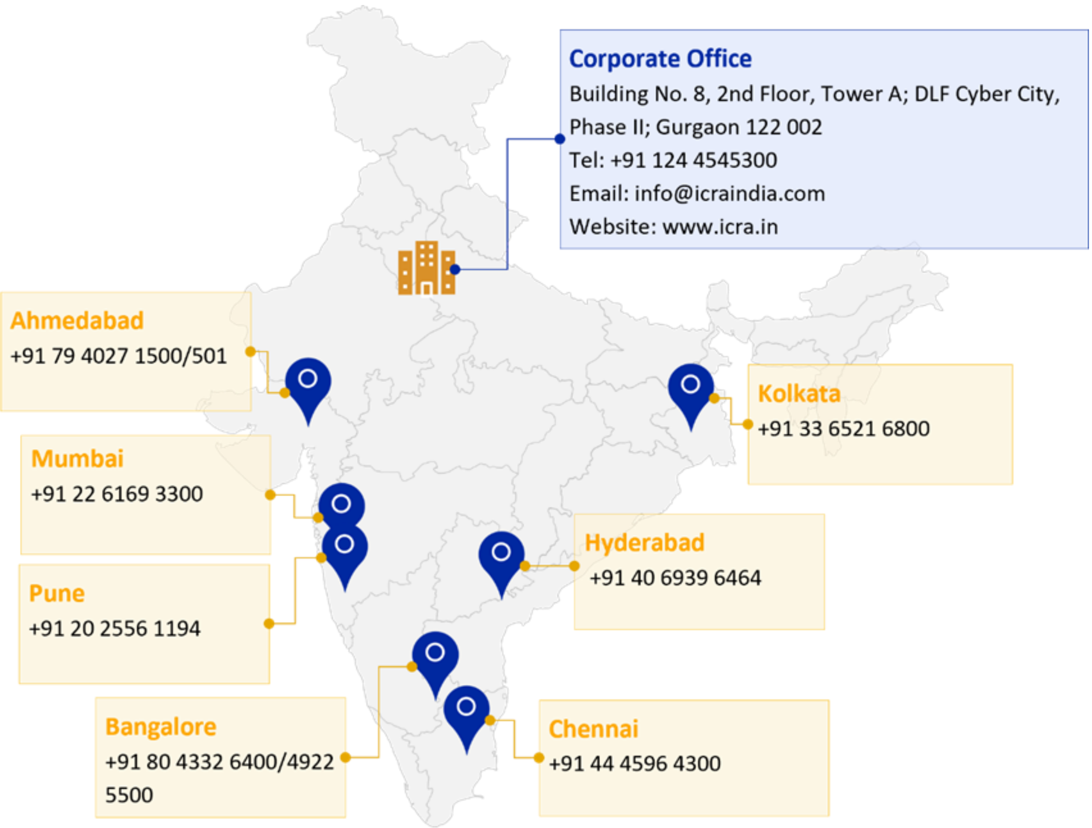

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