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Independent Auditor's Review Report on Unaudited Financial Results of NeoGrowth Credit Private Limited pursuant to Regulation 52(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (as amended).

Review Report to
The Board of Directors
NeoGrowth Credit Private Limited

1. We have reviewed the accompanying statement of unaudited financial results of NeoGrowth Credit Private Limited ("the Company") for the quarter and half year ended September 30, 2023 ("the Statement"), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (as amended) (the "Listing Regulations").

2. The statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ("Ind AS 34") prescribed under Section 133 of the Companies Act, 2013 ("the Act"), as amended, read with relevant rules issued thereunder, the circulars, guidelines and directions issued by the Reserve Bank of India ("the RBI") from time to time, applicable to NBFCs ("the RBI guidelines"), the Listing Regulations and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in the aforesaid Ind AS 34 prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder, the RBI guidelines and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For ASA & Associates LLP
Chartered Accountants
Firm Registration No: 009571N/N500006

K NITHYANANDA KAMATH
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Date: 2023.10.27 18:03:52 +05'30'

ASA & Associates LLP Chartered Accountants

K Nithyananda Kamath
Partner
Membership No. 027972
UDIN: 23027972BGWFAN6812

Place: Ernakulam
Date: October 27, 2023

NEOGROWTH
Lending simplified. Growth amplified.

NeoGrowth Credit Private Limited
CIN No-U51504MH1993PTC251544
Regd Office: 802, 8th floor, Tower A, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel (West), Mumbai-400013
Statement of Financial Results for the quarter ended and half year ended September 30, 2023

(₹ in Crores)

	Particulars	For the quarter ended			For the half year ended		For the year ended
		September 30, 2023 (Unaudited)	June 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)	September 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)	March 31, 2023 (Audited)
1	**Revenue from operations**						
	(a) Interest income	139.87	117.94	85.80	257.81	176.23	363.13
	(b) Fee and commission income	2.90	2.81	4.31	5.71	5.35	12.78
	(c) Net gain on derecognition of financial instrument	2.27	1.31	-	3.58	-	1.81
	(d) Net gain on fair value changes	0.83	1.05	0.69	1.88	0.92	3.17
	Total revenue from operations	**145.87**	**123.11**	**90.80**	**268.98**	**182.50**	**380.89**
2	**Other income**	0.31	0.30	0.66	0.61	1.05	2.05
3	**Total Income (1+2)**	**146.18**	**123.41**	**91.46**	**269.59**	**183.55**	**382.94**
4	**Expenses**						
	(a) Finance costs	51.21	45.54	41.32	96.75	80.48	159.01
	(b) Employee benefit expense	21.96	21.82	19.09	43.78	38.36	78.78
	(c) Depreciation and amortisation expense	1.85	1.88	1.88	3.73	3.75	7.58
	(d) Impairment on financial instruments	34.57	27.88	14.64	62.45	31.86	69.68
	(e) Other expenses	11.47	12.42	10.04	23.89	20.80	42.42
	Total expenses	**121.06**	**109.54**	**86.97**	**230.60**	**175.25**	**357.47**
5	**Profit before exceptional items & tax (3-4)**	**25.12**	**13.87**	**4.49**	**38.99**	**8.30**	**25.47**
6	**Exceptional Items**	-	-	-	-	-	**1.84**
	Impact of modification of exercise price of Employee Stock Option Plan	-	-	-	-	-	1.84
7	**Profit before tax (5-6)**	**25.12**	**13.87**	**4.49**	**38.99**	**8.30**	**23.63**
8	**Tax expense**	**6.33**	**3.52**	**1.22**	**9.85**	**2.40**	**6.37**
	Current tax	0.19	-	-	0.19	-	-
	Tax expense of earlier period / year	-	-	(0.33)	-	(0.33)	(0.33)
	Deferred tax charge	6.14	3.52	1.55	9.66	2.72	6.70
9	**Net Profit for the period / year (7-8)**	**18.79**	**10.35**	**3.27**	**29.14**	**5.90**	**17.26**
10	**Other Comprehensive Income**	**2.07**	**(5.63)**	**(2.08)**	**(3.56)**	**(2.30)**	**(4.11)**
	(A) (i) Items that will not be reclassified to profit or loss Remeasurement gain/(loss) on defined benefit plan	(0.12)	(0.61)	0.02	(0.73)	0.02	(0.12)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.03	0.15	(0.00)	0.18	(0.0)	0.03
	(B) (i) Items that will be reclassified to profit or loss Net gain / (Loss) on cash flow hedge	2.89	(6.91)	(2.81)	(4.02)	(3.10)	(5.37)
	(ii) Income tax relating to items that will be reclassified to profit or loss	(0.73)	1.74	0.71	1.01	0.78	1.35
11	**Total Comprehensive Income (9+10)**	**20.86**	**4.72**	**1.19**	**25.58**	**3.60**	**13.15**
12	**Earnings Per Share (₹) (Face Value of ₹ 10/- each)**						
	- Basic *	2.01	1.11	0.42	3.12	0.75	2.11
	- Diluted*	1.94	1.07	0.40	3.01	0.73	2.05

* Not annualised for the quarter ended September 30, 2023, June 30, 2023 and September 30, 2022 and for the half year ended September 30, 2023 and September 30, 2022.

Notes:

1. The financial results have been prepared in accordance with the recognition and measurement principles as laid down in the Indian Accounting Standard ("IND AS")- 34 Interim Financials Reporting as prescribed under section 133 of the Companies Act 2013 (the "Act") read with relevant rules issued thereunder and in compliance with the requirements of Regulation 52 of the Securities and Exchange Board of India ("SEBI") Listing Obligation and Disclosure Requirement ("LODR") Regulation, 2015 as amended (the "Listing Regulations") from time to time.

2. The Company's operating segments are evaluated by the Chief Operating Decision Maker as defined in Ind AS 108 - 'Operating Segments'. The Company operates in a single reportable segment i.e. financing, since the nature of the loans are exposed to similar risk and return profiles hence they are collectively operating under a single segment. The Company operates in a single geographical segment i.e. domestic.

NeoGrowth Credit Pvt. Ltd. Mumbai

NeoGrowth Credit Private Limited
CIN No-U51504MH1993PTC251544
Regd Office: 802, 8th floor, Tower A, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel (West), Mumbai-400013

3. **Statement of Assets and Liabilities as at September 30, 2023**

(₹ in Crores)

Particulars	As at September 30, 2023 (Unaudited)	As at March 31, 2023 (Audited)
ASSETS		
Financial assets		
(a) Cash and cash equivalents	125.10	175.23
(b) Bank balances other than (a) above	68.32	61.49
(c) Derivative financial instruments	3.01	3.82
(d) Receivables		
Trade receivables	1.75	1.24
Other receivables	6.02	12.61
(e) Loans	2,080.68	1,645.80
(f) Other financial assets	50.60	44.29
	2,335.48	**1,944.48**
Non-financial assets		
(a) Deferred tax assets (net)	45.92	54.38
(b) Property, Plant and Equipment	1.23	1.07
(c) Right-of-use assets	17.13	15.69
(d) Intangible assets under development	2.21	1.02
(e) Other Intangible assets	0.27	0.38
(f) Other non- financial assets	24.00	14.81
	90.76	**87.35**
TOTAL ASSETS	**2,426.24**	**2,031.83**
LIABILITIES AND EQUITY		
Financial liabilities		
(a) Payables		
Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	0.33
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	17.40	11.92
(b) Debt securities	567.59	533.01
(c) Borrowings (other than debt securities)	1,159.74	867.14
(d) Other financial liabilities	45.68	34.09
	1,790.41	**1,446.49**
Non-financial liabilities		
(a) Provisions	16.11	24.63
(b) Other non-financial liabilities	4.55	3.38
	20.66	**28.01**
Equity		
(a) Equity share capital	18.00	18.00
(b) Other equity	597.17	539.33
	615.17	**557.33**
TOTAL LIABILITIES AND EQUITY	**2,426.24**	**2,031.83**

NeoGrowth Credit Pvt. Ltd. Mumbai

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4. **Cash Flow Statement for the half year ended September 30, 2023**

(₹ in Crores)

Particulars	For the half year ended September 30, 2023 (Unaudited)	For the half year ended September 30, 2022 (Unaudited)
Operating activities		
Profit before tax	**39.00**	**8.30**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation, amortisation and impairment	3.73	3.75
Fair value movement of embedded derivative	-	0.02
Effective Interest Rate adjustment in Borrowings	(0.63)	(1.95)
Interest Income on security deposits	(0.19)	(0.18)
Interest on Lease liability	1.01	1.31
Interest on Debt Securities	30.81	49.83
Income on Derecognition of Loan Assets	(3.58)	-
Interest on Borrowings	53.17	21.75
Employee Benefit expenses	4.57	5.96
Impairment on financial instruments	62.45	31.86
Remeasurement gain / (loss) on defined benefit plan	(0.73)	0.02
Net gain on fair value of Investments	(1.88)	(0.94)
Working capital changes:		
Increase in Loan	(492.18)	(31.31)
(Increase) / Decrease in Receivables	6.07	(11.85)
Increase in Other Financial Assets	(7.97)	(0.93)
Decrease / (Increase) in Other Non Financial Assets	(3.31)	1.07
Increase in Bank balance other than cash and cash equivalents	(6.83)	(9.40)
Increase in Trade payable	5.17	0.76
Increase in Other financial liabilities	10.39	0.87
Increase / (Decrease) in Provisions	(11.62)	5.08
Increase / (Decrease) in Other non-financial Liabilities	1.22	(1.44)
Interest Paid on Debt Securities and Borrowings	(77.56)	(74.52)
Income tax paid (net of refunds)	(6.02)	(6.90)
Net cash flows used in operating activities	**(394.91)**	**(8.84)**
Investing activities		
Purchase of property, plant and equipment	(0.51)	(0.16)
Intangible assets under development	(1.19)	-
Proceeds from redemption of Investments at fair value through profit and loss (net)	1,644.24	1,169.19
Investments in Mutual Fund at fair value through profit and loss (net)	(1,642.37)	(1,168.24)
Net cash flows from investing activities	**0.17**	**0.79**
Financing activities		
Debt securities issued	169.19	160.80
Debt securities repaid	(101.00)	(136.64)
Borrowings other than debt securities taken	504.25	385.67
Borrowings other than debt securities repaid	(223.54)	(316.35)
Interest paid on lease liability	(1.01)	(1.31)
Principal portion of lease liability except short term lease payments	(3.28)	(2.80)
Net cash flows from financing activities	**344.61**	**89.37**
Net increase / (decrease) in cash and cash equivalents	**(50.13)**	**81.32**
Cash and cash equivalents at beginning of the period	175.23	90.42
Cash and cash equivalents at the end of the period	**125.10**	**171.74**

NeoGrowth Credit Pvt. Ltd. Mumbai

5. All the secured non-convertible debentures of the Company are fully secured by exclusive first charge on certain identified receivables of the Company to the extent stated in the respective Information Memorandum / Security Documents. Further, the Company has, at all times, maintained sufficient asset cover to discharge the principal amount, interest accrued thereon and such other sums as mentioned therein, as per the respective Information Memorandum / Security documents.

6. Pursuant to Regulation 52(7) of the Listing Regulations, we hereby confirm that issue proceeds of Non-Convertible Debentures (NCDs) issued by the Company and outstanding as on September 30, 2023 are being utilized as per the objects stated in the offer document. Further, we also confirm that there have been no deviations in the use of proceeds of issue of NCDs from the objects stated in the offer document.

7. The above financial results of the Company are reviewed and recommended by the Audit Committee and have been approved by the Board of Directors at its meeting held on October 27, 2023 respectively.

8. Disclosures pursuant to RBI Notification - RBI/2O21-22/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated 6 August 2020 and RBI/2021-22/31/DOR.STR.REC .11/21.04.048/2021-22 dated May 5,2021

(₹ in Crores)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at March 31, 2023	Of (A), aggregate debt that slipped into NPA during the half-year ended September 30, 2023	Of (A) amount written off during the half-year ended September 30, 2023*	Of (A) amount paid by the borrowers during the half-year ended September 30 2023**	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at September 30 2023
Personal Loans	-	-	-	-	-
Corporate persons***	-	-	-	-	-
of which, MSMEs	29.19	1.90	0.27	16.58	10.44
Others	-	-	-	-	-
Total	**29.19**	**1.90**	**0.27**	**16.58**	**10.44**

*represents debt that slipped into stage 3 and was subsequently written off during the half-year ended September 30, 2023.

** represents receipts net of interest accruals

***also includes individual Business Loans (Proprietor) and Small Business Loans (Non Proprietor).

9. Disclosures pursuant to RBI Notification - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated 24 September 2021 (updated as on December 05, 2022) for transfer through assignment of loan, acquisition of loans through assignment and acquisition/transfer of any stressed loan is as below.

(a) Details of the transfers through assignment in respect of loans, not in default during the quarter and half year ended September 30, 2023 is as below :

Particulars	For the quarter ended September 30, 2023	For the half year ended September 30, 2023
	Numbers / Amount in ₹ in Crores	Numbers / Amount in ₹ in Crores
Count of loans accounts assigned	737.00	1163.00
Amount of loan accounts assigned	48.70	73.85
Weighted average maturity (in months)	13.02	12.97
Weighted average holding period (in months)	10.60	9.98
Retention of beneficial economic interest	10%	10%
Coverage of tangible security	100%	100%
Rating wise distribution of rated loans	Not Rated	Not Rated

(b) The Company has not acquired through assignment any loans, not in default during the quarter ended and the half year ended September 30, 2023

(c) The Company has not transferred any stressed loans during the quarter ended and the half year ended September 30, 2023

10. The Indian Parliament has approved the code on Social Security, 2020 which will subsumes the Provident fund and the Gratuity Act and rules thereunder. The Ministry of Labour and Employment has also released draft rules thereunder on November 13, 2020 and has invited suggestions from stakeholders, which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.

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11. Disclosure as per Regulation 52(4) of the SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015

Particulars	Quarter ended			For the half year ended		For the year ended
	September 30, 2023 (Unaudited)	June 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)	September 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)	March 31, 2023 (Audited)
Debt Equity Ratio (Refer Note i and iii)	2.77	2.56	3.01	2.77	3.01	2.31
Net worth (Refer Note ii and iii)	623.92	604.47	424.68	623.92	424.68	593.27
Net profit after tax	18.79	10.35	3.27	29.14	5.90	17.26
Earnings per share - Basic	2.01	1.11	0.42	3.12	0.75	2.11
Earnings per share - Diluted	1.94	1.07	0.40	3.01	0.73	2.05
Total debts to total assets (Refer Note iv)	71.19%	69.75%	72.41%	71.19%	72.41%	67.40%
Net Profit Margin (%) (Refer Note v)	12.85%	8.38%	3.58%	10.81%	3.22%	4.51%
Sector specific equivalent ratios:-						
Gross Stage 3 asset (Refer Note vi)	2.56%	2.90%	5.63%	2.56%	5.63%	3.24%
Net Stage 3 asset (Refer Note vii)	0.91%	1.03%	2.23%	0.91%	2.23%	1.16%
CRAR (Tier I + II) (Refer Note viii and ix)	30.36%	30.34%	27.22%	30.36%	27.22%	32.70%
CRAR (Tier I)	29.68%	27.83%	18.05%	29.68%	18.05%	30.05%
CRAR (Tier II) (Refer Note ix)	0.68%	2.51%	9.17%	0.68%	9.17%	2.65%

Notes

i. Debt to equity ratio is arrived as (Debt securities + borrowings – Compulsorily Convertible Debentures + unamortised transaction cost attributable to raising CCD) / (Total Equity + CCD - unamortised transaction cost attributable to raising CCD - OCI). Further debt does not include financial guarantee obligations.

ii. Net worth is derived as Equity presented by Company plus Compulsorily Convertible Debentures minus unamortised transaction cost attributable to raising CCD. Further, other comprehensive income has not been included.

iii. CCD have been classified as part of Net worth/ Equity under Master Circular No. 15/2012-13 dated July 2, 2012 on Foreign Investment in India issued by Reserve Bank of India.

iv. Total debt to Total assets is derived as (Debt securities + borrowings – Compulsorily Convertible Debentures + unamortised transaction cost attributable to raising CCD)/(Total assets). Further debt does not include financial guarantee obligation.

v. Net profit margin is derived as (Net profit for the period/ total income)

vi. Gross stage III % is derived as (Gross stage III loans)/ (Gross loans)

vii. Net stage III % is derived as (Gross stage III loans- impairment allowance on stage III)/ (Gross loans - impairment allowance on stage III)

viii. Risk Adequacy ratio is derived based on financial information as at September 30, 2023; June 30, 2023 and September 30, 2022 in accordance with applicable NBFC Master directions issued by Reserve Bank of India (RBI).

ix. For calculation of Capital Risk Adequacy ratio CCD is added in Tier II capital.

x. Debt service coverage ratio, Interest service coverage ratio, Outstanding redeemable preference shares, Capital redemption Reserve/Debenture Redemption Reserves, Current ratio, Long term debt to working capital, Bad debts to Accounts receivable ratio, Current liability ratio, Debtors turnover, Inventory turnover and Operating margin ratio is not applicable to the Company.

12. The comparative financial information included in the financial results for the quarter ended September 30, 2023 are balancing figures between figures in respect of the half financial year September 30, 2023 and the published financial results upto the end of the first quarter of the financial year.

13. Previous years / periods figures have been re-classified where appropriate to current years / periods presentation.

For and on behalf of NeoGrowth Credit Private Limited

ARUN KUMAR NAYYAR
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Date: 2023.10.27 17:42:57 +05'30'

Arun Nayyar
Managing Director & CEO
DIN: 06804277

NeoGrowth Credit Pvt. Ltd. Mumbai

Place: Mumbai

Date: October 27, 2023