

March 24, 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
Sagittarius Trust February 2025	Series A1 PTC	49.51	49.51	9.23	[ICRA]A(SO); reaffirmed

*Instrument details are provided in Annexure I

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 lower 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 February 2026 payout month.

Pool performance summary

Parameter	Sagittarius Trust February 2025
Payout month	February 2026
Months post securitisation	12
Pool amortisation (as % of initial pool principal)	70.1%
PTC Amortization - Series A1 PTC	81.4%
Cumulative collection efficiency ¹	87.0%
Loss-cum-0+ (% of initial pool principal) ²	13.9%
Loss-cum-30+ (% of initial pool principal) ³	11.0%
Loss-cum-90+ (% of initial pool principal) ⁴	9.2%
Cumulative cash collateral (CC) utilisation	0.00%
Cumulative prepayment rate	17.4%
Breakeven collection efficiency ⁵ for Series A1 PTC	39.7%
CC (% of balance pool)	13.4%
Principal subordination (% of balance pool) Series A1 PTC	45.1%
Excess interest spread (EIS; % of balance pool) for Series A1 PTC	6.6%

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 both transactions, 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 ~13.38% 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

Relatively weak collections efficiency and rising delinquencies in harder buckets – The pool has seen a dip in collections in recent months with monthly collection efficiency below 90% as on February 2026 payout month with high roll forward seen in harder buckets of 90+dpd. Limited recoveries are expected from harder buckets given the unsecured nature of 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 8.00% 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	Sagittarius Trust February 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: Adequate

The liquidity for Series A1 PTC is adequate after factoring in the credit enhancement available to meet the promised payouts to the investor. The total credit enhancement would be ~2.25 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 pools till February 2026 (payout month), the present delinquency levels and the credit enhancement available in the pools, 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	9MFY2026 Audited
Total income	601	571	457
Profit after tax	71	9	(74)
Total managed assets	3,113	3,112	2,430
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: None

Rating history for past three years

S.No	Trust Name	Current Rating (FY2025)				Chronology of Rating History for the Past 3 Years			
		Instrument	Initial Rated Amount (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in FY2026	Date & Rating in FY2025		Date & Rating in FY2024	Date & Rating in FY2023
						Mar 24, 2026	Mar 11, 2025		
1	Sagittarius Trust February 2025	Series A1 PTC	49.51	9.23	[ICRA]A(SO)	[ICRA]A(SO)	Provisional [ICRA]A(SO)	-	-

Complexity level of the rated instrument

Trust Name	Instrument	Complexity Indicator
Sagittarius Trust February 2025	Series A1 PTC	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 I: 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
INE1PL115014	Sagittarius Trust February 2025	Series A1 PTC	February 28, 2025	11.35%	July 16, 2027	9.23	[ICRA]A(SO)

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not Applicable

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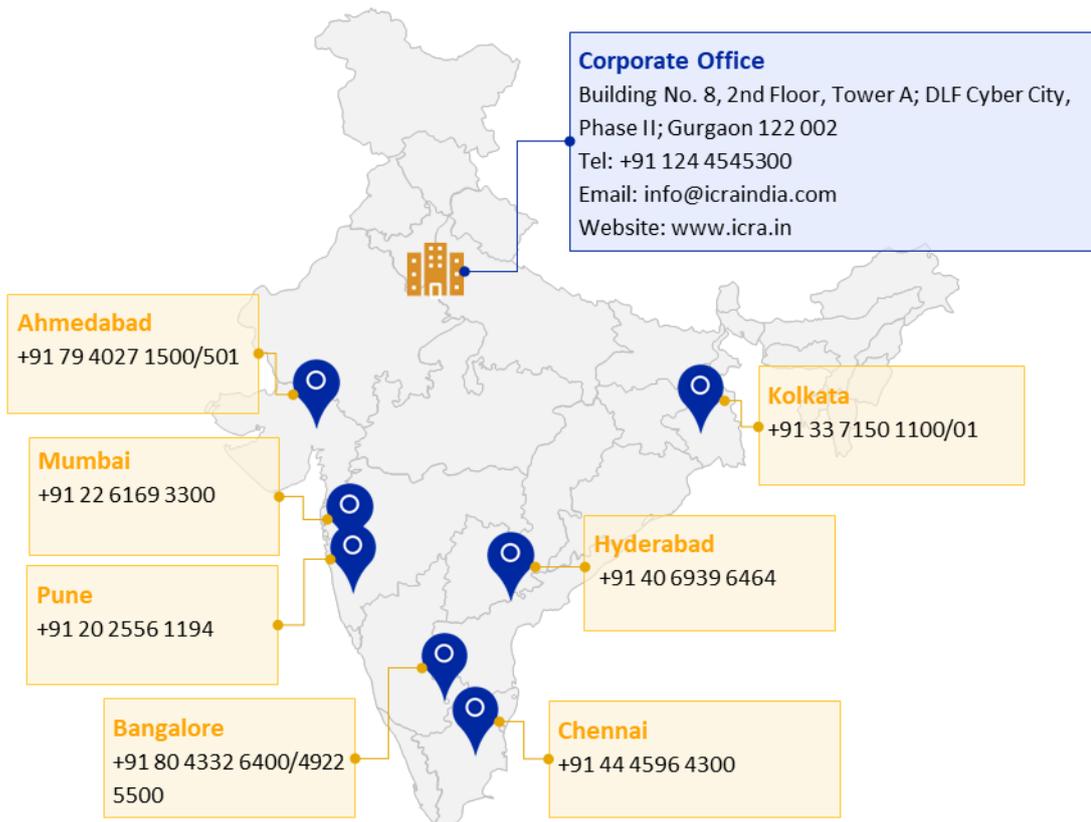
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