

No.: 2023-2024/NCD/009

Addressed to: Northern Arc Capital Limited

KEY INFORMATION DOCUMENT / PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER



NEOGROWTH CREDIT PRIVATE LIMITED ("Issuer"/"Company")

A private limited company incorporated under the Companies Act, 1956

Key Information Document for issue of Debentures on a private placement basis

Dated: February 26, 2024

Issue of 6,500 (six thousand five hundred) rated, listed, unsubordinated, secured, transferable, redeemable, non-convertible debentures denominated in Indian Rupees ("INR"), having a face value of INR 1,00,000 (Indian Rupees One Lakh) each and an aggregate face value of INR 65,00,00,000 (Indian Rupees Sixty Five Crore) on a private placement basis.

Background

This Key Information Document (as defined below) is related to the Debentures to be issued by NeoGrowth Credit Private Limited (the "**Issuer**" or "**Company**") on a private placement basis under the purview of the General Information Document and contains relevant information and disclosures (to the extent required under the Debt Listing Regulations and not already covered under the General Information Document) required for the purpose of issuing of the Debentures. The issue of the Debentures comprised in the Issue and described under this Key Information Document has been authorised by the Issuer through the resolutions dated June 12, 2023 of the shareholders of the Issuer, and the resolution dated February 15, 2024 of the resource and mobilisation committee of the board of directors of the Issuer read with the resolution dated June 19, 2023 of the Board of Directors of the Issuer.

This Key Information Document is issued within the period of validity for issuance of non-convertible debentures prescribed in the General Information Document.

This Key Information Document and the terms and conditions (including the details of the Debentures) set out herein are to be read together with the General Information Document issued by the Issuer.

FILING OF KEY INFORMATION DOCUMENT WITH STOCK EXCHANGE

This Key Information Document has been/will be filed with the Stock Exchange.

Issue Schedule

Particulars	Date
Issue Opening Date	February 26, 2024
Issue Closing Date	February 26, 2024
Date of earliest closing of the Issue (if any):	N.A.
Pay In Date	February 27, 2024

Deemed Date of Allotment	February 27, 2024
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DISCLAIMERS

- This Key Information Document contains no unsubstantiated forward-looking statements. To the extent there are any unsubstantiated forward-looking statements under this Key Information Document, such statements shall be considered to be null and void.
- This issue document does not include any statement purporting to be made by an expert other than if the expert is a person who is not, and has not been, engaged or interested in the formation or promotion or management, of the Issuer and has given their written consent to this issue of this Key Information Document and has not withdrawn such consent before the delivery of a copy of this Key Information Document to the Registrar (as applicable) for registration.

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SECTION 1: DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or requires, the following terms shall have the meanings given below in this Key Information Document.

TERM	DEFINITION/PARTICULARS
Act or Companies Act	means the Companies Act, 2013, and shall include any re-enactment, amendment or modification of the Companies Act, 2013, as in effect from time to time.
Allot/Allotment/Allotted	means the allotment of the Debentures pursuant to this Issue.
Applicable Accounting Standards	means the generally accepted accounting principles, standards and practices in India or any other prevailing accounting standard in India as may be applicable and includes the Indian Accounting Standards (IND-AS).
Applicable Law	means all applicable statutes, enactments or acts of any legislative body in India, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority and any modifications or re-enactments thereof.
Applicant	means a person who has submitted a completed Application Form to the Issuer.
Application Form	The form used by the recipient of this Key Information Document, to apply for subscription to the Debentures, which is in the form annexed to this Key Information Document and marked as Annexure IV (Application Form) .
Application Money	means the subscription amounts paid by the Debenture Holders at the time of submitting the Application Form.
Assets	means, for any date of determination, the assets of the Issuer on such date as the same would be determined in accordance with Applicable Accounting Standards.
Beneficial Owners	means the holders of the Debentures in dematerialised form whose names are recorded as such with the Depository(ies) in the Register of Beneficial Owners.
Board / Board of Directors	means the Board of Directors of the Issuer.
BSE	means BSE Limited.
Business Day	means any day (other than a Saturday, Sunday or a public holiday under Section 25 of the Negotiable Instruments Act, 1881) on which commercial banks are open for business in Mumbai, India. For the purpose of this definition, in respect of: (a) <i>Announcement of issue period</i>: Business Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai, India are open for business; and (b) <i>The time period between the issue closing date and the listing of the Debentures on the BSE</i>: Business Day shall mean all trading days of the stock exchanges for non-convertible securities, excluding Saturdays, Sundays and

	bank holidays, as specified by the SEBI.
Capital Adequacy Ratio	means the ratio of (a) the Tier 1 Capital and the Tier 2 Capital of the Issuer, to (b) the aggregate of the risk weighted assets on-balance sheet and the risk adjusted value of off-balance sheet items of the Issuer.
CDSL	means the Central Depository Services (India) Limited.
CERSAI	means the Central Registry of Securitisation Asset Reconstruction and Security Interest of India.
Client Loan	means each loan disbursed by the Issuer as a lender, and " Client Loans " shall be construed accordingly.
Client Protection Claim	means any claim, proceeding or investigation by a person in respect of any Client Protection Laws.
Client Protection Laws	means any laws, rules or regulations applicable to the Issuer as a non-banking finance company or otherwise concerning consumer protection matters.
Company/Issuer/ NeoGrowth	NeoGrowth Credit Private Limited, a company incorporated under the Companies Act, 1956 having corporate identification number U51504MH1993PTC251544 and registered as a non-banking financial company with the Reserve Bank of India, having its registered office at 802, 8th floor, Tower A, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel (W), Mumbai, Maharashtra - 400013, India.
Conditions Precedent	means the conditions precedent set out under the heading in Section 3.10 (<i>Summary Terms</i>) of this Key Information Document.
Conditions Subsequent	means the conditions subsequent set out in Section 3.10 (<i>Summary Terms</i>) of this Key Information Document.
Constitutional Documents	means the certificate of incorporation of the Issuer, the memorandum of association and articles of association of the Issuer and the certificate of registration issued by the RBI to the Issuer.
Control	means, in respect of any person: (a) the right to appoint a majority of the directors of the board of directors of such person; and (b) the right to control the management or policy decisions acting individually or in concert, directly or indirectly, including by virtue of shareholding or management rights or shareholders agreements or voting agreements or in any other manner of such person.
Crore	means ten million
Debenture Holders / Investors	means each person who is: (a) registered as a Beneficial Owner; and (b) registered as a debenture holder in the Register of Debenture Holders,

	paragraphs (a) and (b) above shall be deemed to include transferees of the Debentures registered with the Issuer and the Depository from time to time, and in the event of any inconsistency between paragraphs (a) and (b) above, paragraph (a) shall prevail.
Debenture Trust Deed/DTD	means the trust deed executed / to be executed by and between the Debenture Trustee and the Issuer which will set out the terms upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer.
Debenture Trustee	means Catalyst Trusteeship Limited
Debenture Trustee Agreement	means the agreement executed / to be executed by and between the Debenture Trustee and the Issuer for the purposes of appointment of the Debenture Trustee to act as debenture trustee in connection with the issuance of the Debentures.
Debenture Trustees Regulations or SEBI Debenture Trustees Regulations	means the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 (as amended, modified or restated from time to time).
Debentures/NCDs	means 6,500 (six thousand five hundred) rated, listed, unsubordinated, secured, transferable, redeemable, non-convertible debentures denominated in INR, having a face value of INR 1,00,000 (Indian Rupees One Lakh) each and an aggregate face value of INR 65,00,00,000 (Indian Rupees Sixty Five Crore).
Debt	means the aggregate of: (a) all outstanding long-term borrowings (whether secured or unsecured); (b) all contingent liabilities pertaining to corporate and financial guarantees given on behalf of any company, special purpose vehicle, any subsidiary or affiliate to the extent of the amounts outstanding in respect of such guaranteed debt; (c) all outstanding short-term debt borrowings (whether secured or unsecured), availed of in lieu of any long-term debt or by way of bridge financing for a long-term debt; (d) all amounts raised by acceptance under any acceptance credit facility; (e) all receivables sold or discounted (other than receivables that are sold on a non-recourse basis); (f) any obligation under any put option, any shortfall/liquidity support undertaking, any debt service reserve account undertaking, any keep fit letter(s), any letter of comfort issued in favour of any person(s); and (g) all amounts raised under any other transaction (including any forward sale or purchase agreement) having the

	commercial effect of a borrowing, but shall not include any cash-in-hand and/or any amounts available in the bank accounts of the Issuer.
Debt Disclosure Documents	means, collectively, the General Information Document and this Key Information Document, and any PPOA issued in respect of the Debentures.
Debt Listing Regulations or SEBI Debt Listing Regulations or SEBI NCS Regulations or SEBI ILNCS Regulations	means the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, modified or restated from time to time.
Deed of Hypothecation	has the meaning given to it in Section 3.10 (<i>Summary Terms</i>) of this Key Information Document.
Deemed Date of Allotment	means February 27, 2024.
Demat	means dematerialized securities which are securities that are in electronic form, and not in physical form, with the entries noted by the Depository.
Depositories Act	means the Depositories Act, 1996, as amended from time to time
Depositories	means the depositories with which the Issuer has made arrangements for dematerialising the Debentures, being NSDL and CDSL, and " Depository " means any one of them.
Depository Participant / DP	A depository participant as defined under the Depositories Act
Director(s)	means the director(s) of the Issuer.
DP ID	Depository Participant Identification Number.
Due Dates	means, collectively, the dates on which any principal amounts, interest, any additional interest, default interest, any liquidated damages, any premature redemption amount and/or any other amounts payable, are due and payable, including but not limited to the Interest Payment Dates, the Redemption Date(s), or any other date on which any payment is to be made by the Issuer under the Transaction Documents.
Early Redemption Exercise Period	means the exercise period of 3 (three) Business Days commencing from the date the Majority Debenture Holders provide/grant their approval for any request for early redemption and expiring on the date that occurs 3 (three) Business Days after the aforementioned date.
EBP Platform	has the meaning given to it under the EBP Requirements.
EBP Requirements or SEBI EBP Requirements	means the requirements with respect to electronic book mechanism prescribed in Chapter VI (<i>Electronic Book Provider platform</i>) of the Listed NCDs Master Circular, and the operational guidelines issued by the relevant Electronic Book Provider, as may be restated, amended, modified or updated from time to time.
Effective Date	means the date of execution of the Debenture Trust Deed.
EFT	Electronic Fund Transfer
Electronic Book Provider / EBP	has the meaning given to it under the EBP Requirements.

Eligible Investors	has the meaning given to it in Section 8.14 (<i>Eligible Investors</i>) of the General Information Document.
Environmental and Social Claim	means any claim, proceeding or investigation in respect of any Environmental and Social Requirements.
Environmental and Social Requirements	means any law, rule or regulation (including international treaty obligations) applicable in the Republic of India and, in respect of the Issuer, any country in which the Issuer carries out business activities concerning (a) environmental matters, (b) natural resource management, (c) any environmental and/or social permit, license, consent, approval or other authorisation required by the Issuer to conduct its business, (d) labour, (e) social security, (f) industrial relations, (g) protection of occupational as well as public health and safety, (h) public participation, (i) the protection and regulation of ownership of land rights (both formal and traditional), immovable goods and intellectual and cultural property rights, (j) the protection and empowerment of indigenous people or ethnic groups, (k) the protection, restoration and promotion of cultural heritage and (l) protection of employees and citizens.
Events of Default	means the event(s) set out in Section 3.10 (<i>Summary Terms</i>) of this Key Information Document, and " Event of Default " shall be construed accordingly.
Exclusion List	means the list of excluded activities set out in Schedule V (<i>Exclusion List</i>) of the DTD.
Final Redemption Date	means the date occurring on the expiry of a period of 24 (twenty four) months from the Deemed Date of Allotment, being February 27, 2026, or such other earlier date on which the Debentures are required to be redeemed pursuant to the Transaction Documents.
Final Settlement Date	means the date on which all Secured Obligations have been irrevocably and unconditionally paid and discharged in full to the satisfaction of the Debenture Holders.
Financial Indebtedness	means any indebtedness for or in respect of: (a) moneys borrowed; (b) any amount raised by acceptance under any acceptance credit, bill acceptance or bill endorsement facility or dematerialised equivalent; (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, loan stock or any similar instrument; (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the Applicable Accounting Standards, be treated as a finance or capital lease; (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis); (f) any amount raised under any other transaction

	(including any forward sale or purchase agreement) having the commercial effect of a borrowing; (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark-to-market value shall be taken into account); (h) shares which are expressed to be redeemable or shares which are the subject of a put option or any form of guarantee; (i) any obligation under any put option in respect of any securities; (j) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; (k) any corporate/personal guarantee, a letter of comfort or any other similar contractual comfort issued or incurred in respect of a liability incurred by any other third person; and (l) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (k) above.
Financial Year/ FY	means each period of 12 (twelve) months commencing on April 1 of any calendar year and ending on March 31 of the subsequent calendar year
Founders	means Mr. Dhruv Kumar Khaitan and Mr. Piyush Kumar Khaitan.
General Information Document	means the general information document dated September 14, 2023 issued by the Issuer which sets out the terms and conditions for the issue and offer of non-convertible debentures by the Issuer on a private placement basis and contains the relevant information in this respect.
Governmental Authority	means any government (central, state or otherwise) or any governmental agency, semi-governmental or judicial or quasi-judicial or administrative entity, department, agency or authority including any stock exchange or any self-regulatory organisation, established under any Applicable Law.
Gross Loan Portfolio	in respect of a person, means and includes the outstanding principal amounts of the loans originated by such person on its own books, securitized portfolio as well as loans originated on behalf of other entities by entering into partnership agreements but not included on such person's own book.
Group Entities	shall mean and refer to the subsidiaries of the Issuer, associate companies (as defined under the Companies Act) of the Issuer, and the entities under the Control of the Issuer, from time to time, and

	" Group Entity " shall mean anyone of them.
Hypothecated Assets	has the meaning given to it in Section 3.10 (<i>Summary Terms</i>) of this Key Information Document.
ICCL	means the Indian Clearing Corporation Limited.
Interest Payment Dates	means the dates on which any interest in respect of the Debentures is required to be paid, as more specifically set out in Annexure VI (<i>Illustration of Bond Cash Flows</i>) of this Key Information Document.
Interest Rate	means 11.75% (eleven decimal seven five percent) per annum (fixed), payable quarterly on the Interest Payment Dates.
Issue	means the issuance of the Debentures by way of private placement.
Issue Closing Date	February 26, 2024
Issue Opening Date	February 26, 2024
Key Information Document	means this key information document which sets out the terms and conditions for the issue and offer of the Debentures by the Issuer on a private placement basis and contains the relevant information in this respect.
Listed NCDs Master Circular	means the master circular issued by SEBI bearing the reference number SEBI/HO/DDHS/PoD1/P/CIR/2023/119 dated August 10, 2021 on " <i>Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper</i> " (updated as on July 7, 2023) to the extent applicable in respect of the private placement of debt securities, as amended, modified, or restated from time to time.
Listing Period	has the meaning given to it in Section 3.10 (<i>Summary Terms</i>) of this Key Information Document.
Loan Loss Provisions	means the outstanding provisions in the balance sheet of the Issuer pertaining to on-book and securitised book assets to provide for potential losses (in accordance with the NBFC Directions and the Applicable Accounting Standards).
LODR Regulations or SEBI LODR Regulations	means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, modified, or restated from time to time.
Majority Debenture Holders	means such number of Debenture Holders collectively holding more than 50% (fifty percent) of the value of the Outstanding Principal Amounts of the Debentures.
Majority Resolution	means a resolution approved by the Majority Debenture Holders who are present and voting or if a poll is demanded, by the Majority Debenture Holders who are present and voting in such poll.
Material Adverse Effect	means the effect or consequence of an event, circumstance, occurrence or condition which has caused, as on the date of determination, or could reasonably be expected to cause a material and adverse effect on: (a) the financial condition, business or operation of the Issuer which is prejudicial to the ability of the Issuer to perform its obligations under the Transaction Documents; (b) the rights or remedies of the Debenture Holders hereunder

	or under any other Transaction Documents; (c) the ability of the Issuer to perform their obligations under the Transaction Documents; or (d) the legality, validity or enforceability of any of the Transaction Documents.
N.A.	Not Applicable
NBFC	Non-banking financial company
NBFC Directions	means the Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 dated October 19, 2023, read together with the RBI's circular no. DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 on " <i>Implementation of Indian Accounting Standards</i> ", each as amended, modified, or restated from time to time.
Net Worth	has the meaning given to it in the Companies Act.
NSDL	means the National Securities Depository Limited
Objectionable Practice	means any acts of bribery or corruption, financing of terrorist/terrorist organisation, misrepresentation for financial benefit, money laundering activities (howsoever described under Applicable Law) or any act of falsifying/alteration of evidence relating to the aforesaid activities.
OFAC	means the Office of Foreign Assets Control of the U.S. Department of the Treasury, which administers and enforces economic and trade sanctions based on U.S. foreign policy and national security goals against targeted individuals, organizations, and foreign countries and regimes.
OFAC Lists	means the Specially Designated Nationals and Blocked Persons List and any other lists administered or enforced by OFAC, including but not limited to the Sectoral Sanctions Identifications List, the Foreign Sanctions Evaders List, the Palestinian Legislative Council List, and the List of Foreign Financial Institutions Subject to Correspondent Account or Payable-Through Account Sanctions, in each case as published by OFAC from time to time.
Off Balance Sheet Portfolio	means the outstanding principal balance of all Client Loans securitised, assigned, originated on behalf of other institutions otherwise sold off in respect of which the Issuer has provided credit enhancements in any form or manner whatsoever including Client Loans originated on behalf of other entities by entering into partnership agreements but not included on the Issuer's own book, excluding interest receivables and accrued interest.
Optionally Accelerated Redemption Option	has the meaning given to it in Section 3.10 (<i>Summary Terms</i>) of this Key Information Document.
Optionally Accelerated Redemption Option Notice	has the meaning given to it in Section 3.10 (<i>Summary Terms</i>) of this Key Information Document.
Origination Period	means the date occurring on the expiry of a period of 90 (ninety) days from the Deemed Date of Allotment.
Outstanding Amounts	means, on any date, the Outstanding Principal Amounts together with any interest, additional interest, default interest, costs, fees,

	charges, and other amounts payable by the Issuer in respect of the Debentures.
Outstanding Principal Amounts	means, at any date, the principal amounts outstanding under the Debentures.
PAN	Permanent Account Number
PAR>90	means, in a district in India or branch of the Issuer or in respect of the Gross Loan Portfolio (including restructured loans), at any time, as the case may be, the outstanding principal amounts of the Client Loans (including restructured loans) that have one or more instalments of principal, interest, penalty, fee or any other payments overdue for 90 (ninety) days or more.
Payment Default	means the occurrence of the event of default set out in paragraph (a) under the section named " <i>Events of Default</i> " under Section 3.10 (<i>Summary Terms</i>) of this Key Information Document.
Private Placement Offer cum Application Letter/PPOA	The offer cum application letter prepared in compliance with Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014.
Purpose	has the meaning given to it in Section 3.9 (<i>Utilization of the Issue Proceeds</i>) of this Key Information Document.
Quarterly Date	means each of March 31, June 30, September 30 and December 31 of a calendar year, and "Quarterly Dates" shall be construed accordingly.
Rating	means a credit rating for the Debentures from the Rating Agency, which has affirmed/re-affirmed a rating of "ICRA BBB+ (Stable)" (pronounced as "ICRA Triple B plus with Stable Outlook") through its letter dated February 13, 2024.
Rating Agency	means ICRA Limited, having its registered office at B-710, Statesman House 148, Barakhamba Road, New Delhi - 110001, India
Rating Downgrade Event	means the downgrade of the Rating of the Debentures by the Rating Agency below "BBB+".
RBI	Reserve Bank of India.
Record Date	means the date being 14 (fourteen) calendar days prior to each Due Date.
REF / Recovery Expense Fund	means the recovery expense fund established/to be established and maintained by the Issuer in accordance with the provisions of Chapter IV (<i>Recovery Expenses Fund</i>) of the SEBI Debenture Trustees Master Circular.
Redemption Date(s)	means the date(s) as specified in Annexure VI (<i>Illustration of Bond Cash Flows</i>) of this Key Information Document, on which payment of the Outstanding Principal Amounts shall be made in respect of the Debentures.
Register of Beneficial Owners	means the register of beneficial owners of the Debentures maintained in the records of the Depositories.

Register of Debenture Holders	means the register of debenture holders maintained by the Issuer in accordance with Section 88 of the Companies Act.
Registrar/R&T Agent	means the registrar and transfer agent appointed for the issue of Debentures, being KFin Technologies Limited.
Related Party	has the meaning given to it in the Companies Act
ROC	means the jurisdictional registrar of companies.
Rs. / INR	Indian Rupees.
RTGS	Real Time Gross Settlement.
Sanctions	means the economic sanctions laws, regulations, embargoes or restrictive measures administered, enacted or enforced by any Sanctioning Authority
Sanctioning Authority	means any of the United Nations Security Council, the European Union (or member state thereof), the United Kingdom (including Her Majesty's Treasury) and the United States (including OFAC), and such other sanctioning authorities as may be communicated to the Issuer from time to time.
SEBI	Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 (as amended from time to time).
SEBI Centralized Database Requirements	means the requirements prescribed in Chapter IV (Centralized Database for corporate bonds/ debentures) of the Listed NCDs Master Circular read together with Chapter XII (Centralised Database - Responsibilities of Debenture Trustee) of the SEBI Debenture Trustees Master Circular.
SEBI Debenture Trustees Master Circular	means the master circular issued by SEBI bearing reference number SEBI/HO/DDHS-PoD1/P/CIR/2023/109 dated March 31, 2023 on " <i>Master Circular for Debenture Trustees</i> " (updated as on July 6, 2023) to the extent applicable in respect of the private placement of debt securities, as amended, modified, supplemented or restated from time to time.
SEBI Listed Debentures Circulars	means, collectively, the Listed NCDs Master Circular, the SEBI Debenture Trustees Master Circular, and (to the extent applicable) the SEBI LODR Regulations.
SEBI Listing Timelines Requirements	means the requirements in respect of the timelines for listing of debt securities issued on a private placement basis prescribed in Chapter VII (<i>Standardization of timelines for listing of securities issued on a private placement basis</i>) of the Listed NCDs Master Circular, read with, to the extent applicable, the SEBI EBP Requirements.
Secured Obligations	means all present and future obligations (whether actual or contingent and whether owed jointly or severally or in any capacity whatsoever) of the Issuer to the Debenture Holders or the Debenture Trustee under the Transaction Documents, including without limitation, the making of payment of any interest, redemption of principal amounts, the default interest, additional interest, liquidated damages and all costs, charges, expenses and other amounts payable by the Issuer in respect of the Debentures.
Security Cover	has the meaning given to it in Section 3.10 (<i>Summary Terms</i>) of this Key Information Document.

Special Majority Debenture Holders	means such number of Debenture Holders collectively holding more than 75% (seventy five percent) of the value of the Outstanding Principal Amounts of the Debentures.
Special Resolution	means resolution approved by the Special Majority Debenture Holders who are present and voting or if a poll is demanded, by the Special Majority Debenture Holders who are present and voting in such poll.
Stressed Assets Framework	means the RBI's circular no. DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019, on " <i>Prudential Framework for Resolution of Stressed Assets</i> ", as amended, modified or restated from time to time.
Tangible Net Worth	means, with respect to any person, the amount paid up on such person's issued equity share capital, compulsorily convertible instruments and any amount standing to the credit of its reserves, less equity or equity-like investments, goodwill, deferred tax assets and other intangible assets.
Tax	means any present or future tax, levy, duty, charge, fees, deductions, withholdings, surcharges, cess, turnover tax, transaction tax, stamp tax or other charge of a similar nature (including any penalty or interest payable on account of any failure to pay or delay in paying the same), now or hereafter, imposed pursuant to any Applicable Law or by any Governmental Authority and as maybe applicable in relation to the payment obligations of the Issuer under the DTD.
Tax Deduction	means a deduction or withholding for or on account of Tax from a payment under a Transaction Document pursuant to Applicable Law.
TDS	Tax Deducted at Source.
Terms & Conditions	The terms and conditions pertaining to the Issue as outlined in the Transaction Documents.
Tier 1 Capital	has the meaning given to it in the NBFC Directions.
Tier 2 Capital	has the meaning given to it in the NBFC Directions.
Total Assets	means, for any date of determination, the total Assets of the Issuer on such date including owned, securitised and managed (non-owned) portfolio of the Issuer.
Total Debt	means, for any date of determination, the total Debt of the Issuer on such date.
Transaction Documents	means: (a) the DTD; (b) the Debenture Trustee Agreement; (c) the Deed of Hypothecation; (d) the Debt Disclosure Documents; (e) the letters issued by, and each memorandum of understanding/agreement entered into with, the Rating Agency, the Debenture Trustee and/or the Registrar; (f) each tripartite agreement between the Issuer, the

	Registrar and the relevant Depository; and (g) any other document that may be designated as a Transaction Document by the Debenture Trustee, and "Transaction Document" means any of them.
Transaction Security	has the meaning given to it in Section 3.10 (<i>Summary Terms</i>) of this Key Information Document.
Workers' Rights Requirements	has the meaning given to it in Schedule VI (<i>Workers' Rights Requirements</i>) of the DTD.

SECTION 2: FINANCIAL STATEMENTS

The audited financial statements of the Issuer for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 are set out in Annexure IV of the General Information Document and the limited review financial statements as on December 31, 2023 are set out in Annexure V of this Key Information Document.

SECTION 3: REGULATORY DISCLOSURES

Please refer to Section 5 (*Regulatory Disclosures*) of the General Information Document for the disclosures required as per Regulation 44 and Schedule I of the SEBI Debt Listing Regulations.

- 3.1 While certain disclosures as per Schedule I of the SEBI Debt Listing Regulations are required to be provided as of the latest quarter end, some of these disclosures are set out in the General Information Document as of June 30, 2023. In view of this, the Issuer is hereby disclosing all the relevant information (including the information set out in (a) to (e) below) up to December 31, 2023 below as follows:

The abovementioned disclosures include:

- (a) Details of Share Capital as at last quarter end (i.e., December 31, 2023):

Share Capital	Amount (INR)
Authorised Share Capital	
Equity Share Capital (2,10,00,000 Equity shares of Rs. 10 each)	21,00,00,000
Preference Share Capital 960,00,000 (0.01% Cumulative Convertible Preference shares of Rs. 10 each)	96,00,00,000
TOTAL	117,00,00,000
Issued, Subscribed and Fully Paid- up Share Capital	
Equity Share Capital (1,80,00,700 Equity shares of Rs. 10 each)	18,00,07,000
Preference Share Capital (7,53,69,526 0.01% Cumulative Convertible Preference shares of Rs. 10 each)	75,36,95,260
TOTAL	93,37,02,260

- (b) Changes in its capital structure as at last quarter end (i.e., December 31, 2023) for the preceding three financial years and current financial year):

Date of Change (AGM/EGM)	Authorised Capital (INR)	Particulars
December 1, 2022 (EGM)	1,17,00,00,000	Private placement of total 1,51,82,630 Series D Compulsorily Convertible Preference Shares ("Series D CCPS") and 100 (One Hundred) equity shares in dematerialised form (in 2 tranches), first tranche securities being 1,02,48,243 (One Crore Two Lakh Forty Eight Thousand Two Hundred and Forty Three) each having face value of INR 10 (Indian Rupees Ten Only), total subscription aggregating up to INR 159,99,56,087.4 (Indian Rupees One Hundred and Fifty Nine Crore Ninety Nine Lakh Fitty Six Thousand and Eighty Seven Point Four Only).
December 12, 2022 (EGM)	1,17,00,00,000	Private placement of 49,34,387 Series D Compulsorily Convertible Preference Shares ("Series D CCPS") in dematerialised form, having face value of INR 10 (Indian Rupees

		Ten Only) aggregating up to INR 51,99,85,702.06 (Indian Rupees Fifty One Crore Ninety Nine Lakh Eighty Five Thousand Seven Hundred and Two Point Zero Six)
26 th October 2022	1,17,00,00,000	Authorised capital increased from 67 Crs. To 117 Crs. Divided into 2.10 Crs. Equity shares of Rs. 10 each and 9.60 preference shares of Rs.10 each.

- (c) Details of the shareholding of the Company as at the latest quarter end (i.e., December 31, 2023), as per the format specified under the listing regulations:

Sr No	Name of Equity Shareholder	Total No of Equity Shares	No. of shares in demat form	Total Shareholding as a % of total no of equity shares
1	Dhruv Kumar Khaitan	90,00,000.00	9000000	49.99805563
2	Piyush Kumar Khaitan	90,00,000.00	9000000	49.99805563
3	M/s ON Mauritius	68.00	68	0.000377763
4	M/s Plenitude Ventures Pvt Ltd (Founders Affiliate)	32.00	32.00	0.000177771
5	M/s Aspada Investment Company	100.00	0	0.000555534
6	M/s Khosla Impact I Mauritius	100.00	100.00	0.000555534
7	M/s Accion Frontier Inclusion Mauritius	100.00	100.00	0.000555534
8	M/s IIFL Seed Venture Fund	100.00	100.00	0.000555534
9	M/s Trinity Inclusion Limited	100.00	100.00	0.000555534
10	Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V. (FMO)	100.00	100.00	0.000555534
	Total	18000700	18000600	100

- (d) List of top ten holders of equity shares of the Company as at the latest quarter end (i.e., December 31, 2023):

Sr No	Name of the Equity Shareholder	Total No. of Equity Shares	No. of shares in demat form	Total Shareholding as a % of total no of equity shares
1	Dhruv Kumar Khaitan	90,00,000.00	9000000	49.99805563
2	Piyush Kumar Khaitan	90,00,000.00	9000000	49.99805563
3	M/s ON Mauritius	68.00	68	0.000377763
4	M/s Plenitude Ventures Pvt Ltd (Founders Affiliate)	32.00	32.00	0.000177771

5	M/s Aspada Investment Company	100.00	0	0.000555534
6	M/s Khosla Impact I Mauritius	100.00	100.00	0.000555534
7	M/s Accion Frontier Inclusion Mauritius	100.00	100.00	0.000555534
8	M/s IIFL Seed Venture Fund	100.00	100.00	0.000555534
9	M/s Trinity Inclusion Limited	100.00	100.00	0.000555534
10	Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V. (FMO)	100.00	100.00	0.000555534
	Total	18000700	18000600	100

(e) Details of the following liabilities of the Issuer, as at the end of the preceding quarter (i.e., December 31, 2023), or if available, a later date):

(i) details of outstanding secured loan facilities (as on December 31, 2023);

Name of Lender	Type of Facility	Amount Sanctioned (INR in Crore)	Principal Amount Outstanding (INR in Crore)	Repayment Date/Schedule	Security	Credit Rating, if applicable	Asset Classification
Proparco	ECB	71.90	20.54	16-Sep-24	Secured	No	Standard
Proparco	ECB	47.02	13.44	16-Sep-24	Secured	No	Standard
RBL Bank Ltd	CC	10.00	-	30-Nov-23	Secured	No	Standard
SIDBI	Term Loan	20.00	9.04	10-Feb-25	Secured	Yes	Standard
Caspian Impact Investments Private Limited	Term Loan	15.00	1.88	17-Mar-24	Secured	No	Standard
Northern Arc Capital Limited	Term Loan	20.00	5.00	27-May-24	Secured	No	Standard
Maanaveeya Development and Finance	Term Loan	30.00	1.61	20-Jan-24	Secured	No	Standard
Northern Arc Capital Limited	Term Loan	30.00	11.25	05-Sep-24	Secured	No	Standard

United States International Development Finance Corporation	ECB	159.82	159.82	15-Sep-27	Secured	No	Standard
Microvest Short duration Fund, LP	ECB	82.88	82.88	22-Dec-25	Secured	No	Standard
AK Capital Finance Limited	Term Loan	30.00	19.00	23-Apr-24	Secured	No	Standard
Northern Arc Capital Limited	Term Loan	50.00	31.25	27-Jan-25	Secured	No	Standard
Manappuram Finance Limited	Term Loan	15.00	8.60	31-Jan-25	Secured	No	Standard
AK Capital Finance Limited	Term Loan	15.00	6.67	23-Aug-24	Secured	No	Standard
Nimbus 2023 UBL Aquarius	PTC	53.07	14.49	16-Aug-24	Secured	Yes	Standard
Kisetsu Saison Finance (India) Pvt Ltd	Term Loan	30.00	18.75	15-Feb-25	Secured	No	Standard
Vivriti Capital Private Limited	Term Loan	30.00	18.75	20-Mar-25	Secured	No	Standard
Maanaveeya Development and Finance	Term Loan	30.00	20.46	20-Mar-25	Secured	No	Standard
MultiConcept Fund Management S.A. acting in its own name for responsibility Global Micro and	ECB	28.77	28.77	30-Sep-26	Secured	No	Standard

SME Finance Fund							
responsAbility SICA V (Lux) acting for its sub-fund responsAbility SICA V (Lux) Financial Inclusion Fund	ECB	28.77	28.77	30-Sep-26	Secured	No	Standard
responsAbility SICA V (Lux) acting for its sub-fund responsAbility SICA V (Lux) Micro and SME Finance Leaders	ECB	24.66	24.66	30-Sep-26	Secured	No	Standard
BlueOrchard Microfinance Fund	ECB	59.23	59.23	31-Mar-26	Secured	No	Standard
BlueOrchard Covid-19 Emerging and Frontier Markets MSME Support Fund	ECB	41.14	41.14	31-Mar-26	Secured	No	Standard
Shark 02 2023	PTC	44.56	24.26	21-Sep-24	Secured	Yes	Standard
Shriram Finance Limited	Term Loan	15.00	10.97	05-May-25	Secured	No	Standard
Nimbus 2023 UBL Tyson	PTC	49.96	20.07	16-Sep-24	Secured	Yes	Standard
Northern Arc Capital Limited	Term Loan	5.00	3.75	05-Jun-25	Secured	No	Standard
Northern Arc Capital Limited	Term Loan	40.00	30.00	05-Jun-25	Secured	No	Standard

responsAbility SICA V (Lux) acting for its sub-fund responsAbility SICA V (Lux) Financial Inclusion Fund	ECB	36.95	36.95	30-Jun-26	Secured	No	Standard
responsAbility SICA V (Lux) acting for its sub-fund responsAbility SICA V (Lux) Micro and SME Finance Debt Fund	ECB	8.21	8.21	30-Jun-26	Secured	No	Standard
Microfinance Enhanceme nt Facility, SICA V-SIF	ECB	16.42	16.42	30-Jun-26	Secured	No	Standard
Chanakya-1 Trust July 2023	PTC	35.27	19.75	11-Dec-24	Secured	Yes	Standard
Aryabhata-1 Trust July 2023	PTC	25.38	15.47	17-Dec-24	Secured	Yes	Standard
KiPlatform Charak 1 July 2023	PTC	29.42	18.59	12-Dec-24	Secured	Yes	Standard
RBL Bank Ltd	Term Loan	13.00	9.75	20-Aug-24	Secured	Yes	Standard
Leo Trust August 2023	PTC	42.29	28.16	16-Jan-25	Secured	Yes	Standard
Northern Arc Capital Limited	Term Loan	30.00	26.25	05-Sep-25	Secured	No	Standard
Aryabhata-2 Trust September 2023	PTC	29.40	22.90	17-Apr-25	Secured	Yes	Standard
Pisces Trust 08 2022	PTC	29.41	22.80	17-Nov-24	Secured	Yes	Standard
Caspian Impact	Term Loan	10.00	10.00	25-Sep-25	Secured	No	Standard

Investments Private Limited							
Kisetsu Saison Finance (India) Pvt Ltd	Term Loan	30.00	26.25	15-Sep-25	Secured	No	Standard
Aries Trust October 2023	PTC	61.84	54.24	14-Apr-25	Secured	Yes	Standard
IDFC First Bank Limited	Term Loan	60.00	56.67	30-Oct-26	Secured	Yes	Standard
IDFC First Bank Limited	CC	2.00	-	07-Nov-24	Secured	No	Standard
Poonawalla Fincorp Limited	Term Loan	30.00	30.00	05-Dec-26	Secured	No	Standard
Aryabhata-3 Trust November 2023	PTC	49.99	46.13	17-May-25	Secured	Yes	Standard
RBL Bank Ltd	Term Loan	12.00	12.00	18-Jun-24	Secured	No	Standard
JM Financials Products Limited	Term Loan	20.00	20.00	25-Jan-25	Secured	No	Standard
Kathy 12 2023	PTC	25.48	25.48	23-May-25	Secured	Yes	Standard
Taurus Trust December 2023	PTC	59.34	59.34	14-Jun-25	Secured	Yes	Standard
Hinduja Leyland Finance Limited	Term Loan	15.00	15.00	28-Dec-25	Secured	No	Standard
TOTAL		1,748.18	1,295.38				

(ii) details of outstanding unsecured loan facilities (as on December 31, 2023):

Name of Lender	Type of Facility	Amount Sanctioned (INR in Crore)	Principal Amount Outstanding (INR in Crore)	Repayment Date/ Schedule	Credit Rating, if applicable
NIL	NIL	NIL	NIL	NIL	NIL

(iii) Details of Outstanding Non-Convertible Securities (as on December 31, 2023):

Series of Non-Convertible Securities	ISIN	Ten or / Period of Maturity	Coupon	Amount outstanding (INR in Crore)	Date of Allotment	Redemption Date / Schedule	Credit Rating	Secured / Unsecured	Security
F Group – Debt Instruments, Series 2019-20/S/NCD/001	INE814007386	73	12.80 %	15.50	03-Sep-19	03-Sep-25	CARE : BBB	Secured	Receivables - 1.00 times
F Group – Debt Instruments, Series 2019-20/S/NCD/001	INE814007386	73	12.80 %	15.50	03-Sep-19	03-Sep-25	CARE : BBB	Secured	Receivables - 1.00 times
F Group – Debt Instruments, Series 2019-20/S/NCD/001	INE814007386	73	12.80 %	31.00	03-Sep-19	03-Sep-25	CARE : BBB	Secured	Receivables - 1.00 times
F Group – Debt Instruments, Series 2020-21/S/NCD/003	INE814007287	48	11.65 %	37.00	09-Dec-20	09-Dec-24	CARE : BBB	Secured	Receivables - 1.00 times
F Group – Debt Instruments, Series 2021-22/S/NCD/004	INE814007303	60	12.29 %	20.50	25-Feb-21	13-Feb-26	CARE : BBB	Secured	Receivables - 1.00 times
F Group – Debt Instruments, Series 2021-22/S/NCD/004	INE814007303	60	12.29 %	20.50	25-Feb-21	13-Feb-26	CARE : BBB	Secured	Receivables - 1.00 times
F Group – Debt Instruments, Series 2020-2021/S/NCD/006	INE814007311	36	14.00 %	3.33	19-Mar-21	19-Mar-24	CARE : BBB	Secured	Receivables - 1.10 times
F Group – Debt Instruments, Series 2020-2021/S/NCD/005	INE814007329	36	14.00 %	4.17	18-Mar-21	18-Mar-24	CARE : BBB	Secured	Receivables - 1.10 times
F Group – Debt Instruments, Series 2021-22/S/NCD/004	INE814007337	60	12.39 %	12.25	18-Jun-21	13-Jun-26	CARE : BBB	Secured	Receivables - 1.00 times
F Group – Debt Instruments, Series 2022-23/S/NCD/001	INE814007337	60	12.39 %	12.25	18-Jun-21	13-Jun-26	CARE : BBB	Secured	Receivables - 1.00 times

F Group – Debt Instruments, Series 2021-22/S/NCD/002	INE8 1400 7345	36	12.55 %	20.00	10-Mar-22	10-Mar-25	CARE : BBB	Secured	Receivables - 1.10 times
F Group – Debt Instruments, Series 2022-23/S/NCD/003	INE8 1400 7352	24	13.00 %	10.00	31-Mar-22	30-Mar-24	CARE : BBB	Secured	Receivables - 1.10 times
F Group – Debt Instruments, Series 2022-23/S/NCD/001	INE8 1400 7360	48	12.90 %	60.00	19-Jul-22	19-Jul-26	ICRA: BBB	Secured	Receivables - 1.00 times
F Group – Debt Instruments, Series 2022-23/S/NCD/002/A	INE8 1400 7378	60	12.25 %	15.40	27-Aug-22	26-Aug-27	ICRA: BBB	Secured	Receivables - 1.00 times
F Group – Debt Instruments, Series 2022-23/S/NCD/002/B	INE8 1400 7378	60	12.25 %	15.40	27-Aug-22	26-Aug-27	ICRA: BBB	Secured	Receivables - 1.00 times
F Group – Debt Instruments, Series 2022-23/S/NCD/003/A	INE8 1400 7394	18	13.80 %	25.00	28-Feb-23	24-Aug-24	ICRA: BBB	Secured	Receivables - 1.20 times
F Group – Debt Instruments, Series 2022-23/S/NCD/004	INE8 1400 7402	12	12.75 %	17.50	21-Mar-23	25-Mar-24	ICRA: BBB	Secured	Receivables - 1.20 times
F Group – Debt Instruments, Series 2022-23/S/NCD/001	INE8 1400 7410	12	11.50 %	14.50	22-Jun-23	27-Jun-24	ICRA: BBB	Secured	Receivables - 1.20 times
F Group – Debt Instruments, Series 2023-24/S/NCD/003	INE8 1400 7436	23	12.00 %	15.00	28-Jun-23	07-Jun-25	ICRA: BBB	Secured	Receivables - 1.10 times
F Group – Debt Instruments, Series 2023-24/S/NCD/002	INE8 1400 7428	17	12.00 %	6.67	30-Jun-23	07-Dec-24	ICRA: BBB	Secured	Receivables - 1.10 times
F Group – Debt Instruments, Series 2023-24/S/NCD/003	INE8 1400 7444	36	12.75 %	20.20	19-Jul-23	20-Jul-26	N.A	Secured	Receivables - 1.00 times
F Group – Debt Instruments, Series 2023-24/S/NCD/004	INE8 1400 7451	12	11.25 %	30.00	15-Sep-23	25-Sep-24	ICRA: BBB	Secured	Receivables - 1.15 times

F Group – Debt Instruments, Series 2023-24/S/NCD/005	INE814007469	15	11.25 %	24.00	22-Sep-23	22-Dec-24	ICRA: BBB	Secured	Receivables - 1.15 times
F Group – Debt Instruments, Series 2023-24/S/NCD/006	INE814007477	13	11.25 %	25.00	29-Sep-23	29-Oct-24	ICRA: BBB	Secured	Receivables - 1.10 times
F Group – Debt Instruments, Series 2023-24/S/NCD/007	INE814007485	15	12.55 %	20.00	26-Dec-23	20-Mar-25	ICRA: BBB	Secured	Receivables - 1.10 times
				490.67					

- (iv) Details of commercial paper issuances as at the end of the last quarter (i.e., December 31, 2023) in the following format: NIL

Series of Non-Convertible Securities	ISIN	Tenor / Period of Maturity	Coupon	Amount outstanding (INR in Crore)	Date of allotment	Redemption Date / Schedule	Credit Rating	Secured / Unsecured	Security	Other details viz. details of Issuing and Paying Agent, details of Credit Rating Agencies
NIL										

- (v) List of top ten holders of non-convertible securities in terms of value (on a cumulative basis):

Sr. No.	Name of holders	Category of holder	Face value of holding	Holding as a % of total outstanding non-convertible securities of the Issuer
1	NEDERLANDSE FINANCIERINGS-MAATSCHAPPIJ VOOR ONTWIK (FMO)	Eligible Investor	10,00,000	12.2%
2	NEDERLANDSE FINANCIERINGS-MAATSCHAPPIJ VOOR ONTWIK (FMO)	Eligible Investor	10,00,000	7.5%
3	Triodos SICAV - II Triodos Microfinance Fund	Eligible Investor	10,00,000	6.3%
4	Fourdegreewater Capital Private Limited (WintWealth)	Eligible Investor	1,00,000	6.1%
5	IFMR Finance for Freedom Fund III	Eligible Investor	1,00,000	5.1%
6	Alpha Fintech Private Limited	Eligible Investor	1,00,000	5.1%
7	Northern Arc Capital Limited	Eligible Investor	1,00,000	4.9%
8	AAV SARL (Symbiotics)	Eligible Investor	10,00,000	4.2%
9	AAV SARL (Symbiotics)	Eligible Investor	10,00,000	4.2%
10	Actiam Financial Inclusion Fund	Eligible Investor	1,00,000	4.1%

- (vi) List of top ten holders of Commercial Paper in terms of value (in cumulative basis):
NIL

Sr. No.	Name of holder	Category of holder	Face value of holding	Holding as a % of total commercial paper outstanding of the Issuer
NIL				

- (vii) Details of the bank fund based facilities/ rest of the borrowing (if any, including hybrid debt like Foreign Currency Convertible Bonds (FCCB), Optionally Convertible Debentures/ Preference Shares) from financial institutions or financial creditors:

Name of Lender	Type of Facility	Amount Sanctioned (INR in Crore)	Principal Amount Outstanding (INR in Crore)	Repayment Date/Schedule	Security	Credit Rating, if applicable	Asset Classification
RBL Bank Ltd	CC	10.00	-	30-Nov-23	Secured	No	Standard
DCB Bank	PTC	53.07	14.49	16-Aug-24	Secured	Yes	Standard
DCB Bank	PTC	49.96	20.07	16-Sep-24	Secured	Yes	Standard
RBL Bank Ltd	Term Loan	13.00	9.75	20-Aug-24	Secured	Yes	Standard
DCB Bank	PTC	42.29	28.16	16-Jan-25	Secured	Yes	Standard
DCB Bank	PTC	61.84	54.24	14-Apr-25	Secured	Yes	Standard
IDFC First Bank Limited	Term Loan	60.00	56.67	30-Oct-26	Secured	Yes	Standard
IDFC First Bank Limited	CC	2.00	-	07-Nov-24	Secured	No	Standard
RBL Bank Ltd	Term Loan	12.00	12.00	18-Jun-24	Secured	No	Standard
Indian Bank	O/D	4.50	-	16-Nov-24	Secured	No	Standard
ICICI Bank	O/D	4.50	-	03-Mar-24	Secured	No	Standard
HDFC Bank	O/D	23.85	-	10-Mar-24	Secured	No	Standard
DCB Bank	PTC	59.34	59.34	14-JUN-25	Secured	No	Standard
Total		337.01	195.72				

3.2 Details of credit rating, along with the latest press release of the Credit Rating Agency in relation to the issue, and a declaration that the rating is valid as on the date of issuance and listing. Such press release shall not be older than one year from the date of opening of the issue.

The rating letter from the Rating Agency, the rating rationale from the Rating Agency and the detailed press release in Annexure II (*Rating Letter, Rating Rationale, and Detailed Press Release from the Rating Agency*) of this Key Information Document.

3.3 Expenses of the Issue: Expenses of the issue along with a break up for each item of expense, including details of the fees payable to separately as under (in terms of amount, as a percentage of total issue expenses and as a percentage of total issue size), as applicable

3.4

S.NO	PARTICULARS	AMOUNT (INR)	PERCENTAGE OF TOTAL ISSUE EXPENSES	PERCENTAGE OF TOTAL ISSUE SIZE
1.	Lead Manager(s) fees	Not applicable as the Debentures under this Key Information Document are being issued on private placement basis under Section 42 of Companies Act, 2013, and no lead manager has been appointed for this issuance of Debentures.	N.A.	N.A.

S.NO	PARTICULARS	AMOUNT (INR)	PERCENTAGE OF TOTAL ISSUE EXPENSES	PERCENTAGE OF TOTAL ISSUE SIZE
2.	Underwriting commission	Not applicable as the Debentures under this Key Information Document are being issued on private placement basis under Section 42 of Companies Act, 2013, and no underwriting commission is being paid for this issuance of Debentures.	N.A.	N.A.
3.	Brokerage, selling commission and upload fees	Not applicable as the Debentures under this Key Information Document are being issued on private placement basis under Section 42 of Companies Act, 2013, and no brokerage, selling commission and upload fees is being paid for this issuance of Debentures.	N.A.	N.A.
4.	Fees payable to the registrars to the issue	Rs.15,000 or such other fees as may be agreed with the Registrar.	N. A	N. A
5.	Fees payable to the legal Advisors	The Issuer is being advised by its in-house legal and compliance team.	N.A	N.A.
6.	Advertising and marketing expenses	N. A. *	N.A. *	N.A. *
7.	Fees payable to the regulators including stock exchanges	2,02,000	2.77%	0.03%
8.	Expenses incurred on printing and distribution of issue stationary	N. A. **	N.A. **	N.A. **
9.	Any other fees,	N. A. ***	N.A. ***	N.A. ***

S.NO	PARTICULARS	AMOUNT (INR)	PERCENTAGE OF TOTAL ISSUE EXPENSES	PERCENTAGE OF TOTAL ISSUE SIZE
	commission and payments under whatever nomenclature			

- * As the Debentures will be issued by way of private placement to identified investors in accordance with the process prescribed by SEBI, no specific advertising and marketing expenses are envisaged to be payable in respect of such issue of Debentures.
- ** As the Debentures will be issued by way of private placement to identified investors in accordance with the process prescribed by SEBI, no specific expenses are envisaged to be incurred on printing and distribution of issue stationary in respect of such issue of Debentures.
- *** As the Debentures will be issued by way of private placement to identified investors in accordance with the process prescribed by SEBI, no specific fees, commission and payments under whatever nomenclature are envisaged to be incurred in respect of such issue of Debentures.

3.4 If the security is backed by a guarantee or letter of comfort or any other document of a similar nature, a copy of the same shall be disclosed. In case such document does not contain the detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the issue document.

Not applicable.

3.5 Disclosure of cash flow with date of interest/dividend/ redemption payment as per day count convention

(a) *The day count convention for dates on which the payments in relation to the non-convertible securities which need to be made, should be disclosed:*

- (i) Interest and all other charges shall accrue based on an actual/actual basis.
- (ii) If any Due Date on which any interest or additional interest is payable falls on a day which is not a Business Day, the payment to be made on such Due Date shall be made on the succeeding Business Day.
- (iii) If any Due Date on which any Outstanding Principal Amounts are payable falls on a day which is not a Business Day, the payment to be made on such Due Date shall be made on the preceding Business Day.
- (iv) If the Final Redemption Date or any other date on which the Debentures are redeemed in full (including in accordance with the provisions on early redemption and optionally accelerated redemption under the DTD (please refer to the sections named "*Early Redemption*" and "*Optionally Accelerated Redemption*" in Section 3.10 (*Summary Terms*) of this Key Information Document)) falls on a day which is not a Business Day, the payment of any amounts in respect of any interest and the Outstanding Principal Amounts to be made shall be made on the preceding Business Day.

(b) *Procedure and time schedule for allotment and issue of securities should be disclosed:*

Please refer to the column on "*Issue Timing*" under Section 3.10 (*Summary Terms*) of this Key Information Document; and

- (c) ***Cash flows emanating from the non-convertible securities shall be mentioned in the issue document, by way of an illustration:***

The cashflows emanating from the Debentures, by way of an illustration, are set out under Annexure VI (*Illustration of Bond Cashflows*) of this Key Information Document.

3.6 Other details:

- (a) **Default in payment:**

On the occurrence of an Event of Default, the Issuer agrees to pay additional interest at 5% (five percent) per annum above the Interest Rate on the Outstanding Principal Amounts, commencing from the date of occurrence of the Event of Default until such Event of Default is cured or the relevant Secured Obligations are repaid, on each Interest Payment Date occurring during the aforementioned period.

- (b) **Disclosure required under Form PAS-4 under Companies (Prospectus and Allotment of Securities), Rules, 2014 but not contained in this schedule, if any:**

All disclosures under Form No. PAS-4 of Companies (Prospectus and Allotment of Securities), Rules, 2014 have been set out in **Section 7**.

3.7 Details of Debt Securities Sought to be Issued

Under the purview of this Key Information Document, the Issuer intends to raise an amount of INR 65,00,00,000 (Indian Rupees Sixty Five Crore) by way of the issue of rated, listed, unsubordinated, secured, transferable, redeemable, non-convertible debentures, on a private placement basis.

For further details of the Debentures, please refer to the terms and conditions of the debentures set out in Section 3.10 (*Summary Terms*) of this Key Information Document.

3.8 Issue Size

The aggregate issue size for the Debentures is INR 65,00,00,000 (Indian Rupees Sixty Five Crore).

3.9 Utilization of the Issue Proceeds

- (a) The funds raised by the Issue shall be utilised by the Issuer for the purposes of onward lending and business growth of the Issuer ("**Purpose**") within the Origination Period.
- (b) The funds raised by the Issue shall be utilised by the Issuer solely for the Purpose and the Issuer shall not use the proceeds of the Issue towards:
- (i) any capital market instrument such as equity and equity linked instruments or any other capital market related activities (whether directly or indirectly);
 - (ii) investment in the real estate sector/real estate business (including the acquisition/purchase of land);

- (iii) any speculative purposes;
- (iv) any purpose, that is not eligible for the providing of financing by banks to non-banking financial companies for bank finance to non-banking financial companies, or, which results in a breach of the RBI's master circular no. DOR.CRE.REC.No.07/21.04.172/2023-24 dated April 3, 2023 on "*Bank Finance to Non-Banking Financial Companies (NBFCs)*"; and
- (v) in contravention of Applicable Law (including without limitation, any guidelines, rules or regulations of the RBI and/or SEBI).

3.10 Summary Terms

Security Name (Name of the non-convertible securities which includes Coupon / dividend, Issuer Name and maturity year)	11.75% NeoGrowth 27 February 2026
Issuer	NeoGrowth Credit Private Limited
Type of Instrument	Rated, listed, unsubordinated, secured, transferable, redeemable, non-convertible debentures
Nature of Instrument (Secured or Unsecured)	Secured
Seniority (Senior or subordinated)	Unsubordinated
Eligible Investors	Please refer Section 8.14 (<i>Eligible Investors</i>) of the General Information Document.
Listing (name of stock Exchange(s) where it will be listed and timeline for listing)	(a) The Issuer shall submit all duly completed documents to the BSE, SEBI, ROC or any other Governmental Authority, as are required under Applicable Law and obtain the listing of the Debentures within the timelines prescribed under the SEBI Listing Timelines Requirements ("Listing Period"). (b) The Issuer shall ensure that the Debentures continue to be listed on the wholesale debt market segment of the BSE. (c) In the event there is any delay in listing of the Debentures beyond the Listing Period, the Issuer will pay to the Debenture Holders, penal interest of 1% (one percent) per annum over the Interest Rate, from the date of allotment of the Debentures until the listing of the Debentures is completed.
Rating of	ICRA BBB+ (Stable) (pronounced as "ICRA Triple B plus with Stable Outlook")

Instrument	
Issue Size	Up to INR 65,00,00,000 (Indian Rupees Sixty Five Crore).
Minimum subscription	As set out in the General Information Document.
Option to retain oversubscription (Amount)	N.A.
Objects of the Issue / Purpose for which there is requirement of funds	100% (one hundred percent) of the issue proceeds will be utilized by the Issuer for the purposes of onward lending and business growth of the Issuer.
In case the issuer is an NBFC and the objects of the issue entail loan to any entity who is a 'group company' then disclosures shall be made in the following format:	Not Applicable. The proceeds raised from the Issue will be used solely for the Purpose.
Details of the utilization of the Proceeds	100% (one hundred percent) of the issue proceeds will be utilized by the Issuer for the purposes of onward lending and business growth of the Issuer.
Coupon Rate	11.75% (eleven decimal seven five percent) per annum (fixed), payable quarterly on the Interest Payment Dates.
Step Up/ Step Down Coupon Rate	N.A.
Coupon Payment Frequency	Quarterly
Coupon Payment Dates	Payable quarterly on the dates set out in Annexure VI (<i>Illustration of Bond Cash Flows</i>) (subject to adjustments for Business Day Convention).
Coupon Type (Fixed, floating or other structure)	Fixed Coupon
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.)	N.A.
Day Count Basis (Actual / Actual)	Actual / Actual

Interest on Application Money	(a) Interest at the Interest Rate, subject to deduction of tax at source in accordance with Applicable Law, will be paid by the Issuer on the Application Money to the Applicants from the date of receipt of such Application Money up to 1 (one) day prior to the Deemed Date of Allotment for all valid applications, within 5 (five) Business Days from the Deemed Date of Allotment. Where pay-in date of the Application Money and the Deemed Date of Allotment are the same, no interest on Application Money will be payable. (b) Where the entire subscription amount has been refunded, the interest on Application Money will be paid along with the refunded amount to the bank account of the Applicant as described in the Application Form by electronic mode of transfer such as (but not limited to) RTGS/NEFT/direct credit. (c) Where an Applicant is allotted a lesser number of Debentures than applied for, the excess amount paid on application will be refunded to the Applicant in the bank account of the Applicant as described in the Application Form towards interest on the refunded money by electronic mode of transfer like RTGS/NEFT/direct credit. Details of allotment will be sent to each successful Applicant.
Default Interest Rate	(a) On the occurrence of an Event of Default, the Issuer agrees to pay additional interest at 5% (five percent) per annum above the Interest Rate on the Outstanding Principal Amounts, commencing from the date of occurrence of the Event of Default until such Event of Default is cured or the relevant Secured Obligations are repaid, on each Interest Payment Date occurring during the aforementioned period. (b) Without prejudice to paragraph (a) above, on the occurrence of any breach by the Issuer in compliance with any of the financial covenants set out under Section 4.3.1 (<i>Financial Covenants</i>), if such breach is not remedied within 30 (thirty) calendar days from the date of occurrence, the Issuer agrees to pay additional interest at 1% (one percent) per annum above the Interest Rate on the Outstanding Amounts, within a period of 30 (thirty) calendar days from the date of occurrence of such breach.
Tenor	24 (twenty four) months from the Deemed Date of Allotment
Redemption Date / Maturity Date	February 27, 2026, being 24 (twenty four) months from the Deemed Date of Allotment (subject to adjustments for day count convention in accordance with the SEBI Debt Listing Regulations).
Redemption Amount	INR 1,00,000 (Indian Rupees One Lakh) per Debenture in the manner set out in Annexure VI (<i>Illustration of Bond Cash Flows</i>) hereto.
Redemption Premium/ Discount	Not Applicable
Early Redemption	(a) The Issuer shall not be permitted to voluntarily redeem the

	Debentures until the expiry of 12 (twelve) months from the Deemed Date of Allotment. (b) Upon the expiry of the period set out under paragraph (a) above, the Issuer may, subject to Applicable Law (including any prescriptions of the RBI on minimum original maturity of non-convertible debentures), and so long as no Event of Default has occurred or is continuing, at any time prior to the Final Redemption Date, redeem the Debentures <i>pro rata</i>, in part or in full by paying an early redemption premium of 5% (five percent) on such part of the Outstanding Principal Amounts of the Debentures that is proposed to be prematurely redeemed, subject to the consent of the Majority Debenture Holders being obtained by the Issuer. It is hereby clarified that the early redemption premium is payable in addition to the interest at the Interest Rate. (c) For the purposes of voluntarily prematurely redeeming the Debentures in accordance with this provision, the Issuer shall: (i) provide the Debenture Trustee and the Debenture Holders written notice of at least 45 (forty five) calendar days prior to the date of the meeting of the Debenture Holders where the consent for the early redemption is proposed to be sought. Any notice in accordance with this sub-paragraph (i) shall be provided in the following manner: (A) a soft copy of such notice shall be sent to the Debenture Holders who have registered their email address(es) either with the Issuer or with any Depository; and (B) a hard copy of the notice shall be sent to the Debenture Holders who have not registered their email address(es) either with the Issuer or with any Depository; and (ii) following the providing/granting of approval for any request for early redemption, the Issuer shall redeem the Debentures on the date occurring on the expiry of the Early Redemption Exercise Period. (d) The Issuer will not redeem all or any part of the Debentures except at the times and in the manner provided for in the DTD.
Optionally Accelerated Redemption	(a) On the occurrence of a Rating Downgrade Event and/or in the event of any delay in the or the creation or perfection of the security interest in terms of the Deed of Hypothecation, subject to Applicable Law (including any prescriptions of the RBI on minimum original maturity of non-convertible debentures), the Debenture Trustee (acting on the instructions of the Majority Debenture Holders) shall have the option (but not the obligation) to require the Issuer to redeem the Debentures by paying all Outstanding Amounts within 30 (thirty)

	calendar days from the date of receipt by the Issuer of the notice regarding the occurrence of such Rating Downgrade Event from the Debenture Trustee ("Optionally Accelerated Redemption Option"). (b) To exercise the Optionally Accelerated Redemption Option, following the occurrence of a Rating Downgrade Event in accordance with this provision, the Debenture Trustee (acting on the instructions of the Majority Debenture Holders) shall: (i) provide the Issuer a written notice requiring it to redeem the Debentures by paying all Outstanding Amounts within 30 (thirty) calendar days from the date of receipt by the Issuer of the aforementioned notice ("Optionally Accelerated Redemption Option Notice"). The Debenture Trustee shall issue the Optionally Accelerated Redemption Option Notice by no later than 15 (fifteen) days of being informed of the Rating Downgrade Event by the Issuer; (ii) any notice in accordance with this sub-paragraph (a) shall be provided in the following manner: (A) a soft copy of such notice shall be sent to the Debenture Holders who have registered their email address(es) either with the Issuer or with any Depository; and (B) a hard copy of the notice shall be sent to the Debenture Holders who have not registered their email address(es) either with the Issuer or with any Depository; and (iii) the Issuer will make payment of all the Outstanding Amounts within the exercise period of 3 (three) Business Days occurring on the expiry of a period of 21 (twenty one) days following the date of receipt of the Optionally Accelerated Redemption Option Notice, and in any case prior to the expiry of a period of within 30 (thirty) calendar days from the date of receipt by the Issuer of the Optionally Accelerated Redemption Option Notice to such accounts as may be prescribed by the Debenture Trustee or the Debenture Holders. (c) No prepayment penalty or prepayment premium will be applicable to any redemption in accordance with this provision.
Issue Price	INR 1,00,000 (Indian Rupees One Lakh)
Discount at which security is issued and the effective yield as a result of such discount	N.A.

Put Date	N.A.
Put Price	N.A.
Call Date	N.A.
Call Price	N.A.
Put Notification Time (Timelines by which the investor need to intimate Issuer before exercising the put)	N.A.
Call Notification Time (Timelines by which the Issuer need to intimate investor before exercising the call)	N.A.
Face Value	INR 1,00,000 (Indian Rupees One Lakh) per Debenture
Minimum Application and in multiples of thereafter	As set out in the General Information Document.
Issue Timing	Issue Opening Date: February 26, 2024 Issue Closing Date: February 26, 2024 Date of earliest closing of the Issue, if any: N.A. Pay-in Date: February 27, 2024 Deemed Date of Allotment: February 27, 2024
Settlement mode of the Instrument	Pay-in of funds through ICCL. The pay-in of the Application Money for the Debentures shall be made by way of transfer of funds from the bank account(s) of the Eligible Investors (whose bids have been accepted) as registered with the Electronic Book Provider into the account of the ICCL, as specified in this regard below.
Depositories	As set out in the General Information Document.
Disclosure of Interest / Dividend / Redemption Dates	On the dates set out in Annexure VI (<i>Illustration of Bond Cash Flows</i>) (subject to adjustments for Business Day Convention).
Record Date	14 (fourteen) calendar days prior to each Due Date.
All covenants of the issue (including side letters, accelerated payment clause, etc.)	Representations and Warranties Please refer Section 4.2 of this Key Information Document. Financial Covenants Please refer Section 4.3.1 of this Key Information Document.

	Reporting Covenants Please refer Section 4.3.2 of this Key Information Document. Affirmative Covenants Please refer Section 4.3.3 of this Key Information Document. Negative Covenants Please refer Section 4.3.4 of this Key Information Document.
Description regarding Security (where applicable) including type of security (movable / immovable / tangible etc.), type of charge (pledge / hypothecation / mortgage etc.), date of creation of security / likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the issue document.	TRANSACTION SECURITY (a) The Debentures shall be secured on or prior to the Deemed Date of Allotment by way of (i) a first ranking exclusive and continuing charge to be created in favour of the Debenture Trustee pursuant to an unattested deed of hypothecation, dated on or about the Effective Date, executed or to be executed and delivered by the Issuer in a form acceptable to the Debenture Trustee ("Deed of Hypothecation") over identified book debts/loan receivables of the Issuer as described therein (the "Hypothecated Assets") and (ii) such other security interest as may be agreed between the Issuer and the Debenture Holders ((i) and (ii) are collectively referred to as the "Transaction Security"). (b) The charge over the Hypothecated Assets shall, at all times until the Final Settlement Date, be (i) at least 1.15 (one decimal one five) times the value of the Outstanding Amounts, and (ii) the principal receivables of the Client Loans comprising the Hypothecated Assets shall be at least 1.15 (one decimal one five) times the value of the Outstanding Amounts (collectively, the "Security Cover"). (c) The value of the Hypothecated Assets for this purpose (for both initial and subsequent valuations) shall be the amount reflected as the value thereof in the books of accounts of the Issuer. (d) The Issuer shall create the charge over the Hypothecated Assets on or prior to the Deemed Date of Allotment and perfect such security by filing Form CHG-9 with the ROC and by ensuring and procuring that the Debenture Trustee files Form I with CERSAI in respect thereof and completing all required filings with the relevant information utility, within the time period prescribed in the Deed of Hypothecation. The Issuer hereby further agrees, declares and covenants with the Debenture Trustee as follows: (i) the Debentures shall be secured by way of a first ranking exclusive and continuing security on the Hypothecated Assets in favour of the Debenture Trustee for the benefit of the Debenture Holders, on or

	prior to the Deemed Date of Allotment; (ii) all the Hypothecated Assets that will be charged to the Debenture Trustee under the Deed of Hypothecation shall always be kept distinguishable and held as the exclusive property of the Issuer specifically appropriated to the Transaction Security and be dealt with only under the directions of the Debenture Trustee; (iii) the Issuer shall not create any charge, lien or other encumbrance upon or over the Hypothecated Assets or any part thereof except in favour of the Debenture Trustee nor will it do or allow anything that may prejudice the Transaction Security; (iv) the Debenture Trustee shall be at liberty to incur all costs and expenses as may be necessary to preserve the Transaction Security and to maintain the Transaction Security undiminished and claim reimbursement thereof; (v) to create the security over the Hypothecated Assets as contemplated in the Transaction Documents by executing the duly stamped Deed of Hypothecation; (vi) to register and perfect the security interest created thereunder by filing Form CHG-9 with the concerned ROC and ensuring and procuring that the Debenture Trustee files the prescribed Form I with CERSAI reporting the charge created to the CERSAI in relation thereto in accordance with the timelines set out in the Deed of Hypothecation; (vii) the Issuer shall, at the time periods set out in the Deed of Hypothecation, provide a list of the Hypothecated Assets to the Debenture Trustee over which the security is created and subsisting by way of hypothecation in favour of the Debenture Trustee (for the benefit of the Debenture Holders) and sufficient to maintain the Security Cover; (viii) the Issuer shall, within the timelines prescribed under the Deed of Hypothecation, add fresh receivables/Client Loans to the Hypothecated Assets, so as to ensure that the Security Cover is maintained or replace such Hypothecated Assets that do not satisfy the eligibility criteria prescribed in the Transaction Documents. Without prejudice to the above, in the event the PAR 1-30 Ratio (Hypothecated Assets) (as defined in the Deed of Hypothecation) exceeds 10% (ten percent), the Issuer will promptly and in no case later than 15 (fifteen) Business Days of the Client Loans becoming overdue by 30 (thirty) days or more and resulting in the PAR 1-30 Ratio (Hypothecated Assets) to exceed 10% (ten percent), ensure that the value of the Hypothecated Assets equals or exceeds the stipulated Security Cover by creating a charge by way of hypothecation over additional or new current receivables in respect of Client Loans that fulfil the eligibility criteria prescribed in the
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	Transaction Documents; (ix) the Issuer shall, on a half yearly basis, as and when required by the Debenture Trustee, give full particulars to the Debenture Trustee of all the Hypothecated Assets from time to time; (x) furnish and verify all statements, reports, returns, certificates and information from time to time and as required by the Debenture Trustee in respect of the Hypothecated Assets; (xi) furnish and execute all necessary documents to give effect to the Hypothecated Assets; (xii) the security interest created on the Hypothecated Assets shall be a continuing security; and (xiii) the Hypothecated Assets shall fulfil the eligibility criteria set out in the Deed of Hypothecation. Specific Disclosures (a) Type of security: Book debts (i.e., movable assets). (b) Type of charge: Hypothecation. (c) Date of creation of security/ likely date of creation of security: On or prior to the Deemed Date of Allotment. (d) Minimum security cover: at least 1.15 (one decimal one five) times the value of the Outstanding Amounts. (e) Revaluation: N. A. (f) Replacement of security: As set out in paragraph (viii) above. (g) Interest over and above the coupon rate: In the event of any delay in the execution of any Transaction Document (including the Debenture Trust Deed or the Deed of Hypothecation) or the creation or perfection of the security interest in terms thereof, the Issuer shall, at the option of the Debenture Holders, either: (i) if so required by the Debenture Holders, refund the Application Money together with interest (including interest accrued) at the Interest Rate/discharge the Secured Obligations; and/or (ii) pay to the Debenture Holders additional interest at the rate of 2% (two percent) per annum on the Outstanding Principal Amounts in addition to the Interest Rate until the relevant Transaction Document is duly executed or the security is duly created in terms thereof or the Secured Obligations are discharged (whichever is earlier).
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Transaction Documents	Shall be as set out in Section 4 (<i>Transaction Documents and Key Terms</i>) below.
Conditions Precedent to Disbursement	The Issuer shall fulfil the following conditions precedent, to the satisfaction of the Debenture Trustee, prior to the Deemed Date of Allotment, and shall submit and provide to the Debenture Trustee: CONSTITUTIONAL DOCUMENTS AND AUTHORISATIONS (a) a copy of the Constitutional Documents certified as correct, complete and in full force and effect by an appropriate officer of the Issuer; (b) a copy of resolution of the Issuer's board of directors/committee of the Issuer's board of directors authorising the execution, delivery and performance of the Transaction Documents certified as correct, complete and in full force and effect by an appropriate officer of the Issuer; (c) a copy of the resolution of the shareholders of the Issuer under Section 42 of the Companies Act, certified as correct, complete and in full force and effect by an appropriate officer of the Issuer; (d) copies of the resolutions of the shareholders of the Issuer under Sections 180(1)(c) and 180(1)(a) of the Companies Act, certified as correct, complete and in full force and effect by an appropriate officer of the Issuer; TRANSACTION DOCUMENTS (e) execution, delivery and stamping of the Transaction Documents in a form and manner satisfactory to the Debenture Trustee; INTERMEDIARY DOCUMENTS (f) a copy of the rating letter and/or the rating rationale issued in relation to the Debentures; (g) a copy of the consent from the Debenture Trustee to act as the debenture trustee for the Issue; (h) a copy of the consent of the Registrar to act as the registrar and transfer agent for the Issue; (i) a copy of the tripartite agreement(s) executed between the Issuer and the Depositories; OTHERS (j) the audited financial statements of the Issuer for the Financial Year ended March 31, 2023 together with the most recent limited review financial statements of the Company;

	(k) evidence that all 'know your customer' requirements to the satisfaction of the Debenture Trustee/the Applicants has been provided; (l) a certificate from the authorised signatories of the Issuer addressed to the Debenture Trustee confirming as on the Deemed Date of Allotment/the date of the certificate, <i>inter alia</i>: (i) the persons authorised to sign the Transaction Documents and any document to be delivered under or in connection therewith, on behalf of the Issuer, together with the names, titles and specimen signatures of such authorised signatories; (ii) the Issuer has the power under the Constitutional Documents to borrow amounts by way of the issuance of the Debentures and create the Transaction Security to secure such Debentures; (iii) the issuance of the Debentures and the creation of security over the Hypothecated Assets will not cause any limit, including any borrowing or security providing limit binding on the Issuer to be exceeded; (iv) no consents and approvals are required by the Issuer from its creditors or any Governmental Authority or any other person for the issuance of the Debentures and creation of security under the Deed of Hypothecation; (v) the representations and warranties contained in the Transaction Documents are true and correct in all respects; (vi) no Event of Default has occurred or is subsisting (vii) no Material Adverse Effect has occurred; and (viii) no investor or shareholder consent/approval, pursuant to the articles of association of the Issuer or any shareholders' agreements or other documents/instruments entered into by the Issuer and its shareholders and investors, is required for the Issuer to enter into or perform its obligations under the Transaction Documents; (m) a copy of the in-principle approval provided by the BSE in respect of the listing of the Debentures within the timelines prescribed under the SEBI Listing Timelines Requirements; (n) copies of the due diligence certificates from the Debenture Trustee in accordance with Chapter II (<i>Due Diligence by Debenture Trustees</i>) of the SEBI Debenture Trustee Master Circular and the SEBI NCS Regulations; and (o) such other information, documents, certificates, opinions and
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	instruments as the Debenture Holders/Debenture Trustee may reasonably request.
Conditions Subsequent to Disbursement	The Issuer shall fulfil the following conditions subsequent, to the satisfaction of the Debenture Trustee: (a) the Issuer shall ensure that the Debentures are allotted to the respective Debenture Holders and are credited into the demat accounts of the relevant Debenture Holders within the timelines prescribed under SEBI Listing Timelines Requirements; (b) the Issuer shall, on or prior to the utilisation of the Application Money received by the Issuer, or within 15 (fifteen) calendar days of the allotment of the Debentures, whichever is earlier, file a return of allotment of securities under Form PAS-3 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 with the ROC along with a list of the Debenture Holders and with the prescribed fee; (c) the Issuer shall in respect of the Transaction Security, file Form CHG-9 with the ROC and shall ensure and procure that the Debenture Trustee files the prescribed Form I with CERSAI and completes all required filings with the relevant information utility, each within 30 (thirty) days from the date of creation of the Transaction Security; (d) the Issuer shall make the application for listing of the Debentures and obtain listing of the Debentures within the time period prescribed under the SEBI Listing Timelines Requirements; (e) the Issuer shall on or prior to making the application for listing, provide copies of the due diligence certificates from the Debenture Trustee in accordance with Chapter II (<i>Due Diligence by Debenture Trustees</i>) of the SEBI Debenture Trustee Master Circular and the SEBI NCS Regulations, as may be required for obtaining the listing of the Debentures; and (f) comply with such other condition and provide such other information and documents as the Debenture Holders/Debenture Trustee may reasonably request, or as may be required under Applicable Law.
Events of Default (including manner of voting /conditions of joining Inter Creditor Agreement)	EVENTS OF DEFAULT Each of the events or circumstances set out below is an Event of Default. (a) <i>Payment Defaults</i> The Issuer does not pay on any Due Date (including on the respective Redemption Date(s)) any amount payable pursuant to the DTD and the Debentures at the place and in the currency in which it is expressed to be payable, unless the failure to pay is caused by the non-availability of NEFT, RTGS or any other payment systems operated by the RBI and

	the payment is made within 3 (three) days of the Due Date.
	(b) Material Adverse Effect The occurrence of a Material Adverse Effect, in the sole determination of the Debenture Trustee (acting on the instructions of the Majority Debenture Holders).
	(c) Cross Default (i) The Issuer defaults in any payment of any Financial Indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such Financial Indebtedness was created. (ii) The Issuer defaults in the observance or performance of any agreement or condition relating to any Financial Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause or to permit the holder or holders of such Financial Indebtedness to cause (determined without regard to whether any notice is required) any such Financial Indebtedness to become due prior to its stated maturity, and such Financial Indebtedness of the Issuer is declared to be due and payable. (iii) Any Financial Indebtedness of the Issuer shall be declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof.
	(d) Misrepresentation Any representation or warranty made by the Issuer in any Transaction Document or in any certificate, financial statement or other document delivered to the Debenture Trustee/Debenture Holders by the Issuer shall prove to have been incorrect, false or misleading in any material respect when made or deemed made.
	(e) Unlawfulness It is or becomes unlawful for the Issuer to perform any of its obligations under the Transaction Documents and/or any obligations of the Issuer under any Transaction Document are not, or cease to be valid, binding or enforceable.
	(f) Repudiation The Issuer repudiates any of the Transaction Documents, or evidences an intention to repudiate any of the Transaction Documents.

	(g) <i>Transaction Documents</i> The DTD or any other Transaction Document (in whole or in part), is terminated or ceases to be effective or ceases to be in full force or no longer constitutes valid, binding and enforceable obligations of the Issuer. (h) <i>Corporate governance; Data integrity</i> Failure by the Issuer to meet standards with respect to management, governance, and data integrity, as may be required by the Debenture Trustee and/or the Debenture Holders. (i) <i>Legal Proceedings</i> If one or more legal or governmental proceedings are initiated against the Issuer or any claims are made against the Issuer, which in the opinion of the Debenture Trustee (acting on the instructions of the Majority Debenture Holders), may impair the Issuer's ability to perform its obligations undertaken in terms of the Transaction Documents or which has a Material Adverse Effect. (j) <i>Creditors' Process and Expropriation</i> Any expropriation, attachment, garnishee, sequestration, distress or execution affects any assets of the Issuer or any affiliate of the Issuer having an aggregate value more than or equal to the Outstanding Principal Amounts or in excess of 10% (ten percent) of the Net Worth of the Issuer, whichever is lesser, and is not discharged within the earlier of 15 (fifteen) calendar days or the period provided in any order of any competent court or tribunal relating to the aforementioned actions.. (k) <i>Authorisations; Licenses</i> Any authorisations, licenses (including operating licenses), consents and approvals required by the Issuer under Applicable Law to enable it to perform its obligations under the Transaction Documents, to ensure the legality, validity, enforceability or admissibility of the Transaction Documents, and to enable it to carry on its business are revoked or suspended or cancelled in any manner. (l) <i>Insolvency/Inability to Pay Debts</i> The Issuer is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its Financial Indebtedness or fails to pay any amounts pursuant to a final judgment or any order of any competent court or tribunal. (m) <i>Liquidation, Insolvency or Dissolution of the Issuer / Appointment of</i>
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	<i>Receiver, Resolution Professional or Liquidator</i> Any corporate action, legal proceedings or other procedure or step is taken in relation to: (i) the suspension of payments, a moratorium of any Financial Indebtedness, winding-up, dissolution, administration or re-organisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Issuer; (ii) a composition, compromise, assignment or arrangement or re-structuring of any arrangement with any creditor of the Issuer; (iii) the appointment of a liquidator, receiver, resolution professional, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Issuer; (iv) the Issuer, in respect of any reference or enquiry or proceedings commenced, before the National Companies Law Tribunal or under any mechanism or prescription of the RBI in respect of resolution/restructuring of stressed assets (including without limitation, under the Stressed Assets Framework); (v) the commencement of an insolvency resolution process under the (Indian) Insolvency and Bankruptcy Code, 2016 read together with the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019, and any other rules and regulations made thereunder from time to time, or under any other Applicable Law, in respect of the Issuer; (vi) enforcement of any security over any Assets of the Issuer or any affiliate of the Issuer or any analogous procedure or step is taken in any jurisdiction; or (vii) any other event occurs or proceeding instituted under any Applicable Law that would have an effect analogous to any of the events listed in (i) to (vi) above. (n) <i>Judgment Defaults</i> One or more judgments or decrees entered against the Issuer involving a liability (not paid or not covered by a reputable and solvent insurance company), individually or in the aggregate, exceeding 10% (ten percent) of the Total Assets of the Issuer provided such judgments or decrees are either final and non-appealable or have not been vacated, discharged or stayed pending appeal for any period of 30
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	(thirty) calendar days. (o) Security in Jeopardy In the opinion of the Debenture Trustee any of the Hypothecated Assets are in jeopardy. (p) Security (i) The Issuer fails to create and/or perfect the Transaction Security within the timelines prescribed in the Transaction Documents and/or in the manner prescribed in the Transaction Documents. (ii) The value of the Hypothecated Assets is insufficient to maintain the Security Cover or the Issuer fails to maintain the Security Cover (including by way of providing additional/alternate security to the satisfaction of the Debenture Trustee) within the timelines prescribed in the relevant Transaction Documents. (iii) Any of the Transaction Documents fails to provide the security interests, rights, title, remedies, powers or privileges intended to be created thereby (including the priority intended to be created thereby), or such security interests fail to have the priority contemplated under the Transaction Documents, or the security interests become unlawful, invalid or unenforceable. (iv) The Issuer creates or attempts to create any mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having similar effect, over the Hypothecated Assets, without the prior consent of the Debenture Trustee. (q) Business The Issuer without obtaining the prior consent of the Debenture Trustee ceases to carry on its business or gives notice of its intention to do so. (r) Erosion of Net Worth The Net Worth of the Issuer erodes by 50% (fifty percent) or more, from that existing as of March 31, 2023. (s) Breach of Financial Covenants Any breach of any of the financial covenants set out in Section 4.3.1 (<i>Financial Covenants</i>) which is, to the extent capable of remedy (as determined by the Debenture Trustee (acting on the instructions of the Debenture Holders)), not remedied within such time period as may
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	be prescribed by the Debenture Trustee (acting on the instructions of the Debenture Holders) in its sole discretion. (t) <i>Breach of other Covenants</i> Any breach of any covenant or undertaking of the Issuer in the Transaction Documents (other than paragraphs (a) to (s) above) if such breach is, to the extent capable of remedy (as determined by the Debenture Trustee (acting on the instructions of the Debenture Holders)), not remedied within such time period as may be prescribed by the Debenture Trustee (acting on the instructions of the Debenture Holders) in its sole discretion. Notice on the Occurrence of an Event of Default (a) If any Event of Default or any event which, after the notice, or lapse of time, or both, would constitute an Event of Default, has occurred, the Issuer shall, forthwith give notice thereof to the Debenture Holders and the Debenture Trustee in writing specifying the nature of such event or Event of Default. (b) In addition to the foregoing, in accordance with Chapter X (<i>Breach of Covenants, Default and Remedies</i>) of the SEBI Debenture Trustees Master Circular, the Debenture Trustee shall send a notice to the Debenture Holders within 3 (three) calendar days of the occurrence of an Event of Default, in accordance with the mode of delivery of notice mentioned therein, convening a meeting within 30 (thirty) calendar days of the occurrence of an Event of Default. PROVIDED THAT if the Event of Default is cured or rectified within the intervening period between the date of the aforementioned notice from the Debenture Trustee to the date the aforementioned meeting is convened, no such meeting of the Debenture Holders shall be required. The Debenture Trustee shall maintain the details of the providing and receipt of such notice in accordance with Chapter X (<i>Breach of Covenants, Default and Remedies</i>) of the SEBI Debenture Trustees Master Circular. Consequences and Remedies of an Event of Default If one or more Events of Default occur(s), the Debenture Trustee may, on the instructions of the Majority Debenture Holders in accordance with the DTD, by a notice in writing to the Issuer initiate the following course of action: (a) require the Issuer to mandatorily redeem the Debentures and repay the Outstanding Principal Amounts, along with accrued but unpaid interest and other costs, charges and expenses incurred under or in connection with the DTD and the other Transaction Documents; (b) accelerate the redemption of the Debentures and declare all or any of the Debentures to be due and payable immediately (or on such date(s) as may be prescribed by the Debenture Trustee), whereupon it shall become so due and payable;
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	(c) enforce the security interest created under the Transaction Documents (including in respect of the Transaction Security) in accordance with the terms of the Transaction Documents; (d) appoint any independent agency to inspect and examine the working of the Issuer and give a report to the Debenture Holders/the Debenture Trustee. The Issuer shall provide its full co-operation and necessary assistance to such agency and bear all costs and expenses of examination, including the professional fees, travelling and other expenses; (e) take any actions in respect of Chapter X (Breach of Covenants, Default and Remedies) of the SEBI Debenture Trustees Master Circular in accordance with the provisions of the DTD; and (f) take all such other action, and exercise such other right as is permitted under the DTD, the other Transaction Documents or under Applicable Law, including any action that may be required for the purposes of protecting the interests of the Debenture Holders. It is clarified that if any Event of Default occurs, and such Event of Default is not cured within the prescribed time period (if any), the Debenture Trustee may initiate any action provided under the consequences and remedies of an event of default above, or provide a waiver for a certain specified time period (as may be determined by the Debenture Trustee) in respect to such event which has caused the relevant Event of Default to occur. PROVIDED THAT the Debenture Trustee may approve any application for waiver in respect of any of the aforementioned matters, if Debenture Holders' representing more than 75% (seventy five percent) of the Outstanding Principal Amounts of the Debentures provide their consent, within a period of 7 (seven) Business Days from the date of receipt of such request/notification from the Debenture Trustee. PROVIDED FURTHER THAT the Issuer may take any action in relation to which an application under this provision has been made, if the procedure set out herein has been followed and thereafter the consent of/rejection of the request from the Debenture Trustee is not received within the timelines set out herein. Additional Consequences and Remedies of an Event of Default (a) Without prejudice to the above, if one or more Event(s) of Default occur(s), the Debenture Trustee (acting on the instructions of the Debenture Holders) has the option (but not the obligation) to require the Issuer to sell the Hypothecated Assets, and to purchase the Hypothecated Assets, either itself and/or through any of its nominee(s), from the Issuer at a price as determined mutually by the Debenture Trustee (acting on the instructions of the Debenture Holders) and the Issuer based on prevailing market rates at the time of purchase ("Purchase Price"). The Purchase Price shall be adjusted by the Debenture Trustee (acting on the instructions of the Debenture Holders) against all amounts due in respect of the Debentures.
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	(b) The Issuer further agrees that the Debenture Trustee (acting on the instructions of the Debenture Holders) shall also have the right to require the Issuer to securitise, in accordance with Applicable Law, the Hypothecated Assets or any part thereof and sell the Hypothecated Assets or any part thereof to a special purpose vehicle ("SPV") as selected by the Debenture Trustee (acting on the instructions of the Debenture Holders) on the basis of the its due diligence and agreed eligibility criteria. In the event the Debenture Trustee (acting on the instructions of the Debenture Holders) requires the Issuer to securitise the Hypothecated Assets then the Issuer shall forthwith pay from the purchase consideration received from the SPV all amounts due under the Debentures so as to discharge/redeem the Debentures. Any difference between the amounts due under the Debentures and the purchase consideration received from the SPV shall be repaid by the Issuer to the Debenture Holders so as to completely discharge/redeem the Debentures. Manner of Voting The manner of voting shall be more particularly set out in the DTD.
Creation of recovery expense fund	The Issuer hereby undertakes and confirms that it shall, within the time period prescribed under Chapter IV (<i>Recovery Expenses Fund</i>) of the SEBI Debenture Trustees Master Circular, establish and maintain the Recovery Expense Fund in such manner/mode as is prescribed under Chapter IV (<i>Recovery Expenses Fund</i>) of the SEBI Debenture Trustees Master Circular.
Conditions for breach of covenants (as specified in Debenture Trust Deed)	Please refer sections named "Default Interest Rate" and "Events of Default".
Provisions related to Cross Default Clause	(i) The Issuer defaults in any payment of any Financial Indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such Financial Indebtedness was created. (ii) The Issuer defaults in the observance or performance of any agreement or condition relating to any Financial Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause or to permit the holder or holders of such Financial Indebtedness to cause (determined without regard to whether any notice is required) any such Financial Indebtedness to become due prior to its stated maturity, and such Financial Indebtedness of the Issuer is declared to be due and payable. (iii) Any Financial Indebtedness of the Issuer shall be declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof.

Role and Responsibilities of Debenture Trustee	The Debenture Trustee shall comply with all its roles and responsibilities as prescribed under Applicable Law and the Transaction Documents, including: (a) the Debenture Trustee may, in relation to the DTD and the other Transaction Documents, act on the opinion or advice of or any information obtained from any solicitor, counsel, advocate, valuer, surveyor, broker, auctioneer, qualified accountant or other expert whether obtained by the Issuer or by the Debenture Trustee or otherwise; (b) subject to the approval of the Debenture Holders by way of a Special Resolution passed at a meeting of the Debenture Holders held for determining the liability of the Debenture Trustee, the Debenture Trustee shall, as regards all trusts, powers, authorities and discretions, have the discretion as to the exercise thereof and to the mode and time of exercise thereof. In the absence of any fraud, gross negligence, willful misconduct or breach of trust the Debenture Trustee shall not be responsible for any loss, costs, charges, expenses or inconvenience that may result from the aforementioned exercise or non-exercise thereof. The Debenture Trustee shall not be bound to act at the request or direction of the Debenture Holders under any provisions of the Transaction Documents unless sufficient amounts shall have been provided or provision to the satisfaction of the Debenture Trustee has been made for providing such amounts and the Debenture Trustee is indemnified to its satisfaction against all further costs, charges, expenses and liability which may be incurred in complying with such request or direction; (c) with a view to facilitating any dealing under any provisions of the DTD or the other Transaction Documents, subject to the Debenture Trustee obtaining the consent of the Majority Debenture Holders, the Debenture Trustee shall have the power to consent (where such consent is required) to a specified transaction or class of transactions (with or without specifying additional conditions); (d) the Debenture Trustee shall not be responsible for the amounts paid by the Applicants for the Debentures; (e) the Debenture Trustee shall not be responsible for acting upon any resolution purporting to have been passed at any meeting of the Debenture Holders in respect whereof minutes have been made and signed even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution or that for any reason the resolution was not valid or binding upon the Debenture Holders; (f) the Debenture Trustee and each receiver, attorney, manager, agent or other person appointed by it shall, subject to the provisions of the Companies Act, be entitled to be indemnified by the Issuer in respect of all liabilities and expenses incurred by them in the execution or purported execution of the powers and trusts thereof;
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	(g) subject to the approval of the Debenture Holder(s) by way of a Special Resolution passed at a meeting of the Debenture Holder(s) held for determining the liability of the Debenture Trustee and in the absence of fraud, gross negligence, willful misconduct or breach of trust, the Debenture Trustee shall not be liable for any of its actions or deeds in relation to the Transaction Documents; (h) subject to the approval of the Debenture Holder(s) by way of Special Resolution passed at a meeting of the Debenture Holders held for determining the liability of the Debenture Trustee and in the absence of fraud, gross negligence, willful misconduct or breach of trust, the Debenture Trustee, shall not be liable for any default, omission or delay in performing or exercising any of the powers or trusts herein expressed or contained herein or in enforcing the covenants contained herein or in giving notice to any person of the execution hereof or in taking any other steps which may be necessary, expedient or desirable or for any loss or injury which may be occasioned by reason thereof unless the Debenture Trustee shall have been previously requested by notice in writing to perform, exercise or do any of such steps as aforesaid given in writing by the Majority Debenture Holder(s) or by a Majority Resolution duly passed at a meeting of the Debenture Holders. The Debenture Trustee shall not be bound to act at the request or direction of the Debenture Holders under any provisions of the Transaction Documents unless sufficient amounts shall have been provided or provision to the satisfaction of the Debenture Trustee has been made for providing such amounts and the Debenture Trustee is indemnified to its satisfaction against all further costs, charges, expenses and liability which may be incurred in complying with such request or direction; (i) notwithstanding anything contained to the contrary in the DTD, the Debenture Trustee shall before taking any action on behalf of the Debenture Holders or providing any consent on behalf of the Debenture Holders, obtain the written consent of the Majority Debenture Holders; (j) the Debenture Trustee shall forward to the Debenture Holders copies of any information or documents from the Issuer pursuant to the DTD within 2 (two) Business Days of receiving such information or document from the Issuer; and (k) the Debenture Trustee shall, until the Final Settlement Date, adhere to and comply with its obligations and responsibilities under Chapter X (<i>Breach of Covenants, Default and Remedies</i>) and Chapter IV (<i>Recovery Expenses Fund</i>) of the SEBI Debenture Trustees Master Circular. Please also refer to Annexure VIII (<i>Terms and Conditions of Debenture Trustee Agreement</i>) of this Key Information Document for the terms and conditions of the debenture trustee agreement.
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Risk factors pertaining to the issue	As set out in the General Information Document.
Governing Law and Jurisdiction	The Debentures and documentation will be governed by and construed in accordance with the laws of India and the parties submit to the exclusive jurisdiction of the courts in Mumbai, India and as more particularly provided for in the Debenture Trust Deed. Notwithstanding anything stated earlier, the Debenture Trustee has the right to commence proceedings before any other court or forum in India.
Additional Disclosures (Security Creation)	In the event of any delay in the execution of any Transaction Document (including the Debenture Trust Deed or the Deed of Hypothecation) or the creation or perfection of the security interest in terms thereof, the Issuer will, at the option of the Debenture Holders, either: (a) if so required by the Debenture Holders, refund the Application Money together with interest (including interest accrued) at the Interest Rate/dischARGE the Secured Obligations; and/or (b) pay to the Debenture Holders additional interest at the rate of 2% (two percent) per annum on the Outstanding Principal Amounts in addition to the Interest Rate until the relevant Transaction Document is duly executed or the security is duly created in terms thereof or the Secured Obligations are discharged (whichever is earlier).
Additional Disclosures (Default in Payment)	On the occurrence of an Event of Default, the Issuer agrees to pay additional interest at 5% (five percent) per annum above the Interest Rate on the Outstanding Principal Amounts, commencing from the date of occurrence of the Event of Default until such Event of Default is cured or the relevant Secured Obligations are repaid, on each Interest Payment Date occurring during the aforementioned period.
Additional Disclosures (Delay in Listing)	In the event there is any delay in listing of the Debentures beyond the Listing Period, the Issuer will pay to the Debenture Holders, penal interest of 1% (one percent) per annum over the Interest Rate, from the date of allotment of the Debentures until the listing of the Debentures is completed.

Note:

1. If there is any change in coupon rate pursuant to any event including lapse of certain time period or downgrade in rating, then such new coupon rate and the events which lead to such change should be disclosed.
2. The list of documents which has been executed in connection with the issue and subscription of debt securities shall be annexed.
3. While the debt securities are secured to the extent of hundred per cent of the amount of principal and interest amount or as per the terms of this Key Information Document, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained.

4. The Issuer shall provide granular disclosures in this Key Information Document, with regards to the “Object of the Issue” including the percentage of the issue proceeds earmarked for each of the “object of the issue”.

3.11 Information pursuant to Regulation 50A(6) of the Debt Listing Regulations

Details of the offer of non-convertible securities in respect of which the key information document is being issued	Issue of 6,500 (six thousand five hundred) rated, listed, unsubordinated, secured, transferable, redeemable, non-convertible debentures denominated in INR, having a face value of INR 1,00,000 (Indian Rupees One Lakh) each and an aggregate face value of INR 65,00,00,000 (Indian Rupees Sixty Five Crore) on a private placement basis. Please also refer to the information/details set out in Section 3.10 (<i>Summary Terms</i>) of this Key Information Document.
Financial information, if such information provided in the general information document is more than six months old	N.A. The limited review financial statements as on December 31, 2023 are set out in Annexure V of this Key Information Document. Please also refer to Section 2 (<i>Financial Information</i>) of this Key Information Document.
Material changes, if any, in the information provided in the general information document	NIL
Any material developments not disclosed in the general information document, since the issue of the general information document relevant to the offer of non-convertible securities in respect of which the key information document is being issued	NIL

Disclosures applicable in case of private placement of non-convertible securities as specified in schedule I, in case the second or subsequent offer is made during the validity of the shelf prospectus for which no general information document has been filed	N.A. The Issuer has filed the General Information Document pursuant to which the offer and issue of Debentures is being made under this Key Information Document.	
Other: Details of specific entities in relation to the Issue:	Legal Counsel (if any)	Transaction Counsel Name: Phoenix Legal  Logo: Address: Vaswani Mansion, Office No. 17 & 18, 3rd Floor, 120 Dinshaw Vachha Road, Churchgate, Mumbai-400020, India Website: www.phoenixlegal.in Email address: mumbai@phoenixlegal.in Telephone Number: +91 22 43408500 Contact Person: N.A. The Issuer is being advised by its in-house legal and compliance team.

SECTION 4: TRANSACTION DOCUMENTS AND KEY TERMS

4.1 Transaction Documents

The following documents shall be executed in relation to the Issue ("**Transaction Documents**"):

- (a) the Debenture Trustee Agreement, which will confirm the appointment of Catalyst Trusteeship Limited as the Debenture Trustee ("**Debenture Trustee Agreement**");
- (b) the Debenture Trust Deed, which will set out the terms upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer ("**Debenture Trust Deed**");
- (c) the Deed of Hypothecation whereby the Issuer will create an exclusive first charge by way of hypothecation over the Hypothecated Property in favour of the Debenture Trustee to secure its obligations in respect of the Debentures ("**Deed of Hypothecation**"); and
- (d) such other documents as agreed between the Issuer and the Debenture Trustee.

4.2 Representations and Warranties of the Issuer

The Issuer makes the representations and warranties set out in this Section 4.2 (*Representations and Warranties of the Issuer*) to the Debenture Trustee for the benefit of the Debenture Holders as on the Effective Date, which representations shall be deemed to be repeated on each day until the Final Settlement Date.

- (a) **Status**
 - (i) It is a company, duly incorporated, registered and validly existing under Applicable Law.
 - (ii) It is a non-banking financial company registered with the RBI.
 - (iii) It has the power to own its Assets and carry on its business as it is being conducted.

- (b) **Binding obligations**

The obligations expressed to be assumed by it under the Transaction Documents are legal, valid, binding and enforceable obligations.

- (c) **Non-conflict with other obligations**

The entry into and performance by it of, and the transactions contemplated by the Transaction Documents do not and will not conflict with:

- (i) any Applicable Law;
- (ii) the Constitutional Documents; or
- (iii) any agreement or instrument binding upon it or any of its Assets, including

but not limited to any terms and conditions of the existing Financial Indebtedness of the Issuer.

(d) ***Power and authority***

It has the power to enter into, perform and deliver, and has taken all necessary action to authorize its entry into, performance and delivery of, the Transaction Documents to which it is a party and the transactions contemplated by such Transaction Documents.

(e) ***Validity and admissibility in evidence***

All approvals, authorizations, consents, permits (third party, statutory or otherwise) required or desirable:

- (i) to enable it to lawfully enter into, exercise its rights and comply with its obligations under the Transaction Documents to which it is a party;
 - (ii) to make the Transaction Documents to which it is a party admissible in evidence in its jurisdiction of incorporation; and
 - (iii) for it to carry on its business, and which are material,
- have been obtained or effected and are in full force and effect.

(f) ***No default***

- (i) No Event of Default or potential Event of Default has occurred and is continuing or would reasonably be expected to result from the execution or performance of any Transaction Documents or the issuance of the Debentures.
- (ii) No other event or circumstance is outstanding which constitutes (or which would, with the lapse of time, the giving of notice, the making of any determination under the relevant document or any combination of the foregoing, constitute) a default or termination event (however described) under any other agreement or instrument which is binding on the Issuer or any of its Assets or which might have a Material Adverse Effect.

(g) ***Ranking***

The payment obligations of the Issuer under the Transaction Documents shall be at least *pari passu* with the claims of all of its other senior secured creditors, except for obligations mandatorily preferred by Applicable Law applying to companies generally.

(h) ***No proceedings pending***

No litigation, arbitration, investigation, or administrative proceedings of or before any court, arbitral body or agency have been commenced or threatened against the Issuer, which if determined adversely, may have a Material Adverse Effect.

(i) ***No misleading information***

All information provided by the Issuer to the Debenture Trustee/Debenture Holders is true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated and is not misleading due to omission of material fact or otherwise.

(j) **Compliance**

- (i) The Issuer has complied with Applicable Law (including but not limited to taxation related laws for the Issuer to carry on its business, all directions issued by the RBI to non-banking financial companies).
- (ii) There has not been and there is no investigation or enquiry by, or order, decree, decision or judgment of any Governmental Authority issued or outstanding or to the best of the Issuer's knowledge (after making due and careful enquiry), anticipated against the Issuer which would have a Material Adverse Effect.
- (iii) No notice or other communication from any Governmental Authority has been issued or is outstanding or anticipated with respect to an alleged, actual or potential violation and/or failure to comply with any such Applicable Law or requiring them to take or omit any action.
- (iv) The Issuer shall complete all necessary formalities including all filings with the relevant regulatory authorities, including but not limited to the SEBI, the BSE, CERSAI and the ROC and completing all required filings with the relevant information utility and obtain all consents and approvals required for the completion of the Issue.
- (v) Neither the Issuer nor any Group Entity has violated, or breached any applicable Law (including, but not limited to, any Environmental and Social Requirements or Client Protection Laws) which has resulted in or could reasonably be expected to have a Material Adverse Effect.
- (vi) The Issuer and its Group Entities have conducted and are conducting their respective businesses in all material respects in compliance with all applicable Laws including but not limited to Environmental and Social Requirements and Client Protection Laws.
- (vii) With respect to all such Environmental and Social Requirements, the Issuer and each Group Entity (A) have been issued and will maintain all required consents and will take all reasonable steps in anticipation of known or expected future changes or obligations to the same, (B) have not received any complaint, order, directive, claim, citation, or notice by any Governmental Authority, and (C) have not received any complaint or claim from any person seeking damages, contribution, indemnification, cost recovery, compensation, or injunctive relief.

(k) **Assets**

Except for the security interests and encumbrances created and recorded with the ROC, the Issuer has, free from any security interest or encumbrance, the absolute legal and beneficial title to, or valid leases or licenses of, or is otherwise entitled to

use (in each case, where relevant, on arm's length terms), all material Assets necessary for the conduct of its business as it is being, and is proposed to be, conducted.

(l) ***Financial statements***

- (i) Its audited financial statements most recently provided to the Debenture Trustee as of March 31, 2023 were prepared in accordance with Applicable Accounting Standards consistently applied save to the extent expressly disclosed in such financial statements.
- (ii) Its audited financial statements as of March 31, 2023 provided to the Debenture Trustee, give a true and fair view and represent its financial condition and operations during the Financial Year save to the extent expressly disclosed in such financial statements.

(m) ***Solvency***

- (i) The Issuer is able to, and has not admitted its inability to, pay its debts as they mature and has not suspended making payment on any of its debts and it has not been deemed by a court to be unable to pay its debts for the purposes of Applicable Law, nor will it become unable to pay its debts for the purposes of Applicable Law as a consequence of entering into the DTD or any other Transaction Document.
- (ii) The Issuer, by reason of actual or anticipated financial difficulties, has not commenced, and does not intend to commence, negotiations with one or more of its creditors with a view to rescheduling its Financial Indebtedness.
- (iii) The value of the Assets of the Issuer is more than its liabilities and it has sufficient capital to carry on its business.
- (iv) The Issuer has not taken any corporate action nor has it taken any legal proceedings or other procedure or steps in relation to any bankruptcy proceedings.
- (v) No insolvency or bankruptcy process has commenced under Applicable Law in respect of the Issuer (including pursuant to the (Indian) Insolvency and Bankruptcy Code, 2016, the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019, and any other rules and regulations made thereunder from time to time).
- (vi) No reference has been made, or enquiry or proceedings commenced, in respect of the Issuer, before the National Companies Law Tribunal or under any mechanism or prescription of the RBI in respect of resolution/restructuring of stressed assets (including without limitation, under the Stressed Assets Framework).

(n) ***Hypothecated Assets***

- (i) The Hypothecated Assets are the sole and absolute property of the Issuer and are free from any other mortgage, charge or encumbrance and are not

subject to any *lis pendens*, attachment, or other order or process issued by any Governmental Authority.

- (ii) All consents and approvals required by the Issuer from its creditors or any Governmental Authority or any other person in relation to the creation of security over the Hypothecated Assets have been obtained.
- (iii) The Transaction Documents executed or to be executed constitute legal, valid and enforceable security interest in favour of the Debenture Trustee and for the benefit of the Debenture Holders on all the Hypothecated Assets and all necessary and appropriate consents for the creation, effectiveness, priority and enforcement of such security have been obtained.

(o) ***Material Adverse Effect***

- (i) No fact or circumstance, condition, proceeding or occurrence exists that has a Material Adverse Effect.
- (ii) No Material Adverse Effect has occurred or would reasonably be expected to result from the execution or performance of any Transaction Documents or the issuance of the Debentures

(p) ***Illegality***

It is not unlawful or illegal for the Issuer to perform any of its obligations under the Transaction Documents.

(q) ***No filings or stamp taxes***

There are no stamp duties, registration, filings, recordings or notarizations before or with any Governmental Authority required to be carried out in India in relation to the execution and delivery of the Transaction Documents by the Issuer other than the:

- (i) stamping of the Transaction Documents (on or prior to execution in Mumbai, India) in accordance with the Maharashtra Stamp Act, 1958;
- (ii) payment of the stamp duty in respect of the Debentures;
- (iii) filing of the return of allotment of securities under Form PAS-3 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 with the ROC;
- (iv) filing of the Debt Disclosure Documents (as applicable) with the relevant stock exchanges;
- (v) filing of Form CHG 9 with the ROC within the time period set out in the Deed of Hypothecation; and
- (vi) filing of Form I with CERSAI within the time period set out in the Deed of Hypothecation.

(r) ***No Corrupt Practices***

- (i) Neither the Issuer nor its Founders or affiliates have indulged in any corrupt practices pertaining to the business such as misstatement, fraud, misappropriation, embezzlement of financial and other resources or gains unreported in the audited financial statements.
- (ii) Neither the Issuer nor any Group Entity through its officers, directors or employees in such capacities or any person acting on behalf of the Issuer or any Group Entity have engaged in any Objectionable Practice.

4.3 COVENANTS OF THE ISSUER

4.3.1 FINANCIAL COVENANTS

- (a) The Issuer shall, commencing from the Effective Date until the Final Settlement Date
 - (i) maintain a ratio of A:B of not more than 10% (ten percent), where A is the aggregate of the Issuer's PAR>90 and write-offs (on the entire portfolio of the Issuer including receivables sold or discounted on non-recourse basis) for the trailing 12 (twelve) months, and B is the Gross Loan Portfolio of the Issuer, multiplied by 100, and followed by the "%" symbol;
 - (ii) maintain a ratio of A:B of less than 20% (twenty percent), where A is the Issuer's PAR>90 net of Loan Loss Provisions, and B is the Tangible Net Worth of the Issuer, multiplied by 100, and followed by the "%" symbol;
 - (iii) ensure that the Total Debt shall not more than 4.25 (four decimal two five) times the Tangible Net Worth of the Issuer;
 - (iv) maintain a Capital Adequacy Ratio of not less than 15% (fifteen percent) or such other higher threshold as may be prescribed by the RBI from time to time;

For the purposes of calculation/determination of the Capital Adequacy Ratio:

- (A) the first loss credit enhancement(s) provided by the Issuer in respect of any securitisation transactions shall be reduced from the Tier 1 Capital and the Tier 2 Capital without any ceiling, and
- (B) the credit enhancement(s) provided by the Issuer in respect of Client Loans originated by it on behalf of other financial institutions shall be reduced from the Tier 1 Capital and the Tier 2 Capital without any ceiling.

The deduction shall be made at 50% (fifty per cent) from Tier 1 Capital and 50% (fifty per cent) from Tier 2 Capital.

It is further clarified that in determining the amount of subordinated debt that is eligible for inclusion in Tier 2 Capital of the Issuer, the subordinated debt shall be subject to the discounting as prescribed in the in the NBFC Directions;

- (v) maintain a ratio of A:B of not less than 20% (twenty percent), where A is the

Tangible Net Worth of the Issuer, and B is the Gross Loan Portfolio of the Issuer, multiplied by 100, and followed by the "%" symbol; and

- (vi) comply with such other financial covenants as may be agreed between the Issuer and the Debenture Holders from time to time.
- (b) The financial covenants set out in this Section 4.3.1 (*Financial Covenants*) shall be tested, until the Final Settlement Date, on a quarterly basis, on the basis of the standalone and consolidated financial statements of the Issuer. The financial covenants set out in this Section 4.3.1 (*Financial Covenants*) shall be certified within the time periods prescribed under and in accordance with Section 4.3.2 (e)(iv).
- (c) The Issuer shall provide the Debenture Trustee access to all such additional information that it may deem necessary for the purposes of monitoring and evaluating the compliance of the Issuer with the financial covenants set out in this Section 4.3.1 (*Financial Covenants*)

4.3.2 REPORTING COVENANTS

The Issuer shall provide or cause to be provided to the Debenture Trustee, in form and substance satisfactory to the Debenture Trustee, each of the following items:

- (a) as soon as available, and in any event within 120 (one hundred and twenty) calendar days after the end of each Financial Year of the Issuer:
 - (i) certified copies of its audited standalone and consolidated (if any) financial statements for its most recently completed Financial Year, prepared in accordance with Applicable Accounting Standards including its balance sheet, income statement and statement of cash flow.

All such information shall be complete and correct in all material respects and shall fairly represent the financial condition, results of operation and changes in cash flow and a list comprising all material financial liabilities of the Issuer whether absolute or contingent as of the date thereof;
 - (ii) a certificate from a director of the Issuer/chief financial officer of the Issuer confirming that there is no existing potential Event of Default or Event of Default;
 - (iii) copies of all annual information submitted by the Issuer to the RBI; and
 - (iv) a copy of the Issuer's corporate social responsibility report (if applicable);
- (b) within 45 (forty five) calendar days after the end of each calendar year, provide details and information in respect to the following:
 - (i) the number of borrowers, percentage of female borrowers, and percentage of rural borrowers;
 - (ii) the number of Client Loans outstanding;
 - (iii) the Gross Loan Portfolio of the Issuer;

- (iv) the number of full-time employees of the Issuer;
 - (v) the number of deposit/savings clients, if applicable;
 - (vi) the average size of each Client Loan, which is to be maintained in accordance with Section 4.3.3(r) (*Average Size of each Client Loan*); and
 - (vii) such other information as may be required for the Debenture Holders to conduct a social performance assessment of the Issuer;
- (c) within 45 (forty five) calendar days from each of June 30 and December 31 of each calendar year, such impact measuring metrics as are prescribed by the Debenture Trustee from time to time, including in respect of (i) the number and amount of Client Loans provided to self-employed women, (ii) details of state wise number and amount of Client Loans disbursed, and (iii) ticket size wise number and amount of Client Loans disbursed;
- (d) within 45 (forty five) calendar days from the end of each calendar year, and within such time as may be requested by the Debenture Holders, (i) an impact disclosure relating to social and financial inclusion attributed to employment opportunities, social diversity and gender equity, in the formats as are prescribed by the Debenture Trustee from time to time, and which may be shared by the Debenture Holders with their stakeholders, and (ii) such information as may be required to enable the Debenture Holders to conduct a social performance assessment of the Issuer;
- (e) within 45 (forty five) calendar days of the end of each Quarterly Date:
 - (i) details of financial, operations, portfolio growth and asset quality (including static portfolio cuts, collection efficiency and details of portfolio at risk) in such form and manner as may be acceptable to the Debenture Holders;
 - (ii) the details/list of the board of directors and the management team of the Issuer;
 - (iii) the details of the shareholding pattern of the Issuer;
 - (iv) a certificate signed by an authorized signatory of the Issuer confirming that the Issuer is in compliance with all the financial covenants prescribed in Section 4.3.1 (*Financial Covenants*);
 - (v) information and/or details in respect of
 - (A) any new products introduced/launched by the Issuer, or any change in the existing product features;
 - (B) any new business correspondent relationships entered into by the Issuer, or any discontinuance of existing business correspondent relationships;
 - (C) geographical expansion of the Issuer to any new state in India;

- (D) any material changes to the information technology (IT) or management information system (MIS) of the Issuer;
 - (E) any changes in the credit rating agencies and/or credit bureaus whose services are utilized by the Issuer;
 - (F) any revisions to the business plan of the Issuer;
 - (G) any changes to the accounting policy of the Issuer; and
 - (H) any fraud amounting to more than 1% (one percent) of the Gross Loan Portfolio of the Issuer;
- (f) as soon as practicable and in any event within 7 (seven) Business Days of the occurrence of the following events, the details of:
 - (i) any change in the Issuer's shareholding structure;
 - (ii) any change in the composition of the board of directors;
 - (iii) any change in the senior management officials of the Issuer (such as the chief executive officer, the chief financial officer, the chief operating officer or the chief risk officer of the Issuer);
 - (iv) any change in the Constitutional Documents that is material;
 - (v) any change to the statutory auditors of the Issuer; and
 - (vi) the approval of annual business plan of the Issuer by the board of directors of the Issuer;
- (g) as soon as practicable, and in any event within 7 (seven) Business Days after the Issuer obtains or reasonably should have obtained actual knowledge thereof, notice of the occurrence of any event or circumstance that could reasonably be expected to result in a Material Adverse Effect;
- (h) as soon as practicable, and in any event within 7 (seven) Business Days after the Issuer obtains actual knowledge thereof, any notices, orders or directions any court or tribunal in relation to any dispute, litigation, investigation or other proceeding involving amounts exceeding INR 5,00,00,000 (Indian Rupees Five Crore), which, if adversely determined, could result in a Material Adverse Effect;
- (i) as soon as practicable, and in any event within 7 (seven) Business Days after the Issuer obtains actual knowledge thereof, notice of the occurrence of any Event of Default or potential Event of Default including any steps taken to cure such event;
- (j) as soon as practicable, and in any event within 7 (seven) Business Days, any prepayment, or the receipt of notice of any Financial Indebtedness of the Issuer with a residual maturity of more than 12 (twelve) months declared to be due and payable or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof;
- (k) as soon as practicable, and in any event within 7 (seven) Business Days after such

default, notice of any default in the observance or performance of any agreement or condition relating to any Financial Indebtedness by the Issuer or contained in any instrument or agreement evidencing, securing or relating thereto or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause or to permit the holder or holders of such Financial Indebtedness to cause (determined without regard to whether any notice is required) any such Financial Indebtedness to become due prior to its stated maturity in respect of the Issuer;

- (l) as soon as practicable, and in any event within 7 (seven) Business Days of receiving any notice of any application for winding up/insolvency having been made or any notice of winding up or insolvency under the provisions of the Companies Act or the (Indian) Insolvency and Bankruptcy Code, 2016 or any other statute relating to winding up/insolvency or otherwise of any suit or other legal process intended to be filed or initiated against the Issuer;
- (m) if so required under Applicable Law, on a semi-annual basis (and within such time period from September 30 and March 31 of each Financial Year as may be prescribed by the Debenture Trustee), provide to the Debenture Trustee:
 - (i) a certificate from the Issuer's authorised officer certifying the value of the book debts/receivables; and
 - (ii) a certificate from an independent chartered accountant providing/confirming the value of the book debts/receivables;
- (n) (if so required by the Debenture Trustee and within the timelines agreed with the Debenture Trustee) provide to the Debenture Trustee a certificate from the statutory auditor of the Issuer providing/confirming the value of the book debts/receivables and/or the utilisation of the proceeds of the Debentures (together with such details and information as may be required by the Debenture Trustee);
- (o) without prejudice to sub-paragraphs (p) and (q) below, within such timelines as may be prescribed by the Debenture Trustee, provide all relevant information required by the Debenture Trustee for the effective discharge of its duties and obligations under the Transaction Document, including but not limited to the copies of all reports, balance sheets and the profit and loss account of the Issuer;
- (p) without prejudice to sub-paragraph (o) above and sub-paragraph (q) below, as soon as practicable and in any event within 30 (thirty) calendar days of receipt of a request, such additional documents or information as the Debenture Trustee or the Debenture Holders, may reasonably request from time to time; and
- (q) as soon as practicable and in any event within the timelines prescribed by the Debenture Trustee (and Applicable Law), such other information, notifications, details, documents, reports, statements and certificates (including from chartered accountants, auditors and/or directors of the Issuer) as may be required by the Debenture Trustee from time to time, to ensure compliance with the provisions of the Applicable Law, including but not limited to the SEBI Debenture Trustees Regulations and the Companies (Share Capital and Debentures) Rules, 2014.

4.3.3 AFFIRMATIVE COVENANTS

The Issuer shall:

(a) ***Use of Proceeds***

use the proceeds of the Issue only for the Purpose and in accordance with Applicable Law and the Transaction Documents;

(b) ***Loss or Damage by Uncovered Risks***

promptly inform the Debenture Trustee and the Debenture Holders of any material loss or significant damage which the Issuer may suffer due to any force majeure circumstances or act of God, such as earthquake, flood, tempest or typhoon, etc. against which the Issuer may not have insured its properties;

(c) ***Costs and Expenses***

pay all reasonable costs, charges and expenses in any way incurred by the Debenture Trustee towards protection of the Debenture Holders' interests, including traveling and other allowances and such taxes, duties, costs, charges and expenses in connection with or relating to the Debentures subject to such expenses, costs or charges being approved in writing by the Issuer before they are incurred and shall not include any foreign travel costs;

(d) ***Payment of Rents, etc.***

pay all rents, royalties, taxes, rates, levies, cesses, assessments, impositions and outgoings, governmental, municipal or otherwise imposed upon or payable by the Issuer as and when such amounts are payable;

(e) ***Preserve Corporate Status***

- (i) diligently preserve and maintain its corporate existence and status and all rights, privileges, and concessions now held or hereafter acquired by it in the conduct of its business;
- (ii) comply with all acts, authorizations, consents, permissions, rules, regulations, orders and directions of any Governmental Authority; and
- (iii) not do or voluntarily suffer or permit to be done any act or thing whereby its right to transact its business might or could be terminated or whereby payment of the Outstanding Amounts might or would be hindered or delayed;

(f) ***Pay Stamp Duty***

pay all such stamp duty (including any additional stamp duty), other duties, taxes, charges and penalties, if and when the Issuer may be required to pay according to the applicable state laws. In the event the Issuer fails to pay such stamp duty, other duties, taxes and penalties as aforesaid, the Debenture Trustee shall be at liberty (but shall not be bound) to pay such amounts and the Issuer shall reimburse the aforementioned amounts to the Debenture Trustee on demand;

(g) ***Furnish Information to Debenture Trustee***

- (i) provide to the Debenture Trustee or its nominee(s)/agent(s) such information/copies of relevant extracts as they may require on any matters relating to the business of the Issuer or to investigate the affairs of the Issuer;
- (ii) allow the Debenture Trustee to make such examination and investigation as and when deemed necessary and shall furnish the Debenture Trustee with all such information as they may require and shall pay all reasonable costs, charges and expenses incidental to such examination and investigation;
- (iii) provide to the Debenture Trustee or its nominee(s)/agent(s) such information/copies of relevant extracts as they may require for the purpose of filing any relevant forms with any Governmental Authority (including but not limited to the CERSA) in relation to the Debentures and the Hypothecated Assets;
- (iv) furnish quarterly reports to the Debenture Trustee (as may be required in accordance with Applicable Law) containing the following particulars:
 - (A) updated list of the names and addresses of the Debenture Holders;
 - (B) details of the interest due, but unpaid and reasons thereof;
 - (C) the number and nature of grievances received from the Debenture Holders and resolved and unresolved by the Issuer along with the reasons for the same; and
 - (D) a statement that the Hypothecated Assets are sufficient to discharge the claims of the Debenture Holders as and when they become due; and
- (v) inform and provide the Debenture Trustee with applicable documents in respect of the following:
 - (A) notice of any Event of Default or potential Event of Default; and
 - (B) any and all information required to be provided to the Debenture Holders under Applicable Law and the listing agreement entered into/to be entered into between the Issuer and the BSE;

(h) ***Redressal of Grievances***

promptly and expeditiously attend to and redress the grievances, if any, of the Debenture Holders. The Issuer further undertakes that it shall promptly comply with the suggestions and directions that may be given in this regard, from time to time, by the Debenture Trustee and shall advise the Debenture Trustee periodically of the compliance;

(i) ***Comply with Investor Education and Protection Fund Requirements***

comply with the provisions of the Companies Act relating to transfer of unclaimed/unpaid amounts of interest on Debentures and redemption of Debentures to Investor Education and Protection Fund ("IEPF"), if applicable to it. The Issuer hereby further agrees and undertakes that until the Final Settlement Date it shall abide by

the regulations, rules or guidelines/listing requirements if any, issued from time to time by the Ministry of Corporate Affairs, RBI, SEBI or any other competent Governmental Authority;

(j) ***Corporate Governance; Fair Practices Code***

comply with any corporate governance requirements applicable to the Issuer (as may be prescribed by the RBI, SEBI, any stock exchange, or any other Governmental Authority) and the fair practices code prescribed by the RBI;

(k) ***Further Assurances***

- (i) promptly provide details of any litigation, arbitration or administrative proceedings that if determined adversely could have a Material Adverse Effect on the Issuer;
- (ii) comply with any monitoring and/or servicing requests from the Debenture Trustee;
- (iii) execute and/or do, at its own expense, all such deeds, assurances, documents, instruments, acts, matters and things, in such form and otherwise as the Debenture Trustee may reasonably or by Applicable Law require or consider necessary in relation to enforcing or exercising any of the rights and authorities of the Debenture Trustee;
- (iv) obtain, comply with the terms of and do all that is necessary to maintain in full force and effect all authorisations and licenses necessary to enable it to lawfully enter into and perform its obligations under the DTD or to ensure the legality, validity, enforceability or admissibility in evidence in India of the DTD;
- (v) provide such information/details and such authorisations to the Debenture Holders and/or the Debenture Trustee or any of their representatives (as may be required by the Debenture Holders and/or the Debenture Trustee) in respect of any inspection or scrub of the Hypothecated Assets proposed to be conducted by the Debenture Trustee and/or Debenture Holders with any credit information bureau in which the Issuer is registered as a member;
- (vi) conduct (and ensure that all of the Group Entities will conduct) their respective businesses in all material respects in compliance with all applicable Laws including but not limited to Environmental and Social Requirements and Client Protection Laws and take all reasonable steps in anticipation of known or expected future changes to or obligations under the same;
- (vii) promptly inform the Debenture Trustee any material breach of any Environmental and Social Requirements and provide accurate and complete information with respect to such breach and any additional information in relation thereto, in whichever form as the Debenture Trustee may request at its sole discretion. The Issuer shall promptly inform the Debenture Trustee, on (A) any Environmental and Social Claim and/or any Client Protection Claim being commenced against it or against any Group Entity,

and (B) any facts or circumstances which will or are reasonably likely to result in any Environmental and Social Claim and/or any Client Protection Claim being commenced or threatened against it or any Group Entity, and provide accurate and complete information with respect to such Environmental and Social Claim and/or any Client Protection Claim and any additional information in relation thereto, in whichever form as the Debenture Trustee may request at its sole discretion;

(viii) abide by (and ensure that the Group Entities will abide by) the Workers' Rights Requirements;

(ix) comply with:

(A) all Applicable Law (including but not limited to the Companies Act, the environmental, social and taxation related laws, all directions issued by the RBI to non-banking financial companies), as applicable in respect of the Debentures and obtain such regulatory approvals as may be required from time to time;

(B) the SEBI Debenture Trustees Regulations as in force from time to time, in so far as they are applicable to the Debentures and furnish to the Debenture Trustee such data, information, statements and reports as may be deemed necessary by the Debenture Trustee in order to enable them to comply with the provisions of Regulation 15 of the SEBI Debenture Trustees Regulations thereof in performance of their duties in accordance therewith to the extent applicable to the Debentures;

(C) the provisions of the Companies Act in relation to the Issue;

(D) procure that the Debentures are rated and continue to be rated until the Final Settlement Date;

(E) ensure that, at time of making any payment of interest or repayment of the principal amount of the Debentures in full or in part, the Issuer shall do so in the manner that is in accordance with Applicable Law relating to Tax but without, in any way requiring the Issuer to incur any additional costs, expenses or taxes and the Issuer shall avail of all the benefits available under any treaty applicable to the Issuer and/or the Debenture Holders; and

(F) if so required, the terms of Chapter XI (*Operational framework for transactions in defaulted debt securities post maturity date/ redemption date*) of the Listed NCDs Master Circular, and provide all details/intimations to the Debenture Trustee, the Depositories, and BSE (as the case may be) in accordance with the provisions therein;

(x) to the extent applicable, it will submit to the Debenture Trustee, on a half yearly basis, a certificate from the statutory auditor of the Issuer giving the value of receivables/book debts; and

(xi) it will provide all necessary access, assistance and cooperation to, and

permit the Debenture Trustee to conduct periodical checks, verifications, due diligence and other inspections (at such frequency and within such timelines as may be determined by the Debenture Trustee) in respect of the books and accounts of the Issuer and the Hypothecated Assets, and arrange for meetings (if so required by the Debenture Holders/Debenture Trustee) with the management team of the Issuer;

(l) **Security**

the Issuer hereby further agrees, declares and covenants with the Debenture Trustee as follows:

- (i) the Debentures shall be secured by way of a first ranking exclusive and continuing security on the Hypothecated Assets in favour of the Debenture Trustee for the benefit of the Debenture Holders, on or prior to the Deemed Date of Allotment;
- (ii) all the Hypothecated Assets that will be charged to the Debenture Trustee under the Deed of Hypothecation shall always be kept distinguishable and held as the exclusive property of the Issuer specifically appropriated to the Transaction Security and be dealt with only under the directions of the Debenture Trustee;
- (iii) the Issuer shall not create any charge, lien or other encumbrance upon or over the Hypothecated Assets or any part thereof except in favour of the Debenture Trustee nor will it do or allow anything that may prejudice the Transaction Security;
- (iv) the Debenture Trustee shall be at liberty to incur all costs and expenses as may be necessary to preserve the Transaction Security and to maintain the Transaction Security undiminished and claim reimbursement thereof;
- (v) to create the security over the Hypothecated Assets as contemplated in the Transaction Documents by executing the duly stamped Deed of Hypothecation;
- (vi) to register and perfect the security interest created thereunder by filing Form CHG-9 with the concerned ROC and ensuring and procuring that the Debenture Trustee files the prescribed Form I with CERSAI reporting the charge created to the CERSAI in relation thereto in accordance with the timelines set out in the Deed of Hypothecation;
- (vii) the Issuer shall, at the time periods set out in the Deed of Hypothecation, provide a list of the Hypothecated Assets to the Debenture Trustee over which the security is created and subsisting by way of hypothecation in favour of the Debenture Trustee (for the benefit of the Debenture Holders) and sufficient to maintain the Security Cover;
- (viii) the Issuer shall, within the timelines prescribed under the Deed of Hypothecation, add fresh receivables/Client Loans to the Hypothecated Assets so as to ensure that the Security Cover is maintained or replace such Hypothecated Assets that do not satisfy the eligibility criteria prescribed in

the Deed of Hypothecation. Without prejudice to the above, in the event the PAR 1-30 Ratio (Hypothecated Assets) (as defined in the Deed of Hypothecation) exceeds 10% (ten percent), the Issuer will, with prior notice/intimation to the Debenture Trustee, promptly and in no case later than 15 (fifteen) Business Days of the Client Loans becoming overdue by 30 (thirty) days or more and resulting in the PAR 1-30 Ratio (Hypothecated Assets) to exceed 10% (ten percent), ensure that the value of the Hypothecated Assets equals or exceeds the stipulated Security Cover by creating a charge by way of hypothecation over additional or new current receivables in respect of Client Loans that fulfil the eligibility criteria prescribed in the Deed of Hypothecation;

- (ix) the Issuer shall, on a half yearly basis, as and when required by the Debenture Trustee, give full particulars to the Debenture Trustee of all the Hypothecated Assets from time to time;
- (x) furnish and verify all statements, reports, returns, certificates and information from time to time and as required by the Debenture Trustee in respect of the Hypothecated Assets;
- (xi) furnish and execute all necessary documents to give effect to the Hypothecated Assets;
- (xii) the security interest created on the Hypothecated Assets shall be a continuing security;
- (xiii) the Hypothecated Assets shall fulfil the eligibility criteria set out in the Deed of Hypothecation;
- (xiv) nothing contained herein shall prejudice the rights or remedies of the Debenture Trustee and/or the Debenture Holders in respect of any present or future security, guarantee obligation or decree for any indebtedness or liability of the Issuer to the Debenture Trustee and/or the Debenture Holders;
- (xv) the Debenture Holders shall have a beneficial interest in the Hypothecated Assets of the Issuer which have been charged to the Debenture Trustee to the extent of the Outstanding Amounts of the Debentures under the DTD; and
- (xvi) to forthwith upon demand by the Debenture Trustee, reimburse to the Debenture Trustee all amounts paid by the Debenture Trustee to reasonably protect the Hypothecated Assets and such amounts shall be deemed to be secured by the Hypothecated Assets;

(m) ***Filings, Compliance with BSE requirements***

the Issuer hereby further agrees, declares and covenants with the Debenture Trustee as follows:

- (i) it will make the necessary filings of the documents mandated therein including (if required under Applicable Law) the return of allotment (Form PAS 3), Form CHG-9, and (if required under Applicable Law) record of the

private placement offer and application letter (Form PAS 5) with the ROC and/or SEBI, within the timelines stipulated under the Act and the relevant rules thereunder and any other Applicable Law;

- (ii) the Issuer shall comply with the relevant provisions of the SEBI LODR Regulations applicable to listed entities which have listed their non-convertible securities, including (to the extent applicable), the provisions of Chapter II (*Principles governing disclosures and obligations of listed entity*), Chapter III (*Common obligations of listed entities*), Chapter IV (*Obligations of a listed entity which has listed its specified securities and non-convertible debt securities*), and Chapter V (*Obligations of listed entity which has listed its non-convertible securities*) of the SEBI LODR Regulations.
- (iii) it will provide all such assistance to the Debenture Trustee as may be required by it, to carry out the necessary due diligence and monitor the security cover in the manner as may be specified by SEBI from time to time. In this regard, in accordance with Chapter VI (*Periodical/ Continuous Monitoring by Debenture Trustee*) of the SEBI Debenture Trustees Master Circular, the Issuer undertakes and agrees to provide all relevant documents/information, as applicable, to enable the Debenture Trustee to submit the following reports/certifications to BSE in accordance with Chapter VI (*Periodical/ Continuous Monitoring by Debenture Trustee*) of the SEBI Debenture Trustees Master Circular:
 - (A) a security cover certificate on a quarterly basis, within 75 (seventy five) days from each Quarterly Date (other than March 31 of the relevant Financial Year) and within 90 (ninety) days from March 31 of the relevant Financial Year or such other timelines as may be prescribed under Applicable Law in the format prescribed in the SEBI Debenture Trustees Master Circular;
 - (B) (to the extent applicable) a statement of the value of the pledged securities on a quarterly basis, within 75 (seventy five) days from each Quarterly Date (other than March 31 of the relevant Financial Year) and within 90 (ninety) days from March 31 of the relevant Financial Year or such other timelines as may be prescribed under Applicable Law;
 - (C) (to the extent applicable) a statement of the value of the debt service reserve account or any other form of security offered on a quarterly basis, within 75 (seventy five) days from each Quarterly Date (other than March 31 of the relevant Financial Year) and within 90 (ninety) days from March 31 of the relevant Financial Year or such other timelines as may be prescribed under Applicable Law;
 - (D) (to the extent applicable) a net worth certificate of the guarantor who has provided a personal guarantee in respect of the Debentures on a half yearly basis, within 75 (seventy five) days from the end of each financial half-year or such other timelines as may be prescribed under Applicable Law;
 - (E) (to the extent applicable) the financials/value of guarantor prepared

on the basis of audited financial statement etc. of the guarantor who has provided a corporate guarantee in respect of the Debentures on an annual basis, within 75 (seventy five) days from the end of each Financial Year or within such timelines as prescribed under Applicable Law; and

- (F) (to the extent applicable) the valuation report and title search report for the immovable/movable assets, as applicable, once in 3 (three) years, within 75 (seventy five) days from the end of the Financial Year or such other timelines as may be prescribed under Applicable Law;
- (iv) it will submit to the BSE, on a periodical basis and/or on an 'as and when' basis (depending upon the occurrence of any event), such information as prescribed under the SEBI Centralized Database Requirements, in such format as may be prescribed by the BSE;
- (v) it will provide/fill all such information as prescribed under the SEBI Centralized Database Requirements at the time of allotment of the International Securities Identification Number (ISIN) in respect of the Debentures;
- (vi) it will submit to the Debenture Trustee, on a half yearly basis, a certificate from the statutory auditor of the Issuer giving the value of receivables/book debts including compliance with the covenants set out in the Debt Disclosure Documents in such manner as may be specified by SEBI from time to time;
- (vii) (if so required) it will submit to the Debenture Trustee, on an annual basis, a certificate from the statutory auditor of the Issuer in relation to the value of the book debts/receivables comprising the Hypothecated Assets; and
- (viii) it will provide such assistance as may be required by the Debenture Trustee to, prior to the creation of charge to secure the Debentures, exercise independent due diligence to ensure that such security is free from any encumbrance or that the necessary consent(s) from other charge-holders (if applicable) have been obtained in the manner as may be specified by the SEBI from time to time;
- (n) ***Execution of Transaction Documents***

in the event of any delay in the execution of any Transaction Document (including the DTD or the Deed of Hypothecation) or the creation or perfection of the security interest in terms thereof, the Issuer will, at the option of the Debenture Holders, either:

 - (i) if so required by the Debenture Holders, refund the Application Money together with interest (including interest accrued) at the Interest Rate/dischARGE the Secured Obligations; and/or
 - (ii) pay to the Debenture Holders additional interest at the rate of 2% (two percent) per annum on the Outstanding Principal Amounts in addition to the Interest Rate until the relevant Transaction Document is duly executed or

the security is duly created in terms thereof or the Secured Obligations are discharged (whichever is earlier);

(o) ***Internal Control***

maintain internal control for the purpose of:

- (i) preventing fraud on amounts lent by the Issuer; and
- (ii) preventing money being used for money laundering or illegal purposes;

(p) ***Audit and Inspection***

permit visits and inspection of books of records, documents and accounts to the Debenture Trustee and other representatives of the Debenture Holders as and when required by them;

(q) ***Rating***

maintain a minimum rating of at least "ICRA BBB+" (pronounced as "ICRA triple B plus") from the Rating Agency in respect of the Debentures until the Final Settlement Date; and

(r) ***Average Size of Each Client Loan***

ensure that the average size of each Client Loan shall be below INR 75,00,000 (Indian Rupees Seventy Five Lakh).

4.3.4 **NEGATIVE COVENANTS**

The Issuer shall not take any action in relation to the items set out in this Section 4.3.4 (*Negative Covenants*) without the prior written consent of the Debenture Trustee (acting on the instructions of the Majority Debenture Holders).

PROVIDED THAT the Debenture Trustee may approve any application for consent in respect of any matter under this Section 4.3.4 (*Negative Covenants*), if Debenture Holders' representing more than 75% (seventy five percent) of the Outstanding Principal Amounts of the Debentures provide their consent, within a period of 7 (seven) Business Days from the date of receipt of such request/notification from the Debenture Trustee. PROVIDED FURTHER THAT the Issuer may take an action in relation to which an application was made, if the consent/dissent from the Debenture Trustee is not received within the timelines and after following the procedure as set out in the DTD.

(a) ***Change of Business; Constitutional Documents***

- (i) change the general nature of its business from that which is permitted as a non-banking financial company registered with the RBI; or
- (ii) any changes, amendments, or modifications to the Constitutional Documents, where such change, amendment, or modification is material or which may prejudicially affect the interests of the Debenture Holders;

(b) ***Dividend***

- (i) declare or pay any dividend to its shareholders (including holders of preference shares) during any Financial Year unless it has paid or made arrangements to pay (to the satisfaction of the Debenture Trustee) all the dues to the Debenture Holders/Debenture Trustee up to the date on which the dividend is proposed to be declared or paid or has made satisfactory provisions thereof; or
 - (ii) if an Event of Default has occurred and is continuing, declare or pay any dividend to its shareholders (including holders of preference shares) unless it has paid or made arrangements to pay (to the satisfaction of the Debenture Trustee) all the dues to the Debenture Holders/Debenture Trustee up to the date on which the dividend is proposed to be declared or paid or has made satisfactory provisions thereof;
- (c) ***Merger, Consolidation, etc.***

undertake or permit any scheme of expansion, enter into any merger, de-merger, acquisition, consolidation, re-organisation, re-structuring, or amalgamation, or a scheme of arrangement, compromise or settlement with its creditors or shareholders or effect any scheme of amalgamation or reconstruction;
- (d) ***Change in Capital Structure***
 - (i) permit the occurrence of, or permit any change in the ownership of the Issuer by way of acquisition or entitlement to more than 10% (ten percent) of the shareholding, or capital, of profits of the Issuer by any natural person(s), whether acting alone or together, or through one or more juridical persons;
 - (ii) without prejudice to (i) above, permit the occurrence of any change in the shareholding of the Issuer;
 - (iii) without prejudice to (iv) and (v) below, permit the occurrence of any change in Control of the Issuer, or any change of control (as defined under the under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and as defined under the Companies Act, 2013) of the Issuer;
 - (iv) without prejudice to (iii) below, permit or undertake any change in the capital structure of the Issuer that would lead to a reduction in the share capital of the Issuer by way of, *inter alia*, any purchase, redeem, buyback, defease, retire, return, or pay any of its issued shares or reduce its share capital or resolve to do any of the foregoing; and
 - (v) permit of, or do any act that results in any transfer, sale, disposal or creation of any charge, pledge or any other encumbrance on the equity shareholding the Issuer;
- (e) ***Change in Founders/key managerial personnel***
 - (i) permit the occurrence of any change in the Founders of the Issuer;
 - (ii) permit of, or do any act that results in Mr. Arun Nayyar ceasing to hold an

executive position in the management of the Issuer; and

- (iii) permit the occurrence of any material change in the key managerial personnel (as defined under the Companies Act) of the Issuer.

(f) ***Disposal of Assets***

- (i) sell, transfer, or otherwise dispose of in any manner whatsoever any material Assets of the Issuer (whether in a single transaction or in a series of transactions (whether related or not) or any other transactions which cumulatively have the same effect), other than any securitization/portfolio sale of assets undertaken by the Issuer in its ordinary course of business; and
- (ii) any sale of assets or business or division of the Issuer that has the effect of exiting or re-structuring of the existing business of the Issuer;

(g) ***Related Party Transactions***

enter into any transactions with any Related Party, or any transactions that are classified as "related party transactions" for the purposes of the Applicable Accounting Standards, other than in accordance with Applicable Law, or enter into any transaction(s):

- (i) whereby the overall outstanding amounts owed to the Issuer under all such transactions exceed 10% (ten percent) of the Issuer's Net Worth;
- (ii) whereby the overall expenses incurred in respect of such transactions in any Financial Year exceed 10% (ten percent) of the Issuer's net profit; or
- (iii) in respect of providing any guarantee for any Financial Indebtedness of a Related Party.

The Issuer shall provide the Debenture Trustee access to all such additional information that it may deem necessary for the purposes of monitoring and evaluating the compliance of the Issuer with the provisions of this subparagraph (g);

(h) ***Loans and Guarantees***

the Issuer shall not provide any advances, loans, or any other form of Financial Indebtedness, or issue any guarantee to, any single person, where such advances, loans, or Financial Indebtedness or guarantee (as the case maybe) exceeds 10% (ten percent) of the Net Worth of the Issuer, other than any guarantee(s) that are provided in respect of the Off Balance Sheet Portfolio of the Issuer;

(i) ***Investment in Joint Ventures/Subsidiaries***

invest in any joint venture, any subsidiary company, or any associate company, or dispose of in any manner its investment(s) in any joint venture, subsidiary and/or an associate company;

(j) ***Change in Auditors***

change its statutory auditors from that subsisting as on the Deemed Date of Allotment, unless required pursuant to Applicable Law;

(k) ***Business***

undertake any new major new businesses except in relation to financial services or diversify its business outside the financial services sector;

(l) ***Shareholding Covenant***

the Issuer shall ensure and procure that, until the Final Settlement Date, each of the persons mentioned below, without the prior consent of the Debenture Trustee (in the manner prescribed under this Section 4.3.4 (*Negative Covenants*)), shall not take such actions as set out below:

- (a) Mr. Dhruv Khaitan shall not transfer or encumber the shareholding held by him in the Issuer (being 10.37% (ten decimal three seven percent) of the aggregate shareholding of the Issuer (on a fully diluted basis));
- (b) Mr. Piyush Khaitan shall not transfer or encumber the shareholding held by him in the Issuer (being 10.37% (ten decimal three seven percent) of the aggregate shareholding of the Issuer (on a fully diluted basis)); and
- (c) without the prior written consent of the Debenture Trustee, and without prejudice to paragraphs (a) and (b) above, there shall be no change in the shareholding of Mr. Dhruv Khaitan and Mr. Piyush Khaitan which would result in their aggregate shareholding falling below 20% (twenty) percent of the aggregate shareholding of the Issuer (on a fully diluted basis)).

(m) ***Exclusion List and Objectionable Practices***

- (i) perform or involve in any of the excluded activities as listed in the Exclusion List or finance any person or obligor performing any of the excluded activities as listed in the Exclusion List; and
- (ii) engage in any Objectionable Practice, nor authorise or permit any other person acting on its behalf or on behalf of such person to do so; and

(n) ***OFAC List and Sanctions***

neither the Issuer nor any other person benefiting in any capacity, either directly or indirectly, in connection with or from the DTD and/or any instruments and/or payments thereunder is included in any OFAC List or otherwise the subject or target of any Sanctions. The Issuer shall not, and shall require that none of its borrowers engage in any transaction, activity or conduct that would violate any Sanctions. The Issuer shall not use all or any part of the proceeds of the Issue for any purpose that would be in breach of any Sanctions. The Issuer shall require that none of its borrowers to whom any debt was made available by the Issuer utilising the proceeds of the Issue use all or any part of such debt for any purpose that would be in breach of any Sanctions.

4.4 EVENTS OF DEFAULT

Please refer Section 3.10 (*Summary Terms*) of this Key Information Document.

4.5 CONSEQUENCES OF EVENTS OF DEFAULT

Please refer Section 3.10 (*Summary Terms*) of this Key Information Document.

****Please note that any capitalised term used in this section, but not defined herein, shall have the meaning as assigned to such term in the Debenture Trust Deed.***

SECTION 5: OTHER INFORMATION AND APPLICATION PROCESS

Please refer to Section 8 (*Other Information and Application Process*) of the General Information Document. The information to the extent required to be set out in this Key Information Document are as follows:

5.1 Issue Procedure

The disclosures required pursuant to the EBP Requirements are set out hereinbelow:

Details of size of issue and green shoe option, if any Provided that the green shoe portion shall not exceed five times the base issue size	6,500 (six thousand five hundred) rated, listed, unsubordinated, secured, transferable, redeemable, non-convertible debentures, having a face value of INR 1,00,000 (Indian Rupees One Lakh) each and an aggregate face value of INR 65,00,00,000 (Indian Rupees Sixty Five Crore). Green Shoe Option: N.A.
Interest Rate Parament	Fixed coupon (being 11.75% (eleven decimal seven five percent) per annum (fixed))
Bid opening and closing date	Bid opening date: February 26, 2024 Bid closing date: February 26, 2024
Minimum Bid Lot	100 (one hundred) Debentures (being INR 1,00,00,000 (Indian Rupees One Crore)), and in multiples of 1 (One) Debenture thereafter (being INR 1,00,000 (Indian Rupees One Lakh))
Manner of bidding in the Issue	Closed bidding
Manner of allotment in the Issue	Uniform Yield Allotment
Manner of settlement in the Issue	Pay-in of funds through ICCL. The pay-in of the Application Money for the Debentures shall be made by way of transfer of funds from the bank account(s) of the Eligible Investors (whose bids have been accepted) as registered with the Electronic Book Provider into the account of the ICCL, as specified in this regard below.
Settlement Cycle	T+1 Settlement of the Issue will be on February 27, 2024.
Cut-off yield	To be disclosed in accordance with paragraph 5.4 of the SEBI EBP Requirements.

The account details of the ICCL are set out below:

Account 1:

Name of the Bank	ICICI BANK
IFSC Code	ICIC0000106
Account Number	ICCLEB

Name of the beneficiary	Indian Clearing Corporation Ltd
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Account 2:

Name of the Bank	YES BANK
IFSC Code	YESBOCMSNOC
Account Number	ICCLEB
Name of the beneficiary	Indian Clearing Corporation Ltd

Account 3:

Name of the Bank	HDFC BANK
IFSC Code	HDFC0000060
Account Number	ICCLEB
Name of the beneficiary	Indian Clearing Corporation Ltd

5.2 Effect of Holidays

- (a) If any Due Date on which any interest or additional interest is payable falls on a day which is not a Business Day, the payment to be made on such Due Date shall be made on the succeeding Business Day.
- (b) If any Due Date on which any Outstanding Principal Amounts are payable falls on a day which is not a Business Day, the payment to be made on such Due Date shall be made on the preceding Business Day.
- (c) If the Final Redemption Date or any other date on which the Debentures are redeemed in full (including in accordance with the provisions on early redemption and optionally accelerated redemption under the DTD (please refer to the sections named "*Early Redemption*" and "*Optionally Accelerated Redemption*" in Section 3.10 (*Summary Terms*) of this Key Information Document)) falls on a day which is not a Business Day, the payment of any amounts in respect of the any interest and Outstanding Principal Amounts to be made shall be made on the preceding Business Day.

5.3 Tax Deduction at Source

- (a) All payments to be made by the Issuer to the Debenture Holders under the Transaction Documents shall be made free and clear of and without any Tax Deduction unless the Issuer is required to make a Tax Deduction pursuant to Applicable Law.
- (b) The Issuer shall promptly upon becoming aware that it must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Debenture Trustee accordingly.
- (c) If the Issuer is required to make a Tax Deduction, it shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time

allowed and in the minimum amount required by Applicable Law.

- (d) Within the earlier of (A) 60 (sixty) days of making either a Tax Deduction or any payment required in connection with that Tax Deduction or (B) 60 (sixty) days of each Due Date, the Issuer shall deliver to the Debenture Trustee evidence reasonably satisfactory to the Debenture Trustee that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

5.4 **Deemed Date of Allotment**

All the benefits under the Debentures will accrue to the Investor from the specified Deemed Date of Allotment. The Deemed Date of Allotment for the Issue is February 27, 2024 by which date the Investors would be intimated of allotment.

5.5 **Record Date**

The Record Date will be 14 (fourteen) calendar days prior to any Due Date.

5.6 **Interest on Application Money**

- (a) Interest at the Interest Rate, subject to deduction of tax at source in accordance with Applicable Law, will be paid by the Issuer on the Application Money to the Applicants from the date of receipt of such Application Money up to 1 (one) day prior to the Deemed Date of Allotment for all valid applications, within 5 (five) Business Days from the Deemed Date of Allotment. Where pay-in date of the Application Money and the Deemed Date of Allotment are the same, no interest on Application Money will be payable.
- (b) Where the entire subscription amount has been refunded, the interest on Application Money will be paid along with the refunded amount to the bank account of the Applicant as described in the Application Form by electronic mode of transfer such as (but not limited to) RTGS/NEFT/direct credit.
- (c) Where an Applicant is allotted a lesser number of Debentures than applied for, the excess amount paid on application will be refunded to the Applicant in the bank account of the Applicant as described in the Application Form towards interest on the refunded money by electronic mode of transfer like RTGS/NEFT/direct credit. Details of allotment will be sent to each successful Applicant.

SECTION 6: UNDERTAKING

Please refer to Section 9 (*Undertaking*) of the General Information Document for the undertakings provided by the Issuer pursuant to the SEBI ILNCS Regulations and the relevant SEBI Listed Debentures Circulars. The undertakings to the extent required to be set out in this Key Information Document are as follows:

(1) **UNDERTAKING ON CREATION OF SECURITY PURSUANT TO REGULATION 48(2) OF THE SEBI ILNCS REGULATIONS**

The Issuer hereby undertakes that the assets on which charge is proposed to be created as security for any series of Debentures issued pursuant to this General Information Document and the relevant Key Information Document for the relevant issuance of Debentures shall be free from any encumbrances. The Issuer further undertakes that any such charge proposed to be created is a first ranking exclusive charge and therefore no permission or consent to create a second or pari-passu charge on the assets of the Issuer is required to be obtained from any creditor (whether or not existing) of the Issuer.

(2) **DISCLOSURES PURSUANT TO CHAPTER II (*DUE DILIGENCE BY DEBENTURE TRUSTEES*) OF THE SEBI DEBENTURE TRUSTEES MASTER CIRCULAR**

(a) **Details of assets, movable property and immovable property on which charge is proposed to be created**

Movable assets comprising receivables from loans provided by the Issuer.

(b) **Title deeds (original/ certified true copy by issuers/ certified true copy by existing charge holders, as available) or title reports issued by a legal counsel/ advocates, copies of the relevant agreements/ Memorandum of Understanding**

No title deeds are applicable or available for movable assets comprising receivables from loans provided by the Issuer over which security is proposed to be created by the Issuer. The details of the underlying loan agreements (if any) will be provided in accordance with the Deed of Hypothecation.

(c) **Copy of evidence of registration with Sub-registrar, Registrar of Companies, Central Registry of Securitization Asset Reconstruction and Security Interest (CERSAI) etc**

The details of the charge created over the movable assets comprising receivables from loans provided by the Issuer over which security is proposed to be created by the Issuer under the Deed of Hypothecation will be reported to the relevant registrar of companies and the Central Registry of Securitisation Asset Reconstruction and Security Interest (CERSAI) within the timelines prescribed under Applicable Law. As the charge is being created over movable assets, no filings are required to be made with any sub-registrar.

(d) **For unencumbered assets, an undertaking that the assets on which charge is proposed to be created are free from any encumbrances**

The Issuer hereby undertakes that the assets on which charge is proposed to be created as security for the Debentures are free from any encumbrances.

(e) **For encumbered assets, on which charge is proposed to be created, the following consents along-with their validity as on date of their submission:**

- (i) Details of existing charge over the assets along with details of charge holders, value/ amount, copy of evidence of registration with Sub-registrar, Registrar of Companies, CERSAI, Information Utility (IU) registered with Insolvency and Bankruptcy Board of India (IBBI) etc. as applicable:

Not Applicable.

- (ii) Consent/ No-objection certificate (NOC) from existing charge holders for further creation of charge on the assets or relevant transaction documents wherein existing charge holders have given conditional consent/ permission to the Issuer to create further charge on the assets, along-with terms of such conditional consent/ permission, if any:

Not Applicable.

- (iii) Consent/ NOC from existing unsecured lenders, in case, negative lien is created by Issuer in favour of unsecured lenders:

Not Applicable.

(f) **In case of personal guarantee or any other document/letter with similar intent is offered as security or a part of security:**

- (i) Details of guarantor viz. relationship with the Issuer: Not Applicable
- (ii) Net worth statement (not older than 6 months from the date of debenture trustee agreement) certified by a chartered accountant of the guarantor: Not Applicable

- (iii) List of assets of the guarantor including undertakings/ consent/ NOC as per para (d) and (e) above:

Not Applicable

- (iv) Conditions of invocation of guarantee including details of put options or any other terms and conditions which may impact the security created: Not Applicable

- (v) List of previously entered agreements for providing guarantee to any other person along with an undertaking that there are no agreements other than those provided in the list, if any: Not Applicable

(g) **In case of corporate guarantee or any other document/ letter with similar intent is offered as security or a part of security:**

- (i) Details of guarantor viz. holding/ subsidiary/ associate company etc.: Not Applicable
- (ii) Audited financial statements (not older than 6 months from the date of debenture trustee agreement) of guarantor including details of all contingent liabilities: Not Applicable
- (iii) List of assets of the guarantor along-with undertakings/ consent/ NOC as per para 2.1(b) and 2.1(c) above: Not Applicable
- (iv) Conditions of invocation of guarantee including details of put options or any other terms and conditions which may impact the security created: Not Applicable
- (v) Impact on the security in case of restructuring activity of the guarantor: Not Applicable
- (vi) Undertaking by the guarantor that the guarantee shall be disclosed as “contingent liability” in the “notes to accounts” forming part of the financial statements of the guarantor: Not Applicable
- (vii) Copy of Board resolution of the guarantor for the guarantee provided in respect of the debt securities of the Issuer: Not Applicable
- (viii) List of previously entered agreements for providing guarantee to any other person along with an undertaking that there are no agreements other than those provided in the list, if any: Not Applicable
- (h) **In case of any other contractual comforts/ credit enhancements provided for or on behalf of the issuer, it shall be required to be legal, valid and enforceable at all times, as affirmed by the issuer. In all other respects, it shall be dealt with as specified above with respect to guarantees:** Not Applicable.
- (i) **In case securities (equity shares etc.) are being offered as security then a holding statement from the depository participant along-with an undertaking that these securities shall be pledged in favour of debenture trustee(s) in the depository system:** Not Applicable.
- (j) **Details of any other form of security being offered viz. Debt Service Reserve Account etc.:** Not Applicable.
- (k) **Any other information, documents or records required by debenture trustee with regard to creation of security and perfection of security:** Not Applicable.
- (l) **Declaration:** The Issuer declares that any Debentures issued pursuant to the General Information Document and this Key Information Document shall be considered as secured only if the charged asset is registered with Sub-registrar and Registrar of Companies or CERSAI or Depository etc., as applicable, or is independently verifiable by the debenture trustee.
- (m) **Terms and conditions of debenture trustee agreement including fees charged by**

debenture trustees(s): Please refer the consent letter of the Debenture Trustee for terms and conditions of the appointment of the Debenture Trustee and fee of the Debenture Trustee.

- (n) **Details of security to be created:** Please refer section named "*Security (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security)*" in Section 3.9 (*Summary Terms*) of this Key Information Document.
- (o) **Process of due diligence carried out by the debenture trustee:** The Debenture Trustee has carried out due diligence in accordance with the manner prescribed in Chapter II (*Due Diligence by Debenture Trustees*) of the SEBI Debenture Trustee Operational Circular. The due diligence broadly includes the following:
 - (i) A chartered accountant appointed by the Debenture Trustee will be conducting an independent due diligence as per scope provided by the Debenture Trustee and the information provided by the Issuer in respect of the security being provided by the Issuer in respect of the Debentures.
 - (ii) The chartered accountant will verify and ensure that the assets provided by the Issuer for creation of security are free from any encumbrances or necessary permission or consent has been obtained from existing charge holders.
 - (iii) Periodical due diligence will be carried out by the Debenture Trustee in accordance with the SEBI (Debenture Trustees) Regulations, 1993 and the relevant circulars issued by SEBI from time to time (including the SEBI Debenture Trustee Operational Circular) as per the nature of security provided by the Issuer in respect of the Debentures.
 - (iv) The Debenture Trustee will issue such necessary certificate(s) in relation to the due diligence carried out by it and such certificate(s) will be available on Stock Exchanges from time to time for information of the Debenture Holders.

Even though the Debentures are to be secured to the extent of at least 100% of the principal and interest amount or as per the terms of this Placement Memorandum, in favor of the Debenture Trustee, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

Due diligence will be carried out for maintenance of the prescribed security cover depending on information provided by the Issuer and the chartered accountant appointed by the Debenture Trustee or the Debenture Trustee will not be responsible for misinformation provided by Issuer.

- (p) **Due diligence certificate as per the format specified in Annexure IIA:** Enclosed as Annexure VII of this Key Information Document.
- (q) **Due diligence certificate as per the format specified in Schedule IV of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021:** Enclosed as Annexure VII of this Key Information Document.

For **NEOGROWTH CREDIT PRIVATE LIMITED**

ARUN KUMAR NAYYAR
NAYYAR

Digitally signed by ARUN
KUMAR NAYYAR
Date: 2024.02.26
22:10:58 +05'30'

Authorised Signatory

Name: Arun Kumar Nayyar

Title: Managing Director & CEO

Place: Mumbai

Date: February 26, 2024

SECTION 7: FORM NO. PAS-4 PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER

*Addressed to: Northern Arc Capital Limited
Serial No: 2023-2024/NCD/009*

FORM NO PAS-4 PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER ("PPOA")

[Pursuant to Section 42 of the Companies Act, 2013 and Rule 14(3) of the Companies (Prospectus and Allotment of Securities) Rules, 2014]

Note: This Form No PAS-4 is prepared in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014.

Issue of 6,500 (six thousand five hundred) rated, listed, unsubordinated, secured, transferable, redeemable, non-convertible debentures denominated in INR, having a face value of INR 1,00,000 (Indian Rupees One Lakh) each and an aggregate face value of INR 65,00,00,000 (Indian Rupees Sixty Five Crore) on a private placement basis.

PART A

7.1 General Information:

- (a) **Name, address, website, if any, and other contact details of the Company, indicating both registered office and the corporate office:**

Issuer / Company:	NeoGrowth Credit Private Limited (the "Issuer", "Company" or "NeoGrowth")
Registered Office:	802, 8 th floor, Tower A, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel (W), Mumbai, Maharashtra - 400013, India
Corporate Office:	802, 8 th floor, Tower A, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel (W), Mumbai, Maharashtra - 400013, India
Telephone No.:	022-49290500
Website:	https://www.neogrowth.in/
Fax:	N.A.
Contact Person:	Deepak Nath Goswami
Email:	deepak.goswami@neogrowth.in

- (b) **Date of Incorporation of the Company:**

May 17, 1993

- (c) **Business carried on by the Company and its subsidiaries with the details of branches or units, if any;**

Overview of the business of the Issuer

The Company is a non-deposit taking systemically important non-banking finance company ("NBFC") registered with Reserve Bank of India ("RBI") under the Reserve Bank of India Act, 1934, bearing registration number B-13.0277 dated September 12, 2014.

NeoGrowth is a lending company that gives loans to brick & click merchants. NeoGrowth has pioneered a unique model in India which enables a flexible automated repayment mechanism for these merchants. NeoGrowth has enabled improvement in credit history, financial inclusion and business growth (resulting in job creation) for many of its customers. The company has been founded by Dhruv Khaitan (DK) & Piyush Khaitan (PK) and is backed by Omidyar Network, Lightrock Aspada, Khosla Impact Fund, Quona Capital, IIFL Venture Funds, LeapFrog Investments and FMO.

The Khaitan's are entrepreneurs, who together founded and managed Venture Infotek. The company was a pioneer and leader in the Indian e-payments industry and managed merchant transactions for acquiring banks as well as credit card issuers and large loyalty programs. They divested the company to a large European IT Services Company in 2010. By then, Venture Infotek was the market leader in e-payments processing with a 40% share of all India card volumes.

NeoGrowth offers an innovative loan product highly suited for the Retail and SME businesses. NeoGrowth's philosophy is not to just lend, but to build a business relationship which translates to a win-win business engagement with their customers. NeoGrowth gives loans against future credit card and debit card sales to retailers. Having piloted the product in 2012-13, NeoGrowth currently operates in 27 key cities (including Mumbai, Bengaluru, Delhi, Chennai, Pune, Hyderabad, Jaipur, Kolkata, Chandigarh, Ahmedabad, etc.).

The Login to Disbursal process is managed on NeoGrowth's in-house technology platform, AdvanceSuite©. The platform is tailored to meet the unique requirements of NeoGrowth's innovative loan products. It manages the entire loan portfolio of NeoGrowth from lead generation, workflow, deal timeline to closure. It enables seamless enterprise wide workflow integration, automated tracking, robust risk management, reporting and business intelligence capabilities.

Many of NeoGrowth's customers do not have established credit histories, and well documented financial statements. To overcome this, NeoGrowth has developed a proprietary underwriting model where loan applicants are scored basis hundreds of data points all generated digitally. NeoGrowth collects and generates huge volumes of data which is used to back test and refine the scorecards.

NeoGrowth has experience in disbursement and management of loans to small businesses across various categories such as restaurants, apparel, consumer durables, footwear, petrol pumps, health & beauty, groceries, pharmacies etc. Customers have liked the product very much, and this is evidenced by a high renewal rate of over 60%. It is this customer loyalty which separates NeoGrowth from most other lenders.

NeoGrowth is a technology and analytics driven business at heart, and designs its systems and processes keeping scale, and automation foremost in mind. In small ticket lending, managing unit economics is a critical success factor, and NeoGrowth has found the optimal mix to ensure that we retain the human touch, but deliver a superior and efficient customer experience.

Branch details:

As of the date of the Key Information Document/this PPOA, the Company has 34 branches across 13 states.

Sr. No.	Region	State	Branch	Address
1	North - East	Gujarat	Ahmedabad	305-306, RainDrops Building, Opp. Yes Bank, C. G. Road, Ahmedabad - 380006
2	North - East	Gujarat	Baroda	NEOGROWTH CREDIT PRIVATE LIMITED, Unit 801, Siddharth Complex, 8th Floor, R C Dutt Road, Next To Express Hotel, Alkapuri, Vadodara - 390007.
3	North - East	Punjab	Chandigarh	NeoGrowth Credit Pvt. 2nd Floor, Office No.7, S.C.O.55-56-57, Sec-8C, Chandigarh-160008
4	North - East	MP	Indore	NeoGrowth Credit Pvt. Ltd., "109, 1st floor Starlit Tower " 29, YN Road, Indore 452001
5	North - East	Rajasthan	Jaipur	Neogrowth Credit P. Ltd. Fortune Height Office No 403, Fourth Floor, Subash Marg, C-Scheme, Jaipur - 302001
6	North - East	WB	Kolkata	NeoGrowth Credit Pvt. Ltd., Gitanjali Apartment, 8/B, Middleton Street, 3rd Floor, Room No. 3A, Kolkata, West Bengal - 700071
7	North - East	UP	Lucknow	NeoGrowth Credit Pvt. Ltd. 315, Rohtas Trident, 1st floor, Ranapratap Marg Hazratganj, Lucknow-226001 Landmark- Opposite NBRI office.
8	North - East	Punjab	Ludhiana	NeoGrowth Credit Pvt. Apra Towers, Cabin number 304, Basement SCO-130,31-32, Feroze Gandhi Market, Ludhiana – 141001
9	North - East	Gujarat	Surat	NeoGrowth Credit Pvt. Ltd. 212 International Trade Centre, Majuragate Char Rasta, Ring Road, Surat 395002.
10	North - East	Delhi	Delhi Pusa Road	NeoGrowth Credit Pvt. 3rd floor plot no 7-B pusa road rajendra park new Delhi 110060
11	North - East	Odisha	Bhubaneswar	NeoGrowth Credit Pvt Ltd. 5C, 5th Floor, Metro House, Plot no-A/410, Bani Vihar Square, Saheed Nagar, Bhubaneswar – 751007.
12	North - East	Gujarat	Rajkot	NeoGrowth Credit Pvt. Ltd. Office No. 906, 'King's Plaza', Astron Chowk, Rajkot - 360001
13	North - East	Jharkhand	Jamshedpur	NeoGrowth Credit Pvt. Ltd. 4th Floor, Meghdeep Building, Q Road, Bistupur, Jamshedpur - 831001
14	South	Karnataka	Bangalore	NeoGrowth Credit Pvt Ltd "LANGFORD AVENUE" bearing No.14, Langford Garden, Near Richmond Road Flyover Bangalore – 560 025,
15	South	Karnataka	Bangalore Tech	564/564-1, SriGandha Arcade, 9th Cross Road, 3rd Phase, J P Nagar, Bengaluru, Karnataka - 560078
16	South	Tamil Nadu	Chennai New	NeoGrowth Credit Pvt. Ltd., 3rd Floor, South Wing, Karumuthu Centre Old door no. 498 & New door 634, Anna Salai, Teynampet Village, Chennai-600035,
17	South	Tamil Nadu	<u>Coimbatore</u>	NeoGrowth Credit Pvt. Ltd. Office No. 1940/2, 2nd Floor, Trichy Main Road, Ramanathapuram, Coimbatore 641045, Tamil Nadu.

18	South	Telangana	Hyderabad	NeoGrowth Credit Pvt. Ltd., 602, Lake Shore Towers, Raj Bhavan Road, Somajiguda, Hyderabad, Telangana - 500082
19	South	Tamil Nadu	Madurai	NeoGrowth Credit Pvt. 38 & 38/2, Krishnarayar Thepakulam Street, Land mark: Behind Bandhan Bank Madurai, Tamil Nadu- 625009.
20	South	Karnataka	Mysore	NeoGrowth Credit Pvt. Ltd., #415/A Cantour road, 1st main road, Gokulam 3rd stage Mysore 570002.
21	South	AP	Vijayawada	NeoGrowth Credit Pvt. Ltd. Door No-39-10-19, 2nd floor, Sri Surya enclave, Labbipet, Vetahnari Hospital Road, MG Road, Vijayawada 520010 (Urban), Krishna, Andhra Pradesh,
22	South	AP	Visakhapatnam	NeoGrowth Credit Pvt. Ltd. Flat No. 403, 3rd Floor, Door No. 47-10-22, Pakki's Apartment, 2nd lane ,Dwarakanagar, Visakhapatnam-530016
23	West	MH	Mumbai - Peninsula Business Park	NeoGrowth Credit Pvt. 802, 8th Floor, Tower A, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel (West) Mumbai- 400013. Telephone: 022-49290500
24	West	MH	Andheri	NeoGrowth Credit Pvt. Ltd., Unit No: 702,703,704 & 705, 7th Floor, 349, business point, CTS no. 349, Village Gundavali, Western Express Highway, Andheri East - Mumbai - 400069.
25	West	MH	Nagpur	NeoGrowth Credit Pvt. Ltd., "Unit No. 503, 5th Floor, Indu Yash II, 186, " "Cement Road, Dharampeth extension, " Nagpur - 440010
26	West	MH	Pune	NeoGrowth Credit Pvt. Ltd. Office No. 404 & 405, Connaught Place, CTS No. 28, H. No. 25 S No. 327 Bund Garden Road, Pune-411001
27	West	MH	Nashik	NeoGrowth Credit Pvt. Ltd. 'Shree Ganesh Kuber', KBT Circle, Gangapur Road, Nashik – 422013
28	West	MH	Borivali	NeoGrowth Credit Pvt. Ltd. Block no. 16 B – 1 Laxmi Nivas, Pai Nagar, Mandpeshwar Road, Borivali West, Near Gokul Hotel, Behind Ganjawala Apartment, Mumbai - 400092
29	West	MH	Vashi	NeoGrowth Credit Pvt. Haware Fantasia Business Park, Ground Floor, G-29, No. 47, Sector 30A, International Infotech Park, Vashi – Navi Mumbai - 400705
30	West	MH	Thane	Neogrowth Credit P. Ltd.A/103, 1st Floor, Nagesh Co-operative society LTD. Near Aradhana Talkies, Lal Bahadur Shastri Marg, Naupada, Thane West - 400602
31	South	AP	Tirupati	Neogrowth Credit P. Ltd.DR. BK Reddy Building 19-8-83, Sivaji Nagar RC Road, Tirupati – 517501, Andhra Pradesh.
32	South	Karnataka	Hubli	3rd Floor, Wali Nirvana Trandwinds, Opp. Hosur Regional Bus Terminal, Vidyanagar, Hubli - 580021
33	South	UT	Puducherry	127, 100 Feet Road, Ground Floor, Natesan Tower, Indira Gandhi Circle, Puducherry - 505005

34	South	Karnataka	Mangalore	Door no. 13-12-1394/57(1), 3rd Floor, Ramabhavan Complex, Mangalore - 575003
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Subsidiary details:

As of the date of the Key Information Document/this PPOA, the Company does not have any subsidiary.

(d) Brief particulars of the management of the Company:

Management Details		
Name	Designation	Experience
Arun Nayyar	Managing Director and Chief Executive Officer	Over 20 years of extensive experience in SME lending portfolio, consumer & commercial portfolio, in different organizations (Edelweiss Group, Citibank & CRISIL). Has been responsible for setting up the SME lending business within the retail finance vertical, he successfully built, from scratch, a differentiated and robust Rs 3000 crs SME portfolio
Deepak Goswami	Chief Financial Officer	Deepak is a Chartered Accountant, an MBA and a CFA. He has over 20 years of rich and diversified experience in the field of strategic planning, finance, investor relations, compliance and project implementation. Prior to joining NeoGrowth, Deepak was at Samaaru Finance, where he was the CFO. Prior to Samaaru Finance, he has worked with Spandana Sphoorty Financial Limited as a CFO where he saw the business grow from Rs. 2,300 Crores to Rs. 4,500 Crores in just 2 years and expanded from 650 branches to 1000 branches in just one year. He also had a long stint in GE Capital - SBI Cards as SVP Finance
Manmeet Singh	Chief Business Officer	17 years of experience in Business Banking, SME Acquisition, Commercial Banking and Collections. Post graduate in Banking Management. Previously worked as Division Head for Sales, Distribution and Collections at Edelweiss Financial Services, HDFC Bank and HSBC.
Amol Deherkar	Chief Product Officer	15 years of experience in Consulting, Corporate Banking, Wealth Management & Retail Finance. Postgraduate in Management from IIM Calcutta & Mechanical Engineer from VJTI Mumbai. Past work experience with Barclays India, Edelweiss in various roles.
Vikas Dhankhar	Chief Technology Officer	18 years of experience across Technology Delivery Management, Strategic planning, Architecture Simplification, Front-to-Back Solution Design, and Product Ownership He has previously worked with Credit Suisse, Bank of America, and Tech Mahindra across India and Singapore. Vikas is Postgraduate in Business Analytics from BITS Pilani and Computer Science Engineer from MDU Rohtak.

Management Details		
Name	Designation	Experience
Sanjay Rawat	Chief Compliance Officer	Sanjay has 16 years of experience in Compliance domain within Banking and Non-Banking Finance space. He is qualified CA and completed his B. Com (Hons.) from Delhi University. He was with L&T Finance for over 1 year handling RBI Inspection, Compliance Testing, Advisory for retail asset products including regulatory advice on Fair Practices Code, Outsourcing, KYC, Digital Lending & other matters before joining us. Prior to this, he was with DBS Bank for more than 7 years. His role involved, apart from all the relevant Compliance functions, advisory responsibilities for retail banking and handling projects pertaining to Credit Card & Mobile Banking App launch, Automation of Compliance activities, Integration of systems/returns pursuant to amalgamation of DBS Bank & LVB Bank. He has spent his formative years with RBL bank and ICICI Bank.
Yogesh Nakhwa	EVP Operations, Customer Service and Business Excellence	Yogesh has over 24 years of diversified experience in Operations Delivery, Projects, Customer Experience and Business Excellence and has worked with manufacturing, consulting, digital payments and lending organizations. He is an Engineer by Qualification and has completed his MBA in Marketing from Welingkar Institute, Mumbai. Prior to joining NeoGrowth, Yogesh has worked with Sodexo SVC India, Atos Worldline and Godrej & Boyce Ltd. delivering key projects in digitalizing the customer journey and deploying critical operational and project deliverables for these organization.
Gauri Shah	SVP-Risk & Credit Policy	17+ years of experience in Credit Underwriting, Process Migration and Simplification, Portfolio Monitoring, and Credit Policy across a vast range of products in secured and unsecured lending with leading NBFCs and Banks. Master's in business administration (Finance) from Institute of Business Management & Research, Pune and Government Diploma in Cooperation and Accountancy (G.D.C&A). Previously worked with Fullerton India Credit Co. Ltd., Barclays Finance, HSBC, and CitiFinancial Consumer Finance Ltd
Vasudha Chaudhry	SVP Credit Underwriting	18 years of experience in Underwriting, Portfolio Monitoring and Risk Management across a vast range of Retail Asset products in Secured and Unsecured with leading Banks and NBFCs. Previously worked with Edelweiss Group, Barclays Bank, ABN Amro and CitiFinancial.

Management Details		
Name	Designation	Experience
		Post Graduate Diploma in Finance & Marketing from National Institute of Management, Kolkata and bachelor's in commerce from Sri Ram College of Commerce, Delhi.
Vikas Kumar Kortalwar	SVP- Human Resources	Vikas has 18 years of rich industry experience having worked in sectors like Financial Services, Media, FMCG/ Manufacturing, and Information Technology. He holds a master's degree - PGD-PMIR from XLRI Jamshedpur and a bachelor's degree in chemical engineering. Previously he was in an entrepreneurial stint as Co-Founder at HRforU, after serving as a Head HR at TVF (a Digi Tech entertainment Startup) and at SBFC. He has also worked in leadership positions at HDFC AMC, Pidilite Industries Ltd etc.
Kapil Bhalchandral Talati	SVP - Internal Audit and Controls	Kapil has over 20 years of experience in Internal Audit and related areas such as Risk Assurance while working in the NBFC and Banking space. He is a qualified CA and has completed his B. Com from the Mumbai University. He was with Edelweiss Group for over 6 years before joining us. Significant achievements of Kapil in the role included the implementation of the Internal Audit Policy and the development of a Risk assessment framework at the Group level. Prior to this, he was with DBOI Global Services (part of Deutsche Bank Group) for 9 years. As an AVP & Deputy Team Head. He has spent his formative years at ABN Amro Bank and ING Vysya Bank.
Ravikant Shekar Anchan	Head Collections	Ravikant is a Seasoned professional with over two decades of in-depth experience across Collection and Debt Management. He has rich experience in setting up debt management businesses for various institutions. He has set up and managed businesses for retail asset reconstruction companies (Reliance Asset Reconstruction Company Limited and Shaha Finlease) . He also held key collections positions with organizations like Yes Bank, Capital First, Serco, Chola mandalam DBS, ICICI Bank and Kotak Bank. Ravi holds a graduation degree from Mumbai University and is an alumnus of Indian Institute of Management – Lucknow where he completed a General Management Program. He will also be finishing his Law degree from Mumbai University this year. The collection unit will report to Ravikant and Business unit will report to Manmeet, and this transition will be complete by March 2024.

(e) Names, addresses, Director Identification Number (DIN) and occupations of the directors:

S. No	Name of Director	Address	DIN	Occupation
1.	Dhruv Kumar Khaitan	411, 11 th Floor, Samudra Mahal, Dr. Annie Besant Road, Worli, Mumbai – 400018	00002584	Business
2.	Piyush Kumar Kusum Khaitan	T4-182, Pebble Bay, R.M.V, 2 nd Stage, Bengaluru 560 094	00002579	Business
3.	Ganesh Venkateshwaran Rengaswamy	136 Phase 2 Palm, Meadows White Field Road, Ramagondanahalli Bangalore – 560 066	02656783	Service
4.	Michael Jude Fernandes	1 Chatsworth Road, #18-27 One Chatsworth Singapore 249745 SG	00064088	Service
5.	Bindu Ananth	T2, Krishna Kutir, 36, 5 th Avenue Besant Nagar, Chennai 600090 Tn In	02456029	Service
6.	Arun Kumar Nayyar	2405, Tower A, Omkar 1973 Worli, Mumbai 400 030	06804277	Service
7.	Ms. Deepa Bachu	E 157 Manyata Residency, Manyta Tech Park, Nagavara, Bengaluru, Karnataka 560045	07397729	Service
8	Mr. Ramakrishnan Subramanian	110 Tanjong Rhu Road, #1-01 Camelot, Singapore - 436928	02192747	Service
9	Mr. Suresh Jayaraman	Villa FE 29, 77 East, Divyashree 77 Towncenter, Yemlur Road, Bangalore - 560037	03033110	Service

7.2 MANAGEMENT'S PERCEPTION OF RISK FACTORS:

Please refer to Section 3 of the General Information Document.

7.3 RISKS RELATED TO THE BUSINESS OF THE ISSUER

Please refer to Section 3 of the General Information Document.

7.4 Details of defaults, if any, including therein the amount involved, duration of default, and present status, in repayment of:

- (i) Statutory Dues: Nil
- (ii) Debentures and interest thereon: Nil
- (iii) Deposits and interest thereon: Nil
- (iv) Loan from any bank or financial institution and interest thereon: Nil

7.5 Name, designation, address and phone number, email ID of the nodal / compliance officer of the Company, if any, for the private placement offer process:

Name : Mr. Sanjay Rawat
Designation : Compliance Officer

Name : Ms. Tanushri Yewale
Designation : Company Secretary

Address : 802, Tower A, Peninsula Business Park, Ganpatrao Kadam Marg,
Lower Parel West, Mumbai - 400013, Maharashtra, India
Phone No. : 022 4921 9500
Email : compliance1@neogrowth.in

7.6 Any default in annual filing of the Company under the Companies Act, 2013 or the rules made thereunder:

NIL

7.7 Particulars of the Offer:

Financial position of the Company for the last 3 (three) financial years	Please refer to CHAPTER A of this Private Placement Offer cum Application Letter.
Date of passing of Board Resolution	Board resolution dated June 19, 2023 read together with the resolution dated February 15, 2024 of the resource and mobilisation committee of the board of directors.
Date of passing of resolution in the general meeting, authorizing the offer of securities	Shareholders' resolutions under Section 42 of the Companies Act, 2013 dated June 12, 2023 and under Section 180(1)(c) and Section 180(1)(a) of the Companies Act, 2013 dated July 4, 2019.
Kind of securities offered (i.e. whether share or debenture) and class of security; the total number of shares or other securities to be issued	6,500 (six thousand five hundred) rated, listed, unsubordinated, secured, transferable, redeemable, non-convertible debentures, having a face value of INR 1,00,000 (Indian Rupees One Lakh) each and an aggregate face value of INR 65,00,00,000 (Indian Rupees Sixty Five Crore)

Price at which the security is being offered, including the premium if any, along with justification of the price	The Debentures are being offered at a face value of INR 1,00,000 (Indian Rupees One Lakh) per Debenture. Not applicable as each Debenture is a non-convertible debt instrument which is being offered at a face value of INR 1,00,000 (Indian Rupees One Lakh) per Debenture.
Name and address of the valuer who performed valuation of the security offered, and basis on which the price has been arrived at along with report of the registered valuer	Not applicable as the Debentures are being offered at a face value of INR 1,00,000 (Indian Rupees One Lakh) per Debenture.
Relevant date with reference to which the price has been arrived at [Relevant Date means a date at least 30 days prior to the date on which the general meeting of the Company is scheduled to be held]	Not applicable as each Debenture is a non-convertible debt instrument which is being issued at a face value of INR 1,00,000 (Indian Rupees One Lakh) per Debenture.
The class or classes of persons to whom the allotment is proposed to be made	Please refer to '<i>Eligible Investors</i>' under Section 8.14 of the General Information Document.

Intention of promoters, directors or key managerial personnel to subscribe to the offer (applicable in case they intend to subscribe to the offer) [Not required in case of issue of non-convertible debentures]	Not applicable as each Debenture is a non-convertible debt instrument which is being issued at a face value of INR 1,00,000 (Indian Rupees One Lakh) per Debenture.						
The proposed time within which the allotment shall be completed	The Debentures will be deemed to be allotted on February 27, 2024 (" Deemed Date of Allotment "), and the Issuer will ensure that the Debentures are credited into the demat accounts of the holders of the Debentures (" Debenture Holders ") within the timelines prescribed under the SEBI Listing Timelines Requirements, each in accordance with the debenture trust deed (" DTD ") to be entered into between the Issuer and the debenture trustee (" Debenture Trustee ").						
The names of the proposed allottees and the percentage of post private placement capital that may be held by them [Not applicable in case of issue of non-convertible debentures]	Not applicable as each Debenture is a non-convertible debt instrument which is being issued at a face value of INR 1,00,000 (Indian Rupees One Lakh) per Debenture.						
The change in control, if any, in the company that would occur consequent to the private placement	No change in control would occur consequent to this private placement as the Debentures are non-convertible debt instruments.						
The number of persons to whom allotment on	The details of allotment on preferential basis/private placement/rights issue already been made during the calendar year is as follows:						
	S.	Number	Type	of	Face	Aggregate	Preferential

preferential basis / private placement / rights issue has already been made during the year, in terms of securities as well as price	No.	of securities allotted	securities allotted	value of each security	value of securities	basis/private placement/rights issue
	1.	2,900	Non-convertible Debentures	INR 1,00,000	INR 29,00,00,000	Private placement
	2.	1,000	Non-convertible Debentures	INR 1,00,000	INR 10,00,00,000	Private placement
	3.	1,500	Non-convertible Debentures	INR 1,00,000	INR 15,00,00,000	Private placement
	4.	2,020	Non-convertible Debentures	INR 1,00,000	INR 20,20,00,000	Private placement
	5.	4,000	Non-convertible Debentures	INR 1,00,000	INR 40,00,00,000	Private placement
	6.	3,000	Non-convertible Debentures	INR 1,00,000	INR 30,00,00,000	Private placement
	7.	2000	Non-convertible Debentures	INR 1,00,000	INR 20,00,00,000	Private placement
	8.	350	Foreign Currency Bond	EURO 10,000	EURO 3,500,000	Private placement
The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer	Not applicable as each Debenture is a non-convertible debt instrument which is being issued at a face value of INR 1,00,000 (Indian Rupees One Lakh) per Debenture.					
Amount, which the Company intends to raise by way of proposed offer of securities	Up to INR 65,00,00,000 (Indian Rupees Sixty Five Crore)					

Terms of raising of securities:	Duration, if applicable:	24 (twenty four) months from the Deemed Date of Allotment. The proposed interest payment and redemption schedules are set out in Annexure VI (<i>Illustration of Bond Cash Flows</i>) (subject to adjustments for Business Day Convention) of the Key Information Document.
	Rate of Interest or Coupon:	11.75% (eleven decimal seven five percent) per annum (fixed), payable quarterly on the Interest Payment Dates.
	Mode of Payment	Electronic clearing services (ECS)/credit through RTGS system/funds transfer, wherein the subscription amounts on the Debentures issued by the Issuer should be paid into the account details set out in Section 5.1 of the Key Information Document.
	Mode of Repayment	All interest, principal repayments, penal interest and other amounts, if any, payable by the Issuer to the Debenture Holders shall be paid to the Debenture Holders by electronic mode of transfer like RTGS/NEFT/direct credit to such bank account within India as the Debenture Holders' inform the Issuer in writing and which details are available with the Registrar. Credit for all payments will be given only on realisation.
Proposed time schedule for which the Issue/Offer Letter is valid	Issue Open Date: February 26, 2024 Issue Closing Date: February 26, 2024 Pay-in Date: February 27, 2024 Deemed Date of Allotment: February 27, 2024	
Purpose and objects of the Issue/Offer	Please refer Section 3.10 (<i>Summary Terms</i>) of the Key Information Document.	
Contribution being made by the promoters or directors either as part of the offer or separately in furtherance	NIL	

of such objects					
Principal terms of assets charged as security, if applicable	Please refer section named " <i>Security (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security)</i> " in Section 3.10 (<i>Summary Terms</i>) of the Key Information Document.				
The details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the going concern status of the Company and its future operations	Nil				
The pre-issue and post-issue shareholding pattern of the Company in the following format:					
Sr. No.	Category	Pre- Issue		Post-Issue	
		No of Shares Held	% of Shareholding	No of Shares Held	% of Shareholding
A	Promoter’s Holding				
1	Indian				
	Individual	-	-	-	-
	Bodies Corporate	-	-	-	-
	Sub Total	-	-	-	-
2	Foreign Promoters	-	-	-	-
	Sub Total (A)	-	-	-	-
B	Non-Promoter’s Holding				
1	Institutional Investors	-	-	-	-
2	Non-Institutional Investors				
	Private corporate bodies	7,39,03,265	79.15	7,39,03,265	79.15

	Directors and Relatives	1,94,66,961	20.85	1,94,66,961	20.85
	Indian Public	-	-	-	-
	Others [Including NRIs]	-	-	-	-
	Sub total (B)	93,37,02,260	100	93,37,02,260	100
	Grand Total	93,37,02,260	100	93,37,02,260	100

7.8 Mode of payment for subscription:

- () Cheque
() Demand Draft
(x) Other Banking Channels

7.9 Disclosure with regard to interest of directors, litigation, etc:

Any financial or other material interest of the directors, promoters or key managerial personnel in the offer/ Issue and the effect of such interest in so far as it is different from the interests of other persons	The directors, promoters or key managerial personnel do not have any financial or other material interest in the offer/issue of Debentures (Except Mr. Michael Jude Fernandes who is the common director).
Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the Company during the last 3 (three) years immediately preceding the year of the issue of this private placement offer cum application letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed	There is no litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter or director of the Company during the last 3 (three) years immediately preceding the year of the issue of this private placement offer cum application letter.
Remuneration of directors (during the current year and last 3 (three) financial years)	Remuneration of Mr. Piyush Kumar Khaitan (Non-executive Chairman): FY 2023-24 (Current Year) - INR 20,00,000 (paid till date) FY 2022-23 – INR 10,00,000 (Dec to March 23) FY 2022-21 – N.A. FY 2021-20 – N.A. Remuneration of Mr. Piyush Kumar Khaitan (Managing Director):

	FY 2023-24 (Current Year) - N.A. FY 2022-23 – INR 32,57,395 (April to November 22) FY 2021-22 – INR 47,06,563 FY 2020-21 – INR 47,30,165 Remuneration of Mr. Arun Kumar Nayyar (Managing Director & CEO): FY 2023-24 (Current Year) - INR 6,25,41,298 (paid till date) FY 2022-23 – INR 6,32,17,710 FY 2021-22 – INR 74,94,603 FY 2020-21 – Nil Remuneration of Ms. Bindu Ananth (Independent Director): FY 2023-24 (Current Year) - INR 20,00,000 (paid till date) FY 2022-23 – INR 24,00,000 FY 2021-22 – INR 24,00,000 FY 2020-21 – INR 24,00,000 Remuneration of Mr. Jayaraman Suresh (Independent Director): FY 2023-24 (Current Year) - INR 18,00,000 (paid till date) FY 2022-23 – N.A. FY 2021-22 – N.A. FY 2020-21 – N.A. Remuneration of Ms. Deepa Bachu (Nominee Director): FY 2023-24 (Current Year) - INR 18,00,000 (paid till date) FY 2022-23 – INR 8,00,000 (December to March) FY 2021-22 – N.A. FY 2020-21 – N.A. Remuneration of Ms. Ramakrishnan Subramanian (Nominee Director): FY 2023-24 (Current Year) - INR 18,00,000 (paid till date) FY 2022-23 – N.A. FY 2021-22 – N.A. FY 2020-21 – N.A. Apart from the details of remuneration to Directors as specified above, no other Director is paid any fees/remuneration.
Related party transactions entered during the last 3 (three) financial years immediately preceding the year of issue of this private placement offer cum application letter including with regard to loans made or, guarantees given or securities provided	Please refer to CHAPTER C of this Private Placement Offer cum Application Letter.
Summary of reservations or qualifications or adverse remarks of auditors in the last 5 (five) financial years immediately preceding the year of issue of this private	Nil

placement offer cum application letter and of their impact on the financial statements and financial position of the Company and the corrective steps taken and proposed to be taken by the Company for each of the said reservations or qualifications or adverse remark	
Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last 3 (three) years immediately preceding the year of circulation of this private placement offer cum application letter in the case of the Company and all of its subsidiaries and if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last 3 (three) years immediately preceding the year of this private placement offer cum application letter and if so, section-wise details thereof for the Company and all of its subsidiaries	Nil
Details of acts of material frauds committed against the Company in the last 3 (three) years, if any, and if so, the action taken by the company	Nil

7.10 Financial Position of the Company:

The capital structure of the company in the following manner in a tabular form:

The authorized, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value)	Share Capital	
	Authorised	Rs.
	Equity Share Capital (2,10,00,000 Equity shares of Rs. 10 each)	21,00,00,000
	Preference Share Capital 960,00,000 (0.01% Cumulative	960,00,000

	Convertible Preference shares of Rs. 10 each)						
	TOTAL	117,00,00,000					
	Issued, Subscribed and Fully Paid-up						
	Equity Share Capital (1,80,00,700 Equity shares of Rs. 10 each)	18,00,07,000					
	Preference Share Capital (7,53,69,526 0.01% Cumulative Convertible Preference shares of Rs. 10 each)	75,36,95,260					
	TOTAL	93,37,02,260					
Size of the Present Offer		Up to INR 65,00,00,000 (Indian Rupees Sixty Five Crore)					
Paid-up Capital:							
a. After the offer:		INR 93,37,02,260					
b. After the conversion of convertible instruments (if applicable)		Not applicable as each Debenture is a non-convertible debt instrument which is being issued at face value. The issue of the Debentures will not result in a change of paid-up capital as each Debenture is a non-convertible debt instrument which is being issued at face value.					
Share Premium Account:							
a. Before the offer:		INR 6,64,58,31,028					
b. After the offer:		The issue of the Debentures will not result in a change of share premium account as each Debenture is a non-convertible debt instrument which is being issued at face value.					
Details of the existing share capital of the Issuer in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration:							
A: Equity Share Capital History of the Company as on February 23, 2024							
Date of Allotment	Name of Investor	No of Equity Shares allotted	Face Value (in Rs.)	Issue Price (in Rs.)	Consideration	Form of Consideration	Nature of Allotment
07.06.2012	Mr. Dhruv Kumar Khaitan	250000	10	10	2500000	Cash	Transfer
07.06.2012	Mr. Piyush Kumar Khaitan	250000	10	10	2500000	Cash	Transfer
30.03.2013	Mr. Dhruv Kumar Khaitan	4750000	10	10	47500000	Cash	Allotment

30.03.2013	Mr. Piyush Kumar Khaitan	4750000	10	10	47500000	Cash	Allotment
15.05.2013	Mr. Dhruv Kumar Khaitan	4000000	10	10	40000000	Cash	Allotment
15.05.2013	Mr. Piyush Kumar Khaitan	4000000	10	10	40000000	Cash	Allotment
22.05.2013	ON Mauritius	100	10	22.78	2278	Cash	Allotment
25.03.2014	Aspada Investment Company	100	10	35.35	3535	Cash	Allotment
31.03.2015	Khosla Impact Mauritius	100	10	63.62	6362	Cash	Allotment
29.07.2015	Accion Africa Asia Company	100	10	63.62	6362	Cash	Allotment
13.01.2016	Accion Frontier Inclusion Mauritius	100	10	63.62	6362	Cash	Transfer
21.06.2016	IIFL Seed Ventures Fund I	100	10	113.17	11317	Cash	Allotment
19.01.2017	WestBridge Crossover Fund, LLC	32	10	-	-	Cash	Transfer
23.01.2018	Trinity Inclusion Limited	100	10	159.47	15,947	Cash	Allotment
08.12.2022	Nederlandse Financierings - Maatschappij voor Ontwikkelingslanden N.V. (FMO)	100	10	105.38	10,538	Cash	Allotment
18.07.2023	*Plenitude Ventures Private Limited	32	10	-	-	Cash	Transfer

*Transfer of shares from WestBridge to Plenitude

B: CCPS Share Capital History of the Company as on February 23, 2024:

Date of Allotment	Name of investor	No. of Preference Shares	Face Value	Total Price Paid (including premium)	Nature of Allotment	Preference Share Capital	Total Amount Paid (inclusive of Premium)
22-05-2013	ON Mauritius	74,62,587	10	22.78	Allotment	746,25,870	1699,97,732
31-03-2015	ON Mauritius	12,38,177	10	63.62	Allotment	123,81,770	787,72,821
21-06-2016	ON Mauritius	954,317	10	113.17	Allotment	954,3170	108,000,055
15-12-2022	ON Mauritius	1,33,333	10	-	Conversion	13,33,330	-
Total		70,98,514				7,09,85,140	
25-03-2014	Aspada Investment Company	16,97,479	10	35.35	Allotment	169,74,790	600,05,883
19-06-2014	Aspada Investment Company	11,31,720	10	35.35	Allotment	113,17,200	400,06,302
31-03-2015	Aspada Investment Company	4,69,425	10	63.62	Allotment	46,94,250	298,64,819
21-06-2016	Aspada Investment Company	890,687	10	113.17	Allotment	890,6870	100,799,048
15-12-2022	Aspada Investment Company	12,00,000	10	-	Conversion	1,20,00,000	-
Total		65,80,758				6,58,07,580	-
31-03-2015	Khosla Impact Mauritius	29,73,150	10	63.62	Allotment	297,31,500	18,91,51,803
06-04-2015	Khosla Impact Mauritius	13,232	10	63.62	Allotment	1,32,320	8,41,820
21-06-2016	Khosla Impact Mauritius	265,088	10	113.17	Allotment	265,0880	3,00,00,009
Total		3,251,470				3,251,4700	21,99,93,632
13-01-2016	Accion Frontier Inclusion Mauritius	23,57,650	10	63.62	Transfer	235,76,500	1499,93,693
21-06-2016	Accion Frontier Inclusion Mauritius	2,518,335	10	113.17	Allotment	2,518,3350	284,999,972

23-01-2018	Accion Frontier Inclusion Mauritius	8,96,362	10	159.47	Allotment	89,63,620	142,942,848
21-03-2018	Accion Frontier Inclusion Mauritius	5,08,291	10	159.47	Allotment	50,82,910	81,057,165
15-12-2022	Accion Frontier Inclusion Mauritius	4,86,667	10	-	Conversion	48,66,670	-
Total		67,67,305				6,76,73,050	434,993,665
21-06-2016	IIFL Seed Venture Fund I	4,859,845	10	113.17	Allotment	4,859,8450	54,99,88,659
15-12-2022	IIFL Seed Venture Fund I	2,66,667	10	-	Conversion	26,66,670	-
Total		51,26,512				5,12,65,120	-
19-01-2017	WestBridge Crossover Fund LLC	1,793,256	10	158.44	Transfer	17,932,560	284,123,481
12-06-2017	WestBridge Crossover Fund LLC	896,644	10	158.44	Transfer	8,966,440	142,064,275
Total		26,89,900				2,68,99,000	
23-01-2018	Trinity Inclusion Limited	90,03,642	10	159.47	Allotment	90,036,420	14,358,107,897
21-03-2018	Trinity Inclusion Limited	72,12,575	10	159.47	Allotment	72,125,750	1,150,189,335
15-12-2022	Trinity Inclusion Limited	68,89,259	10	-	Conversion	6,88,92,590	-
18-07-2023	Trinity Inclusion Limited	41,00,000	10	-	Conversion	4,10,00,000	-
Total		2,72,05,476	-	-	-	27,20,55,760	-
08.12.2022	Nederlandse Financierings-	1,02,48,243	10	105.38	Allotment	10,24,82,430.00	1,07,99,59,847.34

	Maatscha ppij Voor Ontwikke lingslanden N.V. (FMO)						
15-12- 2022	Nederland se Financieri ngs- Maatscha ppij Voor Ontwikke lingslanden N.V. (FMO)	49,34,387	10	105.38	Allotment	4,93,43,87 0.00	51,99,85,702. 06
Total		1,51,82,63 0	-	-		15,18,26,3 00.00	1,59,99,45,54 9.40
15-12- 2022	Dhruv Kumar Khaitan	6,84,567	10	-	Conversion	68,45,670	-
Total		6,84,567	-	-	-	68,45,670	-
15-12- 2022	Piyush Kumar Khaitan	6,84,567	10	-	Conversion	68,45,670	-
Total		6,84,567	-	-	-	68,45,670	-
15-12- 2022	Arun Nayyar	97,827	10	-	Conversion	9,78,270	-
Total		97,827	-	-	-	9,78,270	-
18-07- 2023	Plenitude Ventures Pvt Ltd	26,89,900	10	-	Transfer	2,68,99,00 0	-
Total		26,89,900	-	-	-	2,68,99,00 0	
The number and price at which each of allotments were made by the Company in the last 1 (one) year preceding the date of this placement offer cum application letter separately indicating the allotments made for consideration other than cash and details of the consideration in each case		Please refer the sections of this PPOA named "Details of the existing share capital of the Issuer in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration" and "The number of persons to whom allotment on preferential basis / private placement / rights issue has already been made during the year, in terms of securities as well as price " for details of the allotments were made in the last one year preceding the date of this private placement offer cum application letter.					
Profits of the Company, before and after making provision for tax, for the 3 (three) financial years immediately preceding the date of circulation of this private placement offer cum application letter		Financial year	Profit/loss Before Tax	Profit/loss after tax			
		2020-21 (audited restated)	(5,599.1)	(4,187.08)			
		2021-22 (audited)	(5,177.46)	(3,945.41)			
		2022-23 (audited)	2363.11	1726.55			

Dividends declared by the Company in respect of the said 3 (three) financial years; interest coverage ratio for last three years (cash profit after tax plus interest paid/interest paid)	No dividend has been declared by the Issuer till the date of this private placement offer and application letter. <table><tr><th>Year</th><th>2022-2023</th><th>2021 - 2022</th><th>2020 - 2021</th></tr><tr><td>Interest Coverage Ratio</td><td>1.20</td><td>0.71</td><td>0.66</td></tr></table>	Year	2022-2023	2021 - 2022	2020 - 2021	Interest Coverage Ratio	1.20	0.71	0.66
Year	2022-2023	2021 - 2022	2020 - 2021						
Interest Coverage Ratio	1.20	0.71	0.66						
A summary of the financial position of the Company as in the 3 (three) audited balance sheets immediately preceding the date of circulation of this private placement offer cum application letter	Please refer to CHAPTER A of this Private Placement Offer cum Application Letter.								
Audited Cash Flow Statement for the 3 (three) years immediately preceding the date of circulation of this private placement offer cum application letter	Please refer to CHAPTER B of this Private Placement Offer cum Application Letter.								
Any change in accounting policies during the last 3 (three) years and their effect on the profits and the reserves of the Company	In FY 22-23 - No Change In FY 21-22 - No Change In FY 20-21- No Change								

7.11 PART B (To be filed by the Applicant)

(i) Name:

(ii) Father's name:

(iii) Complete Address:

(iv) Phone number; if any:

(v) Email ID, if any:

(vi) PAN Number:

(vii) Bank Account details:

Bank Name:

IFSC Code:

Address:

Account in Corresponding Bank:

(viii) **Tick whichever is applicable:-**

(a) The applicant is not required to obtain Government approval under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to subscription of shares.- ☐ ;

(b) The applicant is required to obtain Government approval under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to subscription of shares and the same has been obtained, and is enclosed herewith.- ☐ .

Signature

Initial of the Officer of the Company designated to keep the record

7.12 DECLARATION (To be provided by the Directors)

- A. The Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;
- B. The compliance with the Companies Act, 2013 and the rules made thereunder do not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government;
- C. The monies received under the offer shall be used only for the purposes and objects indicated in this private placement offer cum application letter;

I am authorized by the board of directors of the Company *vide* resolution number 10 dated June 19, 2023 read with the resolution dated February 15, 2024 of the resource and mobilisation committee of the board of directors to sign this private placement offer cum application letter and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this private placement offer cum application letter and matters incidental thereto have been complied with. Whatever is stated in this private placement offer cum application letter and in the attachments thereto is true, correct and complete and no information material to the subject matter of this private placement offer cum application letter has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

For **NEOGROWTH CREDIT PRIVATE LIMITED**

ARUN KUMAR
NAYYAR

Digitally signed by
ARUN KUMAR NAYYAR
Date: 2024.02.26
22:11:27 +05'30'

Authorised Signatory

Name: Arun Kumar Nayyar

Title: Managing Director & CEO

Date: February 26, 2024

Enclosed

Chapter A - A summary of the financial position of the Company as in the 3 (three) audited balance sheets immediately preceding the date of circulation of this Offer Letter

Chapter B - Audited Cash Flow Statement for the 3 (three) years immediately preceding the date of circulation of this Offer Letter

Chapter C - Related party transactions entered during the last 3 (three) financial years immediately preceding the year of issue of this private placement offer cum application letter including with regard to loans made or, guarantees given or securities provided

Optional Attachments, if any

CHAPTER A: FINANCIAL POSITION OF THE COMPANY AS IN THE 3 (THREE) AUDITED BALANCE SHEETS IMMEDIATELY PRECEDING THE DATE OF CIRCULATION OF THIS PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER

Attached separately.

CHAPTER B: AUDITED CASH FLOW STATEMENT FOR THE 3 (THREE) YEARS IMMEDIATELY PRECEDING THE DATE OF CIRCULATION OF THIS PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER

Attached separately.

CHAPTER C - RELATED PARTY TRANSACTIONS ENTERED DURING THE LAST 3 (THREE) FINANCIAL YEARS IMMEDIATELY PRECEDING THE YEAR OF ISSUE OF THE PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER AS PER COMPANIES ACT 2013:

Transaction	31-Mar-23 (Rs. Lakhs)	31-Mar-22 (Rs. Lakhs)	31-Mar-21 (Rs. Lakhs)
For infrastructure maintenance charges recovered	8.63	8.28	11.27

For More details of RTP refer Note 40 of Financial Year ended 2021-2022 and refer Note 41 for Financial Year ending 2022-2023 in Financial Statement.

ANNEXURE I: TERM SHEET

As set out in Section 3.10 (*Summary Terms*) above.

**ANNEXURE II: RATING LETTER, RATING RATIONALE AND DETAILED PRESS RELEASE FROM THE
RATING AGENCY**



ICRA Limited

CONFIDENTIAL

Ref: ICRA/ NeoGrowth Credit Private Limited/13022024/2

Date: February 13, 2024

Mr. Deepak Goswami
Chief Financial Officer,
NeoGrowth Credit Private Limited,
802, Tower A, Peninsula Business Park,
Ganpatrao Kadam Marg, Lower Parel,
Mumbai – 400 013

Dear Sir,

Re: ICRA Credit Rating for Rs. 100 crore Non-Convertible Debenture (NCD) Programme of NeoGrowth Credit Private Limited

Please refer to the Statement of Work dated October 10, 2023 executed between ICRA Limited ("ICRA") and your company for carrying out the rating of the aforesaid NCD Programme. The Rating Committee of ICRA, after due consideration, has assigned a [ICRA]BBB+ (pronounced as ICRA Triple B plus) rating to the captioned NCD Programme. Such instruments carry moderate credit risk. The outlook on the long-term rating is Stable.

In any of your publicity material or other document wherever you are using above rating, it should be stated as [ICRA]BBB+(Stable).

We would request if you can provide your acceptance on the above Rating(s) by sending an email or signed attached acknowledgement to us latest by February 16, 2024 as acceptance on the assigned rating. In case you do not communicate your acceptance/non acceptance of the assigned credit rating, or do not appeal against the assigned rating by the aforesaid date, the rating will be treated by us as non-accepted and shall be disclosed on ICRA's website accordingly. This is in accordance with requirements prescribed by the Securities and Exchange Board of India (SEBI) vide SEBI circular dated January 6, 2023.

Any intimation by you about the above rating to any banker/lending agency/government authorities/stock exchange would constitute use of this rating by you and shall be deemed acceptance of the rating.

This rating is specific to the terms and conditions of the proposed issue as was indicated to us by you and any change in the terms or size of the issue would require the rating to be reviewed by us. If there is any change in the terms and conditions or size of the instrument rated, as above, the same must be brought to our notice before the issue of the instrument. If there is any such change after the rating is assigned by us and accepted by you, it would be subject to our review and may result in change in the rating assigned. ICRA reserves the right to review and/or, revise the above at any time on the basis of new information or unavailability of information or such other circumstances, which ICRA believes, may have an impact on the rating assigned to you.

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the bonds, debentures and/ or other instruments of like nature to be issued by you.

Electric Mansion, 3rd Floor
Appasaheb Marathe Marg
Prabhadevi, Mumbai-400025

Tel.: +91 22 61693300
CIN: L74999DL1991PLC042749

Website: www.icra.in
Email: info@icraindia.com
Helpdesk: +91 9354738909

Registered Office: B-710, Statesman House, 148, Barakhamba Road, New Delhi 110001 Tel: +91 11 23357940-45

RATING

RESEARCH

INFORMATION



You are also requested to forthwith inform us about any default or delay in repayment of interest or principal amount of the instrument rated, as above, or any other debt instruments/ borrowing and keep us informed of any other developments which may have a direct or indirect impact on the debt servicing capability of the company including any proposal for re-schedulement or postponement of the repayment programmes of the dues/ debts of the company with any lender(s) / investor(s), or occurrence of any significant development that could impact the ability of the company to raise funds such as restriction imposed by any authority from raising funds through issuance of debt securities through electronic bidding system. Further, you are requested to inform us immediately as and when the borrowing limit for the instrument rated, as above, or as prescribed by the regulatory authority(ies) is exceeded.

We thank you for your kind cooperation extended during the course of the rating exercise. Should you require any clarification, please do not hesitate to get in touch with us.

We look forward to your communication and assure you of our best services.

With kind regards,

Yours sincerely,

For ICRA Limited

ANIL
GUPTA

Digitally signed
by ANIL GUPTA
Date: 2024.02.13
17:57:47 +05'30'

ANIL GUPTA
Senior Vice President
anilg@icraindia.com



ICRA

Acknowledgement

(To be signed and returned to ICRA Limited)

Please refer to your rating communication letter dated February 13, 2024, I hereby unconditionally accept and acknowledge the assigned rating.

We confirm that the undersigned is legally authorized to accept the rating on behalf of **NeoGrowth Credit Private Limited**.

For NeoGrowth Credit Private Limited


Name: DEEPAK NATH GOSWAMI



Designation: CHIEF FINANCIAL OFFICER

Date: FEBRUARY 14, 2024.

Note: Please return a copy of the above communication along with the acknowledgement to ICRA Limited at <address> or <email>

February 15, 2024

NeoGrowth Credit Private Limited: [ICRA]A2 assigned; Long-term rating upgraded to [ICRA]BBB+ (Stable)

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-convertible debenture (NCD)	350.00	350.00	[ICRA]BBB+ (Stable); upgraded from [ICRA]BBB (Stable)
NCD	-	100.00	[ICRA]BBB+ (Stable); assigned
NCD	65.00	-	[ICRA]BBB+ (Stable); upgraded from [ICRA]BBB (Stable) and withdrawn
Long-term fund-based bank lines	89.77	164.77	[ICRA]BBB+ (Stable); upgraded from [ICRA]BBB (Stable) and rated amount enhanced
Commercial paper programme	-	50.00	[ICRA]A2; assigned
Total	504.77	664.77	

*Instrument details are provided in Annexure I

Rationale

The rating upgrade factors in the improvement in NeoGrowth Credit Private Limited's (NeoGrowth) profitability and the increase in its scale of operations. The company's assets under management (AUM) increased by 51% YoY to Rs. 2,456 crore as of December 31, 2023 from Rs. 1,630 crore as of December 31, 2022. The growth was supported by the equity raise of Rs. 210 crore from the existing and new investors in FY2023. With the improved scale, the profitability also improved with a return on managed assets (RoMA) of 2.7% (annualised) in 9M FY2024 compared to losses in FY2021 and FY2022 and the moderate profit of 0.8% in FY2023. The improvement in the profitability was also supported by lower interest income reversals and the decline in credit costs as the asset quality was previously affected by the Covid-19 pandemic.

The ratings also take into consideration NeoGrowth's adequate capital profile, supported by frequent capital raising. The company reported a net worth of Rs. 636 crore with a managed gearing of 3.1x as on December 31, 2023 (2.8x as on March 31, 2023). Given the planned AUM growth of ~35-40%, the company is likely to require capital in the next 12-18 months while maintaining a managed gearing of ~4x. It continues to have a relatively diverse set of lenders, including overseas lenders, development finance institutions, alternative investment funds and multilateral agencies in addition to loans from non-banking financial companies (NBFCs) and banks. ICRA also takes comfort from the management team's long-standing experience and domain expertise in the retail/small and medium-sized enterprise (SME) lending business.

The ratings, however, remain constrained by the inherent risk associated with unsecured lending and the moderate borrower profile. While the company's focus on the largely untapped small and medium-sized retailer segment is likely to support the yield on assets, its profitability and capitalisation will remain vulnerable to asset quality shocks, given the unsecured nature of the assets.

The Stable outlook is driven by ICRA's expectation that NeoGrowth will continue to grow its scale of operations with an improvement in the profitability. Moreover, ICRA expects the managed gearing to be maintained below 4.0x, supported by capital raise as demonstrated in the past.

ICRA has simultaneously upgraded and withdrawn the long-term rating outstanding on the Rs. 65-crore non-convertible debentures (NCDs) as the instruments have been fully repaid. The rating has been withdrawn in accordance with ICRA's policy on the withdrawal of credit ratings.

Key rating drivers and their description

Credit strengths

Adequate capitalisation supported by equity raise – The company's capitalisation remains adequate with a net worth of Rs. 636 crore and a managed gearing of 3.1 times as of December 31, 2023. The capitalisation has been supported by frequent capital raising. NeoGrowth had raised compulsory convertible debentures (CCDs) of Rs. 66.2 crore in September 2021 and Rs. 50 crore in June 2022 (largely converted to compulsory convertible preference shares (CCPS) in Q3 FY2023). It raised equity of Rs. 160 crore in December 2022 from FMO, the Dutch entrepreneurial development bank. While NeoGrowth's profitability has improved, its borrowings are expected to increase with its growth plans. ICRA expects the company to raise capital to meet its growth plans while ensuring the managed gearing remains below 4x.

Improving profitability – NeoGrowth's earnings profile improved in 9M FY2024 with the company reporting a profit after tax (PAT) of Rs. 50 crore (RoMA of 2.7%) compared to a PAT of Rs. 17 crore in FY2023 (RoMA of 0.8%). The profitability was adversely impacted in FY2021, FY2022 and FY2023 by the high credit costs and lower net interest margins (NIMs) due to the reversal of interest income on write-offs and stage 3 assets amid the pandemic. The improvement in the profitability in 9M FY2024 was supported by higher NIMs, given the lower reversal of interest income with reduced write-offs, and improved operating efficiency with the growth in the loan book. With the growth in the AUM, the profitability is expected to improve further, provided the company is able to contain its credit costs.

Credit challenges

Moderate borrower profile – The company provides unsecured business loans (working capital financing) with an average ticket size of ~Rs. 14 lakh to small and medium-sized retailers; the repayments are largely linked to the daily sales collections (accounting for ~63% of the loan book as on December 31, 2023). The balance portfolio comprises supply chain financing to micro, small, and medium enterprises (MSMEs) with an average ticket size of Rs. 23 lakh. ICRA notes the inherent risk in the portfolio due to the moderate credit profile of the borrowers, who are highly vulnerable to downturns in economic cycles. Further, a large part of the AUM (98%) represents unsecured lending, impeding recoveries from the harder delinquency buckets.

NeoGrowth's asset quality deteriorated in FY2021 and FY2022 due to the impact of the pandemic. The gross and net non-performing advances (NPAs) improved to 4.3% and 2.3%, respectively, as on March 31, 2023, supported by high write-offs. As the company had largely provided for the Covid-impacted portfolio by March 31, 2023, the gross NPA and net NPA improved further to 3.6% and 1.5% respectively as on December 31, 2023. Including annualised write-offs in 9M FY2024, the gross NPA stood at 8.0% as on December 31, 2023 (14.2% as on March 31, 2023). The existing AUM almost entirely comprises the book originated after the pandemic. The ability to maintain the asset quality and contain the credit costs would remain key for improving the profitability.

Liquidity position: Adequate

NeoGrowth has repayment obligations of Rs. 920 crore (principal + interest) for the 6-month period till June 2024. As on December 31, 2023, it had Rs. 88 crore of cash and liquid investments and unutilised bank lines of Rs. 45 crore. Liquidity is supported by inflows from the loan book and the company did not have any cumulative mismatches in the less-than-1-year tenor in the structural liquidity statement (SLS) as of December 31, 2023.

Rating sensitivities

Positive factors – The ratings could be upgraded if the company shows a significant improvement in its scale of operations along with a consistent improvement in the profitability.

Negative factors – Pressure on the ratings could arise if there is a sustained and significant deterioration in the asset quality and earnings profile and a continued increase in the managed gearing to more than 4x.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Rating methodology for non-banking finance companies Policy on withdrawal of credit ratings
Parent/Group support	Not Applicable
Consolidation/Standalone	Standalone

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 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). Before 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 with whom merchants have point of sales terminals.

Key financial indicators (audited)

NeoGrowth Credit Private Limited	FY2022	FY2023	9M FY2024*
Total income	363	383	430
PAT	-39	17	50
Total managed assets	1,852	2,250	2,768
Return on managed assets	-2.1%	0.8%	2.7%#
Reported gearing (times)	4.3	2.5	2.9
Managed gearing (times)	4.3	2.8	3.1
Gross NPA	12.9%	4.3%	3.6%
CRAR	23.2%	32.7%	30.7%

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

Status of non-cooperation with previous CRA: Not applicable

Any other information:

NeoGrowth faces prepayment risk, given the possibility of debt acceleration upon the breach of covenants, including financial, operating and rating-linked covenants. Upon failure to meet the covenants, if the company is unable to get waivers from the lenders/investors or the lenders/investors do not provide it with adequate time to arrange for alternative funding to pay off the accelerated loans, the ratings would face pressure.

Rating history for past three years

	Instrument	Current Rating (FY2024)					Chronology of Rating History for the Past 3 Years					
		Type	Amount Rated (Rs. crore)	Amount Outstanding as of Jan 31, 2024 (Rs. crore)	Date & Rating in FY2024		Date & Rating in FY2023				Date & Rating in FY2022	Date & Rating in FY2021
					Feb 15, 2024	Jun 21, 2023	Mar 15, 2023	Mar 09, 2023	Jul 04, 2022	Apr 11, 2022	Apr 14, 2021	-
1	Non-convertible debenture programme	Long term	100.00	-	[ICRA]BBB+ (Stable)							
2	Non-convertible debenture programme	Long term	150.00	140.00	[ICRA]BBB+ (Stable)	[ICRA]BBB (Stable)						
3	Non-convertible debenture programme	Long term	200.00	199.80	[ICRA]BBB+ (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Negative)			
4	Non-convertible debenture programme	Long term	65.00	-	[ICRA]BBB+ (Stable); upgraded and withdrawn	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Negative)	[ICRA]BBB (Negative)	[ICRA]BBB (Negative)	-
5	Non-convertible debenture programme	Long term	-	-	-	-	-	[ICRA]BBB reaffirmed & withdrawn; outlook revised to Stable from Negative	[ICRA]BBB (Negative)	[ICRA]BBB (Negative)	[ICRA]BBB (Negative)	-
6	Non-convertible debenture programme	Long term	-	-	-	-	-	-	[ICRA]BBB (Negative); reaffirmed and withdrawn	[ICRA]BBB (Negative)	[ICRA]BBB (Negative)	-
7	Long-term fund-based bank lines	Long term	164.77	120.39	[ICRA]BBB+ (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Negative)	[ICRA]BBB (Negative)	[ICRA]BBB (Negative)	-

	Instrument	Current Rating (FY2024)					Chronology of Rating History for the Past 3 Years						
		Type	Amount Rated (Rs. crore)	Amount Outstanding as of Jan 31, 2024 (Rs. crore)	Date & Rating in FY2024		Date & Rating in FY2023				Date & Rating in FY2022	Date & Rating in FY2021	
					Feb 15, 2024	Jun 21, 2023	Mar 15, 2023	Mar 09, 2023	Jul 04, 2022	Apr 11, 2022	Apr 14, 2021	-	
8	Commercial paper programme	Short term	50.00	-	[ICRA]A2	-	-	-	-	-	-	-	

Complexity level of the rated instruments

Instrument	Complexity Indicator
Non-convertible debenture	Very Simple
Commercial paper programme	Very Simple
Long-term fund-based bank lines	Simple

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	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
Not yet placed	Non-convertible debenture	-	-	-	110.20	[ICRA]BBB+ (Stable)
INE814O07485		Dec-26-2023	12.55%	Mar-20-2025	20.00	[ICRA]BBB+ (Stable)
INE814O07477		Sep-28-2023	11.25%	Oct-28-2024	25.00	[ICRA]BBB+ (Stable)
INE814O07469		Sep-22-2023	11.25%	Dec-22-2024	30.00	[ICRA]BBB+ (Stable)
INE814O07451		Sep-15-2023	11.25%	Sep-25-2024	40.00	[ICRA]BBB+ (Stable)
INE814O07428		Jun-30-2023	12.00%	Dec-07-2024	10.00	[ICRA]BBB+ (Stable)
INE814O07436		Jun-28-2023	12.00%	Jun-07-2026	15.00	[ICRA]BBB+ (Stable)
INE814O07410		Jun-22-2023	11.50%	Jun-27-2024	29.00	[ICRA]BBB+ (Stable)
INE814O07402		Mar-21-2023	12.75%	Mar-25-2024	35.00	[ICRA]BBB+ (Stable)
INE814O07394		Feb-28-2023	13.80%	Feb-28-2026	25.00	[ICRA]BBB+ (Stable)
INE814O07360		Jul-19-2022	12.90%	Jul-19-2026	80.00	[ICRA]BBB+ (Stable)
INE814O07378		Aug-27-2022	12.25%	Aug-26-2027	30.80	[ICRA]BBB+ (Stable)
INE814O07238		Aug-28-2017	12.50%	Aug-28-2023	65.00	[ICRA]BBB+ (Stable); withdrawn
Not yet placed	Commercial paper programme	-	-	7-365 days	50.00	[ICRA]A2
NA	Long-term fund-based bank lines	-	-	-	164.77	[ICRA]BBB+ (Stable)

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis – NA

ANALYST CONTACTS

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shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

Helpline for business queries

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

info@icraindia.com

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

ICRA Limited

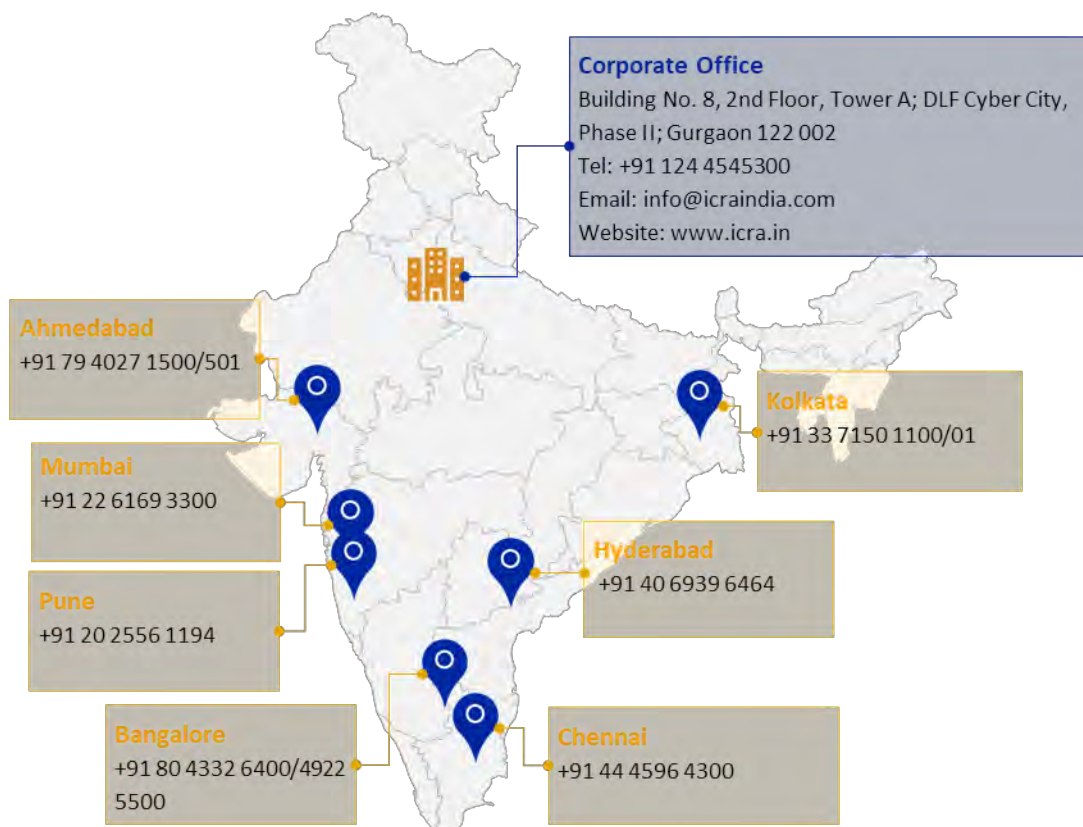


Registered Office

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Branches



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ANNEXURE III: CONSENT LETTER FROM THE DEBENTURE TRUSTEE

CL/DEB/23-24/1941

Date : 16-Feb-2024

To,
Neogrowth Credit Pvt Ltd,
802, 8th Floor, Tower A,,
Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel (West),,
Mumbai,
Maharashtra,
India 400013.

Dear Sir/ Madam,

Re: Consent to act as a Debenture Trustee for Private Placement of Fully Paid, Rated, Listed, Redeemable, Transferable, Secured, Non-Convertible Debentures of ₹ 65.00 Crores

We refer to your letter dated 16.02.2024, requesting us to convey our consent to act as the Debenture Trustee for captioned issue of Debentures.

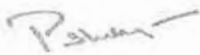
We hereby convey our acceptance to act as Debenture Trustees for the said issue Debentures, subject to execution of Debenture Trustee Agreement as per Regulation 13 of SEBI (Debenture Trustee) Regulations, 1993, thereby agreeing to execute Debenture Trust Deed and to create the security if applicable within the timeline as per relevant Laws / Regulations and in the Offer Document / Information Memorandum / Disclosure Document / Placement Memorandum and company agreeing / undertaking to comply with the provisions of SEBI (Debenture Trustee) Regulations, 1993, SEBI (Issue and Listing of Non-Convertible Securities) Regulations 2021, SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015, Companies Act, 2013 and Rules thereunder and other applicable laws as amended from time to time.

Fee Structure for the proposed transaction will be as per annexure A.

Assuring you of the best professional services.

Thanking you.

Yours faithfully,



Name : Priti Shetty

Designation : Senior Manager

CATALYST TRUSTEESHIP LIMITED (FORMERLY GDA TRUSTEESHIP LIMITED)

An ISO 9001 Company

Mumbai Office : Unit No- 901, 9th Floor, Tower B, Peninsula Business Park, Senapati Bapat Marg, Lower Parel (W), Mumbai - 400013 Tel : +91 (022) 4922 0555 Fax : +91 (022) 4922 0505

Regd. Office : GDA House, Plot No. 85, Bhamburda Colony (Right), Peard Road, Pune 411 038 Tel : +91 (020) 25280081 Fax : +91 (020) 25280275

Delhi Office : Office No. 810, 8th Floor, Kailash Building, 26, Kasturba Gandhi Marg, New Delhi - 110091 Tel : 11 430 29101/02

CIN No. U74999PN1907PLC110262 Email : dt@cltrustee.com Website : www.catalysttrustee.com

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Annexure A

Fee Structure for transaction CL/DEB/23-24/1941

PERTICULARS	AMOUNT
One Time Acceptance fees (one-time, non-refundable, payable on our appointment)	₹125,000.00

One Time Service Trusteeship Fees are payable in advance each year from date of execution till termination of the transaction. Pro-rata charges would apply for the first year till FY end, as applicable.

The taxes on above fee structure are payable at applicable rates from time to time.

All out of pocket expenses incurred towards legal fees, travelling, inspection charges, etc shall be levied and re-imbursed on actual basis.

Please return the second copy this letter duly signed by Authorized Officer from your company.

Yours Faithfully,

We accept the above terms.

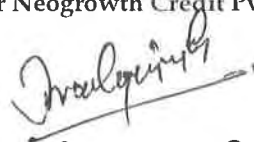
For Catalyst Trusteeship Limited

For Neogrowth Credit Pvt Ltd



Name : Priti Shetty

Designation : Senior Manager



Name : Pradeep Prajapati

Designation : Vice President - Treasury



I AM/ WE ARE () COMPANY () OTHERS () SPECIFY _____

We have read and understood the terms and conditions of the issue of Debentures including the Risk Factors described in the general information document dated September 14, 2023 read together with the key information document dated February 26, 2024 and a private placement offer cum application letter dated February 26, 2024 prepared in accordance with Section 42 of the Companies Act (as defined below) read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 (collectively, the "**Debt Disclosure Documents**") issued by the Issuer and have considered these in making our decision to apply. We bind ourselves to these terms and conditions and wish to apply for allotment of these Debentures. We request you to please place our name(s) on the Register of Debenture Holders.

Name of the Authorised Signatory(ies)	Designation	Signature

Applicant's Signature:

We the undersigned, are agreeable to holding the Debentures of the Company in dematerialised form. Details of my/our Beneficial Owner Account are given below:

DEPOSITORY	NSDL/CDSL
DEPOSITORY PARTICIPANT NAME	
DP-ID	
BENEFICIARY ACCOUNT NUMBER	
NAME OF THE APPLICANT(S)	

Applicant Bank Account: (Settlement by way of Cheque / Demand Draft / Pay Order / Direct Credit / ECS / NEFT/RTGS/other permitted mechanisms)	

FOR OFFICE USE ONLY	
DATE OF RECEIPT _____	DATE OF CLEARANCE _____

(Note: Cheque and Drafts are subject to realisation)

We understand and confirm that the information provided in the Debt Disclosure Documents is provided by the Issuer and the same has not been verified by any legal advisors to the Issuer, and other intermediaries and their agents and advisors associated with this Issue. We confirm that we have for the purpose of investing in these Debentures carried out our own due diligence and made our own decisions with respect to investment in these Debentures and have not relied on any representations made by anyone other than the Issuer, if any.

We understand that: i) in case of allotment of Debentures to us, our Beneficiary Account as mentioned above would get credited to the extent of allotted Debentures, ii) we must ensure that the sequence of names as mentioned in the Application Form matches the sequence of name held with our Depository Participant, iii) if the names of the Applicant in this application are not identical and also not in the same order as the Beneficiary Account details with the above mentioned Depository Participant or if the Debentures cannot be credited to our Beneficiary Account for any reason whatsoever, the Company shall be entitled at its sole discretion to reject the application or issue the Debentures in physical form.

Applicant's
Signature

FOR OFFICE USE ONLY	
DATE OF RECEIPT _____	DATE OF CLEARANCE _____

(Note : Cheque and Drafts are subject to realisation)

------(TEAR HERE)-----

ACKNOWLEDGMENT SLIP

(To be filled in by Applicant) SERIAL NO.									
---	--	--	--	--	--	--	--	--	--

Received from _____

Address _____	
Cheque/Draft/UTR # _____ Drawn on _____ for	
INR _____ on account of application of _____ Debenture	

INSTRUCTIONS

1. Application form must be completed in full, IN ENGLISH.
2. Signatures must be made in English or in any of the Indian languages. Thumb Impressions must be attested by an authorized official of the Bank or by a Magistrate/Notary Public under his/her official seal.
3. Application form, duly completed in all respects, must be submitted with the respective Collecting Bankers. The payment is required to be made to the accounts(s) of ICCL mentioned in the Debt Disclosure Document.

The Company undertakes that the application money deposited in the above-mentioned bank account shall not be utilized for any purpose other than

- a) for adjustment against allotment of securities; or
 - b) for the repayment of monies where the company is unable to allot securities.
4. Receipt of applicants will be acknowledged by the Company in the "Acknowledgement Slip" appearing below the application form. No separate receipt will be issued.
 5. All applicants should mention their Permanent Account No. or their GIR No. allotted under Income Tax Act, 1961 and the Income Tax Circle/Ward/District. In case where neither the PAN nor the GIR No. has been allotted, the fact of non-allotment should be mentioned in the application form in the space provided. Income Tax as applicable will be deducted at source at the time of payment of interest including interest payable on application money.
 6. The application would be accepted as per the terms of the manner outlined in the transaction documents for the private placement.

ANNEXURE V: LATEST AUDITED FINANCIAL STATEMENT

Attached separately

ANNEXURE VI: ILLUSTRATION OF BOND CASH FLOWS

Illustration of Bond Cash Flows	
Company	NeoGrowth Credit Private Limited
Face Value (per security)	INR 1,00,000 (Indian Rupees One Lakh)
Issue Date / Date of Allotment	February 27, 2024
Redemption Date / Maturity Date	February 27, 2026
Coupon Rate	11.75% (eleven decimal seven five percent) per annum (fixed).
Frequency of the Coupon Payment with specified dates	Quarterly, as per the cash flows provided below
Day Count Convention	Actual/Actual

INTEREST PAYMENT SCHEDULE

INTEREST PAYMENT DATES	INTEREST AMOUNT (in INR)	INTEREST AMOUNT (PER DEBENTURE) (in INR)
27-May-24	1,87,80,738	2,889
27-Aug-24	1,67,98,327	2,584
27-Nov-24	1,43,98,566	2,215
27-Feb-25	1,20,19,172	1,849
27-May-25	93,11,473	1,433
27-Aug-25	72,19,007	1,111
27-Nov-25	48,12,671	740
27-Feb-26	24,06,336	370

REDEMPTION SCHEDULE

REDEMPTION DATE	PRINCIPAL AMOUNTS (in INR)	PRINCIPAL AMOUNT (PER DEBENTURE) (in INR)
27-May-24	8,12,50,000	12,500
27-Aug-24	8,12,50,000	12,500
27-Nov-24	8,12,50,000	12,500
27-Feb-25	8,12,50,000	12,500
27-May-25	8,12,50,000	12,500
27-Aug-25	8,12,50,000	12,500
27-Nov-25	8,12,50,000	12,500
27-Feb-26	8,12,50,000	12,500

ANNEXURE VII: DUE DILIGENCE CERTIFICATES

CTL/23-24/05651

(Annexure II A)

DUE DILIGENCE CERTIFICATE TO BE GIVEN BY THE DEBENTURE TRUSTEE AT THE TIME OF FILING THE DRAFT OFFER DOCUMENT OR PRIVATE PLACEMENT MEMORANDUM/ INFORMATION MEMORANDUM
(Applicable for Secured and Unsecured Issuances)

To,
 The Manager,
BSE Limited
 Phiroze Jeejeebhoy Towers
 Dalal Street,
 Mumbai- 400001.

Dear Sir / Madam,

SUB: ISSUE OF 6,500 (SIX THOUSAND FIVE HUNDRED) RATED, LISTED, UNSUBORDINATED, SECURED, TRANSFERABLE, REDEEMABLE, NON-CONVERTIBLE DEBENTURES DENOMINATED IN INDIAN RUPEES ("INR"), HAVING A FACE VALUE OF INR 1,00,000 (INDIAN RUPEES ONE LAKH) EACH AND AN AGGREGATE FACE VALUE OF INR 65,00,00,000 (INDIAN RUPEES SIXTY FIVE CRORE), ON PRIVATE PLACEMENT BASIS ISSUED BY NEOGROWTH CREDIT PRIVATE LIMITED.

We, the debenture trustee(s) to the above-mentioned forthcoming issue state as follows:

- 1) We have examined documents pertaining to the said issue and other such relevant documents, reports and certifications.
- 2) On the basis of such examination and of the discussions with the Issuer, its directors and other officers, other agencies and on independent verification of the various relevant documents, reports and certifications:

We confirm that:

- a) The Issuer has made adequate provisions for and/or has taken steps to provide for adequate security for the debt securities to be issued and listed.
- b) The Issuer has obtained the permissions / consents necessary for creating security on the said property(ies).
- c) The Issuer has made all the relevant disclosures about the security and its continued obligations towards the holders of debt securities.
- d) Issuer has adequately disclosed all consents/ permissions required for creation of further charge on assets in offer document or private placement memorandum/ information memorandum and all disclosures made in the offer document or private placement memorandum/ information memorandum with respect to creation of security are in confirmation with the clauses of debenture trustee agreement.
- e) Issuer has given an undertaking that charge shall be created in favour of debenture trustee as per terms of issue before filing of listing application.
- f) Issuer has disclosed all covenants proposed to be included in debenture trust deed (including any side letter, accelerated payment clause etc.), offer document or private placement

CATALYST TRUSTEESHIP LIMITED

Registered Office : GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune - 411 038 Tel : +91 (20) 6680 7200
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 Corporate Office : 901, 9th Floor, Tower-B, Peninsula Business Park, Senapati Bapat Marg, Lower Parel (W), Mumbai - 400013
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 CIN No. U74999PN1997PLC110262 Email : dt@ctitrustee.com Website : www.catalysttrustee.com

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memorandum/ information memorandum and given an undertaking that debenture trust deed would be executed before filing of listing application.

- g) All disclosures made in the draft offer document or private placement memorandum/ information memorandum with respect to the debt securities are true, fair and adequate to enable the investors to make a well-informed decision as to the investment in the proposed issue.

We have satisfied ourselves about the ability of the Issuer to service the debt securities.

Place: Mumbai

Date: February 22, 2024

For Catalyst Trusteeship Limited

For CATALYST TRUSTEESHIP LIMITED



K. Pandey
Authorized Signatory

Ms. Kalyani Pandey
Compliance Officer

CATALYST TRUSTEESHIP LIMITED

Registered Office : GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune - 411 038 Tel : +91 (20) 6680 7200
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Corporate Office : 901, 9th Floor, Tower-B, Peninsula Business Park, Senapati Bapat Marg, Lower Parel (W), Mumbai - 400013
Tel : +91 (22) 4922 0555 Fax : +91 (22) 4922 0505
CIN No. U74999PN1997PLC110262 Email : dt@ctitrustee.com Website : www.catalysttrustee.com

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ANNEXURE VIII: TERMS AND CONDITIONS OF DEBENTURE TRUSTEE AGREEMENT

Attached separately.

ANNEXURE IX: BOARD RESOLUTION AND COMMITTEE RESOLUTION



CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE RESOURCE AND MOBILIZATION COMMITTEE OF NEOGROWTH CREDIT PRIVATE LIMITED AT THEIR MEETING HELD ON THURSDAY, 15th FEBRUARY 2024, AT 04:30 P.M. THROUGH VIDEO CONFERENCING MODE

APPROVE TERMS OF NCD ISSUANCE TO NORTHERN ARC CAPITAL LIMITED ON PRIVATE PLACEMENT BASIS

"RESOLVED THAT pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, including any statutory modifications or re-enactments thereof for the time being in force (the "Act"), rules, regulations, guidelines, notifications, clarifications and circulars, if any, prescribed by the Government of India, all applicable regulations, directions, guidelines, circulars and notifications of the Reserve Bank of India ("RBI"), the Securities and Exchange Board of India ("SEBI"), including the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 ("SEBI NCS Regulations"), and the master circular issued by SEBI bearing reference number SEBI/HO/DDHS/PoD1/P/CIR/2023/119 dated August 10, 2021 on "Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper" (updated as on July 7, 2023) ("Listed NCDs Master Circular"), each as amended, modified, or restated from time to time, or any other regulatory authority, whether in India or abroad, and in accordance with the memorandum of association and the articles of association of the Company and the listing agreements entered into with the stock exchanges (the "Stock Exchanges") where the securities of the Company may be listed, and subject to such approvals, consents, sanctions or permissions as may be required from any statutory or regulatory authority, and the approval of the shareholders of the Company as may be required in accordance with the Companies Act, the approval of the Committee be and is hereby accorded for:

- (a) the issue, offer and allotment of 6,500 (six thousand five hundred) rated, listed, unsubordinated, secured, transferable, redeemable, non-convertible debentures denominated in Indian Rupees ("INR"), having a face value of INR 1,00,000 (Indian Rupees One Lakh) each and an aggregate face value of INR 65,00,00,000 (Indian Rupees Sixty Five Crore) or such other number of debentures and amount as may be agreed ("Debentures"), at 11.75% (eleven decimal seven five percent) per annum (fixed), or such other interest rate as may be agreed, payable quarterly or at such other interest periods as may be agreed, subject to deduction of taxes at source in accordance with applicable law, with or without gross up, and for a period not exceeding 24 (twenty four) months from the deemed date of allotment or such other maturity period (subject to applicable law) as may be agreed, on a private placement basis to the successful bidders who have applied for subscription of the Debentures on the electronic book platform in accordance with the SEBI EBP Requirements (as defined below) and which shall be deemed to be the persons identified by the Company for the purposes of Section 42 of the Companies Act ("Investors"), for raising debt for the purposes of on-lending and its business growth, and for such other purposes as may be agreed with the Investors; and



NeoGrowth Credit Pvt. Ltd.

802, 8th Floor, Tower A, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel (West), Mumbai- 400013. T: + 91 22 4921 9999 W: www.neogrowth.in
CIN: U51504MH1993PTC251544



- b) securing the amounts to be raised pursuant to the issue of the Debentures together with all interest and all other amounts and charges thereon (up to such limits and security cover as may be agreed with the Investor(s)) by one or more of the following (i) hypothecation of certain identified loans receivables/book debts and/or any other assets of the Company, and/or (ii) such other security or contractual comfort as may be agreed in terms of the issuance of the Debentures (i) and (ii) above are collectively referred to as the "Transaction Security").

RESOLVED FURTHER THAT Mr. Arun Kumar Nayyar, Managing Director & CEO, Mr. Deepak Goswami, CFO, Mr. Pradeep Prajapati, VP – Treasury, Mr. Deepak Dev Madaan, Finance Controller and/or Ms. Tanushri Yewale, Company Secretary ("**Authorised Persons**") be and are hereby severally authorised to do all such acts, deeds and things as they deem necessary or desirable in connection with the issue, offer and allotment of the Debentures, including, without limitation the following:

- (a) seeking, if required, any approval, consent or waiver from any/all concerned governmental and regulatory authorities and any other person (including any lenders of the Company), and/or any other approvals, consent or waivers that may be required in connection with the issue, offer and allotment of the Debentures;
- (b) executing the term sheet in relation to the Debentures;
- (c) negotiating, approving and deciding the terms of the issue, offer and allotment of the Debentures and all other related matters;
- (d) seeking the listing of the Debentures on any Stock Exchange, submitting the listing application and taking all actions that may be necessary in connection with obtaining such listing;
- (e) issuing the Debentures through the electronic book mechanism process pursuant to the guidelines and circulars issued by SEBI in this respect, and taking all such action and steps as may be required for the purposes of complying with the relevant guidelines (including the requirements with respect to electronic book mechanism prescribed in Chapter VI (Electronic Book Provider platform) of the Listed NCDs Master Circular ("**SEBI EBP Requirements**"), and the operational guidelines issued by the relevant electronic book provider), including making all relevant disclosures to the "electronic book provider";
- (f) providing such information/disclosures in accordance with the SEBI NCS Regulations and the requirements of the Listed NCDs Master Circular to the extent applicable in respect of the private placement of debt securities, as amended, modified, supplemented or restated from time to time;
- (g) providing such information/disclosures in accordance with the requirements of the master circular issued by SEBI bearing reference number SEBI/HO/DDHS-PoD1/P/CIR/2023/109 dated March 31, 2023 on "*Master Circular for Debenture Trustees*", to the extent applicable in respect of the private placement of debt securities, as amended, modified, supplemented or restated from time to time;
- (h) preparing and finalising the general information document, the key information document, and the private placement offer cum application letter (collectively, the "**Debt Disclosure**");



NeoGrowth Credit Pvt. Ltd.

802, 8th Floor, Tower A, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel (West), Mumbai- 400013. T: + 91 22 4921 9999 W: www.neogrowth.in
CIN: U51504MH1993PTC251544



Documents"), in accordance with all applicable laws, rules, regulations and guidelines, and approving the Disclosure Documents;

- (i) finalising the terms and conditions of the appointment of an arranger (if required), a debenture trustee, a registrar and transfer agent, a credit rating agency, legal counsel, the depository(ies) and such other intermediaries including their successors and their agents as may be required in relation to the issue, offer and allotment of the Debentures;
- (j) finalising the terms of, and completing all applicable requirements for the issue, offer and allotment of the Debentures;
- (k) entering into arrangements with the depository(ies) in connection with the issue, offer and allotment of the Debentures in dematerialised form;
- (l) creating and perfecting the Transaction Security as required in accordance with the terms of the Transaction Documents (as defined below) in relation to the issue, offer and allotment of the Debentures;
- (m) finalising the deemed date of allotment of the Debentures;
- (n) negotiating, executing, filing and delivering any documents, instruments, deeds, amendments, papers, applications, notices or letters as may be required in connection with the issue, offer and allotment of the Debentures and co-ordinating with regulatory authorities in connection with the issue, offer and allotment of the Debentures including but not limited to the RBI, SEBI (if so required), the jurisdictional registrar of companies, the Central Registry of Securitisation Asset Reconstruction and Security Interest of India, the Ministry of Corporate Affairs, any Stock Exchange, or any depository(ies), and such other authorities as may be required;
- (o) to execute all documents with, file forms with and submit applications to the jurisdictional registrar of companies, the Central Registry of Securitisation Asset Reconstruction and Security Interest of India, the Ministry of Corporate Affairs, any Stock Exchange or any depository(ies);
- (p) to sign and/or dispatch all documents and notices to be signed and/or dispatched by the Company under or in connection with the Transaction Documents;
- (q) to take all steps and do all things and give such directions as may be required, necessary, expedient or desirable for giving effect to the Transaction Documents, the transactions contemplated therein and the resolutions mentioned herein, including without limitation, to approve, negotiate, finalise, sign, execute, ratify, amend, supplement and/or issue the following, including any amendments, modifications, supplements, restatements or novation thereto (now or in the future):
 - (i) the Debt Disclosure Documents for the issue, offer and allotment of the Debentures;
 - (ii) the debenture trust deed, the debenture trustee agreement, the deed of hypothecation, and any other documents required for the creation of security interest over the Company's movable properties and assets, or the providing of any contractual



NeoGrowth Credit Pvt. Ltd.

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comfort, or the issue, offer and allotment of the Debentures (including any powers of attorney in connection thereto), and any other document in relation thereto ((i) and (ii) above are collectively referred to as the "Transaction Documents");

- (iii) the debenture certificate(s) for the Debentures (if required);
- (iv) any other documents required for the purposes of the issue, offer and allotment of the Debentures and the transactions contemplated thereby, including but not limited to letters of undertaking, declarations, agreements, reports; and
- (v) any other document designated as a Transaction Document by the debenture trustee and/or the holders of the Debentures;
- (r) to do all such acts necessary for the issue, offer and allotment of the Debentures in accordance with the terms set out in the Transaction Documents; and
- (s) to generally do any other act or deed, to negotiate and execute any documents, applications, agreements, undertakings, deeds, affidavits, declarations and certificates in relation to the issue, offer and allotment of the Debentures, the creation and/or perfection of the Transaction Security, and the transactions contemplated thereby, and to give such directions as it deems fit or as may be necessary or desirable with regard to the issue, offer and allotment of the Debentures.

RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorised to take all necessary steps relating to the creation, perfection and registration of charges and also to sign and submit the necessary forms in relation to the Transaction Security and/or the issue, offer and allotment of the Debentures with the relevant registrar of companies, the Central Registry of Securitisation Asset Reconstruction and Security Interest of India, the Ministry of Corporate Affairs, or any depository(ies), and/or any other relevant governmental authorities.

RESOLVED FURTHER THAT the Committee hereby approves and ratifies all such acts, deeds and actions taken by the Company till date for the purpose of the finalisation of the terms of, and completing all applicable requirements for, the issue, offer and allotment of the Debentures.

RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorised to record the name of the holders of the Debentures in the register of debenture holders and to undertake such other acts, deeds and things as may be required to give effect to the finalisation of the terms of, and completing all applicable requirements for, the issue, offer, allotment and the listing of the Debentures.

RESOLVED FURTHER THAT the Company be and is hereby authorised to open any bank accounts with such bank(s) in India as may be required in connection with the issue, offer and allotment of the Debentures and that the Authorised Persons be and are hereby severally authorised to sign and execute the application form and other documents required for opening the said account(s), to operate such account(s), and to give such instructions including closure thereof as may be required and deemed appropriate by them, and that such bank(s) be and is/are hereby authorised to honour all cheques and other negotiable instruments drawn, accepted or endorsed and instructions given by the aforesaid Authorised Persons on behalf of the Company.



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RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorised to pay all stamp duty required to be paid for the issue, offer and allotment of the Debentures, including through any intermediaries such as the Stock Exchanges, clearing corporations or any depositories that may be authorised in this regard, in accordance with the laws of India and procure the stamped documents from the relevant governmental authorities.

RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorised to approve, finalise, sign, execute and deliver the Transaction Documents and such other agreements, deeds, undertakings, indemnities and documents as may be required, or any of them in connection with the issue, offer and allotment of the Debentures to be issued by the Company.

RESOLVED FURTHER THAT the Authorised Persons be and hereby severally authorised to register or lodge for registration upon any Transaction Documents, letter(s) of undertakings, declarations, and agreements and other papers or documents as may be required in relation to any of the above with any registering authority or any governmental authority competent in that behalf."

RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorised to delegate the powers as may be deemed necessary to do all such acts and execute such documents as may be required in connection with any of the matters relating to the issue, offer and allotment of the Debentures.

RESOLVED FURTHER THAT the common seal of the Company be affixed to the stamped engrossments of such documents as may be required to be executed under the common seal of the Company in the presence of any director(s) of the Company and/or any Authorised Person and/or the Company Secretary of the Company who shall sign/ countersign the same in token thereof in accordance with the articles of association of the Company.

RESOLVED FURTHER THAT the copies of the foregoing resolutions certified to be true copies by any director or Company Secretary of the Company be furnished to such persons as may be deemed necessary."

For NeoGrowth Credit Private Limited

Arun Kumar Nayyar
Managing Director & CEO
DIN: 06804277
Date: 21-02-2024
802, 8th floor, Tower A, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel (West),
Mumbai – 400013



Tanushri Yewale
Company Secretary
Membership No.: A31273

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CIN: U51504MH1993PTC251544



CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF NEOGROWTH CREDIT PRIVATE LIMITED ("COMPANY") AT THEIR MEETING HELD ON MONDAY 19TH JUNE 2023 AT 03.00 P.M. IST THROUGH AUDIO AND VISUAL MEANS

DELEGATION OF AUTHORITY TO APPROVE TERMS OF ISSUANCE OF NON-CONVERTIBLE DEBENTURES (NCDS) TO RESOURCE & MOBILISATION COMMITTEE

"RESOLVED THAT pursuant to the provisions of Sections 42, 71, 179 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, including any statutory modifications or re-enactments thereof for the time being in force (the "Act"), the Foreign Exchange Management Act, 1999, (as amended from time to time), rules, regulations, guidelines, notifications, clarifications and circulars, if any, prescribed by the Government of India, all applicable regulations, directions, guidelines, circulars and notifications of the Reserve Bank of India ("RBI"), the Securities and Exchange Board of India ("SEBI"), including the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and the SEBI circular bearing the reference number SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 on "Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper", as amended, or any other regulatory authority, whether in India or abroad, and in accordance with the memorandum of association and the articles of association of the Company and the listing agreements entered into with the stock exchanges (the "Stock Exchanges") where the securities of the Company may be listed and subject to such approvals, consents, permissions and sanctions as may be required from any statutory/regulatory authority, the approval of the Board be and is hereby accorded for:

- (a) issue and allotment of non-convertible debentures ((i) listed or unlisted, (ii) senior secured, (iii) senior unsecured, (iv) unsecured, (v) subordinated, (vi) any others (including market linked debentures), as may be determined, and which may or may not be rated (as may be determined), of such face value as may be determined up to the aggregate amount of INR 2,500 Crores (Indian Rupees Two Thousand Five Hundred Crores) ("Debentures") in one or more tranches/issues ("Tranches/Issues"), at such interest rate as may be determined, payable at such frequency as may be determined, subject to deduction of taxes at source in accordance with applicable law, with or without gross up, and for such maturity (subject to applicable law) as may be determined, on a private placement basis to eligible investors (including without limitation, any banks, financial institutions, mutual funds, foreign portfolio investors, individuals, or any other persons/entities in accordance with applicable law) ("Investors") for raising debt for such purposes as may be determined; and
- (b) securing the amounts to be raised pursuant to the issue of the Debentures or any Tranche/Issue together with all interest and other charges thereon (up to such limits and security cover as may be agreed and within such timelines as may be agreed) by one or more of the following (i) hypothecation of certain identified loans/book debts, and/or any other assets of the Company, and/or (ii) such other security or contractual comfort (including personal and/or corporate guarantees) as may be required in terms of the issuance of the Debentures or any Tranche/Issue (the "Transaction Security")."

"RESOLVED FURTHER THAT the Resource and Mobilization Committee of the board of directors ("Committee") is hereby empowered (in addition to any powers that the Committee presently has or may



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have from time to time), within the overall ambit of the resolutions set out herein, to (a) consider and approve the particular terms of each Tranche/Issue to more effectively implement any of the resolutions of the Board set out herein, (b) consider and approve any terms or modifications thereof for any Tranche/Issue, (c) direct any officers of the Company to do such things and to take such actions as the Company is entitled to do or take (as the case may be) in terms of the resolutions set out herein, and (d) generally do or to take any other action, deed, or things, as may be necessary to remove any difficulties or impediments in the effective implementation of the resolutions set out herein."

"**RESOLVED FURTHER THAT** Mr. Arun Nayyar and Mr. Deepak Goswami or such other persons as may be authorised by the Board or the Committee (collectively, the "**Authorised Persons**") be and are hereby severally authorised to do all such acts, deeds and things as they deem necessary or desirable in connection with the issue, offer and allotment of the Debentures or any Tranche/Issue of the Debentures, including, without limitation the following:

- (a) seeking, if required, any approval, consent or waiver from any/all concerned governmental and regulatory authorities, and/or any other approvals, consent or waivers that may be required in connection with the issue, offer and allotment of the Debentures or any Tranche/Issue of the Debentures;
- (b) executing the term sheet in relation to the Debentures or any Tranche/Issue of the Debentures
- (c) negotiating, approving and deciding the terms of the issue, offer and allotment of the Debentures or any Tranche/Issue of the Debentures and all other related matters (including but not limited to, the amounts proposed to be raised, the Transaction Security proposed to be provided by the Company, the rate of interest, the terms of repayment and the end use);
- (d) if required by the holders of the Debentures or any Tranche/Issue of the Debentures (the "**Debenture Holders**"), seeking the listing of any of the Debentures or any Tranche/Issue of the Debentures on any Stock Exchange, submitting the listing application and taking all actions that may be necessary in connection with obtaining such listing;
- (e) (if so required) issuing the Debentures or any Tranche/Issue of the Debentures through the electronic book mechanism process pursuant to the guidelines and circulars issued by the SEBI in this respect, and taking all such action and steps as may be required for the purposes of complying with relevant guidelines, including making all relevant disclosures to the "electronic book provider";
- (f) (if so required) providing such information/disclosures in accordance with the requirements of the circular no. SEBI/HO/DDHS/P/CIR/2023/50 dated March 31, 2023 on "*Operational Circular for Debenture Trustees*" issued by SEBI;
- (g) (if so required) providing such information/disclosures in accordance with the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and the requirements of the circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 on "*Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper*" issued by SEBI;
- (h) preparing and finalising the debt disclosure document/placement memorandum and/or the



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private placement offer cum application letter (as may be required) (the "Disclosure Documents") in accordance with all applicable laws, rules, regulations and guidelines, and approving the Disclosure Documents;

- (i) finalising the terms and conditions of the appointment of an arranger (if so required), a debenture trustee, a registrar and transfer agent, a credit rating agency, legal counsel, the depository(ies) and such other intermediaries including their successors and their agents, as may be required in relation to the issue, offer and allotment of the Debentures or any Tranche/Issue of the Debentures;
- (j) finalising the terms of the issue, offer and allotment of the Debentures or any Tranche/Issue of the Debentures;
- (k) entering into arrangements with the depository(ies) in connection with the issue, offer and allotment of the Debentures or any Tranche/Issue of the Debentures in dematerialised form;
- (l) creating and perfecting the Transaction Security as required in accordance with the terms of the Transaction Documents (as defined below) in relation to the issue, offer and allotment of the Debentures or any Tranche/Issue of the Debentures;
- (m) finalising the deemed date of allotment of the Debentures or any Tranche/Issue of the Debentures;
- (n) negotiating, executing, filing and delivering any documents, instruments, deeds, amendments, papers, applications, notices or letters as may be required in connection with the issue, offer and allotment of the Debentures or any Tranche/Issue of the Debentures and co-ordinating with regulatory authorities in connection with the issue, offer and allotment of the Debentures or any Tranche/Issue of the Debentures including but not limited to the RBI, SEBI (if so required), any Stock Exchange (if so required), the relevant registrar of companies, the Ministry of Corporate Affairs, the relevant sub-registrar of assurances (if so required), Central Registry of Securitisation Asset Reconstruction and Security Interest and such other authorities as may be required;
- (o) to execute all documents with, file forms with and submit applications to any Stock Exchange (if so required), the relevant registrar of companies, the Ministry of Corporate Affairs, the relevant sub-registrar of assurances (if so required), Central Registry of Securitisation Asset Reconstruction and Security Interest or any depository(ies);
- (p) to sign and/or dispatch all documents and notices to be signed and/or dispatched by the Company under or in connection with the Transaction Documents;
- (q) to take all steps and do all things and give such directions as may be required, necessary, expedient or desirable for giving effect to the Transaction Documents, the transactions contemplated therein and the resolutions mentioned herein, including without limitation, to approve, negotiate, finalise, sign, execute, ratify, amend, supplement and/or issue the following, including any amendments, modifications, supplements, restatements or novations thereto (now or in the future):
 - (i) the Disclosure Documents for the issue, offer and allotment of the Debentures or any Tranche/Issue of the Debentures;



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- (ii) the debenture trust deed, the debenture trustee agreement, the deed of hypothecation and any other documents required for the creation of security interest over the Company's movable properties and the providing of any other Transaction Security, or the issue, offer and allotment of the Debentures or any Tranche/Issue of the Debentures (including any power(s) of attorney in connection thereto) and any other document in relation thereto ((i) and (ii) above are collectively referred to as the "**Transaction Documents**");
 - (iii) the debenture certificate(s) for the Debentures or any Tranche/Issue of the Debentures (if required);
 - (iv) any other documents required for the purposes of the issue, offer and allotment of the Debentures or any Tranche/Issue of the Debentures and the transactions contemplated thereby, including but not limited to letters of undertaking, declarations, agreements, reports; and
 - (v) any other document designated as a Transaction Document by the relevant debenture trustee and/or the Debenture Holders;
- (r) to pay stamp duty required to be paid for the issue, offer and allotment of the Debentures or any Tranche/Issue of the Debentures in accordance with the laws of India;
- (s) to do all such acts necessary for the issue, offer and allotment of the Debentures or any Tranche/Issue of the Debentures in accordance with the terms set out in the Transaction Documents; and
- (t) to generally do any other act or deed, to negotiate and execute any documents, applications, agreements, undertakings, deeds, affidavits, declarations and certificates in relation to the issue, offer and allotment of the Debentures or any Tranche/Issue of the Debentures and the transactions contemplated thereby, and to give such directions as it deems fit or as may be necessary or desirable in relation to the issue, offer and allotment of the Debentures or any Tranche/Issue of the Debentures."

"**RESOLVED FURTHER THAT** the Authorised Persons be and are hereby severally authorised to take all necessary steps relating to the creation, perfection and registration of charges and also to sign and submit the necessary forms with the relevant registrar of companies, the Ministry of Corporate Affairs, the relevant sub-registrar of assurances (if so required), Central Registry of Securitisation Asset Reconstruction and Security Interest and other relevant governmental authorities."

"**RESOLVED FURTHER THAT** the Authorised Persons be and are hereby severally authorised to record the name of the Debenture Holders in the register of debenture holders and to undertake such other acts, deeds and things as may be required to give effect to the issue, offer and allotment of the Debentures or any Tranche/Issue of the Debentures and the listing of the Debentures or any Tranche/Issue of the Debentures if and as and when required by the Debenture Holders."

"**RESOLVED FURTHER THAT** the Company be and is hereby authorised to open any bank accounts with such banks in India as may be required in connection with the issue, offer and allotment of the Debentures or any Tranche/Issue of the Debentures and that any one of Authorised Persons, be and are hereby severally authorised to sign and execute the application form(s) and other documents required for opening the said account(s), to operate such account(s), and to give such instructions including closure thereof as may be required and deemed appropriate by them, and that such bank(s) be and is/are hereby



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authorised to honour all cheques and other negotiable instruments drawn, accepted or endorsed and instructions given by the aforesaid Authorised Persons on behalf of the Company."

"**RESOLVED FURTHER THAT** the Authorised Persons be and are hereby severally authorised to delegate the powers to any other employee/representative/agent of the Company, as may be deemed necessary to do such acts and execute such documents as may be required in connection with any of the matters relating to the issue, offer and allotment of the Debentures or any Tranche/Issue of the Debentures."

"**RESOLVED FURTHER THAT** the Board hereby approves and ratifies all such acts, deeds and actions taken by the Company till date for the purpose of the issue, offer and allotment of the Debentures or any Tranche/Issue of the Debentures."

"**RESOLVED FURTHER THAT** the common seal of the Company be affixed to the stamped engrossments of such documents as may be required to be executed under the common seal of the Company in the presence of any director(s) of the Company and/or any Authorised Person and/or the Company Secretary of the Company and/or any one or more of them in accordance with the articles of association of the Company who shall sign/countersign the same in token thereof."

"**RESOLVED FURTHER THAT** the copies of the foregoing resolutions certified to be true copies by any director or the Company Secretary of the Company be furnished to such persons as may be deemed necessary."

For NeoGrowth Credit Private Limited,

Tanushri Yewale
Company Secretary
Membership No. 31273
Date- 22.06.2023



802, 8th floor, Tower A, Peninsula Business Park,
Ganpatrao Kadam Marg, Lower Parel (West), Mumbai – 400013

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ANNEXURE X: SHAREHOLDERS RESOLUTIONS



CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE SHAREHOLDERS OF NEOGROWTH CREDIT PRIVATE LIMITED (THE "COMPANY") AT THE ANNUAL GENERAL MEETING HELD ON JUNE 12, 2023, AT 4:00 P.M. THROUGH AUDIO AND VIDEO CONFERENCE (VC) MODE.

Approval to issue non-convertible debentures on private placement basis:

"RESOLVED THAT pursuant to the provisions of Section 42 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read together with the Companies (Prospectus and Allotment of Securities) Rules, 2014, including any modification, amendment, substitution or re-enactment thereof, for the time being in force and the provisions of the memorandum of association and the articles of association of the Company, the approval and consent of the members of the Company, be and is hereby accorded to the board of directors of the Company (the "Board") to issue, and to make offer(s) and/or invitation(s) to eligible persons to subscribe to, non-convertible debentures ((a) listed or unlisted, (b) senior secured, (c) senior unsecured, (d) unsecured, (e) subordinated, (f) any others (as may be determined)) (including market linked debentures) ("NCDs"), on a private placement basis, in one or more tranches, for a period of one year from the date of passing of this resolution, provided that the outstanding amounts of all such NCDs at any time during the period shall not exceed INR 2,500 Crores (Indian Rupees Two Thousand Five Hundred Crores Only)."

"RESOLVED FURTHER THAT the Board be and is hereby authorized and empowered to arrange, settle and determine the terms and conditions (including without limitation, interest, repayment, security or otherwise) as it may think fit of such NCDs, and to do all such acts, deeds, and things, and to execute all such documents, instruments and writings as may be required to give effect to these resolutions."

For NeoGrowth Credit Private Limited,


Tanushri Yewale
Company Secretary
Date- 13.06.2023



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Mumbai – 400013

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CIN: U51504MH1993PTC251544



CERTIFIED TRUE COPY OF SPECIAL RESOLUTION PASSED BY THE MEMBERS OF THE NEOGROWTH CREDIT PRIVATE LIMITED AT THE ANNUAL GENERAL MEETING HELD ON THURSDAY, 4th JULY, 2019 AT 3:30 P.M. AT THE 503, TOWER 2B, ONE INDIA BULLS CENTRE, S B MARG, MUMBAI – 400 013

AUTHORITY TO CREATE CHARGE OVER COMPANY'S ASSETS:

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the substantial assets of the Company in certain events in favour of banks/financial institutions, other investing agencies and trustees for the holders of debentures/bonds/other instruments to secure rupee/foreign currency loans and/or the issue of debentures whether partly/fully convertible or non-convertible and/ or rupee/foreign currency convertible bonds and/or foreign currency bonds and/or bonds with share warrants attached (hereinafter collectively referred to as "Loans") provided that the total amount of Loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premium on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said Loans for which the charge is to be created, shall not, at any time exceed Its. 2,500 Crores (Rupees Two thousand Five Hundred crores) or the aggregate of the paid up capital and free reserves of the Company, whichever is higher.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this Resolution."

For NeoGrowth Credit Private Limited,

Tanushri Yewale
Company Secretary
25th August, 2022



TANUSHRI
YEWALE

Digitally signed
by TANUSHRI
YEWALE
Date: 2023.02.27
19:19:22 +05'30'

NeoGrowth Credit Pvt. Ltd.

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CERTIFIED TRUE COPY OF SPECIAL RESOLUTION PASSED BY THE MEMBERS OF THE NEOGROWTH CREDIT PRIVATE LIMITED AT THE ANNUAL GENERAL MEETING HELD ON THURSDAY, 4th JULY, 2019 AT 3:30 P.M. AT THE 503, TOWER 2B, ONE INDIA BULLS CENTRE, S B MARG, MUMBAI – 400 013

INCREASE IN BORROWING LIMITS OF THE COMPANY:

"RESOLVED THAT in supersession of the resolution passed by the shareholders of the Company on 15th December, 2016 and pursuant to Section 180(1)(c) and all other enabling provisions of the Companies Act, 2013, or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force) and in terms of Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board") for borrowing from time to time any sum or sums of moneys on such terms and conditions and with or without security as the Board may deem fit which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate for the time being of the paid up capital of the company and its free reserves, that is to say reserves not set apart for any specific purpose, provided that the total amount of money/ moneys so borrowed shall not exceed Rs. 2,500 crores (Rupees Two Thousand Five Hundred Crores Only).

RESOLVED FURTHER THAT the Board of Directors or Company Secretary, be and are hereby authorised to do and perform all such acts, deeds and things and to take all steps as may be considered necessary, proper and expedient to carry on the purpose of this resolution."

For NeoGrowth Credit Private Limited,


Tanushri Yewale
Company Secretary
25th August, 2022



TANUSHRI YEWALE Digitally signed by
TANUSHRI YEWALE
Date: 2023.02.27
19:19:53 +05'30'

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 nine months ended December 31, 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

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**K Nithyananda Kamath**

Partner

Membership No. 027972

UDIN: 24027972BKCREM2096

Place: Ernakulam

Date: January 30, 2024

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 nine months ended December 31, 2023

Particulars	For the quarter ended			For the nine months ended		(₹ in Crores)
	December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022	For the year ended March 31, 2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1 Revenue from operations						
(a) Interest income	152.77	139.87	90.44	410.38	266.67	363.13
(b) Fee and commission income	2.45	2.90	3.74	8.16	9.09	12.78
(c) Net gain on derecognition of financial instrument	3.19	2.27	-	6.78	-	1.81
(d) Net gain on fair value changes	1.25	0.83	1.39	3.12	2.31	3.17
Total revenue from operations	159.66	145.87	95.57	428.64	278.07	380.89
2 Other income	0.37	0.31	0.74	0.97	1.79	2.03
3 Total Income (1+2)	160.03	146.18	96.31	429.61	279.86	382.94
4 Expenses						
(a) Finance costs	56.04	51.21	41.01	152.79	121.49	159.01
(b) Employee benefit expense	22.45	21.96	19.66	66.23	58.02	78.78
(c) Depreciation and amortisation expense	1.94	1.85	1.90	5.67	5.65	7.58
(d) Impairment on financial instruments	40.40	34.57	20.19	102.84	52.04	69.68
(e) Other expenses	11.17	11.47	9.71	35.06	30.52	42.42
Total expenses	132.00	121.06	92.47	362.59	267.72	357.47
5 Profit before exceptional items & tax (3-4)	28.03	25.12	3.84	67.02	12.14	25.47
6 Exceptional Items	-	-	1.84	-	1.84	1.84
Impact of modification of exercise price of Employee Stock Option Plan	-	-	1.84	-	1.84	1.84
7 Profit before tax (5-6)	28.03	25.12	2.00	67.02	10.30	23.63
8 Tax expense	7.00	6.33	0.50	16.85	2.90	6.37
Current tax	2.31	0.19	-	2.30	-	-
Tax expense of earlier period / year	-	-	-	-	(0.33)	(0.33)
Deferred tax charge	4.69	6.14	0.50	14.35	3.23	6.70
9 Net Profit for the period / year (7-8)	21.03	18.79	1.50	50.17	7.40	17.26
10 Other Comprehensive Income	(0.70)	2.07	(1.44)	(4.26)	(3.74)	(4.11)
(A) (i) Items that will not be reclassified to profit or loss						
Remeasurement gain/(loss) on defined benefit plan	(0.13)	(0.12)	0.01	(0.86)	0.03	(0.12)
(ii) Income tax relating to items that will not be reclassified to profit or loss	0.03	0.03	-	0.22	(0.01)	0.03
(B) (i) Items that will be reclassified to profit or loss						
Net gain / (Loss) on cash flow hedge	(0.81)	2.89	(1.93)	(4.84)	(5.03)	(5.37)
(ii) Income tax relating to items that will be reclassified to profit or loss	0.21	(0.73)	0.48	1.22	1.27	1.35
11 Total Comprehensive Income (9+10)	20.33	20.86	0.06	45.91	3.66	13.15
12 Earnings Per Share (₹) (Face Value of ₹ 10/- each)						
- Basic *	2.35	2.01	0.16	3.37	0.79	2.11
- Diluted*	2.17	1.94	0.16	3.18	0.77	2.05

* Not annualised for the quarter ended December 31, 2023, September 30, 2023 and December 31, 2022 and for the nine months ended December 31, 2023 and December 31, 2022.

Notes:

- 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.
- 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.
- 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.
- 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 December 31, 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.
- 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 January 30, 2024 respectively.



6. 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 28, 2023) 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 nine months ended December 31, 2023 is as below :

Particulars	For the quarter ended December 31, 2023	For the nine months ended December 31, 2023
	Numbers / Amount in ₹ in Crores	Numbers / Amount in ₹ in Crores
Count of loans accounts assigned	434.00	1597.00
Amount of loan accounts assigned	36.05	109.90
Weighted average maturity (in months)	16.38	14.08
Weighted average holding period (in months)	6.09	8.88
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 nine months ended December 31, 2023

(c) The Company has not transferred any stressed loans during the quarter ended and the nine months ended December 31, 2023

7. The Indian Parliament has approved the code on Social Security, 2020 which will subsume 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.

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

Particulars	Quarter ended			For the nine months ended		For the year ended
	December 31, 2023 (Unaudited)	September 30, 2023 (Unaudited)	December 31, 2022 (Unaudited)	December 31, 2023 (Unaudited)	December 31, 2022 (Unaudited)	March 31, 2023 (Audited)
Debt Equity Ratio (Refer Note i and iii)	2.82	2.77	2.03	2.82	2.03	2.31
Net worth (Refer Note ii and iii)	645.71	623.92	582.58	645.71	582.58	593.27
Gross Revenue	159.66	145.87	95.57	428.64	278.07	380.89
Net profit before tax	28.03	25.12	2.00	67.02	10.30	23.63
Net profit after tax	21.03	18.79	1.50	50.17	7.40	17.26
Earnings per share - Basic	2.25	2.01	0.16	5.37	0.79	2.11
Earnings per share - Diluted	2.17	1.94	0.16	5.18	0.77	2.05
Total debts to Total assets (Refer Note iv)	71.74%	71.19%	64.43%	71.74%	64.43%	67.40%
Net Profit Margin (%) (Refer Note v)	13.14%	12.85%	1.56%	11.68%	2.64%	4.51%
Operating cost / Net Revenue (Refer Note vi)	34.19%	37.15%	56.54%	38.64%	59.47%	57.51%
Sector specific equivalent ratios:-						
Gross Stage 3 asset (Refer Note vii)	3.63%	2.56%	4.03%	3.63%	4.03%	3.24%
Net Stage 3 asset (Refer Note viii)	1.42%	0.91%	1.56%	1.42%	1.56%	1.16%
Gross NPA Ratio (Refer Note ix)	3.63%	3.23%	5.12%	3.63%	5.12%	4.28%
Net NPA Ratio (Refer Note x)	1.42%	1.59%	2.59%	1.42%	2.59%	2.15%
CRAR (Tier I + II) (Refer Note xi and xii)	30.69%	30.36%	35.70%	30.69%	35.70%	32.70%
CRAR (Tier I)	30.22%	29.68%	32.90%	30.22%	32.90%	30.05%
CRAR (Tier II) (Refer Note xii)	0.47%	0.68%	2.81%	0.47%	2.81%	2.65%

Notes

- 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.
 - 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.
 - 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.
 - 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.
 - Net profit margin is derived as (Net profit for the period/ total income).
 - Operating cost/ Net Revenue is derived as ((Total Expenses excluding Impairment and Finance Cost)/ Total income net of finance cost).
 - Gross stage 3 % is derived as (Gross stage 3 loans)/ (Gross loans). During Dec 23, the Company has revised the classification of Stage 3 asset to align it with the definition of Substandard asset as per the RBI norms.
 - Net stage 3 % is derived as (Gross stage 3 loans - impairment allowance on stage 3) / (Gross loans - impairment allowance on stage 3).
 - Gross NPA Ratio is derived as (Gross NPA) / (Gross Loan Advances).
 - Net NPA Ratio is derived as (Net NPA) / (Gross Loans Advances net off Provisions against NPA).
 - Capital Risk Adequacy Ratio (CRAR) is derived based on financial information as at December 31, 2023; September 30, 2023 and December 31, 2022 in accordance with applicable NBFC Master directions issued by Reserve Bank of India (RBI).
 - For calculation of Capital Risk Adequacy ratio CCD is added in Tier II capital.
 - 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.
9. The comparative financial information included in the financial results for the quarter ended December 31, 2023 are balancing figures between figures in respect of the nine months ended December 31, 2023 and the published financial results for the half year ended September 30, 2023 of the financial year.
10. Previous years / periods figures have been re-classified where appropriate to current years / periods presentation.

For and on behalf of NeoGrowth Credit Private Limited

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Arun Nayyar
Managing Director & CEO
DIN: 06804277

Place: Gsta
Date: January 30, 2024



NeoGrowth Credit Pvt. Ltd.

802, 8th Floor, Tower A, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel (West), Mumbai- 400013. T: + 91 22 4921 9999 W: www.neogrowth.in
CIN: U51504MH1993PTC251544

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

Financial Results for the quarter and nine months ended December 31, 2023					
Particulars	Quarter ended		Nine month ended		(₹ in Crores)
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	Year Ended March 31, 2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1 Total income from operations	159.66	95.57	428.64	278.07	380.89
2 Net Profit / (Loss) for the period / year before Tax	28.03	2.00	67.02	10.30	23.63
3 Net Profit / (Loss) for the period / year after Tax	21.03	1.50	50.17	7.40	17.26
4 Total Comprehensive Income for the period / year [Comprising Profit / (Loss) for the year (after tax) and Other Comprehensive Income (after tax)]	20.33	0.06	45.91	3.66	13.15
5 Paid-up equity share capital (Face Value of ₹ 10/- Per Share)	18.00	18.00	18.00	18.00	18.00
6 Outstanding Compulsory Cumulative Convertible Preference Shares	75.37	71.13	75.37	71.13	71.27
7 Outstanding Compulsorily Convertible Debentures	-	30.75	-	30.75	30.75
8 Reserves (excluding Revaluation Reserves)	(112.24)	(175.35)	(112.24)	(175.35)	(164.68)
9 Securities Premium	664.58	638.05	664.58	638.05	637.93
10 Net worth ¹	645.71	582.58	645.71	582.58	593.27
11 Paid-up Debt Capital / Outstanding Debt	1,820.74	1,183.47	1,820.74	1,183.47	1,369.40
12 Debt Equity Ratio ²	2.82	2.03	2.82	2.03	2.31
13 Earnings Per Share (₹) (Face Value of ₹ 10/- each)					
- Basic (not annualised)	2.25	0.16	5.37	0.79	2.11
- Diluted (not annualised)	2.17	0.16	5.18	0.77	2.05

¹Net worth = Equity share capital + Other Equity - Other Comprehensive Income + Compulsorily Convertible Debentures- unamortised transaction cost attributable to raising CCD.

²Debt-equity Ratio = (Outstanding Debt + unamortised transaction cost attributable to raising CCD) / Net worth

Capital Redemption Reserve, Debenture Redemption Reserve , Debt Service Coverage Ratio & Interest Service Coverage Ratio is not applicable to the Company.

Notes:

- The above is an extract of the detailed format of quarter ended financial results filed with the Stock Exchange in accordance with Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations, 2015') and the Accounting Standards specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and the relevant provision of the Companies Act, 2013, as applicable. The full format of financial results are available on the website of the Stock exchange (www.bseindia.com) and the Company's website (www.neogrowth.in).

For the other line items referred in Regulation 52(4) of the Listing Regulations, pertinent disclosure has been made to the Bombay Stock Exchange and can be accessed on website of the Stock exchange(www.bseindia.com) and the Company's website (www.neogrowth.in).

- 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 January 30, 2024 respectively.
- 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.
- Previous years / periods figures have been re-classified where appropriate to current years / periods presentation.
- 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.
- 'Other Financial Highlights as on 31st December 2023 (Unaudited):

Particulars	(₹ in Crores)
	Quarter ended
	December 31, 2023
1 AUM	2,456
2 Disbursement	672
3 NNPA (%)	1.4%
4 Operating Cost / Net Revenue ¹	34.2%
5 Return on Equity ²	13.2%
6 Return on Asset ³	3.7%

¹Net Revenue = Total Income - Finance Cost

²Return on Equity = Profit after tax/Average Net Worth

³Return on Assets = Profit after tax/Average Loan Book

On behalf of the Board of Directors

Place: Goa
Date: January 30, 2024

S/d-
Arun Nayyar
Managing Director & CEO
DIN: 06804277

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

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Partner

Membership No. 027972

UDIN: 23027972BGWFAN6812

Place: Ernakulam

Date: October 27, 2023

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	(0.00)	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:

- 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.
- 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.



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

Particulars	(\$ in Crores)	
	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



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

Particulars	₹ in Crores	
	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
<u>Adjustments to reconcile profit before tax to net cash flows:</u>		
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



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/2021-22/16 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 subsume 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.



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	June	September	September	September	March
	30, 2023 (Unaudited)	30, 2023 (Unaudited)	30, 2022 (Unaudited)	30, 2023 (Unaudited)	30, 2022 (Unaudited)	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

- 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.
 - 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.
 - 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.
 - 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.
 - Net profit margin is derived as (Net profit for the period/ total income)
 - Gross stage III % is derived as (Gross stage III loans)/ (Gross loans)
 - Net stage III % is derived as (Gross stage III loans- impairment allowance on stage III)/ (Gross loans - impairment allowance on stage III)
 - 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).
 - For calculation of Capital Risk Adequacy ratio CCD is added in Tier II capital.
 - Debt service coverage ratio, Interest service coverage ratio, Outstanding redeemable preference shares, Capital redemption Reserve/Debt 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.
- 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.
 - 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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ARUN KUMAR
NAYYAR
Date: 2023.10.27
17:42:57 +05'30'

Arun Nayyar
Managing Director & CEO
DIN: 06804277



Place: Mumbai

Date: October 27, 2023

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

Financial Results for the half year ended September 30, 2023					
Particulars	Quarter ended		Half year ended		(₹ in Crores)
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	March 31, 2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1 Total income from operations	145.88	90.80	268.99	182.50	380.89
2 Net Profit / (Loss) for the period / year before Tax	25.13	4.49	39.00	8.30	23.63
3 Net Profit / (Loss) for the period / year after Tax	18.81	3.27	29.15	5.90	17.26
4 Total Comprehensive Income for the period / year [Comprising Profit / (Loss) for the year (after tax) and Other Comprehensive Income (after tax)]	20.87	1.19	25.59	3.60	13.15
5 Paid-up equity share capital (Face Value of ₹ 10/- Per Share)	18.00	18.00	18.00	18.00	18.00
6 Outstanding Compulsory Cumulative Convertible Preference Shares	75.37	45.55	75.37	45.55	71.27
7 Outstanding Compulsorily Convertible Debentures	-	116.25	-	116.25	30.75
8 Reserves (excluding Revaluation Reserves)	(134.03)	(180.31)	(134.03)	(180.31)	(164.68)
9 Securities Premium	664.58	425.18	664.58	425.18	637.93
9 Net worth ¹	623.92	424.68	623.92	424.68	593.27
10 Paid-up Debt Capital / Outstanding Debt	1,727.32	1,278.00	1,727.32	1,278.00	1,369.40
11 Debt Equity Ratio ²	2.77	3.01	2.77	3.01	2.31
12 Earnings Per Share (₹) (Face Value of ₹ 10/- each)					
- Basic (not annualised)	2.01	0.42	3.12	0.75	2.11
- Diluted (not annualised)	1.94	0.40	3.01	0.73	2.05

¹Net worth = Equity share capital + Other Equity - Other Comprehensive Income + Compulsorily Convertible Debentures- unamortised transaction cost attributable to raising CCD.

²Debt-equity Ratio = (Outstanding Debt + unamortised transaction cost attributable to raising CCD) / Net worth

Capital Redemption Reserve, Debenture Redemption Reserve , Debt Service Coverage Ratio & Interest Service Coverage Ratio is not applicable to the Company.

Notes:

- The above is an extract of the detailed format of quarter ended financial results filed with the Stock Exchange in accordance with Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations, 2015') and the Accounting Standards specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and the relevant provision of the Companies Act, 2013, as applicable. The full format of financial results are available on the website of the Stock exchange (www.bseindia.com) and the Company's website (www.neogrowth.in).

For the other line items referred in Regulation 52(4) of the Listing Regulations, pertinent disclosure has been made to the Bombay Stock Exchange and can be accessed on website of the Stock exchange(www.bseindia.com) and the Company's website (www.neogrowth.in).

- 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.
- 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.
- Previous years / periods figures have been re-classified where appropriate to current years / periods presentation.
- 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.
- Other Financial Highlights as on 30th September 2023 (Unaudited):
Assets Under Management (AUM) : INR 2298 Cr. | Disbursements : INR 674 Cr. | Operating Cost / Net Revenue: 37.1% | NNPA: 1.6% | Return on Equity: 12.3% | Return on assets 3.4%

Explanation:

- Net Revenue = Total Income – Finance cost
- Return on Equity = Profit after tax/Average Net Worth
- Return on Assets = Profit after tax/Average Assets Under Management

On behalf of the Board of Directors

S/d-

Arun Nayyar

Managing Director & CEO

DIN: 06804277

Place: Mumbai

Date: October 27, 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of NeoGrowth Credit Private Limited

Report on the Audit of the Ind AS Financial Statements**Opinion**

We have audited the accompanying Ind AS financial statements of NeoGrowth Credit Private Limited ("the Company"), which comprise the Balance sheet as at March 31, 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its loss including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Emphasis of Matter

We draw attention to Note 42.5 to the accompanying Ind AS financial Statements, which describes the uncertainty caused by the continuing COVID-19 pandemic and the related probable events which could impact the Company's estimates of impairment of loans to customers. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Impairment of financial assets (including provision for expected credit loss)	

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Key audit matters	How our audit addressed the key audit matter
<i>(as described in note 8 and 42 of the Ind AS financial statements)</i>	
The Company's Impairment provision for financial assets (designated at amortised cost and fair value through other comprehensive income) is based on the expected credit loss approach ('ECL') laid down under 'Ind AS 109 Financial instruments'. ECL involves an estimation of probability-weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances. In the process, a significant degree of judgement has been applied by the management for: • Grouping of borrowers on the basis of homogeneity given the categories of products; • Staging of loans and estimation of behavioral life; • Calculation of past default rates; • Assigning rating grades to loans for which external rating is not available; • Calibrating scores-linked probability of default to align with past default rates; • Calibrating the loss given default where the impairment provision is calculated on a pool level; • Applying macro-economic factors to arrive at forward looking probability of default; • Significant assumptions regarding the probability of various scenarios and discounting rates for different loan products. Additional considerations on account of COVID-19 Pursuant to the Reserve Bank of India circular dated August 6, 2020 ("RBI circulars") ("RBI circulars") allowing lending institutions to offer resolutions to borrowers under stress on account of COVID-19 in form of onetime restructuring of Loans, the company has extended this benefit in accordance with board approved policy as described in Note 42.5 The Company has recorded a management overlay of around Rs. 5 crore as part of its ECL, to reflect among other things an increased risk of deterioration in macro-economic factors caused by COVID-19 pandemic and also taken some incremental write off of certain which it deems not recoverable as of March 31, 2021. Given the unique nature and scale of the economic impact of this pandemic, the management overlay is based on various variables which are dependent on future uncertain events and therefore the actual credit loss could be different than that is being estimated. In view of the high degree of estimation involved in	• Read and assessed the Company's accounting policy for impairment of financial assets and its compliance with Ind AS 109 and the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued on March 13, 2020. • Tested the operating effectiveness of the controls for staging of loans based on their past-due status. Tested a sample of performing (stage 1) loans to assess whether any Significant Increase in Credit Risk ('SICR') or loss indicators were present requiring them to be classified under stage 2 or 3. • Assessed the additional considerations applied by the management for staging of loans as SICR or default categories in view of Company's policy on one-time loan restructuring (OTR). • Performed tests of details, on a sample basis and inspected the repayment schedule from the underlying borrower agreements and collections made on the due dates which formed the basis of the staging of loans. • Tested the ECL model and computation for its: ◦ Model/methodology used for various loan products including; ◦ Management's grouping of borrowers on basis of different product lines and customer segments with different risk characteristics; ◦ Various assumptions for calculation of expected loss viz. probability of default, loss given defaults, exposure at default, discounting factors applied by the management along with Management's governance process and documentation of its assumptions; ◦ Basis of floor/ minimum rates of provisioning applied by the Company for loan products with inadequate historical defaults; ◦ We performed test of details of the inputs information used in the ECL computation, on a sample basis. • Tested the arithmetical accuracy of computation of ECL provision performed by the Company. • Performed analytical procedures by determining various ratios or percentage-based measures to review overall reasonableness of the estimate determined by the management. • Tested assumptions used by the management in determining the overlay for macro-economic factors (including COVID-19 pandemic) • Assessed disclosures included in the Ind AS financial statements in respect of expected credit losses including the specific disclosures made with regards to the management's evaluation of the uncertainties

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Key audit matters	How our audit addressed the key audit matter
the process of calculating impairment provision, accentuated by the COVID-19 pandemic and considering its significance to the overall financial statements, whereby any error or omission in estimation may give rise to a material misstatement of the Ind AS financial statements, it is considered as a key audit matter.	arising from COVID-19 and its impact on ECL estimation.
IT systems and controls The reliability and security of IT systems play a key role in the business operations and financial accounting and reporting process of the Company. Since large volume of transactions are processed daily, the IT controls are required to ensure that applications process data as expected and that changes are made in an appropriate manner. Any gaps in the IT control environment could result in a material misstatement of the financial accounting and reporting records. Therefore, due to complexity of the IT environment, the assessment of the general IT controls and the application controls specific to the accounting and preparation of the financial information is considered to be a key audit matter.	We performed the following procedures for testing IT general controls and for assessing the reliability of electronic data processing, assisted by specialized IT auditors: • The aspects covered in the IT General Control audit were (i) User Access Management (ii) Program Change Management (iii) Other related ITGCs – to understand the design and test the operating effectiveness of such controls; • Assessed the changes that were made to the key systems during the audit period and assessing changes that have impact on financial reporting; • Tested the periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorization. • Performed tests of controls (including other compensatory controls wherever applicable) on the IT application controls and IT dependent manual controls in the system. • Tested the design and operating effectiveness of compensating controls, where deficiencies were identified and, where necessary, extended the scope of our substantive audit procedures.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information identified and, in doing so, consider whether such other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the

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Chartered Accountants

financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2021;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

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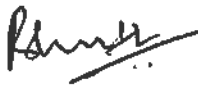
Chartered Accountants

- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 37 to the Ind AS financial statements;
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 6 to the Ind AS financial statements;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004



per Bharath N S

Partner

Membership No: 210934

UDIN: 21210934AAAACG5594

Place: Chennai

Date: May 12, 2021

S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: NeoGrowth Credit Private Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the Property, plant and Equipment
- (b) All fixed assets were physically verified by the management in accordance with a planned programme of verifying them once in two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, there are no immovable properties, included in Property, plant and equipment of the Company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company and hence not commented upon.
- (iii)(a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given by the management, considering the nature of the Company and that the Company is registered as a non-banking finance company to which provisions of Sections 185 and 186 of the Companies Act, 2013 are not applicable, and hence reporting under clause (iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been minor delay in few cases in remittance of dues relating to provident fund and professional tax. As informed to us the provisions of sales-tax, duty of custom, duty of excise and value added tax are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. As informed to us the provisions of sales-tax, duty of custom, duty of excise and value added tax are not applicable to the Company.
- (c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, goods and service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution and banks or dues to debenture holders. The Company has not taken any loan from government.
- (ix) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not raised any money by way of initial public offer or further public offer, hence not commented upon.

S.R. BATLIBOI & ASSOCIATES LLP

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Further, monies raised by the Company by way of debt instruments and term loans were applied for the purpose for which those were raised, though idle/surplus funds which were not required for immediate utilization were gainfully invested in liquid investments payable on demand.

- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the Company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, we report that the Company has registered as required, under Section 45-IA of the Reserve Bank of India Act, 1934.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004



per Bharath N S

Partner

Membership No: 210934

UDIN: 21210934AAAACG5594

Place: Chennai

Date: May 12, 2021

S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ANNEXURE 2 to the Independent's Report of even date on the Ind AS Financial Statements of NeoGrowth Credit Private Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To the Members of NeoGrowth Credit Private Limited

We have audited the internal financial controls with reference to the financial statements of NeoGrowth Credit Private Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by 'ICAI'. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Ind AS financial statements included obtaining an understanding of internal financial controls with reference to these Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these Ind AS financial statements.

Meaning of Internal Financial Controls With Reference to these Ind AS Financial Statements

A company's internal financial controls with reference to these Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to these financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to these Ind AS Financial Statements

S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Because of the inherent limitations of internal financial controls with reference to these Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to these Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to these Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to these Ind AS financial statements and such internal financial controls with reference to these Ind AS financial statements were operating effectively as at March 31, 2021, based on the internal control criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004



per Bharath N S

Partner

Membership No: 210934

UDIN: 21210934AAAACG5594

Place: Chennai

Date: May 12, 2021

NEOGROWTH CREDIT PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2021

(Rs. in lakhs)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
I ASSETS			
1 Financial assets			
Cash and cash equivalents	4	5,453.22	16,560.60
Bank balance other than above	5	25,807.81	5.91
Derivative financial instruments	6	-	550.84
Receivables	7		
Trade receivables		0.01	-
Loans	8	1,21,690.53	1,24,531.02
Investments	9	8,255.93	-
Other financial assets	12	1,954.13	1,814.04
2 Non-financial assets			
Deferred tax assets (net)	31	4,524.06	3,110.46
Property, plant and equipment	10	172.13	195.58
Right-of-use assets	11	2,636.39	2,426.57
Other intangible assets	13	46.25	91.87
Other non-financial assets	14	979.33	1,376.82
Total assets		1,71,519.79	1,50,663.71
II LIABILITIES AND EQUITY			
Liabilities			
1 Financial liabilities			
Derivative financial instruments	6	26.65	-
Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,118.55	920.61
Debt securities	15	88,842.98	73,302.22
Borrowings (other than debt securities)	16	41,285.73	34,317.77
Other financial liabilities	17	4,019.25	3,493.82
2 Non-financial liabilities			
Provisions	18	805.83	361.61
Other non-financial liabilities	19	230.09	220.41
Total liabilities		1,36,329.08	1,12,616.44
Equity			
Equity share capital	20	6,355.36	6,355.36
Other equity	21	28,835.35	31,691.91
Total equity		35,190.71	38,047.27
Total liabilities and equity		1,71,519.79	1,50,663.71

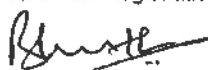
Summary of significant accounting policies

3

The accompanying notes are an integral part of the financial statements

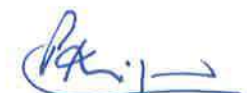
As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration No: 101049W/E300004



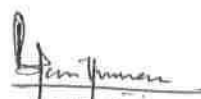
per Bharath N S
Partner
Membership No. 210934

For and on behalf of the Board of Directors

Dhruv Khaitan
Chairman
(DIN 00002584)
Place: Mumbai

Piyush Khaitan
Managing Director
(DIN 00002579)
Place: Bangalore


B. Ravi Kumar
CFO & CS
(M.No 11172)
Place: Mumbai


Arun Nayyar
CEO
Place: Mumbai



Place: Chennai
Date: May 12, 2021

Date: May 12, 2021

NEOGROWTH CREDIT PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

		(Rs. in lakhs)	
Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from operations			
(i) Interest income	22	32,673.25	31,835.37
(ii) Fee and commission income	23	341.22	1,009.39
(iii) Net gain on fair value changes	24	103.90	714.70
(I) Total revenue from operations		33,118.37	33,559.46
(II) Other income	25	195.39	150.84
(III) Total income (I + II)		33,313.76	33,710.30
Expenses			
(i) Finance cost	26	13,571.69	11,319.87
(ii) Impairment on financial instruments	27	12,731.21	9,240.45
(iii) Employee benefit expense	28	7,376.04	6,865.28
(iv) Depreciation, amortisation and impairment	29	968.47	1,005.21
(v) Other expenses	30	3,088.85	4,741.99
(IV) Total expenses		37,736.26	33,172.80
(V) Profit / (loss) before exceptional items and tax (III - IV)		(4,422.50)	537.50
(VI) Exceptional items		-	-
(VII) Profit / (loss) before tax (V - VI)		(4,422.50)	537.50
(VIII) Tax expense:			
(1) Current tax	31	-	214.23
(2) Earlier year adjustments	31	-	282.88
(3) Deferred tax charge / (credit)	31	(1,413.46)	343.69
(IX) Profit / (loss) for the year (VII - VIII)		(3,009.04)	(303.30)
(X) Other comprehensive income			
A Items that will not be reclassified to profit or loss			
Remeasurement gain/(loss) on defined benefit plan		(5.71)	(21.31)
		-5.71	-21.31
Total (A)		-5.71	-21.31
B Items that will be classified to profit or loss			
Cash flow hedge			
Net loss for the year		(0.53)	(397.96)
Income tax impact		0.13	100.16
Net gain/(loss) on cash flow hedge		(0.40)	(297.80)
Total (B)		(0.40)	(297.80)
Other comprehensive income (A + B)		(6.11)	(319.11)
(XI) Total comprehensive income (IX + X)		(3,015.15)	(622.41)
(XII) Earnings per equity share			
Basic (Rs.)	32	(16.72)	(3.46)
Diluted (Rs.)	32	(16.72)	(3.46)

Summary of significant accounting policies

3

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration No: 101049W/E300004



per Bharath N S
Partner
Membership No. 210934

For and on behalf of the Board of Directors

Dhruv Khaitan
Chairman
(DIN 00002584)
Place: Mumbai

Piyush Khaitan
Managing Director
(DIN 00002579)
Place: Bangalore


B. Ravi Kumar
CFO & CS
(M.No 11172)
Place: Mumbai


Arun Nayyar
CEO
Place: Mumbai



Place: Chennai
Date: May 12, 2021

Date: May 12, 2021

NEOGROWTH CREDIT PRIVATE LIMITED
Statement of changes in Equity for the year ended March 31, 2021
(Rs. In lakhs)

a. Equity Share Capital	(Rs. In lakhs)
Equity shares of Rs. 10 each issued, subscribed and fully paid	
As at March 31, 2020	1,800.06
As at March 31, 2021	1,800.06

b. Other Equity

	Equity component of compound financial instrument	Statutory reserve	Share options outstanding account	Securities premium account	Retained Earnings	Cash flow hedge reserve	Other comprehensive income Actuarial gains/ (losses)	Total
Balance as at April 1, 2019	4,555.30	202.45	570.70	42,518.24	(11,201.59)	-	65.76	36,710.87
Dividends	-	-	-	-	(0.46)	-	-	(0.46)
ESOP Cost recognised during the year	-	-	159.21	-	-	-	-	159.21
Profit / (loss) for the year after income tax	-	-	-	-	(303.30)	-	-	(303.30)
Other Comprehensive Income for the year before income tax	-	-	-	-	-	(397.96)	(21.31)	(419.27)
Less: Income Tax	-	-	-	-	-	100.16	-	100.16
Total Comprehensive Income for the year	-	-	159.21	-	(303.76)	(297.80)	(21.31)	(483.66)
Balance as at March 31, 2020	4,555.30	202.45	729.92	42,518.24	(11,505.34)	(297.80)	44.44	36,247.21
Dividends	-	-	-	-	(0.46)	-	-	(0.46)
ESOP Cost recognised during the year	-	-	159.04	-	-	-	-	159.04
Profit / (loss) for the year after income tax	-	-	-	-	(3,009.04)	-	-	(3,009.04)
Other Comprehensive Income for the year before income tax	-	-	-	-	-	(0.53)	(5.71)	(6.24)
Less: Income Tax	-	-	-	-	-	0.13	-	0.13
Total Comprehensive Income for the year	-	-	159.04	-	(3,009.50)	(0.40)	(5.71)	(2,856.57)
Balance as at March 31, 2021	4,555.30	202.45	888.96	42,518.24	(14,514.84)	(298.20)	38.73	33,390.64

Summary of significant accounting policies

3

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration No: 101049W/E300004



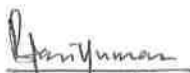
per Bharath N S
Partner
Membership No. 210934

For and on behalf of the Board of Directors

Dhruv Khaitan
Chairman
(DIN 00002584)
Place: Mumbai

Piyush Khaitan
Managing Director
(DIN 00002579)
Place: Bangalore



B. Ravi Kumar
CFO & CS
(M.No 11172)
Place: Mumbai



Arun Nayyar
CEO
Place: Mumbai



Place: Chennai
Date: May 12, 2021

Date: May 12, 2021

NEOGROWTH CREDIT PRIVATE LIMITED
Cash Flow statement for the year ended March 31, 2021

(Rs. in lakhs)

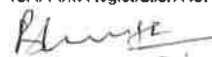
Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Operating activities		
Profit / (Loss) before tax	(4,422.50)	537.50
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation, amortisation and impairment	988.47	1,005.21
Non cash adjustment made for creation and foreclosure of Right-of-use assets	(152.78)	(34.86)
Effective Interest Rate adjustment in Borrowings	(146.78)	(202.18)
Interest Income on security deposits	(131.33)	(50.83)
Interest on Lease liability	320.04	323.22
Interest on Debt Securities	9,346.60	8,644.95
Interest on Borrowings	2,551.56	1,882.57
Employee Benefit expenses	671.04	159.21
Profit on sale of property, plan and equipment	-	(0.09)
Impairment on financial instruments	12,731.21	9,240.45
Remeasurement gain/(loss) on defined benefit plan	(5.71)	(21.31)
Net Gain on fair value of Investments	(103.90)	(714.70)
Working capital changes		
(Increase) / Decrease in Loan	(9,947.53)	(39,021.98)
(Increase) / Decrease in Receivables	(0.01)	12.35
(Increase) / Decrease in Other Financial Assets	(124.24)	(1,266.49)
(Increase) / Decrease in Other Non Financial Assets	(4.90)	(103.00)
(Increase) / Decrease in Bank balance other than cash and cash equivalents	(25,801.90)	174.43
Increase / (Decrease) in Trade payable	197.94	755.08
Increase / (Decrease) in Other financial liabilities	438.29	469.98
Increase / (Decrease) in Provisions	(20.83)	(1,438.56)
Increase / (Decrease) in Other non-financial Liabilities	9.68	33.11
Interest Paid on Debt Securities and Borrowings	(11,321.75)	(10,239.34)
Income tax paid / refund received (Net of refunds / payments)	402.39	(292.57)
Net cash flows used in operating activities	(24,546.94)	(30,349.65)
Investing activities		
Proceeds from sale of property, plan and equipment	9.00	0.10
Purchase of property, plan and equipment	(108.83)	(86.93)
Purchase of intangible assets	-	(57.00)
Proceeds from redemption of Investments in Mutual Funds	88,123.28	3,87,820.59
Investments in Mutual Funds	(94,275.31)	(3,71,656.00)
Net cash flows used in investing activities	(8,251.86)	16,016.76
Financing activities		
Debt securities issued	23,721.40	21,530.00
Debt securities repaid	(8,600.00)	(17,304.67)
Borrowings other than debt securities taken	17,444.85	30,841.11
Borrowings other than debt securities repaid	(9,910.19)	(6,878.05)
Interest paid on lease liability	(320.04)	(323.22)
Principal portion of lease liability except short term lease payments	(644.60)	(671.08)
Net cash flows from financing activities	21,691.42	27,194.09
Net increase / (decrease) in cash and cash equivalents	(11,107.38)	12,863.20
Cash and cash equivalents at April 1	16,560.60	3,697.40
Cash and cash equivalents at March 31 (refer Note 4)	5,453.22	16,560.60
Operational cash flows from interest and dividends		
Interest paid	11,321.75	10,239.34
Short-term lease payments	6.45	15.51

Notes :

- The above Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'
- Components of cash and cash equivalents are disclosed in Note 4.
- For disclosures relating to changes in liabilities arising from financing activities, refer Note 36.

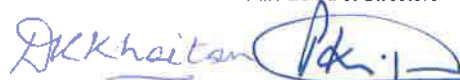
As per our report of even date

For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration No: 101048W/E300004



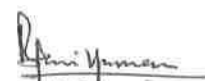
per Bharath N S
Partner
Membership No. 210934

For and on behalf of the Board of Directors

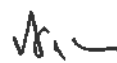


Dhruv Khaitan
Chairman
(DIN 00002584)
Place: Mumbai

Piyush Khaitan
Managing Director
(DIN 00002579)
Place: Bangalore



B. Ravi Kumar
CFO & CS
(M.No 11172)
Place: Mumbai



Arun Nayyar
CEO
Place: Mumbai



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the as at / year ended March 31, 2021

Accounting Policies

Note 1: Corporate Information

NeoGrowth Credit Private Limited (the 'Company' or 'NeoGrowth') is a Private Limited Company domiciled in India and incorporated on May 17, 1993 under the provisions of Companies Act, 1956. The Company has received a Certificate of Registration from the Reserve Bank of India ('RBI') under Section 45 - IA of the Reserve Bank India Act, 1934 on September 13, 2001 to commence / carry on the business of Non-Banking Financial Institution ('NBFC') without accepting public deposits. Presently the Company is engaged in providing business loans to small and medium enterprise. The financial statements has been approved in its Board meeting held on May 12, 2021

Note 2: Basis of preparation and presentation

a. Basis of preparation

The financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended ('Ind AS Rules') (as amended from time to time).

Presentation of financial statements:

The Company presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in 'Note 35: Maturity Profile'.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Company and or its counterparties

b. Basis of measurement

The financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

c. Functional and presentation currency

The financial statements are presented in Indian Rupees which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates and all values are rounded to the nearest lakhs, except when otherwise indicated.

Note 3: Significant accounting policies

3.1. Use of estimates, judgments and assumptions

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

3.2. Recognition of Income

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs.

The company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to provide service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.



a.) Interest and similar income

Under Ind AS 109 interest income is recorded using the Effective Interest Rate (EIR) method for all financial instruments measured at amortised cost, debt instrument measured at FVOCI and debt instruments designated at FVTPL. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk. The adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through interest income in the statement of profit and loss.

The company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the company reverts to calculating interest income on a gross basis.

b.) All other charges such as cheque return charges, overdue charges etc are recognised on realization basis. These charges are treated to accrue on realization, due to the uncertainty of their realization.

c.) Revenue from fee-based activities are recognized as and when the services are rendered. Fees earned from contract with customer is recognised point in time when performance obligation is satisfied (when the trade is executed). Fees and commissions arising from negotiating or participating in the negotiation of a transaction for a third party, such as the arrangement/participation, syndication fees, consortium fees, are recognised on completion of the underlying transaction. Fees or components of fees that are linked to a certain performance are recognised after fulfilling the corresponding criteria.

d.) The Company designates certain financial assets for subsequent measurement at Fair Value Through Profit or Loss (FVTPL). The Company recognises gains on fair value change of financial assets measured at FVTPL and realised gains on derecognition of financial asset measured at FVTPL on net basis.

3.3. Property, Plant and equipment (PPE)

An item is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price (including non-refundable duties and taxes but excluding any trade discounts and rebates), and any directly attributable cost of bringing the asset to its working condition and location for its intended use. Subsequent to initial recognition, PPE are stated at cost less accumulated depreciation and any impairment losses. When significant parts of property, plant and equipment are required to be replaced in regular intervals, the Company recognises such parts as separate component of assets. When an item of PPE is replaced, then its carrying amount is de-recognised from the balance sheet and cost of the new item of PPE is recognised. The expenditures that are incurred after the item of PPE has been put to use, such as repairs and maintenance, are normally charged to the statement of profit and loss in the period in which such costs are incurred. However, in situations where the said expenditure can be measured reliably, and is probable that future economic benefits associated with it will flow to the Company, it is included in the asset's carrying value or as a separate asset, as appropriate.

Depreciation on fixed assets is calculated using the Written Down Value (WDV) method and Straight Line Method (SLM) as per the remaining useful life of assets estimated by the management.

The estimated useful lives are, as follows:

Particulars	Useful Life of Assets	Depreciation Method
Leasehold Improvements	As per Lease period	SLM
Office Equipments	5 years	WDV
Computers		
Servers	6 years	WDV
Others	3 years	WDV
Software		
Advance Suite	7 years	SLM
PayLater Software	5 years	SLM
SUN Infor	3 years	SLM
Furniture & Fixtures	10 years	WDV

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

No salvage value has been estimated in case of license property improvement work and advance suite.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Property and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other operating income in the Statement of profit and loss in the year in which the asset is derecognised.

The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.



3.4. Intangible assets

An intangible asset is recognised only when its cost can be measured reliably, and it is probable that the expected future economic benefits that are attributable to it will flow to the Company. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment loss. Intangible assets are amortized on a straight line basis over the estimated useful economic life. The company considers that the useful life of an intangible asset will not exceed 6 years from the date when the asset is available for use.

Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

3.5. Impairment of non-financial assets

An assessment is done at each Balance Sheet date to ascertain whether there is any indication that an asset may be impaired. If any such indication exists, an estimate of the recoverable amount of asset is determined. If the carrying value of relevant asset is higher than the recoverable amount, the carrying value is written down accordingly.

3.6. Leases

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

Company as a lessee

Identifying a lease

At the inception of the contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses whether:

- The contract involves the use of an identified asset, this may be specified explicitly or implicitly.
- The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use, and
- The Company has right to direct the use of the asset.

This policy is applied to contracts entered into, or changed, on or after April 1, 2018

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component based on their relative stand-alone prices.

Recognition of right of use asset

The Company recognises a right of use asset at the lease commencement date of lease and comprises of the initial lease liability amount, plus any indirect costs incurred.

Subsequent measurement of right of use asset

The right of use asset is subsequently amortized using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term, whichever is lesser. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurement of the lease liability.

Recognition of lease liability

The lease liability is initially measured at the present value of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate.

Subsequent measurement of lease liability

Lease liability is measured at amortised cost using the effective interest method. The lease payments are apportioned between the finance charges and reduction of the lease liability using the incremental borrowing rate implicit in the lease to achieve a constant rate of interest on the remaining balance of the liability.

It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. Whenever the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right of use asset or is recorded in profit or loss of the carrying amount of the right of use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The company has elected by class of underlying asset to not recognise right of use assets and lease liabilities for short term leases that have a lease term of 12 months and leases for which the underlying asset is of low value.

In case of short-term leases and leases for which the underlying asset is of low value, the company has elected not to apply the requirements of Ind AS 116 and the lease payments associated with those leases are recognised as an expense on a straight-line basis.



3.7. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity

The company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund.

The fund is administered by Life Insurance Corporation of India (LIC). The gratuity liability is calculated using the Projected Unit Credit Method which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Re-measurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods. The effect of any planned amendments are recognised in Statement of Profit and Loss.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include compensated absences such as paid annual leave and sickness leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized in the Statement of Profit and Loss during the year.

Long-term employee benefits

Company's liabilities towards compensated absences to employees are accrued on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss.

Compensated absence

Compensated absence which is a defined benefit, is accrued based on an actuarial valuation at the balance sheet date carried out by an independent actuary.

3.8. Foreign currency translation

Functional and presentational currency - The financial statements are presented in INR which is also functional currency of the company.

Transactions and balances - Transactions in foreign currencies are initially recorded in the functional currency at the spot rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the spot rate of exchange at the reporting date. All differences arising on non-trading activities are taken to other income/expense in the statement of profit and loss.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

3.9. Borrowing cost

Borrowing cost includes interest, amortization of ancillary costs based on Effective Interest Rate method (EIR), incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

3.10. Taxes

Income tax expense comprises of current and deferred tax. Current / Deferred tax is recognized in the Statement of Profit and Loss except to the extent it relates to a business combination or to an item which is recognized directly in equity or in other comprehensive income in which case the related income tax is also recognised accordingly. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority. The Company only off-sets its deferred tax assets against liabilities when there is both a legal right to offset and it is the Company's intention to settle on a net basis.



i) Current Taxes

Current tax is the amount of income taxes payable/ receivable in respect of taxable profit/ loss for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible in accordance with applicable tax laws. Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. Interest income / expenses and penalties, if any, related to income tax are included in current tax expense. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the end of reporting date in India where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

ii) Deferred Taxes

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

A deferred tax liability is recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it becomes probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and deferred taxes are recognised as income tax benefits or expenses in the Statement of profit and loss except for tax related to the fair value re-measurement of financial assets classified through other comprehensive income, foreign exchange differences and the net movement on cash flow hedges, which are charged or credited to Other Comprehensive Income (OCI). These exceptions are subsequently reclassified from OCI to the statement of profit and loss together with the respective deferred loss or gain. The Company also recognises the tax consequences of payments and issuing costs, related to financial instruments that are classified as equity, directly in equity.

3.11. Earnings per share

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of the company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of company (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

3.12. Share based payment

Equity-settled share based payments to employees and others providing similar services are measured at the fair value of equity instruments at the grant date. Details regarding determination of the fair value of equity settled share based payments transactions are set out in Note 33.

The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting period, based on the company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Share Based payments reserve.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.



3.13. Provisions and other Contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The increase in the provision due to un-winding of discount over passage of time is recognised within finance costs. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement in other operating expenses.

3.14. Dividend on Ordinary Shares

Company recognises dividends on ordinary shares and related dividend tax as a liability and deducted from equity when they are approved by the Company's shareholders.

Proposed dividends on equity shares which are subject to approval at the annual general meeting are not recognised as a liability (including tax thereon) and is disclosed as an event after the reporting date.

3.15. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

3.16. Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past / future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3.17. Insurance claims

Insurance claims are accrued for on the basis of claims admitted and/or to the extent there is no uncertainty in receiving the claims. The Company re-assesses the claims made at each reporting period for recoverability.

3.18. Expenditure on Corporate Social Responsibility (CSR)

The Company accounts the expenditure incurred towards Corporate Social Responsibility as required under the Companies Act 2013 as a charge to the statement of profit and loss.

3.19. Determination of Fair Value

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above at each balance sheet date.

Fair value is the price at the measurement date, at which an asset can be sold or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.

The Company's accounting policies require, measurement of certain financial / non-financial assets and liabilities at fair values (either on a recurring or non-recurring basis). Also, the fair values of financial instruments measured at amortised cost are required to be disclosed in the said financial statements.

The Company is required to classify the fair valuation method of the financial / non-financial assets and liabilities, either measured or disclosed at fair value in the financial statements, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurement).

Accordingly, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy described as follows.

Level 1 financial instruments – Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments – Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

Level 3 financial instruments – Those that includes one or more unobservable input where there is little market activity for the asset/liability at the measurement date that is significant to the measurement as a whole.



3.20. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Entity becomes a party to the contractual provisions of the instruments.

Financial Assets

Initial Recognition - All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the company commits to purchase or sell the asset.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in four categories.

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income FVTOCI

Financial assets measured at amortised cost

A 'debt instrument' is measured at amortised cost if both the following conditions are met:

- a) The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

After initial measurement at fair value plus directly attributable costs, these financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. The measurement of credit impairment is based on the three-stage expected credit loss model described below.

Business model: The business model reflects how the company manages the assets in order to generate cash flows. That is, whether the company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL.

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss. The amortised cost, as mentioned above, is computed using the effective interest rate method.

Effective interest method - The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. The amortised cost of the financial asset is adjusted if the company revises its estimates of payments or receipts. The adjusted amortised cost is calculated based on the original or latest re-estimated EIR and the change is recorded as 'interest and similar income' for financial assets. Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the 'Other income' line item.

Financial assets measured at fair value through other comprehensive income

Debt instrument - Investments in debt instruments are measured at fair value through other comprehensive income where they have:

- a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest (SPPI) on the principal amount outstanding; and
- b) Are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest revenue and foreign exchange gains and losses are recognised in profit and loss. Upon disposal, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the income statement. The measurement of credit impairment is based on the three-stage expected credit loss model as applied to financial assets at amortised cost. The expected credit loss model is described below.

Financial instrument measured at fair value through profit or loss

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVOCI criteria may be designated as at FVTPL upon initial recognition, if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Company's investment are classified as FVTPL, if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking, or it is a derivative not in a qualifying hedge relationship. Trading derivatives and trading securities are classified as held for trading and recognised at fair value.

Financial instruments held at fair value through profit or loss, are initially recognised at fair value, with transaction costs recognised in the income statement as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the income statement as they arise. Where a financial asset is measured at fair value, a credit valuation adjustment is included to reflect the credit worthiness of the counterparty, representing the movement in fair value attributable to changes in credit risk.



Equity Instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares.

Financial liabilities

Initial Measurement

Financial liabilities are classified and measured at amortized cost. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent Measurement

Financial liabilities are subsequently carried at amortized cost using the effective interest method.

Modification of loans

The company sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the company assesses whether or not the new terms are substantially different to the original terms.

If the terms are substantially different, the company derecognises the original financial asset and recognises a 'new' asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the company also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on de-recognition. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be Purchased or originated credit impaired financial assets (POCI).

If the terms are not substantially different, the renegotiation or modification does not result in de-recognition, and the company recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss to the extent that an impairment loss has not already been recorded. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

Derivative financial instruments

Derivative financial instruments are contracts whose value is derived from one or more underlying price, index or other variable, and typically comprise of instruments such as swaps, forward rate agreements, futures and options. All derivatives are recognised in the balance sheet at fair value and are classified as trading except where they are designated as a part of an effective hedge relationship and classified as hedging derivatives. The carrying value of a derivative is re-measured at fair value throughout the life of the contract. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Credit Valuation Adjustments (CVA) - Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the statement of financial position. In the case of credit derivatives, the company is also exposed to or protected from the risk of default of the underlying entity referenced by the derivative. Hence, to reflect potential losses, the company applies CVA to all relevant over-the-counter positions with the exception of positions settled through central clearing houses.

Impairment of financial assets

The company applies the expected credit loss (ECL) model for recognising impairment loss as against hitherto IRAC norms of RBI.

ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months from the reporting date.

The company assesses at each reporting date whether a financial asset such as investments, loans and advances, non-fund based limits not designated as FVTPL and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Lifetime Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

The company applies a three-stage approach to measuring expected credit losses (ECLs) for the following categories of financial assets that are not measured at fair value through profit or loss:

- debt instruments measured at amortised cost and fair value through other comprehensive income;
- loan commitments; and
- Financial guarantee contracts.

No ECL is recognised on equity investments.

PD estimation process

Probability of Default (PD) is an estimate of the likelihood of default in a homogenous pool of loans, over a 12 month time horizon. PD estimation process is done based on historical & empirical internal data available with the company. Company calculates the 12 month PD by taking into account the past historical trends of the portfolio and its credit performance. In case of assets where there is a significant increase in credit risk (SICR), lifetime PD is applied which is computed based on survival analysis. For credit impaired assets, a PD of 100% is applied.

Exposure at Default (EAD)

The Exposure at Default (EAD) represents the empirical residual exposure value of loans at the time of default, relative to their origination exposure value. The Company assesses the possible default events within 12 months of origination, & the exposure value at which such loans defaulted. This is represented by the EAD factor. This EAD factor is applied to all Stage 1 & Stage 2 loans, to estimate the likely Exposure at Default.

In case of undrawn loan commitments, a credit conversion factor of 75 % is applied for expected drawdown. For credit impaired assets (i.e. Stage 3 assets), an EAD factor of 100% is applied.



Loss Given Default (LGD)

Loss Given Default (LGD) is an estimate of the ultimate loss arising, when a default occurs. It is based on empirical contractual realisations from credit impaired assets (i.e. Stage 3 assets) after event of default (& till the time the exposure is written off) including from the realization of any security.

Financial assets are classified through the following three stages based on the change in credit risk since initial recognition:

Stage 1: 12-months ECL

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The company has assessed that all standard advances and advances upto 30 days default (SMA 0) would fall under this category. For these assets, 12-month ECL are recognized and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance).

Stage 2: Lifetime ECL – not credit impaired

Financial instruments that have had a significant increase in credit risk since initial recognition are classified under this stage. 30 Days Past Due is considered as significant increase in credit risk and classified under this category. For these assets, lifetime ECL are recognized, but interest revenue is still calculated on the gross carrying amount of the asset.

Stage 3: Lifetime ECL – credit impaired

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount.

Credit-impaired financial assets:

At each reporting date, the company assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event;
- The restructuring of a loan or advance by the company on terms that the company would not consider otherwise;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.

Measurement of ECLs

The measurement of ECL reflects:

- An unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes
- The time value of money
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

ECLs are derived from unbiased and probability-weighted estimates of expected loss, and are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls over the expected life of the financial asset discounted by the effective interest rate. The cash shortfall is the difference between the cash flows due to the company in accordance with the contract and the cash flows that the company expects to receive.
- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows discounted by the effective interest rate.
- Undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the company if the commitment is drawn down and the cash flows that the company expects to receive.

ECLs are recognised using a provision for doubtful debts account in profit and loss. In the case of debt instruments measured at fair value through other comprehensive income, the measurement of ECLs is based on the three-stage approach as applied to financial assets at amortised cost. The company recognises the provision charge in profit and loss, with the corresponding amount recognised in other comprehensive income, with no reduction in the carrying amount of the asset in the balance sheet.

Write-off

Loans and debt securities are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the company's procedures for recovery of amounts due.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows.

- Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- Loan commitments and financial guarantee contracts: generally, as a provision;
- Where a financial instrument includes both a drawn and an undrawn component, and the company cannot identify the ECL on the loan commitment component separately from those on the drawn component: the company presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision; and
- Debt instruments measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the fair value reserve.

Derecognition of financial assets and financial liabilities

Financial assets

The Company derecognizes a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de recognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.



Offsetting

Financial assets and financial liabilities are generally reported gross in the balance sheet. Financial assets and liabilities are offset and the net amount is presented in the balance sheet when the Company has a legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously in all of the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Company and/or its counterparties

Derivative assets and liabilities with master netting arrangements (e.g. ISDAs) are only presented net when they satisfy the eligibility of netting for all of the above criteria and not just in the event of default.

Hedge Accounting

The company makes use of derivative instruments to manage exposures to interest rate and foreign currency. In order to manage particular risks, the company applies hedge accounting for transactions that meet specified criteria.

At the inception of a hedge relationship, the company formally designates and documents the hedge relationship to which the company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

Fair value hedges

Fair value hedges hedge the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or firm commitment, that is attributable to a particular risk and could affect profit or loss.

For designated and qualifying fair value hedges, the cumulative change in the fair value of a hedging derivative is recognised in the statement of profit and loss in net gain on fair value changes. Meanwhile, the cumulative change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item in the balance sheet and is also recognised in the statement of profit and loss in net gain on fair value changes.

The company classifies a fair value hedge relationship when the hedged item (or Company of items) is a distinctively identifiable asset or liability hedged by one or a few hedging instruments. The financial instruments hedged for interest rate risk in a fair value hedge relationships fixed rate debt issued and other borrowed funds. If the hedging instrument expires or is sold, terminated or exercised, or where the hedge no longer meets the criteria for hedge accounting, the hedge relationship is discontinued prospectively. If the relationship does not meet hedge effectiveness criteria, the company discontinues hedge accounting from the date on which the qualifying criteria are no longer met. For hedged items recorded at amortised cost, the accumulated fair value hedge adjustment to the carrying amount of the hedged item on termination of the hedge accounting relationship is amortised over the remaining term of the original hedge using the recalculated EIR method by recalculating the EIR at the date when the amortisation begins. If the hedged item is derecognised, the unamortised fair value adjustment is recognised immediately in the statement of profit and loss.

Cash flow hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit or loss.

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in net gain/loss on fair value changes in the profit and loss statement.

When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss. When the forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in OCI are reversed and included in the initial cost of the asset or liability.

When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time re-mains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss.

Cost of hedging

The company also may separate forward element and the spot element of a forward contract and designate as the hedging instrument only the change in the value of the spot element of a forward contract. Similarly currency basis spread may be separated and excluded from the designation of a financial instrument as the hedging instrument. When an entity separates the forward element and the spot element of a forward contract and designates as the hedging instrument only the change in the value of the spot element of the forward contract, or when an entity separates the foreign currency basis spread from a financial instrument and excludes it from the designation of that financial instrument as the hedging instrument, such amount is recognised in OCI and accumulated as a separate component of equity under Cost of hedging reserve. These amounts are reclassified to the statement of profit or loss account as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.



NEOGROWTH CREDIT PRIVATE LIMITED

Notes to financial statements for the as at / year ended March 31, 2021

(Rs. in lakhs)

Note 4: Cash and cash equivalents

	As at March 31, 2021	As at March 31, 2020
Cash on hand	31.74	34.17
Balances with bank	3,221.48	525.53
Bank deposit with maturity of less than 3 months	2,200.00	16,000.90
TOTAL	5,453.22	16,560.60

Balances with banks earn interest at fixed rates based on daily bank deposit rates. Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates. The Company has not taken bank overdraft against these Bank deposits, therefore the cash and cash equivalent for cash flow statement is same as cash and for cash equivalent given above.

Note 5: Bank balance other than cash and cash equivalents

	As at March 31, 2021	As at March 31, 2020
Deposits with original maturity for more than 3 months but less than 12 months	797.96	-
Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments	25,009.85	5.91
TOTAL	25,807.81	5.91

Fixed deposit earns interest at fixed rate based on applicable bank deposit rates.



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the as at / year ended March 31, 2021
(Rs. in lakhs)

Note 6: Derivative financial instruments

The Company enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that either meet the hedge accounting requirements or hedges that are economic hedges, but the Company has elected not to apply hedge accounting requirements.

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.

The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

Particulars	As at March 31, 2021				As at March 31, 2020			
	Notional amounts	Fair value assets	Notional amounts	Fair value liabilities	Notional amounts	Fair value assets	Notional amounts	Fair value liabilities
Part I								
(i) Currency derivatives								
-Currency swaps		-	4,245.00	(64.08)	4,245.00	241.14	-	-
Sub total (i)	-	-	4,245.00	(64.08)	4,245.00	241.14	-	-
(ii) Other derivatives - Cross Currency Interest Rate Swaps			11,892.29	90.73	11,892.29	309.70	-	-
Total derivative financial instruments (i+ii)	-	-	16,137.29	26.65	16,137.29	550.84	-	-
Part II								
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:								
Cash flow hedging	-	-	16,137.29	26.65	16,137.29	550.84	-	-
Total Derivative Financial Instruments	-	-	16,137.29	26.65	16,137.29	550.84	-	-

The above classification includes a derivative financial asset of Rs. 64.08 lakhs which has been set off by against derivative financial liability of Rs. 90.73 lakhs

6.1: Hedging activities and derivatives

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk. The Company's risk management strategy and how it is applied to manage risk are explained in Note 42.

6.1.2 Derivatives designated as hedging instruments

6.1.2.1 Cash flow hedges

The Company is exposed to foreign currency risk arising from its foreign currency borrowing, as well as interest rate risk on floating rate foreign currency borrowings - both aggregating to a notional amount of USD 22.58 million as on March 31, 2021.

The Company has economically hedged

- (i) the foreign currency risk arising from the fixed rate non-INR borrowing using the cross currency swap, and
- (ii) the foreign currency risk and interest rate risk arising from the floating rate non-INR borrowing using the cross currency interest rate swap

The swap contracts above effectively convert the cash outflows of the foreign currency borrowing to fixed rate cash outflows in INR.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the all the swap contracts matches that of the foreign currency borrowing (notional amount, interest payment dates, principal repayment date etc.).

The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the derivative are identical to the hedged risk components.

To test the hedge effectiveness, the Company uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The hedge ineffectiveness can arise mainly if there is a change in the credit risk of the Company or the counterparty.

The Company has recorded notional Cash flow hedge loss of Rs. 0.53 lakhs for the year ended March 31, 2021 which is routed through Other Comprehensive Income. The Company has entered into effective hedge and hence such notional loss would be nullified at the time of actual cash settlement. Hence reduction in equity to the extent of Rs. 0.40 (net of tax) lakhs is notional in nature



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the as at / year ended March 31, 2021
(Rs. in lakhs)

Note 6: Derivative financial instruments

The impact of the hedging instruments on the balance sheet is as follows:

March 31, 2021

	Notional amount	Carrying amount	Line item in the balance sheet
Cross Currency Interest Rate Swaps	11,892.29	(90.73)	Derivative financial instruments
Currency Swaps	4,245.00	64.08	Derivative financial instruments

March 31, 2020

	Notional amount	Carrying amount	Line item in the balance sheet
Cross Currency Interest Rate Swaps	11,892.29	309.70	Derivative financial instruments
Currency Swaps	4,245.00	241.14	Derivative financial instruments

The impact of hedged items on the balance sheet is as follows:

Particulars	Cash flow hedge reserve as at March 31, 2021	Cash flow hedge reserve as at March 31, 2020
External Commercial Borrowings	-298.20	-297.80

The effect of cash flow hedge in the statement of profit or loss and other comprehensive income is as follows:

Particulars	Total hedging gain / (loss) recognised in OCI for the year ended March 31, 2021	Total hedging gain / (loss) recognised in OCI for the year ended March 31, 2020
External Commercial Borrowings	(0.53)	(397.96)



NEOGROWTH CREDIT PRIVATE LIMITED**Notes to financial statements for the as at / year ended March 31, 2021****(Rs. in lakhs)****Note 7: Receivables**

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Receivables Unsecured considered good	0.01	-
TOTAL	0.01	-

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.



NEOGROWTH CREDIT PRIVATE LIMITED

Notes to financial statements for the as at / year ended March 31, 2021
(Rs. in lakhs)

Note 8: Loans (at amortised cost)

Particulars	As at March 31, 2021	As at March 31, 2020
Term loans	1,34,029.67	1,35,393.41
Total - Gross	1,34,029.67	1,35,393.41
Less: Impairment loss allowance	12,339.14	10,862.39
Total - Net	1,21,690.53	1,24,531.02
Loans in India		
i) Public Sector	-	-
ii) Others (Private sector)	1,34,029.67	1,35,393.41
Total - Gross	1,34,029.67	1,35,393.41
Less: Impairment loss allowance	12,339.14	10,862.39
Total - Net	1,21,690.53	1,24,531.02
Loans outside India		
Less: Impairment loss allowance	-	-
Total - Net		
Total	1,21,690.53	1,24,531.02

Summary of loans by stage distribution

Details of Company's Risk Management process and policies are set out in Note 42 - Risk Management.

	As at March 31, 2021				As at March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	83,524.82	41,846.69	8,658.16	1,34,029.67	1,27,279.71	3,976.82	4,136.88	1,35,393.41
Less: Impairment loss allowance	(3,165.45)	(4,249.77)	(4,923.92)	(12,339.14)	(7,443.25)	(262.36)	(3,156.78)	(10,862.39)
Net carrying amount	80,359.37	37,596.92	3,734.24	1,21,690.53	1,19,836.46	3,714.46	980.10	1,24,531.02

Gross Carrying amount and Impairment loss allowance excludes amounts written off which are still subject to enforcement activity

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to business loan is, as follows:

	For the year ended March 31, 2021				For the year ended March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	1,27,279.71	3,976.82	4,136.88	1,35,393.41	96,680.37	3,296.30	5,145.28	1,05,121.95
New assets originated or purchased	75,768.74	41,533.41	8,073.08	1,25,375.23	1,06,885.45	1,803.50	1,807.65	1,10,496.60
Assets derecognised or repaid (excluding write offs)	(1,19,036.04)	(3,919.56)	(919.70)	(1,23,875.30)	(68,515.29)	(1,513.17)	(10,196.68)	(80,225.14)
Transfers to Stage 1	1.11	(1.11)	-	-	18.92	(18.92)	-	-
Transfers to Stage 2	(315.57)	315.57	-	-	(2,143.64)	2,143.64	-	-
Transfers to Stage 3	(145.06)	(21.21)	166.27	-	(5,646.10)	(1,734.53)	7,380.63	-
Assets written Off	(28.07)	(37.23)	(2,798.37)	(2,863.67)	-	-	-	-
Gross carrying amount closing balance	83,524.82	41,846.69	8,658.16	1,34,029.67	1,27,279.71	3,976.82	4,136.88	1,35,393.41



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the as at / year ended March 31, 2021
(Rs. in lakhs)

Note 8: Loans (at amortised cost)

Reconciliation of ECL balance is given below:

	For the year ended March 31, 2021				For the year ended March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	7,443.25	262.36	3,156.78	10,862.39	6,490.76	212.94	3,665.24	10,368.94
New assets originated or purchased	2,946.29	4,127.60	4,839.33	11,913.22	4,296.05	1,142.49	1,211.35	6,649.89
Assets derecognised or repaid (excluding write offs)	(6,987.22)	(213.56)	(371.12)	(7,571.90)	(2,778.40)	(1,090.80)	(7,490.66)	(11,359.86)
Transfers to Stage 1	1.88	(1.86)	-	-	1.79	(1.79)	-	-
Transfers to Stage 2	(124.75)	124.75	-	-	(142.16)	142.16	-	-
Transfers to Stage 3	(85.01)	(12.29)	97.30	-	(424.79)	(142.64)	567.43	-
Assets written Off	(28.97)	(37.23)	(2,798.37)	(2,864.57)	-	-	-	-
Impact on year end ECL of exposures transferred between stages during the year	-	-	-	-	-	-	5,203.42	5,203.42
ECL allowance - closing balance	3,165.45	4,249.77	4,923.92	12,339.14	7,443.25	262.36	3,156.78	10,862.39

Due to the nationwide lockdown announced on account of COVID-19 pandemic outbreak, the company is exposed to additional risk on its loans. To consider the risks pertaining to COVID-19, enhanced expected credit loss has been considered on the outstanding exposures of the Company. Accordingly, additional ECL of Rs.500 lakhs has been considered in Stage 1 and 2, largely by increasing the PD factor (while estimating additional ECL). This has been done by observing repayment behaviour across industries & customer segments, during the year.

Concentration of loans and advances (%)

Industry	As of March 31, 2021	As of March 31, 2020
Food and Beverage	14.66%	17.00%
Apparel	13.66%	13.00%
Petrol Pump	7.90%	10.00%
Groceries	5.51%	4.00%
Hardware and Electrical	3.85%	3.00%
Engineering and Capital Goods	2.87%	3.00%
Contractor	3.69%	3.00%
Mobile	3.62%	3.00%
Pharmacy	3.16%	2.50%
FMCG	2.69%	2.50%
Hotels	1.07%	2.00%
Spa and Salon	2.29%	2.00%
Others	35.03%	35.00%

Note:

Others consist a list of more than 50 industries, over which this portion of the portfolio is distributed.



NEOGROWTH CREDIT PRIVATE LIMITED**Notes to financial statements for the as at / year ended March 31, 2021****(Rs. in lakhs)****Note 9: Investments**

Particulars	At Fair value through profit and loss account
As at March 31, 2021	
Mutual funds	8,255.93
Total Gross	8,255.93
Less : Impairment loss allowance	-
Total - Net	8,255.93
As at March 31, 2020	
Mutual funds	-
Total Gross	-
Less : Allowance for impairment loss	-
Total - Net	-

More information regarding the valuation methodologies can be found in Note 41 - Fair value measurement.



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the as at / year ended March 31, 2021
(Rs. in lakhs)
Note 10: Property, plant and equipment

Particulars	Leasehold property improvement work	Office equipment	Computer Equipment	Furniture & Fixtures	Total
Cost:					
As at April 1, 2019	40.38	57.85	222.27	61.13	381.63
Additions	0.56	22.64	103.03	0.20	126.43
Disposals	-	-	(0.67)	-	(0.67)
As at March 31, 2020	40.94	80.49	324.63	61.33	507.39
Additions	38.55	13.97	56.31	-	108.83
Disposals	-	(37.36)	(214.78)	(11.57)	(263.71)
As at March 31, 2021	79.49	57.10	166.16	49.76	352.51
Depreciation and impairment:					
As at April 1, 2019	24.07	18.53	126.00	15.24	183.84
Depreciation charge for the year	7.03	22.56	87.13	11.91	128.63
Disposals	-	-	(0.66)	-	(0.66)
As at March 31, 2020	31.10	41.09	212.47	27.15	311.81
Depreciation charge for the year	12.61	21.87	80.06	8.74	123.28
Disposals	-	(34.80)	(210.17)	(9.74)	(254.71)
As at March 31, 2021	43.71	28.16	82.36	26.15	180.38
Net book value:					
As at March 31, 2020	9.84	39.40	112.16	34.18	195.58
As at March 31, 2021	35.78	28.94	83.80	23.61	172.13



NEOGROWTH CREDIT PRIVATE LIMITED**Notes to financial statements for the as at / year ended March 31, 2021****(Rs. in lakhs)****Note 11: Right-of-use assets**

The company has elected not to apply the requirement of Ind AS 116 to short term leases of all assets that have a lease term of 12 months or less. The lease payments associated with these leases are recognized as an expenses on a straight line basis over the lease term.

Particulars	Right-of-use Premises
Cost:	
As at April 1, 2019	3,599.23
Additions	1,027.73
Disposals	445.76
As at March 31, 2020	4,181.20
Additions	2,250.94
Adjustments	(290.67)
Disposals	2,895.60
As at March 31, 2021	3,245.87
Depreciation and impairment:	
As at April 1, 2019	1,237.51
Disposals	302.05
Depreciation charge for the year	819.17
As at March 31, 2020	1,754.63
Depreciation charge for the year	799.58
Disposals	1,996.92
Adjustments	52.19
As at March 31, 2021	609.48
Net book value:	
As at March 31, 2020	2,426.57
As at March 31, 2021	2,636.39



NEOGROWTH CREDIT PRIVATE LIMITED

Notes to financial statements for the as at / year ended March 31, 2021

(Rs. in lakhs)

Note 12: Other financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured considered good, unless stated otherwise		
Security deposits	244.94	452.66
Less: Impairment allowance	-	-9.40
Cash Collateral Placed for hedge transaction	115.50	-
Others		
Fixed deposits with bank with original maturity for more than 12 months	1,400.24	1,303.50
Other receivables	193.45	67.28
Total	1,954.13	1,814.04

Note: Out of the above, fixed deposit Rs. 1,249.01 lakhs (as at March 31, 2020 - Rs. 1,254.04 lakhs) are marked as lien against term loans.



NEOGROWTH CREDIT PRIVATE LIMITED

Notes to financial statements for the as at / year ended March 31, 2021

(Rs. in lakhs)

Note 13: Other intangible assets

Particulars	Computer Software
Cost:	
As at April 1, 2019	125.24
Additions	57.00
As at March 31, 2020	182.24
Additions	-
As at March 31, 2021	182.24
Accumulative amortisation and impairment:	
As at April 1, 2019	32.96
Depreciation charge for the year	57.41
As at March 31, 2020	90.37
Depreciation charge for the year	45.62
As at March 31, 2021	135.99
Net book value:	
As at March 31, 2020	91.87
As at March 31, 2021	46.25

Note 14: Other non-financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
Advance tax (net of Provisions for taxation and tax deducted at source)	362.97	765.36
Goods & Service Tax cash ledger	0.03	1.23
Goods & Service Tax credit (input) receivable	339.49	305.44
Prepaid expenses	151.60	162.30
Advance to vendors	125.24	142.49
TOTAL	979.33	1,376.82



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the as at / year ended March 31, 2021
(Rs. in lakhs)
Note 15: Debt securities

Particulars	As at March 31, 2021	As at March 31, 2020
	Amortised cost	Amortised cost
Liability component of compound financial instruments	9.10	9.10
Debentures (Secured)		
Privately placed debentures	88,833.88	73,293.12
Total	88,842.98	73,302.22
Debt securities in India	88,842.98	73,302.22
Debt securities outside India	-	-
TOTAL	88,842.98	73,302.22

The Company has sought and obtained waiver / amendment etc in respect of any breach of loan covenants. No loans have been recalled by lender as of March 31, 2021

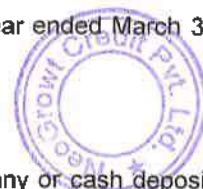
Particulars of Privately Placed Redeemable Non Convertible Debentures (Secured):

Redemption Date	Put/Call option date	Repayment details	Face Value	As at March 31, 2021	As at March 31, 2020
July 17, 2020	-	Bullet	10,00,000	-	8,600.00
September 29, 2021	-	Bullet	10,00,000	4,000.00	4,000.00
October 26, 2021	-	Bullet	10,00,000	6,500.00	6,500.00
August 07, 2022	-	Bullet	10,00,000	5,060.00	5,060.00
November 16, 2022	-	Bullet	10,00,000	6,000.00	6,000.00
February 07, 2023	-	Bullet	10,00,000	3,500.00	3,500.00
February 15, 2023	-	Bullet	10,00,000	10,500.00	10,500.00
April 26, 2023	-	Bullet	10,00,000	3,250.00	3,250.00
May 13, 2023	-	Bullet	10,00,000	5,080.00	5,080.00
August 28, 2023	-	Bullet	10,00,000	6,500.00	6,500.00
September 03, 2025	September 03, 2022	Bullet	10,00,000	6,200.00	6,200.00
February 26, 2026	February 25, 2022	Bullet	10,00,000	7,000.00	7,000.00
November 24, 2023	-	Bullet	10,00,000	3,200.00	-
December 9, 2024	-	Four Equal Instalments	10,00,000	7,400.00	-
May 13, 2024	-	Bullet	5,000	4,521.40	-
February 13, 2026	-	Bullet	10,00,000	4,100.00	-
March 18, 2024	March 18, 2023	Periodic	1,00,000	2,500.00	-
March 19, 2024	March 19, 2023	Periodic	1,00,000	2,000.00	-
Total				87,311.40	72,190.00
Add: Interest Component (including EIR)				1,522.48	1,103.12
Total				88,833.88	73,293.12

Interest rates range from 11.65% p.a. to 14% p.a. for the year ended March 31, 2021 (for the year ended March 31, 2020 - Interest rate range from 11.92% p.a. to 13.66% p.a.)

Security details for Non Convertible Debentures ('NCDs')

The NCDs are fully secured by first pari passu charge over the loan to merchants of the Company or cash deposits / fixed deposits of the company in cases where the funds are pending deployment towards loan to merchants. The total asset cover has been maintained as per the terms and condition stated in the respective debenture trust deeds.



NEOGROWTH CREDIT PRIVATE LIMITED

Notes to financial statements for the as at / year ended March 31, 2021

(Rs. in lakhs)

Note 16: Borrowings other than debt securities

Particulars	As at March 31, 2021	As at March 31, 2020
	Amortised cost	Total
Term Loan		
from bank in INR (secured)	4,085.80	3,898.80
from third party in INR (secured)	12,670.42	10,329.01
from third party in INR (Unsecured)	2,004.11	1,998.65
Cash credit / Overdraft facilities from banks (secured)	2,455.72	903.82
External Commercial Borrowings	16,648.32	17,187.49
Others	3,421.36	-
Total	41,285.73	34,317.77
Borrowings in India	24,637.41	17,130.28
Borrowings outside India	16,648.32	17,187.49
Total	41,285.73	34,317.77

The Company has sought and obtained waiver / amendment etc in respect of any breach of loan covenants. No loans have been recalled by lender as of March 31, 2021

Term loan from bank:

These are secured by an exclusive first charge by way of hypothecation of specific identified book debts. Of the total, loans of Rs. 2,569 lakhs (March 31, 2020: Rs.3,210 lakhs) are secured by additional third party guarantee.

Coupon rate range from 6.85% p.a. to 11.5% for the year ended March 31, 2021 (for the year ended March 31, 2020 - Interest rate range from 10.43% p.a. to 11.50%).

Term loan from third party:

These are secured by an exclusive first charge by way of hypothecation of specific identified book debts. Of the total, loans of Rs. 1,166.67 lakhs (March 31, 2020: Rs. 1,833.33 lakhs) are secured by additional fixed deposit. Further, of the total, loans of Rs. 2,140.59 lakhs (March 31, 2020: Nil) are secured by additional third party guarantee.

Coupon rates range from 11.5% p.a. to 14.45% p.a. for the year ended March 31, 2021 (for the year ended March 31, 2020 interest rate range from 12.25% p.a. to 14.45% p.a.).

Cash credit / Overdraft facilities from banks:

These are secured by an exclusive first charge by way of hypothecation of specific identified book debts and lien marked Fixed Deposits. (March 31, 2020: NIL).

Coupon rates range from 9.75% to 11.05% p.a. for the year ended March 31, 2021 (for the year ended March 31, 2020 - 10.70% to 11.25% p.a.).

External Commercial Borrowings:

These loans represent the External Commercial Borrowings (ECB) of the company. These are secured by an exclusive first charge by way of hypothecation of specific identified book debts.

Coupon rates range from 4.19% p.a. to 6.15% p.a. for the year ended March 31, 2021 (for the year ended March 31, 2020 4.74% p.a. to 6.15% p.a.).



NEOGROWTH CREDIT PRIVATE LIMITED

Notes to financial statements for the as at / year ended March 31, 2021

(Rs. in lakhs)

Note 17: Other financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Merchant balances	1,256.76	823.51
Lease liabilities for premises on rent (refer Note 17A)	2,679.98	2,592.84
Other liabilities	82.51	77.47
TOTAL	4,019.25	3,493.82

Note 17A: Lease liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Lease liabilities for premises on rent	2,679.98	2,592.84
TOTAL	2,679.98	2,592.84

Maturity analysis of contractual undiscounted cash flow

Particulars	As at March 31, 2021	As at March 31, 2020
Less than 1 year	800.65	1,043.15
1 - 5 years	2,586.75	2,097.41
6 - 10 years	122.99	38.64
More than 10 years	-	-
Total undiscounted lease liabilities	3,510.39	3,179.20

The following is the movement in lease liabilities for the year ended March 31, 2021:

	Amount
Balance as at April 1, 2019	2,458.82
Add: Finance Cost accrued during the year	323.22
Add: Lease liability recognised during the year (Net of foreclosure)	805.10
Less: Payment of Lease Liabilities	(994.30)
Balance as at March 31, 2020	2,592.84
Add: Finance Cost accrued during the year	320.04
Add: Lease liability recognised during the year (Net of foreclosure)	731.74
Less: Payment of Lease Liabilities	(964.64)
Balance as at March 31, 2021	2,679.98

Note:

During the year, COVID-19, Rent related concenssion has been received by the Company. On account of rent waiver and foreclosure of some locations, Interest on lease Liability is reduced by Rs. 143.76 lakhs as compared to charge in Statement of Profit and Loss



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the as at / year ended March 31, 2021
(Rs. in lakhs)

Note 18: Provisions

Particulars	As at March 31, 2021	As at March 31, 2020
Employee benefits		
- Gratuity (refer Note 34)	31.71	33.30
- Provision for compensated absences (refer Note 34)	45.68	44.66
- Retention & performance bonus	520.42	29.58
Provision for non-fund based exposure	10.86	58.28
Provision for Stock Appreciation Rights (SAR)	174.90	174.90
Others	22.26	21.81
TOTAL	805.83	361.61

Loan commitment

Details of Company's Risk Management process and policies are set out in Note 42 - Risk Management

Provision for non-fund based exposure:

a) Credit Quality of Assets

	As at March 31, 2021				As at March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Carrying amount of non-fund based exposure (refer Note 37)	620.35	-	-	620.35	1,082.26	20.90	9.25	1,112.41
Total	620.35	-	-	620.35	1,082.26	20.90	9.25	1,112.41

b) An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loans is, as follows:

	For the year ended March 31, 2021				For the year ended March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	1,082.26	20.90	9.25	1,112.41	638.58	39.64	26.11	704.33
New assets originated or purchased	620.35	-	-	620.35	1,082.26	20.90	9.25	1,112.41
Assets derecognised or repaid (excluding write offs)	(1,082.26)	(20.90)	(9.25)	(1,112.41)	(638.58)	(39.64)	(26.11)	(704.33)
Gross carrying amount closing balance	620.35	-	-	620.35	1,082.26	20.90	9.25	1,112.41

c) Reconciliation of ECL balance is given below:

	For the year ended March 31, 2021				For the year ended March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	50.10	0.93	7.22	58.26	36.53	2.63	21.56	60.72
New assets originated or purchased	10.86	-	-	10.86	50.10	0.93	7.22	58.26
Assets derecognised or repaid (excluding write offs)	(50.10)	(0.93)	(7.22)	(58.26)	(36.53)	(2.63)	(21.56)	(60.72)
ECL allowance - closing balance	10.86	-	-	10.86	50.10	0.93	7.22	58.26



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the as at / year ended March 31, 2021
(Rs. in lakhs)

Note 18: Provisions

Movement of provisions other than employee benefit during the year

The movement in provisions for the year ended March 31, 2021 is, as follows:

	Litigation	Other	Total
As at March 31, 2020	-	21.81	21.81
Additional provisions during the year	-	22.28	22.28
Utilised (incurred or charged against that provision)	-	(21.81)	-21.81
As at March 31, 2021	-	22.28	22.28

Other Provisions:

Other provisions include allocated amounts related to Provision for regular expenses. It is expected that the costs will be incurred over the next 12 months.

Stock Appreciation Rights (SAR PLAN 2015)

SAR grants was cancelled by the shareholders at their Extra Ordinary General Meeting held on November 30, 2017. The SAR's already granted to continuing employees as on March 31, 2018 is replaced by the Employee Stock Options under the ESOP 2017 scheme at the Special resolution passed by the members on November 30, 2017. The vesting schedule of each employee under ESOP scheme is aligned to the vesting schedule as per the original SAR scheme except the first vesting shall happen only after completion of 12 months from the date of the grant of option under ESOP scheme 2017.

Details of activity under SARs is summarized below:

Particulars	As at March 31, 2021	As at March 31, 2020
	Nos	Nos
SARs Outstanding at the beginning of the year	1,69,400	1,69,400
Rights Vested during the year	-	-
Exercised during the year	-	-
Expired/Lapsed/Transferred during the year	-	-
Outstanding at the end of the year	1,69,400	1,69,400
Total Liability of SAR (Rs. in lakhs)	174.90	174.90

Particulars	As at March 31, 2021	As at March 31, 2020
Total employee compensation cost pertaining to SARs for the year as per the terms of vesting	-	-
Opening balance of provision for SARs	174.90	174.90
Closing balance of provision for SARs (Net off)	174.90	174.90

Note 19: Other non-financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory dues payable	230.09	220.41
TOTAL	230.09	220.41



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the as at / year ended March 31, 2021
(Rs. in lakhs)

Note 20: Share capital

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised		
2,10,00,000 (March 31, 2020: 2,10,00,000) equity shares of Rs 10 each	2,100.00	2,100.00
4,60,00,000 (March 31, 2020: 4,60,00,000) preference shares of Rs 10 each	4,600.00	4,600.00
TOTAL	6,700.00	6,700.00
Issued, Subscribed and Fully paid-up Share Capital		
1,80,00,600 (March 31, 2020: 1,80,00,600) equity shares of Rs 10 each	1,800.06	1,800.06
4,56,44,009 (March 31, 2020: 4,56,44,009) 0.01% Compulsory Cumulative Convertible Preference Shares (CCCPs) of Rs 10/- each fully paid up	4,555.30	4,555.30
TOTAL	6,355.36	6,355.36

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Particulars	Equity		Compulsory Cumulative Convertible Preference Shares (CCCPs)	
	Numbers	Amount	Numbers	Amount
As at April 1, 2019	1,80,00,600	1,800.06	4,56,44,009	4,555.30
Issued during the year	-	-	-	-
As at March 31, 2020	1,80,00,600	1,800.06	4,56,44,009	4,555.30
Issued during the year	-	-	-	-
As at March 31, 2021	1,80,00,600	1,800.06	4,56,44,009	4,555.30

Rights, preferences and restrictions attached to Equity Shares:

The Company has a single class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. During the year ended March 31, 2021, the amount of per share dividend recognized as distributions to equity shareholders was Nil (for the year ended March 31, 2020: Rs. Nil per share). In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Rights, preferences and restrictions attached to Preference Shares(CCCPS):

Each holder of CCCPS is entitled to one vote per share only on resolutions placed before the Company which directly affect the rights attached to CCCPS. Each share of the series A, B & C CCCPS shall be converted into one equity share of face value of Rs. 10 each subject to any adjustments required for any possible corporate action, e.g. share split, issue of bonus shares, etc. The Series A, B & C CCCPS shall be compulsorily convertible at the end of 20 (twenty) years from the date of issuance of each Series CCCPS. The conversion can be done by investors on any date, provided 30 days advance written notice is given to the Company by the respective investor. The Series A, B & C CCCPS shall carry a cumulative coupon rate of 0.01% per annum. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Details of shareholders holding more than 5% shares in the Company as on reporting date

Particulars	As at March 31, 2021			As at March 31, 2020		
	Nos.	% holding in the class	% holding in all classes	Nos.	% holding in the class	% holding in all classes
i) Dhruv Kumar Khaitan	90,00,000	49.998%	14.141%	90,00,000	49.998%	14.141%
ii) Piyush Kumar Khaitan	90,00,000	49.998%	14.141%	90,00,000	49.998%	14.141%

Details of shareholders holding more than 5% preference shares in the Company as on reporting date

Particulars	As at March 31, 2021			As at March 31, 2020		
	Nos.	% holding in the class	% holding in all	Nos.	% holding in the class	% holding in all classes
Aspada Investment Company	53,80,758	11.79%	8.45%	53,80,758	11.79%	8.45%
ON Mauritius	69,85,181	15.26%	10.94%	69,85,181	15.26%	10.94%
Khosla Impact I Mauritius	32,51,470	7.12%	5.11%	32,51,470	7.12%	5.11%
Accion Frontier Inclusion Mauritius	62,80,838	13.75%	9.87%	62,80,838	13.78%	9.87%
IIFL Seed Ventures Fund I	48,59,945	10.65%	7.64%	48,59,945	10.85%	7.64%
West Bridge Crosscover Fund LLC	26,89,900	5.89%	4.23%	26,89,900	5.89%	4.23%
Trinity Inclusion Ltd	1,62,16,217	35.53%	25.48%	1,62,16,217	35.53%	25.48%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

The Company has not issued any shares for a consideration other than cash during the year and immediately preceding five years from the reporting date.

Terms of any securities convertible into equity / preference shares issued along with the earliest date of conversion in descending order starting from the farthest such date:

7,482,587 shares - 0.01% fully Compulsory convertible cumulative preference shares of Rs. 10/- each are convertible into equity share in the ratio of 1 equity share for every 1 preference shares held at the end of twenty years from the date of allotment (May 22, 2013) or earlier at the option of the preference shareholder. The conversion can be done by investors on any date, provided 30 days advance written notice is given to the Company by the respective investor, ten days prior to the proposed filing of draft red herring prospectus by the Company in pursuance of Qualified Institutional Placement Offer (QIPO).

1,697,479 shares - 0.01% fully Compulsory convertible cumulative preference shares of Rs. 10/- each are convertible into equity share in the ratio of 1 equity share for every 1 preference shares held at the end of twenty years from the date of allotment (March 25, 2014) or earlier at the option of the preference shareholder. The conversion can be done by investors on any date, provided 30 days advance written notice is given to the Company by the respective investor, ten days prior to the proposed filing of draft red herring prospectus by the Company in pursuance of QIPO.



Note 20: Share capital

1,131,720 shares - 0.01% fully Compulsory convertible cumulative preference shares of Rs. 10/- each are convertible into equity share in the ratio of 1 equity share for every 1 preference shares held at the end of twenty years from the date of allotment (June 19, 2014) or earlier at the option of the preference shareholder. The conversion can be done by investors on any date, provided 30 days advance written notice is given to the Company by the respective investor, ten days prior to the proposed filing of draft red herring prospectus by the Company in pursuance of QIPO.

4,680,752 shares - 0.01% fully Compulsory convertible cumulative preference shares of Rs. 10/- each are convertible into equity share in the ratio of 1 equity share for every 1 preference shares held at the end of twenty years from the date of allotment (March 31, 2015) or earlier at the option of the preference shareholder. The conversion can be done by investors on any date, provided 30 days advance written notice is given to the Company by the respective investor, ten days prior to the proposed filing of draft red herring prospectus by the Company in pursuance of QIPO.

13,232 shares - 0.01% fully Compulsory convertible cumulative preference shares of Rs. 10/- each are convertible into equity share in the ratio of 1 equity share for every 1 preference shares held at the end of twenty years from the date of allotment (April 6, 2015) or earlier at the option of the preference shareholder. The conversion can be done by investors on any date, provided 30 days advance written notice is given to the Company by the respective investor, ten days prior to the proposed filing of draft red herring prospectus by the Company in pursuance of QIPO.

2,357,550 shares - 0.01% fully Compulsory convertible cumulative preference shares of Rs. 10/- each are convertible into equity share in the ratio of 1 equity share for every 1 preference shares held at the end of twenty years from the date of allotment (July 29, 2015) or earlier at the option of the preference shareholder. The conversion can be done by investors on any date, provided 30 days advance written notice is given to the Company by the respective investor, ten days prior to the proposed filing of draft red herring prospectus by the Company in pursuance of QIPO.

94,88,272 shares - 0.01% fully Compulsory convertible cumulative preference shares of Rs. 10/- each are convertible into equity share in the ratio of 1 equity share for every 1 preference shares held at the end of twenty years from the date of allotment (June 21, 2016) or earlier at the option of the preference shareholder. The conversion can be done by investors on any date, provided 30 days advance written notice is given to the Company by the respective investor, ten days prior to the proposed filing of draft red herring prospectus by the Company in pursuance of QIPO.

10,860,312 shares - 0.01% fully Compulsory convertible cumulative preference shares of Rs. 10/- each are convertible into equity share in the ratio of 1 equity share for every 1 preference shares held at the end of twenty years from the date of allotment (January 23, 2018) or earlier at the option of the preference shareholder. The conversion can be done by investors on any date, provided 30 days advance written notice is given to the Company by the respective investor, ten days prior to the proposed filing of draft red herring prospectus by the Company in pursuance of QIPO.

8,152,005 shares - 0.01% fully Compulsory convertible cumulative preference shares of Rs. 10/- each issued by way of right issue are convertible into equity share in the ratio of 1 equity share for every 1 preference shares held at the end of twenty years from the date of allotment (March 21, 2018) or earlier at the option of the preference shareholder. The conversion can be done by investors on any date, provided 30 days advance written notice is given to the Company by the respective investor, ten days prior to the proposed filing of draft red herring prospectus by the Company in pursuance of QIPO. Right issue of share to existing shareholders.

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, refer Note 33

Note 21: Other Equity

Nature and purpose of Reserves

Securities Premium Reserve:

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Share options outstanding account:

The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees as per IND AS 102 "Share Based Payments", including key management personnel, as part of their remuneration. Refer to Note 33 for further details of these plans.

Cash flow hedging reserve:

The Company uses hedging instruments as part of its management of foreign currency risk and interest rate risk associated on borrowings as described within note 6. For hedging foreign currency and interest rate risk, the Company uses foreign currency forward contracts, cross currency swaps, foreign currency option contracts and interest rate swaps. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to the statement of profit or loss when the hedged item affects profit or loss (e.g. interest payments).

Statutory reserve:

Statutory reserve is created as per the terms of section 45-IC(1) of the Reserve Bank of India Act, 1934

Other equity movement during the year

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory Reserve (pursuant to section 45-IC(1) of the Reserve Bank of India Act, 1934)	202.45	202.45
Security Premium	42,518.24	42,518.24
Retained Earnings	-14,514.84	-11,505.34
Share options outstanding account	888.96	729.92
Other Comprehensive Income	-299.46	-253.36
Total	28,835.35	31,691.91

In compliance with the provisions, the Management has provided for dividend on Series A, B and C of Compulsory Cumulative Convertible Preference Shares at the rate of 0.01% on a prorata basis.



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Note 22: Interest income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
	On Financial Assets measured at Amortised cost	On Financial Assets measured at Amortised cost
<u>Interest on Loans</u>		
Business loans	31,578.12	31,693.57
<u>Interest on deposits with Banks</u>	963.80	90.97
<u>Other Interest Income</u>		
Unwinding of security deposit	131.33	50.83
Total	32,673.25	31,835.37

Note 23: Fees and commission income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Other financial services- Commission	58.90	82.81
Merchant Service Fees	281.15	893.26
Service Fees on Syndication	3.17	33.32
Total	341.22	1,009.39

Revenue from contracts with customers

Set out below is the revenue from contracts with customers and reconciliation to profit and loss account

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Type of Services or Service		
Fee and commission income	341.22	1,009.39
Total revenue from contract with customers	341.22	1,009.39
Geographical markets		
India	341.22	1,009.39
Outside India	-	-
Total revenue from contract with customers	341.22	1,009.39
Timing of revenue recognition		
Services transferred at a point in time	341.22	1,009.39
Services transferred over time	-	-
Total revenue from contracts with customers	341.22	1,009.39

Contract Balances

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables	0.01	-
Fees and other receivables	22.70	49.23

Impairment allowance recognised on contract balances is Rs. Nil (March 2020 Rs. 3.40 lakhs)

Note 24: Net gain on fair value changes

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Net gain/ (loss) on financial instruments at fair value through profit or loss		
On trading portfolio		
Realised	97.56	714.70
Unrealised	6.34	-
Total	103.90	714.70

Note 25: Other Income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Income from other Services	11.27	13.42
Interest on Income Tax Refund	88.31	32.61
Cheque bounce charges	95.56	79.12
Miscellaneous Income	0.25	25.69
Total	195.39	150.84



Note 26: Finance Cost

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
	On Financial liabilities measured at Amortised Cost	On Financial liabilities measured at Amortised Cost
Interest expense on:-		
- Debt securities	9,348.60	8,544.95
- Borrowings (other than debt securities)	2,551.56	1,682.57
Interest expense on lease liability	175.28	323.22
Other borrowing costs		
Other borrowing cost *	1,497.25	669.13
Total	13,571.69	11,319.87

* Other Borrowing cost includes stamp duty.

Note 27: Impairment on financial instruments

The below table show impairment loss on financial instruments charge to statement of profit and loss based on category of financial instrument

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
	On Financial instruments measured at Amortised cost	On Financial instruments measured at Amortised cost
Loans	12,788.01	9,243.96
Non Fund Based Exposure	(47.40)	(2.46)
Security Deposits	(9.40)	(1.05)
Total	12,731.21	9,240.45

During the year, the Company has written off loans amounting to Rs. 11,311.27 lakhs (for the year ended March 31, 2020 – Rs. 7,501.81 lakhs). Also the Company has recovered an amount of Rs. 1,629.95 lakhs (for the year ended March 31, 2020 – Rs. 1,221.81 lakhs) against current year and previous years' written off amounts.

The table below shows the ECL charges on financial instruments for the year recorded in the profit and loss based on evaluation stage:

Particulars	For the year ended March 31, 2021					For the year ended March 31, 2020				
	Stage 1	Stage 2	Stage 3	Simplified approach	Total	Stage 1	Stage 2	Stage 3	Simplified approach	Total
Loans and advances to customers	(4,277.80)	3,987.41	1,767.14	-	1,476.75	952.49	49.42	740.24	-	1,742.15
Bad debts written off	-	-	-	-	9,064.53	-	-	-	-	9,064.53
Principal loss on settlement	-	-	-	-	2,246.73	-	-	-	-	2,246.73
Sub - Total	(4,277.80)	3,987.41	1,767.14	-	12,788.01	952.49	49.42	740.24	-	9,243.96
Non Fund Based Exposure	(39.24)	(0.93)	(7.22)	-	(47.40)	13.58	(1.70)	(14.34)	-	(2.46)
Security deposits	-	-	-	(9.40)	(9.40)	-	-	-	(1.05)	(1.05)
Sub - Total	(39.24)	(0.93)	(7.22)	(9.40)	(56.80)	13.58	(1.70)	(14.34)	(1.05)	(3.51)
Total Impairment loss	(4,317.04)	3,986.48	1,759.92	(9.40)	12,731.21	966.07	47.72	725.90	(1.05)	9,240.45



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(Rs. in lakhs)

Note 28: Employee benefit expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and wages	8,885.15	6,335.63
Contribution to provident and other funds	150.55	155.59
Gratuity expenses	51.34	38.44
Share based payments to employees	159.04	196.51
Staff welfare expenses	129.95	138.94
Total	7,378.04	6,865.29

Note 29: Depreciation, amortisation and impairment

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation of tangible assets	123.27	128.63
Amortisation of intangible assets	45.62	57.41
Depreciation on right-of-use asset	799.58	819.17
Total	968.47	1,005.21

Note 30: Other expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Marketing Expenses	61.09	112.25
Professional & Legal Fees	369.82	514.65
Rent - Short term leases	6.45	15.51
Travelling & Lodging Expenses	25.39	164.87
IT Services Expenses	401.00	331.87
Fee & Stamp Charges	213.66	347.44
Terminal deployment charges	121.74	900.62
Service Tax & GST expensed out	439.60	721.56
Rates & Taxes	10.98	3.43
Auditors' Remuneration (a)	28.57	27.82
Insurance expenses	89.99	85.53
Office and Maintenance Expenses	207.05	209.55
Power and Fuel Charges	81.59	89.58
Telephone & Internet Charges	115.56	90.67
Verification and Rating charges	158.59	219.77
Bank charges	51.20	79.20
Outsource Agency Cost	633.66	779.65
Miscellaneous Expenses	100.91	47.72
Total	3,088.85	4,741.99

(a) Audit Remuneration include fees payable to auditor as analysed below:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
As auditor:		
Statutory audit of the Company	24.50	24.50
Certification fees	4.00	2.50
Out of Pocket expenses	0.07	0.82
TOTAL	28.57	27.82

Amounts recognised in profit and loss for ROU Assets and Lease Liabilities

	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation expense on right-of-use assets	799.58	819.17
Interest expense on lease liabilities	176.28	323.22

Expenditure in foreign currency during the year:

	For the year ended March 31, 2021	For the year ended March 31, 2020
Other borrowing cost	335.89	225.53
Marketing Expenses	-	11.57
Verification and Rating charges	6.79	-
IT Services Expenses	-	13.31
TOTAL	342.68	250.41



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(Rs. In lakhs)

Note 31: Income Tax

The components of income tax expense for the year ended March 31, 2021 and March 31, 2020 are:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current tax	-	214.23
Adjustment in respect of current income tax of prior years	-	282.88
Deferred tax charge / (credit) relating to change in tax rates	-	456.57
Deferred tax charge / (credit) relating to origination and reversal of temporary differences	(1,413.46)	(112.88)
Total tax charge	(1,413.46)	840.80

Reconciliation of the total tax charge:

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended March 31, 2021 and March 31, 2020 is, as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Accounting profit before tax	(4,422.50)	537.50
At India's statutory income tax rate of 25.168% (for the year ended March 31, 2020: 25.168%)	(1,113.05)	135.28
Effects of:		
Creation of Deferred Tax on account of Other Ind AS adjustments of the previous period	(300.41)	(33.93)
	(1,413.46)	101.35
Adjustment in respect of current income tax of prior years	-	282.88
Deferred tax charge / (credit) relating to change in tax rates	-	456.57
Income tax expense reported in the statement of profit & Loss	(1,413.46)	840.80

The effective income tax rate for March 31, 2021 is 25.168% (for the year ended March 31, 2020 - 25.168%).

Deferred Tax

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
	As at March 31, 2021	As at March 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2021
Brought Forward Loss	893.48	-	246.66	-
Depreciation, amortisation and impairment	62.88	-	8.92	-
Lease Adjustments	51.11	-	(30.01)	-
Impairment allowance for financial assets	3,097.53	-	982.23	-
Derivative instruments in Cash flow hedge relationship	100.29	-	-	0.13
ESOP Expenses	223.73	-	124.59	-
Other temporary differences Includes deferred tax on unamortised costs on Borrowings and unamortised net income on Loan, deferred tax on Allowable / disallowable expenses under Income Tax etc.	95.04	-	81.07	-
Total	4,524.06	-	1,413.46	0.13
Net Amount	4,524.06			

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
	As at March 31, 2020	As at March 31, 2020	For the year ended March 31, 2020	For the year ended March 31, 2020
Brought Forward Loss	646.81	-	(148.21)	-
Depreciation, amortisation and impairment	53.96	-	2.59	-
Lease Adjustments	81.12	-	9.19	-
Impairment allowance for financial assets	2,115.30	-	(107.26)	-
Derivative instruments in Cash flow hedge relationship	100.16	-	-	100.16
ESOP Expenses	99.14	-	28.76	-
Other temporary differences includes deferred tax on unamortised costs on Borrowings and unamortised net income on Loan, deferred tax on Allowable / disallowable expenses under Income Tax etc.	13.97	-	(130.76)	-
Total	3,110.46	-	(343.89)	100.16
Net Amount	3,110.46			



NEOGROWTH CREDIT PRIVATE LIMITED

Notes to financial statements for the as at / year ended March 31, 2021

(Rs. in lakhs)

Note 32: Earnings per share

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of Company (after adjusting for dividend on the convertible preference shares) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Net profit / (loss) attributable to ordinary equity holders of the parent	(3,009.04)	(622.41)
Less: Dividend to Preference Shareholders	(0.46)	(0.46)
Profit / (loss) available for equity shareholders	(3,009.50)	(622.87)
Weighted average number of ordinary shares for basic earnings per share	6,57,05,546	6,56,68,292
Weighted average number of equity shares outstanding during the year	1,80,00,600	1,80,00,600
Dilutive impact of weighted average number of Compulsory Cumulative Convertible Preference Shares	4,56,44,009	4,56,44,009
Dilutive impact of weighted average number of ESOP	20,60,937	20,23,683
Face value of per share	10.00	10.00
Earnings per share		
Basic earnings per share (Rs.)	(16.72)	(3.46)
Diluted earnings per share (Rs.)	(16.72)	(3.46)

Notes:

1. Since diluted EPS are anti-dilutive hence, the disclosure is restricted to basic EPS.
2. Weighted average shares mentioned above are numbers.



NEOGROWTH CREDIT PRIVATE LIMITED

Notes to financial statements for the as at / year ended March 31, 2021
(Rs. in lakhs)

Note 33: Employee Stock Option Scheme (ESOS)
ESOP Scheme 2018

The Employee Stock Options Scheme (ESOP Scheme) 2018 was approved by the shareholders at their Extra Ordinary General Meeting held on March 21, 2018. The Scheme has been formulated in accordance with the provisions of the Companies Act, 2013, as amended read with applicable provisions of the Companies Rules, 2014. The Company has granted stock options to the eligible employees as per ESOP scheme 2018. All the options are exercisable on liquidity event or Initial Public Offer (IPO), whichever is earlier. The Employee Stock Option Scheme 2018 is being administered and monitored by the Nomination and Remuneration Committee of the Company set up by the Board. The Company is authorised to issue 21,99,589 (Twenty One Lakhs Ninety Nine Thousand Five Hundred and Eighty Nine) number of equity shares of the Company having face value of Rs. 10 per share, under the ESOP Scheme 2018 to the eligible employees upon meeting of such vesting criteria as may be fixed or determined by the Board.

ESOP Scheme 2017

No further options were granted during the year under this scheme. All the options are exercisable on liquidity event or Initial Public Offer (IPO), whichever is earlier. The Board at its meeting held on March 21, 2018 approved for short closing the ESOP 2017 and approved revised ESOP 2018 scheme.

For the year ended March 31, 2021 following Employee Stock Option Plans (ESOPs) were in existence. The relevant details of the schemes and the grants are as below:

Details of Employee Stock Option Schemes	ESOP 2018	ESOP 2017
Date of Shareholder's approval of plan	March 21, 2018	November 30, 2017
Date of grant	Various dates	Various dates
Number of options granted	19,13,884	4,21,000
Method of settlement	Equity	Equity
Vesting Period	5 years	5 years
Details of vesting condition	Continued service	Continued service
Exercise Price	Rs. 159.47	Rs. 10 to Rs. 113.17

Details of Vesting

Vesting period from the grant date *	ESOP 2018	ESOP 2017
Completion of 1 year	20.00%	20.00%
Completion of 2 year	20.00%	20.00%
Completion of 3 year	20.00%	20.00%
Completion of 4 year	20.00%	20.00%
Completion of 5 year	20.00%	20.00%

There were no cancellations or modifications to the schemes in March 31, 2021, March 31, 2020.

* The SAR's already granted to continuing employees as on March 31, 2018 is replaced by the Employee Stock Options under the ESOP 2017 scheme at the Special resolution passed by the members on November 30, 2017. The vesting schedule of each employee under ESOP scheme is aligned to the vesting schedule as per the original SAR scheme except the first vesting shall happen only after completion of 12 months from the date of the grant of option under ESOP scheme 2017.

Details of activity under each plan

	ESOP 2018		ESOP 2017	
	No. of Options	Weighted Avg. Exercise Price	No. of Options	Weighted Avg. Exercise Price
Outstanding as at April 1, 2019	16,78,884	159.47	4,21,000	60.81
Granted during the year	60,000	159.47	-	-
Forfeited during the year	(85,500)	159.47	(23,800)	-
Outstanding as at March 31, 2020	16,53,384	-	3,97,200	-
Outstanding as at April 1, 2020	16,53,384	159.47	3,97,200	60.81
Granted during the year	30,000	159.47	-	-
Outstanding as at March 31, 2021	16,83,384	159.47	3,97,200	60.81
Vested and exercisable as at March 31, 2021	7,41,554	-	3,86,200	-
Weighted average remaining contractual life (in years)	3		2	

The value of the underlying shares has been determined by an independent valuer. The following assumptions were used for calculation of fair value of grants in accordance with Black Scholes model, for options granted during the financial year:

	For the year ended March 31, 2021	For the year ended March 31, 2020
Risk-free interest rate	4.44% to 5.71%	6.55% to 7.08%
Expected life of options (years)	5 years	5 years
Expected volatility (%)	24.08%	21.75%
Dividend yield	0%	0%
Exercise price	159.47	159.47
Weighted average share price (Rs.)	159.47	159.47

The risk free interest rates are determined based on the Government bond yields with maturity equal to the expected term of the option. Volatility calculation is based on historical stock prices of comparable companies using standard deviation of change in stock price. The historical period is taken into account to match the expected life of the option.

The expense recognised for employee services received during the year is shown in the following table:

	For the year ended March 31, 2021	For the year ended March 31, 2020
Expense arising from equity-settled share based payment transactions	159.04	196.51
Expense arising from cash-settled share based payment transactions	-	-
Total expense arising from share based payment transactions	159.04	196.51



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Note 34: Retirement benefit plan

Defined Contribution Plan

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized Rs. 150.34 lakhs (for the year ended March 31, 2020: Rs. 149.89 lakhs) for Provident Fund contributions (including admin charges) and Rs. 0.22 lakhs (for the year ended March 31, 2019: Rs. 5.67 lakhs) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes.

Defined Benefit Plan

The Company has defined benefit gratuity plan and is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service, managerial grade and salary at retirement age. Gratuity expense has been disclosed separately in Note 28.

The following tables summaries the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan.

Statement of Profit and Loss

(1) Net employee benefit expense recognised in the employee cost

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current service cost	48.55	37.13
Interest expense	7.06	5.82
Interest income	(5.34)	(4.51)
Total Expenses recognised in Statement of profit and loss	50.27	38.44
Remeasurement (or Actuarial) (gain) / loss arising from:		
-change in demographic assumptions	-	(0.01)
-change in financial assumptions	(7.87)	6.74
-experience variance (i.e. Actual experience vs assumptions)	9.50	11.87
-others		
Return on plan assets excluding interest income	4.08	2.71
Total Expenses recognised in other comprehensive income	5.71	21.31

Balance Sheet

(2) Reconciliation of present value of the obligation and the fair value of plan assets:

Particulars	As at March 31, 2021	As at March 31, 2020
Defined benefit obligation	184.45	140.64
Fair value of plan assets	152.74	106.85
Asset/(liability) recognized in the balance sheet	(31.71)	(33.79)

(3) Changes in the present value of the defined benefit obligation are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Opening defined benefit obligation	141.22	88.67
Transfer in/out		
Interest cost	7.06	5.82
Current service cost	48.55	37.13
Benefits paid	(14.01)	(9.00)
Past Service Cost	-	-
Remeasurement (or Actuarial) (gain) / loss arising from:		
-change in demographic assumptions	-	(0.01)
-change in financial assumptions	(7.87)	6.74
-experience variance (i.e. Actual experience vs assumptions)	9.50	11.87
Closing defined benefit obligation	184.45	141.22
Less: Amount paid by Fund but yet to be paid to employee	-	(0.58)
Net Closing defined benefit obligation	184.45	140.64

Note:

Amount of Rs. Nil (as of March 31, 2020: Rs. 0.58 lakhs) has been released by LIC to the company w.r.t. gratuity payment to a left employee, while the same has not yet been received by the employee.



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Note 34: Retirement benefit plan

(4) Changes in the fair value of plan assets are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Opening fair value of plan assets	109.85	68.68
Transfer in/Out		
Interest income	5.34	4.51
Contributions by employer	58.64	45.95
Benefits paid	(14.01)	(9.58)
Return on plan assets excluding interest income	(4.08)	(2.71)
Closing fair value of plan assets	152.74	106.85

(5) The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	As at March 31, 2021	As at March 31, 2020
Discount rate	4.40%	5.00%
Salary growth rate	6.00%	8.00%
Attrition rate		
Customer Acquisition Manager ('CAMS')	70%	70%
Other than CAMS	35%	35%
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14

(6) Investments quoted in active markets:

Particulars	As at March 31, 2021	As at March 31, 2020
Funds managed by the issuer	100%	100%
Total	100%	100%

(7) Expected payment for future years

Particulars	As at March 31, 2021	As at March 31, 2020
Within the next 12 months (next annual reporting period)	55.80	45.08
Between 2 and 5 years	116.48	84.84
Between 6 and 10 years	35.09	31.55
Beyond 10 years	5.95	6.02
Total expected payments	213.11	167.49

The Company expects to contribute Rs. 72.78 lakhs to the fund in the next financial year.

The weighted average duration of the defined benefit obligation as at March 31, 2021 is 3 years (as at March 31, 2020 : 3 years)

The fund is administered by Life Insurance Corporation of India ("LIC"). The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.



Note 34: Retirement benefit plan

The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

The principal assumptions used in determining leave encashment obligations for the Company's plans are shown below:

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Discount rate	4.40%	5.00%
Salary growth rate	6.00%	8.00%
Normal retirement age	58 years	58 years
Mortality Rate	100% of IALM 2012-14	100% of IALM 2012-14
Attrition rate		
Customer Acquisition Manager ('CAMS')	70%	70%
Other than CAMS	35%	35%

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields / rates available on applicable bonds as on the current valuation date.

The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

Asset Liability Matching Strategies

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The Insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Defined Benefit Obligation (Base)	184.45	141.22

Particulars	As at		As at	
	March 31, 2021		March 31, 2020	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	190.48	178.77	145.93	135.79
(% change compared to base due to sensitivity)	3.30%	-3.10%	3.30%	-3.10%
Salary Growth Rate (- / + 1%)	175.90	190.17	136.89	145.72
(% change compared to base due to sensitivity)	-3.00%	3.10%	-3.10%	3.20%
Attrition Rate (- / + 50% of attrition rates)	237.58	150.93	196.28	112.90
(% change compared to base due to sensitivity)	28.80%	-18.20%	39.00%	-20.00%
Mortality Rate (- / + 10% of mortality rates)	184.42	184.47	141.20	141.24
(% change compared to base due to sensitivity)	0.00%	0.00%	0.00%	0.00%



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the as at / year ended March 31, 2021
(Rs. in lakhs)
Note 35: Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. With regard to loans and advances to customers, the Company uses the same basis of expected repayment behaviour as used for estimating the EIR. Issued debt reflect the contractual coupon amortisations.

Particulars	As at March 31, 2021			As at March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	5,453.22	-	5,453.22	16,560.60	-	16,560.60
Bank Balance other than above	25,807.81	-	25,807.81	5.91	-	5.91
Derivative financial instruments	-	-	-	-	550.84	550.84
Trade receivables	0.01	-	0.01	-	-	-
Loans	74,827.78	46,862.75	1,21,690.53	78,526.69	46,004.33	1,24,531.02
Investments	8,255.93	-	8,255.93	-	-	-
Other financial assets	317.62	1,636.51	1,954.13	117.20	1,696.84	1,814.04
Non-financial Assets						
Deferred tax assets (net)	-	4,524.06	4,524.06	-	3,110.46	3,110.46
Property, plant and equipment	-	172.13	172.13	-	195.58	195.58
Right-of-use assets	-	2,636.39	2,636.39	-	2,426.57	2,426.57
Capital work-in-progress	-	-	-	-	-	-
Other intangible assets	-	46.25	46.25	-	91.87	91.87
Other non financial assets	613.96	365.37	979.33	609.42	767.40	1,376.82
Total assets	1,15,276.33	56,243.46	1,71,519.79	95,819.82	54,843.89	1,50,663.71
Liabilities						
Financial Liabilities						
Trade payables						
total outstanding dues of creditors other than micro enterprises and small enterprises	1,118.55	-	1,118.55	920.61	-	920.61
Derivative financial liabilities	26.65	-	26.65	-	-	-
Debt Securities	27,703.84	61,139.14	88,842.98	25,424.33	47,877.89	73,302.22
Borrowings (other than debt securities)	21,217.00	20,068.73	41,285.73	8,591.47	25,726.30	34,317.77
Other Financial liabilities	1,201.04	2,818.21	4,019.25	1,250.92	2,242.90	3,493.82
Non-financial Liabilities						
Provisions	551.13	254.70	805.83	110.83	250.78	361.61
Other non-financial liabilities	230.09	-	230.09	220.41	-	220.41
Total Liabilities	52,048.30	84,280.78	1,36,329.08	36,518.57	76,097.87	1,12,616.44
Net	63,228.03	-28,037.32	35,190.71	59,301.25	-21,253.98	38,047.27

Note:

1. The Company considers Put/Call option dates for the purpose of reporting maturity pattern of Borrowings including debt securities.
2. In the preparation of the above disclosure, certain assumption have been considered by the management which have been relied upon by the auditors.
3. The Maturity profile in respect of loans given has been prepared based on the contractual cash inflows from the loans disbursed agreed with customers as the Company expects the behaviour to be similar



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the as at / year ended March 31, 2021
(Rs. in lakhs)
Note 36: Change in liabilities arising from financing activities
Changes in liabilities arising from financing activities

Particulars	As at March 31, 2020	Cash Flows (net)	Exchange difference	Others	As at 31 March 2021
Debt Securities	73,302.22	15,121.40	-	419.36	88,842.98
Borrowings other than debt securities	34,317.77	7,534.66	(576.96)	10.26	41,285.73
Total	1,07,619.99	22,656.06	(576.96)	429.62	1,30,128.71

Particulars	As at April 1, 2019	Cash Flows (net)	Exchange difference	Others	As at March 31, 2020
Debt Securities	69,293.16	4,225.33	-	(216.28)	73,302.22
Borrowings other than debt securities	9,303.64	23,963.07	948.80	102.26	34,317.77
Total	78,596.80	28,188.40	948.80	(114.01)	1,07,619.99

Others Includes amortised cost impact and incremental interest liability at the year end



NEOGROWTH CREDIT PRIVATE LIMITED

Notes to financial statements for the as at / year ended March 31, 2021

(Rs. in lakhs)

Note 37: Contingent liabilities, commitments**(A) Contingent Liabilities**

Particulars	As at March 31, 2021	As at March 31, 2020
Bank Guarantees		
Bank Guarantee given by Banks for renovation of work to be carried out by Mumbai Head Office	-	5.00
Total	-	5.00

(B) Commitments

Particulars	As at March 31, 2021	As at March 31, 2020
Commitments related to loans sanctioned but undrawn		
PayLater Open Limits (refer Note 18)	827.14	1,483.22
Other Commitments		
Capital commitments	7.48	20.64
Total	834.62	1,503.86



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the as at / year ended March 31, 2021
(Rs. In lakhs)

Note 38: Related party disclosures

(A) List of Related Parties with whom Company had transaction

Enterprise where Key Managerial Personnel has significant influence or control
Dika Services LLP

Key Managerial Personnel

Mr. Piyush Kumar Khaitan	Managing Director
Mr. Arun Nayyar	Chief Executive Officer (CEO)
Mr. B Ravi Kumar	Chief Financial Officer (CFO) & Company Secretary (CS)

Directors

Mr. Dhruv Kumar Khaitan	Chairman
Mr. BS Nagesh (upto April, 19, 2019)	Independent Director
Ms. Smriti Aggarwal (from May 07, 2019 to August 08, 2019)	Independent Director
Ms. Bindu Ananth (from October 10, 2019)	Independent Director
Mr. Mahesh Krishnamurthy (from April 01, 2019)	Director
Mr. Ganesh Rangaswamy	Director
Mr. Prashasta Sethi (upto December 31, 2020)	Director
Mr. Micheal Fernandes	Director
Mr. Pranav Kumar	Director
Mr. Amit Mehta (from February 12, 2021)	Additional Director

(B) Related Party transactions during the year:

Particulars	Enterprise where Key Managerial Personnel has significant influence or control		Key Management Personnel / Managing Director		Directors		Relatives of Key Management Personnel / Directors	
	For the year ended / as at March 31, 2021	For the year ended / as at March 31, 2020	For the year ended / as at March 31, 2021	For the year ended / as at March 31, 2020	For the year ended / as at March 31, 2021	For the year ended / as at March 31, 2020	For the year ended / as at March 31, 2021	For the year ended / as at March 31, 2020
Transactions								
For infrastructure maintenance charges recovered	11.27	13.42	-	-	-	-	-	-
Managerial Remuneration	-	-	47.30	47.20	-	-	-	-
Professional fees	-	-	-	-	24.00	19.50	-	-
Remuneration	-	-	347.57	449.35	-	-	-	-
Balances								
Deposit for accommodation	-	-	7.00	7.00	-	-	-	-

Note:

- Related parties have been identified on the basis of the declaration received by the management and other records available.
- Provisions for gratuity, compensated absences and other long term service benefits are made for the Company as a whole and the amounts pertaining to the key managerial personnel are not specifically identified and hence are not included above.
- The Company enters into transactions, arrangements and agreements involving related parties in the ordinary course of business under the same commercial and market terms, interest and commission rates that apply to non-related parties.



NEOGROWTH CREDIT PRIVATE LIMITED**Notes to financial statements for the as at / year ended March 31, 2021****(Rs. in lakhs)****Note 39: Capital****Capital Management**

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

Regulatory capital	As at March 31, 2021	As at March 31, 2020
TIER I capital	29,725.41	34,206.18
TIER II capital	1,608.83	1,708.32
Total capital	31,334.24	35,914.50
Risk weighted assets	1,37,825.29	1,36,665.98
Tier I CRAR	21.56%	25.03%
Tier II CRAR	1.17%	1.25%
Tier I + II CRAR	22.73%	26.28%

Regulatory capital consists of TIER I capital, which comprises share capital, share premium, retained earnings including current year loss less accrued dividends.

As per RBI guidelines, the Company being a Non-Banking Finance Company has to maintain 15% of capital adequacy ratio for NBFC business.

Note 40: Events after reporting date

There have been no events after the reporting date that require disclosure in these financial statements.



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the as at / year ended March 31, 2021
(Rs. in lakhs)

Note 41: Fair value measurement

41.1 Valuation Principle

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques

Level 1: valuation based on quoted market price: financial instruments with quoted prices for identical instruments in active markets that the Company can access at the measurement date

Level 2: valuation using observable inputs: financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable

Level 3: valuation technique with significant unobservable inputs: financial instruments valued using valuation techniques where one or more significant inputs are unobservable

41.2 Fair Value Hierarchy of assets and liabilities

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

March 31, 2021

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Financial assets held for trading				
Mutual funds	8,255.93	-	-	8,255.93
Total Financial assets held for trading	8,255.93	-	-	8,255.93
Total assets measured at fair value on a recurring basis	8,255.93	-	-	8,255.93
Total financial assets measured at fair value	8,255.93	-	-	8,255.93
Liabilities measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Derivative financial instruments				
Currency Swaps	-	(64.08)	-	-64.08
Cross Currency Interest Rate Swaps	-	90.73	-	90.73
Total derivative financial instruments	-	26.65	-	90.73
Total financial liabilities measured at fair value on a recurring basis	-	26.65	-	90.73
Total financial liabilities measured at fair value	-	26.65	-	90.73

March 31, 2020

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Derivative financial instruments				
Currency Swaps	-	241.14	-	241.14
Cross Currency Interest Rate Swaps	-	309.70	-	309.70
Total derivative financial instruments	-	550.84	-	550.84
Total assets measured at fair value on a recurring basis	-	550.84	-	550.84
Total financial assets measured at fair value	-	550.84	-	550.84

There are no financial instruments measured at fair value on non-recurring basis.

Investments in Mutual Fund are fair valued through Profit & Loss account. Derivative Financial Instruments are fair valued through Other Comprehensive Income and rest of all financial assets are measured at amortised costs



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the as at / year ended March 31, 2021
(Rs. in lakhs)

Note 41: Fair value measurement

41.3 Valuation techniques

Derivative contracts

Derivatives contracts include Cross Currency Swaps and Cross Currency Interest Rate Swaps. These instruments are valued by (a) observable foreign exchange rates; and (b) observable or calculated forward points (implied yield curves)

The Company classifies Derivatives contracts as Level 2 financial instruments when no unobservable inputs are used for their valuation or the unobservable inputs used are not significant to the measurement (as a whole)

Foreign exchange contracts

Foreign exchange contracts include foreign exchange forward and swap contracts and over-the-counter foreign exchange options. These instruments are valued by either observable foreign exchange rates, observable or calculated forward points and option valuation models. With the exception of contracts where a directly observable rate is available which are disclosed as Level 1, the Company classifies foreign exchange contracts as Level 2 financial instruments when no unobservable inputs are used for their valuation or the unobservable inputs used are not significant to the measurement (as a whole).

Mutual Funds

Mutual Funds include investment in liquid funds and overnight funds. These are debt-based funds. The amounts mentioned is the fair value of the portfolio basis the NAV of the underlying schemes which are published by respective AMCs on a daily basis. The cost of the portfolio as at March 31, 2021 is Rs. 8,249.59 lakhs (As at March 31, 2020 - Nil)

41.4 Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets

March 31, 2021	Valuation	Fair Value				Total
		Carrying Value	Level-1	Level-2	Level-3	
Financial assets:						
Cash and cash equivalents	At amortised cost	5,453.22	3,253.22	2,200.00	-	5,453.22
Bank balance other than above	At amortised cost	25,807.81	-	25,807.81	-	25,807.81
Trade receivables	At amortised cost	0.01	-	-	0.01	0.01
Loans	At amortised cost	1,21,690.53	-	-	1,21,690.53	1,21,690.53
Other Financial Assets	At amortised cost	1,954.13	-	-	1,954.13	1,954.13
Total financial assets		1,54,905.69	3,253.22	28,007.81	1,23,644.68	1,54,905.69
Financial liabilities:						
Trade payables	At amortised cost	1,118.55	-	-	1,118.55	1,118.55
Debt securities	At amortised cost	88,842.98	-	-	88,842.98	88,842.98
Borrowings (other than debt securities)	At amortised cost	41,285.73	-	-	41,285.73	41,285.73
Other Financial liabilities	At amortised cost	4,019.25	-	-	4,019.25	4,019.25
Total financial liabilities		1,35,266.51	-	-	1,35,266.51	1,35,266.51
Off balance sheet items						
Other commitments	At amortised cost	827.14	-	-	827.14	827.14
Total off-balance sheet items		827.14	-	-	827.14	827.14

There are no transfer of assets / liabilities between Level 1, Level 2 and Level 3 during the current year as well as previous year.

March 31, 2020	Valuation	Fair Value				Total
		Carrying Value	Level-1	Level-2	Level-3	
Financial assets:						
Cash and cash equivalents	At amortised cost	16,560.60	559.70	16,000.90	-	16,560.60
Bank balance other than above	At amortised cost	5.91	-	5.91	-	5.91
Loans	At amortised cost	1,24,531.02	-	-	1,24,531.02	1,24,531.02
Other Financial Assets	At amortised cost	1,814.04	-	-	1,814.04	1,814.04
Total financial assets		1,42,911.57	559.70	16,006.81	1,26,345.06	1,42,911.57
Financial liabilities:						
Trade payables	At amortised cost	920.61	-	-	920.61	920.61
Debt securities	At amortised cost	73,302.22	-	-	73,302.22	73,302.22
Borrowings (other than debt securities)	At amortised cost	34,317.77	-	-	34,317.77	34,317.77
Other Financial liabilities	At amortised cost	3,493.82	-	-	3,493.82	3,493.82
Total financial liabilities		1,12,034.42	-	-	1,12,034.42	1,12,034.42
Off balance sheet items						
Other commitments	At amortised cost	1,483.22	-	-	1,483.22	1,483.22
Total off-balance sheet items		1,483.22	-	-	1,483.22	1,483.22

41.5 Valuation methodologies of financial instruments not measured at fair value

The Company has determined that the carrying values of cash and cash equivalents, bank balances, trade receivables, loans, trade payables, debt securities, borrowings, other financial assets, other financial liabilities and off-balance sheet item are a reasonable approximation of their fair value and hence their carrying values are deemed to be fair values.



Note 42: Risk management

42.1 Introduction and Risk Profile

42.1.1 Risk management structure

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles. The Board has constituted the Credit and Risk Management Committee which is responsible for monitoring the overall risk process within the Company.

The Credit and Risk Management Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The Committee is also responsible for managing portfolio risk decisions and monitoring risk levels.

The Company's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Company.

The Company's risk management processes are audited annually by the Internal Auditors, who examine both the adequacy of the procedures and the Company's compliance with the procedures. The Internal Auditors discuss the results of all assessments with the management, and reports their findings and recommendations to the Audit Committee of the Board.

42.1.2 Risk mitigation and risk culture

As part of its overall risk management, the Company can use derivatives and other instruments to manage exposures resulting from changes in interest rates and foreign currencies, equity risks and credit risks. Currently, the Company uses derivatives to manage its interest rate and foreign exchange risk arising from the USD denominated borrowings.

In accordance with the Company's policy, its risk profile is assessed before entering into hedging transactions, which are authorised by the appropriate level of seniority within the Company. The effectiveness of hedges is assessed by the ALCO (based on economic considerations rather than the Ind AS hedge accounting regulations). The effectiveness of all the hedge relationships is monitored by the ALCO on a monthly basis. It is the Company's policy that in situations of ineffectiveness, it will enter into a new hedge relationship to mitigate risk on a continuous basis. Currently, the positions are fully hedged (i.e. 100% risk of interest rate and/or foreign exchange movement) in line with the Board approved policies.

42.1.3 Risk measurement and reporting systems

The Company's loan asset portfolio risk is measured using a method that reflects expected loss likely to arise in normal circumstances based on statistical models. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment, whenever required. This risk measurement is quantified by way of the Expected Credit Loss (ECL). Unexpected losses resulting from unforeseen event risks e.g. natural disasters / events / pandemic situations etc., are estimated by applying judgemental inferences to lead indicators of portfolio behaviour.

The Company's policy is to measure and monitor the overall risk, in relation to the aggregate risk exposure across all risk types and activities.

Information compiled from all the departments is examined and processed in order to analyse, control and identify operational risks on a timely basis. This information is presented and explained to the Head of each Department, the Audit Committee of the Board, The Audit Committee of the Board & the Credit and Risk Management Committee receives a comprehensive risk report once a quarter (from the Auditors & the Risk Head respectively) which is designed to provide all the necessary information to assess and conclude on the risks of the Company.

It is the Company's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Company is exposed to. The Company continuously trains its employees to build awareness of the Company's risk appetite and support them in their roles and responsibilities to monitor risk.

42.2 Credit Risk

Credit risk is the possibility that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept on its Loan Portfolio, and by monitoring exposures in relation to such limits.

The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties.

The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

42.2.1 Derivative financial instruments

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the balance sheet.

With gross-settled derivatives, the Company is also exposed to a settlement risk, being the risk that the Company honours its obligation, but the counterparty fails to deliver the counter value. The Company deals with only high rated Banking Counterparty(ies) to ensure mitigation of counterparty credit risk and settlement risk.

42.2.2 Impairment assessment

The references below show where the Company's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the Summary of significant accounting policies.

The Company's definition and assessment of default (Note 42.2.2.1)

- How the Company defines, calculates and monitors the Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD) (Notes 42.2.2.2 to 42.2.2.4)
- When the Company considers there has been a significant increase in credit risk (SICR) of an exposure (Note 42.2.2.5)
- The details of the ECL calculations for Stage 1, Stage 2 and Stage 3 assets

42.2.2.1 Definition of default

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikelihood to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events may include (and not be limited to):

- All the facilities of a borrower from all the borrowed accounts are treated as Stage 3 when one of his facility becomes 90 days past due i.e. credit impaired
- A covenant breach not waived by the Company
- The Company on selective Basis does consider restructuring of loans after due assessment of its viability from time to time, in line with regulatory / judicial norms & dispensations.

42.2.2.2 PD estimation process

Probability of Default (PD) is an estimate of the likelihood of default in a homogeneous pool of loans, over a 12 month time horizon. PD estimation process is done based on historical & empirical internal data available with the company. Company calculates the 12 month PD by taking into account the past historical trends of the portfolio and its credit performance. In case of assets where there is a significant increase in credit risk (SICR) i.e. when a borrower becomes 30 Days past Due, a higher PD is applied basis empirical data of such customers defaulting. For credit impaired assets, a PD of 100% is applied.

42.2.2.3 Exposure at Default (EAD)

The Exposure at Default (EAD) represents the empirical residual value of loans at the time of default, relative to the principal balance of such accounts at the start point of the 12 month period for which performance has been empirically measured. The Company assesses the possible default events within 12 months & the exposure value at which such loans defaulted. This is represented by the EAD factor. This EAD factor is applied to all Stage 1 & Stage 2 loans, to estimate the likely Exposure at Default.

In case of undrawn loan commitments (for accounts that are live & unexpired), a credit conversion factor of 75 % is applied for expected drawdown. For credit impaired assets (i.e. Stage 3 assets), an EAD factor of 100% is applied.

42.2.2.4 Loss Given Default (LGD)

Loss Given Default (LGD) is an estimate of the ultimate loss arising when a default occurs. It is based on empirical contractual realisations from credit impaired assets (i.e. Stage 3 assets), after event of default (i.e. upto 2 years from write off date) including from the realization of any security.

42.2.2.5 Significant Increase in credit risk

The Company continuously monitors its Loan Portfolio in order to assesses whether there has been an event which could cause a significantly increase in the credit risk (SICR) of the underlying asset or the customers ability to pay and accordingly applies a higher PD rate. An asset can move in & out of SICR category based upon whether it has undergone SICR events that may include (and not be limited to):

- When one of the facilities of a borrower becomes 30 days past due
- Borrowers of a segment / industry / geography under stress



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the as at / year ended March 31, 2021
(Rs. in lakhs)

Note 42: Risk management

42.3 Liquidity risk and funding management

Liquidity risk arises from mismatches in the timing of cash flows, these mismatches originate due to difference in average maturity of assets and liabilities in the books. It is a risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities as and when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances

Liquidity Risk is primarily monitored by a Board appointed Asset Liability Committee (ALCO) and is managed by the Company's treasury team under the guidance of ALCO

Liquidity Risk is measured by identifying gaps in the structural and dynamic liquidity statements. Key practices employed by the company for assessment and monitoring of liquidity risk are as below

1. Monitoring the external operating environment, regulatory framework for NBFCs, capital market instruments and bank loans, debt market conditions and liquidity, and risk appetite of investors
2. Mapping of near to medium-term outflows on liabilities and expected inflows from assets, thereby performing a gap assessment for incremental fund raising
3. Periodic reviews by ALCO relating to the liquidity position, plan of action for incremental fund raising and stress tests of the ALM position

The Company continues to closely monitor liquidity in the market and as part of its ALCO strategy maintains a liquidity buffer to reduce any liquidity risk. This liquidity buffer is maintained in the form of unencumbered investments in units of mutual funds (Liquid and/or Overnight Schemes), Fixed Deposits with high rated scheduled Commercial Banks and undrawn Bank lines.

The Company maintains a diverse mix of borrowings from various sources, including banks, developmental financial institutions, foreign portfolio investors and high rated NBFCs. The Company continued to borrow long term debt with longer contractual maturity compared to its loans and advances portfolio, in order to maintain positive cumulative gaps in its ALM. The average maturity of liabilities is higher than average maturity of assets, which has caused positive gap in the ALM. During the year, the Company strengthened its banking partnerships by onboarding a large PSU Bank as debt provider. The Company also continues to explore new sources of borrowing and concluded two structured borrowings transactions during the financial year FY 2020 - 2021 (Partial Guarantee Backed Term Loan and PTC Securitisation) and onboarded new category of debt investor (Ultimate Investment Funds).

Considering the COVID-19 pandemic, the company has augmented its liquidity buffers by taking measured steps on disbursements and expenses. At the same time, a strong borrowings pipeline has been built from a diverse set of domestic and overseas financing institutions. The liquidity buffer is sufficient to support ongoing debt repayments and operating expenses of the company, along with regular collections and incremental debt fund raising pipeline is sufficient to support business growth.

42.3.1. Liquidity ratios

Public Disclosure on Liquidity Risk (in accordance with RBI Circular - RBI/2019-20/66 DOR NBFC (PD) CC No 102/03 10 001/2019-20), as on March 31, 2021 as below:

a. Funding Concentration based on significant counterparty

Particulars	As at March 31, 2021
Number of significant counterparties	18
Amount	1,27,683.76
Percentage of funding total borrowings	98.13%

Significant Counterparties are defined as - A single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the Company's total borrowings

b. Top 10 borrowings (by counterparty)

Particulars	As at March 31, 2021
Total Borrowings	1,30,119.91
Top 10 Borrowings	1,06,487.44
Top 10 as a percentage of total borrowings	81.84%

c. Funding Concentration by Instrument

Name of the instrument	As at March 31, 2021	% of Total
Non-Convertible Debentures (NCD)	88,933.88	68.27%
Term Loans	18,760.33	14.42%
External Commercial Borrowings (ECB)	16,648.32	12.79%
Cash Credit (CC)	2,453.72	1.89%
Others	3,421.36	2.63%
Total	1,30,119.61	

Significant Counterparties are defined as - A single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the Company's total borrowings

d. Stock Ratios

Particulars	Percentage
Commercial Paper - as a percentage of total public funds	NA
Commercial Paper - as a percentage of total liabilities *	NA
Commercial Paper - as a percentage of total assets	NA
NCD (original maturity < 1 year) - as a percentage of total public funds	NA
NCD (original maturity < 1 year) - as a percentage of total liabilities *	NA
NCD (original maturity < 1 year) - as a percentage of total assets	NA
Other Short Term Debt - as a percentage of total public funds	NA
Other Short Term Debt - as a percentage of total liabilities *	5.33%
Other Short Term Debt - as a percentage of total assets	4.24%

* Total Liabilities does not include Total Equity

e. Institutional set-up for liquidity risk management

The Liquidity Risk Management Policy of the Company is approved by the Board of Directors of the Company

The Board of Directors or other sub-Committee of the Board including Audit Committee / Sub-Committee have approved the formation of the Asset Liability Committee (ALCO), comprising the Managing Director, Chief Executive Officer, Chief Financial Officer, Senior Vice President - Treasury

42.3.2. Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cashflow of Debt Securities and Borrowings (other than debt securities):

Particulars	As at March 31, 2021	As at March 31, 2020
Within 1 Year	99,597.31	42,676.26
Over 1 year to 2 Years	61,878.88	39,237.35
Over 2 years to 3 Years	23,313.44	30,763.95
Over 3 years to 5 Years	5,759.41	13,695.97
	1,90,549.02	1,26,373.53

Notes:

1. The Company considers Put/Call option dates for the purpose of reporting maturity pattern of Borrowings excluding debt securities

The table below summarises the maturity profile of the undiscounted cashflow of Trade Payable and Other Financial Liabilities:

Particulars	As at March 31, 2021		As at March 31, 2020	
	Trade Payable	Other Financial Liabilities	Trade Payable	Other Financial Liabilities
Within 1 Year	1,118.55	1,201.04	920.81	1,250.91
Over 1 years to 3 Years	-	1,828.08	-	1,800.90
Over 3 years to 5 Years	-	890.18	-	404.03
Above 5 Years	-	88.97	-	37.97
TOTAL	1,118.55	4,019.29	920.81	3,493.81



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2021
(Rs. in lakhs)

Note 42: Risk management

42.4 Market Risk

Market risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Company classifies exposures to market risk into either trading or non-trading portfolios and manages each of those portfolios separately. Such risks the market risk for the trading portfolio is managed and monitored based on a VaR methodology that reflects the interdependency between risk variables. Non-trading positions are managed and monitored using other sensitivity analysis.

42.4.1 Total market risk exposure

Particulars	As at March 31, 2021			As at March 31, 2020			Primary Risk sensitivity
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk	
Assets							
Cash and cash equivalents	5,453.22	-	5,453.22	16,580.60	-	16,580.60	Interest Rate
Other bank balances	25,807.81	-	25,807.81	5.91	-	5.91	Interest Rate
Derivative financial instruments	-	-	-	550.84	550.64	-	Interest Rate / Foreign Exchange
Trade receivables	0.01	-	0.01	-	-	-	Interest Rate
Loans	1,21,890.53	-	1,21,890.53	1,24,531.02	-	1,24,531.02	Interest Rate
Financial investments at FVTPL	8,255.93	8,255.93	-	-	-	-	Interest Rate / Equity Price
Other Financial Assets	1,954.13	-	1,954.13	1,814.04	-	1,814.04	Interest Rate
Total	1,63,161.83	8,255.93	1,54,905.70	1,43,462.41	550.84	1,42,911.67	
Liabilities							
Derivative financial instruments	26.65	26.65	-	-	-	-	Interest Rate / Foreign Exchange
Trade payables	1,118.55	-	1,118.55	920.61	-	920.61	Interest Rate
Debt securities	88,642.98	-	88,642.98	73,302.22	-	73,302.22	Interest Rate
Borrowings (other than debt securities)	41,285.73	-	41,285.73	34,317.77	-	34,317.77	Interest Rate / Foreign Exchange
Other financial liabilities	4,019.25	-	4,019.25	3,493.82	-	3,493.82	Interest Rate
Total	1,35,293.16	26.65	1,35,266.51	1,12,034.42	-	1,12,034.42	

42.4.1 Market risk non-trading

42.4.1.1 Interest rate risk

Interest rate sensitivity on fixed and floating rate assets and liabilities with differing maturity profiles is measured by using the duration gap analysis. The same is monitored by the ALCO periodically. All the Company loans and advances are on a Fixed Interest basis. The Company has floating rate borrowings primarily in two categories – (a) Domestic borrowings linked to the Lender's Base Rate/MCLR; (b) USD denominated borrowings linked to USD LIBOR. The USD LIBOR linked borrowings are fully hedged for the interest rate risk in accordance with the company's Foreign Exchange Risk Management Policy. Most of the borrowings in NCD and Term loans are fixed rate borrowings, hence not exposed interest rate risk.

Change in Interest Rate

Particulars	As at March 31, 2021		As at March 31, 2020	
	Impact on profit before tax	Impact on equity	Impact on profit before tax	Impact on equity
25 basis point down	(12.89)	9.56	(12.38)	9.29
50 basis point down	(25.78)	18.99	(24.77)	18.54
25 basis point up	(12.69)	(9.50)	(12.38)	(9.29)
50 basis point up	(25.38)	(18.99)	(24.77)	(18.54)

Borrowings with floating rate structure has been considered for interest rate sensitivity analysis.

42.4.1.2 Currency risk

In the normal course of its business, the Company does not deal in foreign exchange significantly, except for its USD denominated External Commercial Borrowings. Any foreign exchange exposure on account of foreign exchange borrowings is hedged fully to safeguard against exchange rate risk in accordance with the company's Foreign Exchange Risk Management Policy.

Particulars	As at March 31, 2021		As at March 31, 2020	
	USD in lakhs	Amount	USD in lakhs	Amount
External Commercial Borrowings (ECB)	225.81	16,509.14	225.61	17,086.09
Derivative Financial Instrument *	(225.81)	(16,509.14)	(225.61)	(17,086.09)

* represents the notional amount of the derivative financial instrument

42.4.1.3 Equity price risk

The Company does not have any exposure to equity price risk.

42.5 Operational and business risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events.

The operational risks of the company are managed through comprehensive internal control systems and procedures and key back up processes. In order to further strengthen the control framework and effectiveness, the company has established risk control self assessment at branches to identify process lapses by way of exception reporting. This enables the management to evaluate key areas of operational risks and the process to adequately mitigate them on an ongoing basis. The company also undertakes Risk based audits on a regular basis across all business units / functions. While examining the effectiveness of control framework through self-assessment, the risk-based audit would ensure effective implementation of self-certification and internal financial controls adherence, thereby, reducing enterprise exposure.

The company has put in place a robust Disaster Recovery (DR) plan, which is periodically tested. Business Continuity Plan (BCP) is further put in place to ensure seamless continuity of operations including services to customers, when confronted with adverse events such as natural disasters, technological failures, human errors, terrorism, etc. Periodic testing is carried out to address gaps in the framework, if any DR and BCP audits are conducted on a periodic basis to provide assurance regarding the effectiveness of the company's readiness.

The Covid-19 pandemic has affected several countries across the world, including India. Consequent lockdowns and varying restrictions imposed by the government across several jurisdictions in which the company operates has considerably impacted company's business operations during the year ended March 31, 2021. In accordance with the board approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated March 27, 2020, April 17, 2020 and May 22, 2020 relating to COVID-19 - Regulatory Package, the Company has granted moratorium upto six months on the payment of installments falling due between March 1, 2020 and Aug 31, 2020 to all standard account borrowers. In respect of accounts overdue but standard as February 29, 2020 where moratorium benefit has been granted, the staging of these accounts at March 31, 2020 is based on the days past due status as on February 29, 2020 (or as on reporting date, whichever is lower). Based on an assessment by the Company, this relaxation has not been deemed to be automatically triggering significant increase in credit risk.

The Company continues to recognize interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium period does not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria. The Company also provided for the specified scheme called "Sanjivani" to certain eligible borrowers which included deferment of principal/interest as per the specific terms of the arrangement as appropriate.

The impact of COVID-19 on the global economy and how governments, businesses and consumers respond is uncertain. This uncertainty is reflected in the Company's assessment of impairment loss allowance on its loans which are subject to a number of management judgements and estimates. In relation to COVID-19, judgements and assumptions include the extent and duration of the pandemic, the impacts of actions of governments and other authorities, and the responses of businesses and consumers in different industries. The Company has separately incorporated estimates, assumptions and judgements specific to the impact of the COVID-19 pandemic and the associated support packages in the measurement of impairment loss allowance. The expected credit loss recognized in its books as at March 31, 2021 is Rs 12,339.14 lakhs (including a management provision of Rs 500 lakhs). Further, the Company wrote off an amount of Rs 11,311.27 lakhs during the year ended March 31, 2021. The Company's impairment loss allowance estimates are uncertain in view of the COVID 19 pandemic and, as a result, actual results may differ from these estimates.



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the as at / year ended March 31, 2021
(Rs. in lakhs)

Note 43: Regulatory disclosures

43.1 Capital

Particulars	March 31, 2021	March 31, 2020
i) CRAR (%)	22.73%	26.28%
ii) CRAR - Tier I Capital (%)	21.86%	25.03%
iii) CRAR - Tier II Capital (%)	1.17%	1.25%
iv) Amount of subordinated debt raised as Tier-II capital	-	-
v) Amount raised by issue of Perpetual Debt Instruments	-	-

43.2 Investments

Particulars	March 31, 2021	March 31, 2020
(i) Value of Investments	-	-
(i) Gross Value of Investments	-	-
(a) In India	8,255.93	-
(b) Outside India	-	-
(ii) Provisions for Depreciation	-	-
(a) In India	-	-
(b) Outside India	-	-
(iii) Net Value of Investments	-	-
(a) In India	8,255.93	-
(b) Outside India	-	-
a) Movement of provision held toward Depreciation on Investment	-	-
(i) Opening balance	-	-
(ii) Add : Provisions made during the year	-	-
(iii) Less : Write-off / write-back of excess provisions during the year	-	-
iv) Closing Balance	8,255.93	-

43.3 Derivatives

43.3.1 Forward Rate Agreement / Interest Rate Swap

Particulars	March 31, 2021	March 31, 2020
i) The notional principal of swap agreements	16,137.29	16,137.29
ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
iii) Collateral required by the Company upon entering into swaps	1,284.51	1,134.64
iv) Concentration of credit risk arising from the swaps	-	-
v) The fair value of the swap book	-	-

43.3.2 Exchange Traded Interest Rate Derivatives

The Company has entered into Over the Counter Derivatives and hence disclosure for Exchange Traded Interest Rate Derivatives is not applicable

43.3.3 Disclosures on Risk Exposure in Derivatives

Particular	March 31, 2021		March 31, 2020	
	Currency Derivatives	Interest rate derivatives	Currency Derivatives	Interest rate derivatives
Derivatives (Notional Principal Amount)				
a) For hedging	4,245.00	11,892.29	4,245.00	11,892.29
b) For trading	-	-	-	-
Marked to Market Positions				
a) Asset (+)	84.08	-	241.14	309.70
b) Liability (-)	-	-90.73	-	-
Credit Exposure	-	-	-	-
Unhedged Exposures	-	-	-	-

43.4 Disclosures relating to Securitisation

i) The Company has entered into Securitisation transactions for the year ended March 31, 2021

Particulars	No. / Amount in Rs lakhs
No of SPVs sponsored by the NBFC for securitisation transactions	1
Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	4,145.10
Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	-
On-balance sheet exposures	-
* First Loss	227.98
* Others	455.96

ii) Details of financial assets sold to Securitisation/Reconstruction Company for Asset Reconstruction:

The Company has not sold any financial assets to Securitisation/Reconstruction Company for Asset Reconstruction in the March 31, 2021 and March 31, 2020

iii) Details of assignment transactions

The Company has not assigned any financial assets for the year ended March 31, 2021 and March 31, 2020

iv) Details of non-performing assets purchased / sold

a) Details of non-performing financial assets purchased

Particulars	March 31, 2021	March 31, 2020
1		
(a) No. of accounts purchased during the year	-	-
(b) Aggregate outstanding	-	-
2		
(a) Of these, number of accounts restructured during the year	Nil	Nil
(b) Aggregate outstanding	Nil	Nil

b) Details of non-performing financial assets sold

Particulars	March 31, 2021	March 31, 2020
1. No of accounts sold	-	1
2. Aggregate outstanding	-	26.82
3. Aggregate consideration received	-	11.00



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the as at / year ended March 31, 2021
(Rs. in lakhs)

Note 43: Regulatory disclosures

43.5 Exposures

- i) The Company has no exposure to real estate sector during the March 31, 2021 and March 31, 2020.
ii) The Company has no exposure to capital market during the March 31, 2021 and March 31, 2020.
iii) Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC
During the year, the Company has not exceeded SGL & GBL limits as prescribed under NBFC Regulation.
iv) Unsecured Advances
During the year, the Company has not given any advance against collateral of rights, licenses, authority, etc.

43.6 - Miscellaneous

43.6.1 - Registration obtained from other financial sector regulators

RBI registration no	B-13 02077
IRDA registration no	CA0472
Company Identification Number (CIN)	U51504MH1993PTC251544

43.6.2 - Disclosure of Penalties imposed by RBI and other regulator

During the year ended March 31, 2021, no penalties have been levied by any regulator on the Company.

43.6.3 - Related Party Transaction

Refer note no. 38 for transactions with related party.

43.6.4 - Ratings assigned by credit rating agencies and migration of ratings during the year

Instruments	Credit Rating Agency	March 31, 2021	March 31, 2020
Long Term Bank lines	ICRA	ICRAI BBB (Stable)	ICRAI BBB (Stable)
Non-Convertible Debenture	ICRA	ICRAI BBB (Stable)	ICRAI BBB (Stable)
Cash Credit	ICRA	ICRAI BBB (Stable)	ICRAI BBB (Stable)
Working Capital Demand Loan	ICRA	ICRAI BBB (Stable)	ICRAI BBB (Stable)
Non-Convertible Debenture	CARE	CARE BBB+ (Negative)	CARE BBB+ (Stable)
Long Term Bank lines	CARE	CARE BBB+ (Negative)	CARE BBB+ (Stable)
Series A - Pass Through Certificates (Securitisation)	CARE	Provisional CARE Single A (Structured Obligation)	
Non-Convertible Debenture	India Ratings & Research		IND BBB (Stable)

43.6.5 - Remuneration of Directors

No Remuneration or Sitting fees paid or provided to non-executive directors during the year ended March 31, 2021

43.7.1 - Provisions and contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	March 31, 2021	March 31, 2020
Provisions for depreciation on Investment	-	-
Provision towards Stage 3	1,759.92	725.90
Provision made towards Income tax	-	-
Other Provision and Contingencies (with details)	-	-
Provision for Standard Assets	(330.56)	1,013.79

43.7.2 Draw Down from Reserves

During the year, the Company has not drawn down any amount from Reserves.

43.7.3 Concentration of Advances, Expenses & NPAs

43.7.3.1 Concentration of Advances

	March 31, 2021
Total Advances to twenty largest borrowers	1,511.97
Percentage of Advances to twenty largest borrowers to Total Advances of the applicable NBFC	1.14%

43.7.3.2 Concentration of Exposures

	March 31, 2021
Total Exposure to twenty largest borrowers / customers	1,547.14
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the applicable NBFC on borrowers / customers	1.15%

43.7.3.3 Concentration of Stage 3 assets

	March 31, 2021
Total Exposure to top four Stage 3 accounts	267.60



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the as at / year ended March 31, 2021
(Rs. in lakhs)

Note 43: Regulatory disclosures

43.7.3.4 Sector-wise Stage 3 assets

Sector (As certified by management and relied by Auditors)	Percentage of Stage 3 assets to Total Advances in that sector
Agriculture & allied activities	-
MSME	6.25%
Corporate borrowers	-
Services	-
Unsecured personal loans	-
Auto loans	-
Other personal loans	-

43.7.4 Movement of Stage 3 assets

Particulars	March 31, 2021	March 31, 2020
Stage 3 assets net of stage 3 provision to net advances (%)	3.07%	0.79%
Movement of Stage 3 (Gross)		
Opening balance	4,136.68	5,145.28
Additions during the year	8,239.35	9,186.28
Reductions during the year	(3,718.07)	(10,198.68)
Closing balance	8,658.16	4,136.88
Movement of Net Stage 3		
Opening balance	980.10	1,480.04
Additions during the year	3,302.72	2,206.09
Reductions during the year	(548.68)	(2,706.02)
Closing balance	3,734.24	980.10
Movement of provisions for Stage 3 (excluding provisions on standard assets)		
Opening balance	3,156.78	3,665.24
Provisions made during the year	4,936.63	6,982.20
Write-off / write-back of excess provisions	(3,189.49)	(7,490.66)
Closing balance	4,923.92	3,156.78

43.8 Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

Name of the Joint Venture/ Subsidiary	Other Partner In the JV	Country	Total Assets
The company does not have any joint venture or subsidiary abroad, hence, not applicable.	NA	NA	NA

43.9 Off-balance Sheet SPVs sponsored

The company does not have any off balance sheet SPV sponsored.

43.10 Disclosure of Complaints

Customer Complaints (As certified by management and relied by Auditors)	Numbers
No. of complaints pending at the beginning of the year	-
No. of complaints received during the year	362
No. of complaints redressed during the year	371
No. of complaints pending at the end of the year	11



NEOGROWTH CREDIT PRIVATE LIMITED

Notes to financial statements for the as at / year ended March 31, 2021
(Rs. In lakhs)

Note 43: Regulatory disclosures (continued)
43.11 Asset Liability Management (ALM) Maturity pattern of certain items of Assets and Liabilities

Particulars	Deposits	Advances	Investments	Borrowings	Foreign Currency assets	Foreign Currency liabilities
Over 1 day to 7 days	-	2,691.30	8,255.93	2,669.99	-	-
Over 8 days to 14 days	-	2,058.94	-	425.58	-	-
Over 15 days to 30 days	-	2,431.59	-	4,485.87	-	-
Over 1 month to 2 months	-	6,411.21	-	7,086.24	-	-
Over 2 months to 3 Months	-	6,243.67	-	1,433.46	-	-
Over 3 months to 6 months	-	19,187.85	-	10,416.37	-	-
Over 6 months to 1 Year	-	35,803.22	-	22,403.33	-	-
Over 1 year to 3 Years	-	40,835.56	-	75,781.88	-	-
Over 3 years to 5 Years	-	6,027.19	-	5,416.89	-	-
Over 5 Years	-	-	-	9.10	-	-
Total	-	1,21,690.53	8,255.93	1,30,128.71	-	-

Notes:

- Borrowings include debt securities and borrowings other than debt securities (including External Commercial Borrowings)
- The Company considers Put/Call option dates for the purpose of reporting maturity pattern of Borrowings including debt securities.
- In the preparation of the above disclosure, certain assumption have been considered by the management which have been relied upon by the auditors.
- The Maturity profile in respect of loans given has been prepared based on the contractual cash inflows from the loans disbursed agreed with customers as the Company expects the behaviour to be similar

43.12 Disclosure as per RBI notification DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 - A comparison between provisions required under IRACP and impairment allowances made under Ind AS 109 'Financial Instruments'

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	83,524.82	3,165.45	80,359.37	334.10	2,831.35
Standard	Stage 2	41,846.69	4,249.77	37,596.92	167.39	4,082.38
Subtotal		1,25,371.51	7,415.22	1,17,956.29	501.49	6,913.73
Non-Performing Assets (NPA)						
Substandard	Stage 3	8,658.16	4,923.92	3,734.24	865.82	4,058.10
Total		1,34,029.67	12,339.14	1,21,690.53	1,367.31	10,971.83

43.12.1 Disclosures pursuant to RBI Notification - RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020

Particulars	As at March 31, 2021
Amount in SMA/Overdue categories as of February 29, 2020	33,909.01
Respective amounts in SMA/Overdue categories, where the moratorium/deferment was extended, in terms of Paragraph 2 and 3 of the circular (as on February 29, 2020)	33,909.01
Respective amount where asset classification benefit is extended (outstanding as of February 29, 2020)*	11,639.48
Provisions made in term of paragraph 5 of the circular as at the moratorium (As per para 4, applicable to NBFC's covered under Ind AS)	472.06
Provisions adjusted against slippages in terms of Paragraph 6 of the circular	430.11
Residual Provisions as on March 31, 2021 in terms of Paragraph 6 of the circular	41.95

Note: the above numbers excludes the One time Restructuring of loans carried out during the year

43.12.2 Disclosures pursuant to RBI Notification - RBI/2020-21/17 DOR.No.BP.BC/4/21.04.048/2020-21 dated August 6, 2020

During the year, the Company has done One time Restructuring of loans amounting to Rs. 55,524.11 lakhs (cases: 6,247)



NEOGROWTH CREDIT PRIVATE LIMITED

Notes to financial statements for the as at / year ended March 31, 2021
(Rs. in lakhs)

Note 44: Segment Information

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 segment.

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration No: 101049W/E300004



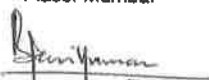
per Bharath N S
Partner
Membership No. 210934

Place: Chennai
Date: May 12, 2021

For and on behalf of the Board of Directors



Dhruv Khaitan
Chairman
(DIN 00002584)
Place: Mumbai



B. Ravi Kumar
CFO & CS
(M.No 11172)
Place: Mumbai

Date: May 12, 2021



Piyush Khaitan
Managing Director
(DIN 00002579)
Place: Bangalore



Arun Nayyar
CEO

Place: Mumbai



Schedule to the Balance Sheet of a of a non-deposit taking Non-Banking Financial Company (as required in terms of paragraph 18 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016)

Particulars		Amount in Lakhs	
LIABILITIES SIDE:			
1	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:	Amount Outstanding	Amount Overdue
	a. Debentures (other than falling within the meaning of public deposits*)		-
	- Secured	88,833.88	-
	- Unsecured	-	-
	b. Deferred Credits	-	-
	c. Term Loans	38,830.01	-
	d. Inter-corporate loans and borrowings	-	-
	e. Commercial Paper	-	-
	f. Other Loans - Demand loans	2,455.72	-
	* Please see Note 1 below		-
ASSET SIDE:			
2	Break-up of Loans and Advances including bills receivables [other than those included in(4) below]:	Amount Outstanding	
	a. Secured		1,34,029.67
	b. Unsecured		-
3	Break up of Leased Assets and stocks on hire and other assets counting towards AFC activities	Amount Outstanding	
	i. Lease Assets including lease rentals under sundry debtors:		-
	a. Finance Lease		-
	b. Operating Lease		-
	ii. Stocks on hire including hire charges under sundry debtors:		-
	a. Assets on hire		-
	b. Repossessed Assets		-
	iii. Other Loans counting towards AFC activities:		-
	a. Loans where assets have been repossessed		-
	b. Loans other than (a) above		-
4	Break up of Investments:		
	Current Investments		
	1. Quoted		
	i. Shares: a. Equity		-
	b. Preference		-
	ii. Debentures and Bonds		-
	iii. Units of mutual funds		-
	iv. Government Securities		8,255.93
	v. Others		-
	2. Unquoted		-
	i. Shares: a. Equity		-
	b. Preference		-
	ii. Debentures and Bonds		-
	iii. Units of mutual funds		-
	iv. Government Securities		-
	v. Others		-
	Long Term Investments		
	1. Quoted		
	i. Shares - Equity		-
	- Preference		-
	ii. Debentures and Bonds		-
	iii. Units of mutual funds		-
	iv. Government Securities		-
	v. Others		-
	2. Unquoted		
	i. Shares - Equity		-
	- Preference		-
	ii. Debentures and Bonds		-
	iii. Units of mutual funds		-
	iv. Government Securities		-
	v. Others		-



Schedule to the Balance Sheet of a of a non-deposit taking Non-Banking Financial Company (as required in terms of paragraph 18 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

Amount in Lakhs

5 Borrower group-wise classification of assets financed as in (2) and (3) above : Please see Note 2 below			
Category	Amount net of provision		
	Secured	Unsecured	Total
1 Related Parties**			
a Subsidiaries	-	-	-
b Companies in the same group	-	-	-
c Other related parties	-	-	-
2 Other than related parties	1,21,690.53	-	-
Total	1,21,690.53	-	-

6 Investor group-wise classification of all Investments (current and long term) in shares and securities (both quoted and unquoted): Please see note 3 below		
Category	Market Value/ Break up of fair value or NAV	Book Value (Net of Provisions)
1 Related Parties**		
a Subsidiaries	-	-
b Companies in the same group	-	-
c Other related parties	-	-
2 Other than related parties	-	-
Total	-	-

** As per Accounting Standard of ICAI (Please see Note 3)

7 Other information	
Particulars	
i. Gross Non-Performing Assets	
a Related Parties	-
b Other than related parties	-
ii. Net Non-Performing Assets	8,658.16
a Related Parties	-
b Other than related parties	-
iii. Assets acquired in satisfaction of debt	3,734.24

Notes:

- As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016
- All Indian Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debts. However, market value in respect of quoted investments and break up/ fair value/ NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in category (4) above.



To the Members of Neogrowth Credit Private Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying financial statements of **Neogrowth Credit Private Limited** (the “Company”), which comprise the balance sheet as at March 31, 2022, and the statement of profit and loss (including other comprehensive income), and the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the “Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other Matter

The financial statements of the Company for the year ended March 31, 2021, included in these financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements as per Audit report dated May 12, 2021.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon,



and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr No	Key Audit Matter	Auditor's Response
1	Impairment of financial assets (including provision for expected credit loss) (as described in note 8 and 42 of the Ind AS financial statements) The Company's impairment provision for financial assets (designated at amortised cost and fair value through other comprehensive income) is based on the expected credit loss approach ('ECL') laid down under 'Ind AS 109 Financial instruments'. ECL involves an estimation of probability-weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances. In the process, a significant degree of judgement has been applied by the management for: • Grouping of borrowers on the basis of homogeneity given the variety of products; • Staging of loans and estimation of behavioural life; • Calculation of past default rates; • Assigning rating grades to loans for which external rating is not available; • Calibrating scores-linked probability of default to align with past default rates; • Calibrating the loss given default where the impairment provision is calculated on a pool level; • Applying macro-economic factors to arrive at forward looking probability of default; • Significant assumptions regarding the probability of various scenarios and discounting rates for different loan products. 	• Read and assessed the Company's accounting policy for impairment of financial assets and its compliance with Ind AS 109 and the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued on 13th March 2020. • Tested the operating effectiveness of the controls for staging of loans based on their past-due status. Tested a sample of performing (stage 1) loans to assess whether any Significant Increase in Credit Risk ("SICR") or loss indicators were present requiring them to be classified under stage 2 or 3. • Performed tests of details, on a sample basis and inspected the repayment schedule from the underlying borrower agreements and collections made on the due dates which formed the basis of the staging of loans. • Tested the ECL model and computation for its: - o Model/methodology used for various loan products including; - o Management's grouping of borrowers on basis of different product lines and customer segments with different risk characteristics; - o Various assumptions for calculation of expected loss viz. probability of default, loss given defaults, exposure at default, discounting factors applied by the management along with Management's governance process and documentation of its assumptions; - o Basis of floor/minimum rates of provisioning applied by the Company for loan products with inadequate historical defaults; - o We performed test of details of the inputs information used in the ECL computation, on a sample basis. • Tested the arithmetical accuracy of computation of ECL provision performed by the Company. • Performed analytical procedures by determining various ratios or percentage-based measures to review overall reasonableness of the estimate determined by the management. • Assessed disclosures included in the Ind AS financial statements in respect of expected credit losses.

2	IT systems and controls The reliability and security of IT systems play a key role in the business operations and financial accounting and reporting process of the Company. Since large volume of transactions are processed daily, the IT controls are required to ensure that applications process data as expected and that changes are made in an appropriate manner. Any gaps in the IT control environment could result in a material misstatement of the financial accounting and reporting records. Therefore, due to complexity of the IT environment, the assessment of the general IT controls and the application controls specific to the accounting and preparation of the financial information is considered to be a key audit matter. We performed the following procedures for testing IT general controls and for assessing the reliability of electronic data processing, assisted by specialised IT auditors: • The aspects covered in the IT General Control audit were (i) User Access Management (ii) Programme Change Management (iii) Other related ITGCs – to understand the design and test the operating effectiveness of such controls; • Assessed the changes that were made to the key systems during the audit period and assessing changes that have impact on financial reporting; • Tested the periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorisation; • Performed tests of controls (including other compensatory controls wherever applicable) on the IT application controls and IT dependent manual controls in the system; • Tested the design and operating effectiveness of compensating controls, where deficiencies were identified and, where necessary, extended the scope of our substantive audit procedures.
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Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of misstatement in the financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatement in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act;
 - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - (g) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act, in our opinion, according to the information and explanation give to us, the provisions of section 197 read with Schedule V of the Act are not applicable to the Company as it is a private limited company, and
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.



- ii. The Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 6 to the financial statements.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 49(A) to the financial statement, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company, or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The management has represented, that, to the best of its knowledge and belief, as disclosed in the note 49(B) to the financial statement, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
- v. The Company has neither declared nor paid any dividend with respect to equity share capital during the year.

For ASA & Associates LLP

Chartered Accountants

Firm Registration No: 009571N/N500006

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by PRATEET
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Date:
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Prateet Mittal

Partner

Membership No. 402631

UDIN: 22402631AJQEEF8167

Place: Mumbai

Date: May 26, 2022

Annexure- A referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date

- (i) a) A) According to the information and explanations given to us and audit procedures performed by us, the Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- B) According to the information and explanations given to us and audit procedures performed by us, the Company has maintained proper records showing full particulars of intangible assets.
- b) The property, plant and equipment were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c) The Company does not have immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable.
- d) According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) a) The Company does not hold any physical inventories during the year. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable.
- b) The Company has been sanctioned working capital limits (i.e Cash Credit /Overdraft facility) in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets (i.e. loan assets). According to information and explanations given to us and on the basis of our examination of the records of the Company, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the principal business of the Company is to give loans. Accordingly, reporting under clause 3(iii)(a) of the Order is not applicable.



- b) According to the information and explanations given to us and audit procedures performed by us, we are of the opinion that the guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are, prima facie, not prejudicial to the Company's interest. The Company has not made any investment made during the year.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in respect of loans given by the Company, the repayment of principal and payment of interest has been stipulated and the repayments or receipts of principal amount and interest have been regular except for the following:

Name of the entity	Amount (Principal and interest to be given separately)	Due Date	Extent of Delay (no. of days/ months)	Remarks, if any
Number of customers not paying on regular basis – 4264*. (*Customers having day-past-dues of more than 30.)	Principle amount – Rs. 24562.03 lakhs Interest amount – Rs. 3420.45 lakhs	Respective Due dates maintained in system	More than 30 days. (Respective Delays in respect of each customer is maintained in system)	Company is NBFC with 20,868 customers having active loan accounts as at 31 st March 2022. The details of all the due dates and delays thereon are maintained in the system.

Further, the Company has not given any advance in the nature of loan to any party during the year.

- d) According to the information and explanations given to us and audit procedures performed by us, there is no overdue amounts for more than ninety days in respect of the loans given by the Company except an amount of Rs 15,859.67 lakhs (principal amount) and Rs. 2,756.12 lakhs (interest) overdue for more than ninety days as at March 31, 2022. In our opinion, reasonable steps have been taken by the Company for recovery of the principal and interest.
Further, the Company has not given any advance in the nature of loan to any party during the year.



- e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the principal business of the Company is to give loans. Accordingly, reporting under clause 3(iii)(e) of the Order are not applicable.
- f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company is registered as a non-banking finance company to which provisions of Section 185 and 186 of the Companies Act, 2013 are not applicable. Accordingly, reporting under clause 3(iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, during the financial year, the Company has not accepted deposits within the meaning of Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, paragraph 3(v) of the Order is not applicable.
- (vi) According to information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the services provided by it. Accordingly, reporting under clause 3(vi) of the Order is not applicable.
- (vii) a) According to the information provided and explanations given to us and based on our examination of the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Goods and Services Tax, provident fund, employee's state insurance, income-tax, cess and other material statutory dues applicable to it. There are no material outstanding statutory dues existing as on the last day of the financial year which is outstanding for more than six months from the day these becomes payable.
- b) According to the information provided and explanations given to us, statutory dues relating to Goods and Services Tax, provident fund, income-tax, value added tax, cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute are as follows:

Name of the Statute	Nature of Dues	Amount (Rs. In lakhs)	Period	Forum	Remark
Goods and service Tax	GST, Interest and Penalty	Rs.28.04 lakhs	Financial Year 2017-18	Office of the Deputy Commissioner of State Tax, (E-626/510), LTU-1	The Company has filed the reply against this demand order (DRC-01A) on 14 th February 2022 and no further communication received from department till the date of this report.



- (viii) According to the information provided and explanations given to us, and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessment under the Income Tax Act, 1961 as income during the year.
- (ix) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowings or in the payment of interest thereon to the lenders during the year.
- b) According to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c) According to the information and explanations given to us and audit procedures performed by us, term loans were applied for the purposes for which they were obtained.
- d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- e) The Company does not hold any investment in any subsidiary, associate or joint venture as defined under the Companies Act, 2013 during the year. Accordingly, reporting under clause 3(ix)(e) of the Order is not applicable.
- f) The Company does not hold any investment in any subsidiary, associate or joint venture as defined under the Companies Act, 2013 during the year. Accordingly, reporting under clause 3(ix)(f) of the Order is not applicable.
- (x) a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable.
- b) According to the information provided and explanations given to us, and on the basis of our examination of the records of the Company, the Company has not made any private placement of shares or preferential allotment of equity shares (fully, partially or optionally convertible) during the year. In respect of convertible debentures (fully, partially or optionally convertible) made during the year, the Company has duly complied with the requirements of section 42 and 62 of the Companies Act, 2013. The proceeds from issue of convertible debentures have been used for the purpose for which the funds were raised.
- (xi) a) According to the information and explanations given by the management and based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements, we report that no fraud by the Company or any fraud on the Company has been noticed or reported during the year.



- b) According to the information and explanations available with us, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
 - c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, reporting under clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions entered with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and details have been disclosed in the financial statements as required by the applicable Indian accounting standards.
- (xiv) a) According to the information and explanations given to us and audit procedures performed by us, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- b) We have considered the internal audit reports of the Company issued till date, for the period under audit.
- (xv) According to the information and explanations given to us, in our opinion the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) a) According to the information and explanations given to us, the Company, as required, is registered under section 45-IA of the Reserve Bank of India Act, 1934.
- b) According to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- c) The Company is not Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting under clause 3(xvi)(c) and (d) of the Order are not applicable.
- (xvii) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has incurred cash losses in the immediately preceding financial year amounting to Rs. 4,588 lakhs. No cash losses were incurred in the financial year.



- (xviii) There has been resignation of the statutory auditors during the year, and as per the communication shared by the outgoing auditors, they have not raised any issues, objections or concerns. The previous auditors have completed their term of appointment as per RBI Circular no. 2021-22/25 dated 27 April 2021. Accordingly, they have rotated out as statutory auditors of the Company after limited review for the half year ended 30 September 2021.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The requirements as stipulated by the provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company. Accordingly, reporting under clause 3(xx)(a) and (b) of the Order are not applicable.

For ASA & Associates LLP

Chartered Accountants

Firm Registration No: 009571N/N500006

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Date: 2022.05.26
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Prateet Mittal

Partner

Membership No. 402631

UDIN : 22402631AJQEEF8167

Place: Mumbai

Date: May 26, 2022

Annexure - B to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Neogrowth Credit Private Limited** (the "Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **ASA & Associates LLP**

Chartered Accountants

Firm Registration No: 009571N/N500006

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Date:
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Prateet Mittal

Partner

Membership No. 402631

UDIN: 22402631AJQEEF8167

Place: Mumbai

Date: May 26, 2022

NEOGROWTH CREDIT PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2022

(₹ In Lakhs)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021 - Restated
I ASSETS			
1 Financial assets			
Cash and cash equivalents	4	9,042.37	5,453.22
Bank balance other than above	5	4,842.05	25,807.81
Derivative financial instruments	6	595.26	-
Receivables	7		
Trade receivables		304.60	0.01
Loans	8	1,37,971.77	1,20,766.65
Investments	9	-	8,255.93
Other financial assets	12	2,891.65	1,954.13
2 Non-financial assets			
Deferred tax assets (net)	32	5,928.81	4,524.06
Property, Plant and Equipment	10	147.24	172.13
Right-of-use assets	11	2,080.21	2,636.39
Other intangible assets	13	60.40	46.25
Other non-financial assets	14	1,389.76	979.33
Total assets		1,65,254.12	1,70,595.91
II LIABILITIES AND EQUITY			
Liabilities			
1 Financial liabilities			
Derivative financial instruments	6	6.26	26.65
Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises		10.76	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	15	1,017.24	1,161.58
Debt securities	16	79,297.94	88,842.98
Borrowings (other than debt securities)	17	50,079.59	41,285.73
Other financial liabilities	18	3,496.32	4,228.95
2 Non-financial liabilities			
Provisions	19	808.72	805.83
Other non-financial liabilities	20	262.21	230.09
Total liabilities		1,34,979.04	1,36,581.81
Equity			
Equity share capital	21	1,800.08	1,800.06
Other equity	22	28,475.02	32,214.04
Total equity		30,275.08	34,014.10
Total liabilities and equity		1,65,254.12	1,70,595.91

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For ASA & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration No: 009571N/N500006

PRATEET
KUMAR
MITTAL

Digitally signed
by PRATEET
KUMAR MITTAL
Date: 2022.05.26
23:16:06 +05'30'

per Prateet Mittal

Partner

Membership No. 402631

Place: Mumbai

Date: May 26, 2022

For and on behalf of the Board of Directors

DHRUV
KUMAR
KHAITAN

Digitally signed
by DHRUV
KUMAR KHAITAN
Date: 2022.05.26
22:08:00 +05'30'

Dhruv Khaitan
Chairman
(DIN 00002584)
Place: Mumbai

PIYUSHKUM
AR KUSUM
KHAITAN

Digitally signed
by PIYUSHKUM
AR KUSUM KHAITAN
Date: 2022.05.26
22:09:00 +05'30'

Piyush Khaitan
Managing Director
(DIN 00002579)
Place: Bengaluru

ARUN KUMAR
NAYYAR

Digitally signed
by ARUN KUMAR
NAYYAR
Date: 2022.05.26
21:53:09 +05'30'

Arun Nayyar
Whole - time Director & CEO
Place: Mumbai

DEEPAK NATH
GOSWAMI

Digitally signed
by DEEPAK NATH
GOSWAMI
Date: 2022.05.26 21:45:27 +05'30'

Deepak Goswami
Chief Financial Officer
Place: Mumbai

TANUSHRI
YEWALE

Digitally signed
by TANUSHRI
YEWALE
Date: 2022.05.26
21:36:52 +05'30'

Tanushri Yewale
Company Secretary
(M.No A31273)
Place: Mumbai
Date: May 26, 2022



NEOGROWTH CREDIT PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021 - Restated
Revenue from operations			
(i) Interest income	23	35,812.87	30,689.94
(ii) Fee and commission income	24	286.89	341.22
(iii) Net gain on fair value changes	25	59.39	103.90
(I) Total revenue from operations		36,159.15	31,135.06
(II) Other income	26	116.59	195.39
(III) Total income (I + II)		36,275.74	31,330.45
Expenses			
(i) Finance cost	27	15,341.70	13,571.68
(ii) Impairment on financial instruments	28	14,730.38	12,458.84
(iii) Employee benefit expense	29	6,775.29	7,185.75
(iv) Depreciation, amortisation and impairment	30	781.42	968.47
(v) Other expenses	31	3,824.41	2,744.81
(IV) Total expenses		41,453.20	36,929.55
(V) Profit / (loss) before exceptional items and tax (III - IV)		(5,177.46)	(5,599.10)
(VI) Exceptional items		-	-
(VII) Profit / (loss) before tax (V - VI)		(5,177.46)	(5,599.10)
(VIII) Tax expense:			
(1) Current tax	32	223.15	-
(2) Earlier year adjustments	32	-	-
(3) Deferred tax charge / (credit)	32	(1,455.20)	(1,412.02)
(IX) Profit / (loss) for the year (VII - VIII)		(3,945.41)	(4,187.08)
(X) Other comprehensive income			
A Items that will not be reclassified to profit or loss			
Remeasurement gain/(loss) on defined benefit plan		(8.58)	(5.71)
Income tax impact		2.16	1.44
		(6.42)	(4.27)
Total (A)		(6.42)	(4.27)
B Items that will be classified to profit or loss			
Cash flow hedge			
Net Gain / (Loss) for the year		209.03	(0.53)
Income tax impact		(52.61)	0.13
Net gain/(loss) on cash flow hedge		156.42	(0.40)
Total (B)		156.42	(0.40)
Other comprehensive income (A + B)		150.00	(4.67)
(XI) Total comprehensive income (IX + X)		(3,795.41)	(4,191.75)
(XII) Earnings per equity share			
Basic (Rs.)	33	(5.44)	(6.58)
Diluted (Rs.)	33	(5.44)	(6.58)

Summary of significant accounting policies

3

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For ASA & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration No: 009571N/N500006

PRATEET KUMAR MITTAL
Digitally signed by PRATEET KUMAR MITTAL
Date: 2022.05.26 23:16:38 +05'30'

per Prateet Mittal

Partner

Membership No. 402631

Place: Mumbai

Date: May 26, 2022

For and on behalf of the Board of Directors

DHRUV KUMAR KHAITAN
Digitally signed by DHRUV KUMAR KHAITAN
Date: 2022.05.26 22:10:31 +05'30'

Dhruv Khaitan
Chairman
(DIN 00002584)
Place: Mumbai

PIYUSHKUMAR KUSUM KHAITAN
Digitally signed by PIYUSHKUMAR KUSUM KHAITAN
Date: 2022.05.26 22:11:14 +05'30'

Piyush Khaitan
Managing Director
(DIN 00002579)
Place: Bengaluru

ARUN KUMAR NAYYAR
Digitally signed by ARUN KUMAR NAYYAR
Date: 2022.05.26 21:54:55 +05'30'

Arun Nayyar
Whole - time Director & CEO
Place: Mumbai

DEEPAK NATH GOSWAMI
Digitally signed by DEEPAK NATH GOSWAMI
Date: 2022.05.26 21:46:30 +05'30'

Deepak Goswami
Chief Financial Officer
Place: Mumbai



TANUSHRI YEWALE
Digitally signed by TANUSHRI YEWALE
Date: 2022.05.26 21:37:31 +05'30'

Tanushri Yewale
Company Secretary
(M.No A31273)
Place: Mumbai
Date: May 26, 2022

NEOGROWTH CREDIT PRIVATE LIMITED
Statement of changes in Equity for the year ended March 31, 2022
(₹ in Lakhs)

A. Equity Share Capital

As at March 31, 2022

Balance as at April 1, 2021	Change in Equity Share Capital due to prior period errors	Restated balance as at April 1, 2021	Changes in equity share capital during 2021 - 2022	Balance as at March 31, 2022
6,355.36	(4,555.30)	-	-	1,800.06

As at March 31, 2021

Balance as at April 1, 2020	Change in Equity Share Capital due to prior period errors	Restated balance as at April 1, 2020	Changes in equity share capital during 2020 - 2021	Balance as at March 31, 2021
6,355.36	(4,555.30)	-	-	1,800.06

B. Other Equity

As at March 31, 2022

(₹ in Lakhs)

Particulars	Equity component of compound financial instrument	Reserves and Surplus			Other comprehensive income			Total
		Statutory reserve	Share options outstanding account	Securities premium account	Retained Earnings	Cash flow hedge reserve	Actuarial gains/(losses)	
Balance as at April 1, 2021	4,555.30	202.45	888.96	42,518.24	(14,514.34)	(298.20)	38.73	33,390.64
Changes in accounting policy/prior period errors	-	-	-	-	(1,178.04)	-	1.44	(1,176.60)
Restated balance at the beginning of the current reporting period	4,555.30	202.45	888.96	42,518.24	(15,692.88)	(298.20)	40.17	32,214.04
Dividends	-	-	-	-	(0.46)	-	-	(0.46)
ESOP Cost recognised during the year	-	-	56.85	-	-	-	-	56.85
Profit / (loss) for the year after income tax	-	-	-	-	(3,945.41)	-	-	(3,945.41)
Other Comprehensive Income for the year before income tax	-	-	-	-	-	209.03	(8.58)	200.45
Less: Income Tax	-	-	-	-	-	(52.61)	2.16	(50.45)
Total Comprehensive Income for the year	-	-	56.85	-	(3,945.87)	156.42	(6.42)	(3,739.62)
Balance as at March 31, 2022	4,555.30	202.45	945.81	42,518.24	(18,638.75)	(141.78)	33.75	28,475.02

As at March 31, 2021

Particulars	Equity component of compound financial instrument	Reserves and Surplus			Other comprehensive income			Total
		Statutory reserve	Share options outstanding account	Securities premium account	Retained Earnings (Restated)	Cash flow hedge reserve	Actuarial gains/(losses) (Restated)	
Balance as at April 1, 2020	4,555.30	202.45	729.92	42,518.24	(11,505.34)	(297.80)	44.44	36,247.21
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-
Restated balance at the beginning of the previous reporting period	4,555.30	202.45	729.92	42,518.24	(11,505.34)	(297.80)	44.44	36,247.21
Dividends	-	-	-	-	(0.46)	-	-	(0.46)
ESOP Cost recognised during the year	-	-	159.04	-	-	-	-	159.04
Profit / (loss) for the year after income tax	-	-	-	-	(4,187.08)	-	-	(4,187.08)
Other Comprehensive Income for the year before income tax	-	-	-	-	-	(0.53)	(5.71)	(6.24)
Less: Income Tax	-	-	-	-	-	0.13	1.44	1.57
Total Comprehensive Income for the period	-	-	159.04	-	(4,187.54)	(0.40)	(4.27)	(4,033.17)
Balance as at March 31, 2021 - Restated	4,555.30	202.45	888.96	42,518.24	(15,692.88)	(298.20)	40.17	32,214.04



NEOGROWTH CREDIT PRIVATE LIMITED
Cash Flow statement for the year ended March 31, 2022

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021 - Restated
Operating activities		
Profit / (Loss) before tax	(5,177.46)	(5,599.10)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation, amortisation and impairment	781.42	968.47
Fair value movement of embedded derivative	6.26	-
Non cash adjustment made for creation and foreclosure of Right-of-use assets	11.07	(152.78)
Effective Interest Rate adjustment in Borrowings	97.41	(146.79)
Interest Income on security deposits	(35.90)	(131.33)
Interest on Lease liability	293.24	320.04
Interest on Debt Securities	10,309.53	9,346.60
Interest on Borrowings	3,264.97	2,551.56
Employee Benefit expenses	168.58	671.04
Profit on sale of property, plant and equipment	-	3.42
Impairment on financial instruments	14,730.36	12,458.84
Remeasurement gain/(loss) on defined benefit plan	(8.56)	(5.71)
Net Gain on fair value of Investments	(85.65)	(103.90)
Working capital changes		
(Increase) / Decrease in Loan	(31,926.96)	(8,751.27)
(Increase) / Decrease in Receivables	(304.58)	(0.01)
(Increase) / Decrease in Other Financial Assets	(905.25)	(124.24)
(Increase) / Decrease in Other Non Financial Assets	(150.04)	(4.90)
(Increase) / Decrease in Bank balance other than cash and cash equivalents	20,965.76	(25,801.80)
Increase / (Decrease) in Trade payable	(133.58)	240.97
Increase / (Decrease) in Other financial liabilities	(312.32)	647.98
Increase / (Decrease) in Provisions	(114.19)	(20.84)
Increase / (Decrease) in Other non-financial Liabilities	(76.66)	9.68
Interest Paid on Debt Securities and Borrowings	(13,741.00)	(11,321.75)
Income tax paid / refund received (Net of refunds / payments)	(374.66)	402.39
Net cash flows used in operating activities	(2,698.26)	(24,643.52)
Investing activities		
Proceeds from sale of property, plant and equipment	2.48	5.59
Purchase of property, plant and equipment	(76.16)	(108.87)
Purchase of intangible assets	(44.99)	-
Proceeds from redemption of Investments at fair value through profit and loss (net)	45,204.74	86,123.28
Investments in Mutual Fund at fair value through profit and loss	(36,683.16)	(94,275.31)
Net cash flows used in investing activities	8,202.91	(8,255.31)
Financing activities		
Debt securities issued	13,075.00	23,721.40
Debt securities repaid	(22,428.49)	(8,600.00)
Borrowings other than debt securities taken	39,685.78	17,444.85
Borrowings other than debt securities repaid	(31,426.27)	(9,910.18)
Interest paid on lease liability	(293.24)	(320.04)
Principal portion of lease liability except short term lease payments	(527.28)	(544.59)
Net cash flows from financing activities	(1,915.50)	21,691.44
Net increase / (decrease) in cash and cash equivalents	3,589.15	(11,107.39)
Cash and cash equivalents at April 1	5,453.22	16,560.61
Cash and cash equivalents at the end (refer Note 4)	9,042.37	6,453.22
Operational cash flows from interest and dividends		
Interest paid	13,741.00	11,321.75
Short-term lease payments	-	6.45

Notes :

- The above Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'
- Components of cash and cash equivalents are disclosed in Note 4.
- For disclosures relating to changes in liabilities arising from financing activities, refer Note 37.

As per our report of even date

For ASA & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration No: 009571NN500006

PRATEET KUMAR MITTAL
Digitally signed by PRATEET KUMAR MITTAL
Date: 2022.05.26 23:17:14 +05'30'

per Prateet Mittal
Partner
Membership No. 402631
Place: Mumbai
Date: May 26, 2022

For and on behalf of the Board of Directors

DHRUV KUMAR KHAITAN
Digitally signed by DHRUV KUMAR KHAITAN
Date: 2022.05.26 22:12:14 +05'30'

Dhruv Khaitan
Chairman
(DIN 00002584)
Place: Mumbai

PIYUSHKUMAR AR KUSUM KHAITAN
Digitally signed by PIYUSHKUMAR AR KUSUM KHAITAN
Date: 2022.05.26 22:13:26 +05'30'

Piyush Khaitan
Managing Director
(DIN 00002579)
Place: Bengaluru

ARUN KUMAR NAYYAR
Digitally signed by ARUN KUMAR NAYYAR
Date: 2022.05.26 21:55:55 +05'30'

Arun Nayyar
Whole - time Director & CEO
Place: Mumbai

DEEPAK NATH GOSWAMI
Digitally signed by DEEPAK NATH GOSWAMI
Date: 2022.05.26 21:47:28 +05'30'

Deepak Goswami
Chief Financial Officer
Place: Mumbai



TANUSHRI YEWALE
Digitally signed by TANUSHRI YEWALE
Date: 2022.05.26 21:38:06 +05'30'

Tanushri Yewale
Company Secretary
(M No A31273)
Place: Mumbai
Date: May 26, 2022

NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2022

Accounting Policies

Note 1: Corporate Information

NeoGrowth Credit Private Limited (the 'Company' or 'NeoGrowth') is a Private Limited Company domiciled in India and incorporated on May 17, 1993 under the provisions of Companies Act, 1956. The Company has received a Certificate of Registration from the Reserve Bank of India ('RBI') under Section 45 - IA of the Reserve Bank India Act, 1934 on September 13, 2001 to commence / carry on the business of Non-Banking Financial Institution ('NBFI') without accepting public deposits. Presently the Company is engaged in providing business loans to small and medium enterprise. The financial statements has been approved in its Board meeting held on May 26, 2022

Note 2: Basis of preparation and presentation

a. Basis of preparation

The financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended ('Ind AS Rules') (as amended from time to time).

Ministry of Corporate Affairs ("MCA") through a notification dated March 24, 2021, amended Division III of Schedule III of the Companies Act, 2013 and applicable for the reporting period beginning on or after April 1, 2021. The amendment encompasses certain additional disclosure requirements. The Company has applied and incorporated the requirements of amended Division III of Schedule III of the Companies Act, 2013, to the extent applicable while preparing these financial statements.

Presentation of financial statements:

The Company presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in "Note 36: Maturity Profile".

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances;

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Company and or its counterparties

b. Basis of measurement

The financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

c. Functional and presentation currency

The financial statements are presented in Indian Rupees which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates and all values are rounded to the nearest lakhs, except when otherwise indicated.

Note 3: Significant accounting policies

3.1. Use of estimates, judgments and assumptions

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

3.2. Recognition of Income

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs.

The company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to provide service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract. For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when or as the Company satisfies a performance obligation.

a.) Interest and similar income

Under Ind AS 109 interest income is recorded using the Effective Interest Rate (EIR) method for all financial instruments measured at amortised cost, debt instrument measured at FVOCI and debt instruments designated at FVTPL. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk. The adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through interest income in the statement of profit and loss.

The company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the company calculates interest income by applying the effective interest rate to the net-amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the company reverts to calculating interest income on a gross basis.



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b) All other charges such as cheque return charges, overdue charges etc are recognised on realization basis. These charges are treated to accrue on realization, due to the uncertainty of their realization.

c) Revenue from fee-based activities are recognized as and when the services are rendered. Fees earned from contract with customer is recognised point in time when performance obligation is satisfied (when the trade is executed). Fees and commissions arising from negotiating or participating in the negotiation of a transaction for a third party, such as the arrangement/participation, syndication fees, consortium fees, are recognised on completion of the underlying transaction. Fees or components of fees that are linked to a certain performance are recognised after fulfilling the corresponding criteria.

d) The Company designates certain financial assets for subsequent measurement at Fair Value Through Profit or Loss (FVTPL). The Company recognises gains on fair value change of financial assets measured at FVTPL and realised gains on derecognition of financial asset measured at FVTPL on net basis.

3.3. Property, Plant and equipment (PPE)

An item is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price (including non-refundable duties and taxes but excluding any trade discounts and rebates), and any directly attributable cost of bringing the asset to its working condition and location for its intended use. Subsequent to initial recognition, PPE are stated at cost less accumulated depreciation and any impairment losses. When significant parts of property, plant and equipment are required to be replaced in regular intervals, the Company recognises such parts as separate component of assets. When an item of PPE is replaced, then its carrying amount is de-recognised from the balance sheet and cost of the new item of PPE is recognised. The expenditures that are incurred after the item of PPE has been put to use, such as repairs and maintenance, are normally charged to the statement of profit and loss in the period in which such costs are incurred. However, in situations where the said expenditure can be measured reliably, and is probable that future economic benefits associated with it will flow to the Company, it is included in the asset's carrying value or as a separate asset, as appropriate.

Depreciation on fixed assets is calculated using the Written Down Value (WDV) method and Straight Line Method (SLM) as per the remaining useful life of assets estimated by the management.

The estimated useful lives are, as follows:

Particulars	Useful Life of Assets	Depreciation Method
Leasehold Improvements	As per Lease period	SLM
Office Equipments	5 years	WDV
Computers		
Servers	6 years	WDV
Others	3 years	WDV
Software		
Advance Suite	7 years	SLM
Pay Later Software	5 years	SLM
SUN Infor	3 years	SLM
CRM 2.0	4 years	SLM
Furniture & Fixtures	10 years	WDV

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

No salvage value has been estimated in case of license property improvement work and advance suite.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Property and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other operating income in the Statement of profit and loss in the year in which the asset is derecognised.

The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

3.4. Intangible assets

An intangible asset is recognised only when its cost can be measured reliably, and it is probable that the expected future economic benefits that are attributable to it will flow to the company. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment loss. Intangible assets are amortized on a straight line basis over the estimated useful economic life. The company considers that the useful life of an intangible asset will not exceed 6 years from the date when the asset is available for use.

Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

3.5. Impairment of non-financial assets

An assessment is done at each Balance Sheet date to ascertain whether there is any indication that an asset may be impaired. If any such indication exists, an estimate of the recoverable amount of asset is determined. If the carrying value of relevant asset is higher than the recoverable amount, the carrying value is written down accordingly.

3.6. Leases

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

Company as a lessee**Identifying a lease**

At the inception of the contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses whether:

- The contract involves the use of an identified asset, this may be specified explicitly or implicitly.
- The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use, and
- The Company has right to direct the use of the asset.

This policy is applied to contracts entered into, or changed, on or after April 1, 2018.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component based on their relative stand-alone prices.



Recognition of right of use asset

The Company recognises a right of use asset at the lease commencement date of lease and comprises of the initial lease liability amount, plus any indirect costs incurred.

Subsequent measurement of right of use asset

The right of use asset is subsequently amortized using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term, whichever is lesser. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurement of the lease liability.

Recognition of lease liability

The lease liability is initially measured at the present value of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate.

Subsequent measurement of lease liability

Lease liability is measured at amortised cost using the effective interest method. The lease payments are apportioned between the finance charges and reduction of the lease liability using the incremental borrowing rate implicit in the lease to achieve a constant rate of interest on the remaining balance of the liability.

It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. Whenever the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right of use asset or is recorded in profit or loss of the carrying amount of the right of use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The company has elected by class of underlying asset to not recognise right of use assets and lease liabilities for short term leases that have a lease term of 12 months and leases for which the underlying asset is of low value.

In case of short-term leases and leases for which the underlying asset is of low value, the company has elected not to apply the requirements of Ind AS 116 and the lease payments associated with those leases are recognised as an expense on a straight-line basis.

3.7. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity

The company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund.

The fund is administered by Life Insurance Corporation of India (LIC). The gratuity liability is calculated using the Projected Unit Credit Method which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Re-measurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods. The effect of any planned amendments are recognised in Statement of Profit and Loss.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include compensated absences such as paid annual leave and sickness leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized in the Statement of Profit and Loss during the year.

Long-term employee benefits

Company's liabilities towards compensated absences to employees are accrued on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss.

Compensated absence

Compensated absence which is a defined benefit, is accrued based on an actuarial valuation at the balance sheet date carried out by an independent actuary.

Share-based Payment Arrangements

Share-based Payment Arrangements estimating fair value for share-based payment transactions requires use of an appropriate valuation model. The Company measures the cost of equity-settled transactions with Option holders using Black-Scholes Model to determine the fair value of the options on the grant date.

Inputs into the valuation model, includes assumption such as the expected life of the share option, volatility and dividend yield.

The stock options granted to employees pursuant to the Corporation's Stock Options Schemes, are measured at the fair value of the options at the grant date using Black Scholes Model. The fair value of the options determined at grant date is accounted as employee compensation cost over the vesting period on a straight line basis over the period of option, based on the number of grants expected to vest, with corresponding increase in equity.

3.8. Foreign currency translation

Functional and presentational currency - The financial statements are presented in INR which is also functional currency of the company.

Transactions and balances - Transactions in foreign currencies are initially recorded in the functional currency at the spot rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the spot rate of exchange at the reporting date. All differences arising on non-trading activities are taken to other income/expense in the statement of profit and loss.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.



3.9. Borrowing cost

Borrowing cost includes interest, amortization of ancillary costs based on Effective Interest Rate method (EIR), incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

3.10. Taxes

Income tax expense comprises of current and deferred tax. Current / Deferred tax is recognized in the Statement of Profit and Loss except to the extent it relates to a business combination or to an item which is recognized directly in equity or in other comprehensive income in which case the related income tax is also recognised accordingly. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority. The Company only off-sets its deferred tax assets against liabilities when there is both a legal right to offset and it is the Company's intention to settle on a net basis.

i) Current Taxes

Current tax is the amount of income taxes payable/ receivable in respect of taxable profit/ loss for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible in accordance with applicable tax laws. Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. Interest income / expenses and penalties, if any, related to income tax are included in current tax expense. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the end of reporting date in India where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

ii) Deferred Taxes

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

A deferred tax liability is recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it becomes probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and deferred taxes are recognised as income tax benefits or expenses in the Statement of profit and loss except for tax related to the fair value re-measurement of financial assets classified through other comprehensive income, foreign exchange differences and the net movement on cash flow hedges, which are charged or credited to Other Comprehensive Income (OCI). These exceptions are subsequently reclassified from OCI to the statement of profit and loss together with the respective deferred loss or gain. The Company also recognises the tax consequences of payments and issuing costs, related to financial instruments that are classified as equity, directly in equity.

3.11. Earnings per share

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of the company by the weighted average number of ordinary shares outstanding during the year.

As per Ind AS 33, Para 23 "Ordinary shares that will be issued upon the conversion of a mandatorily convertible instrument are included in the calculation of basic earnings per share from the date the contract is entered into. Consequently CCPS and CCD have been included in the computation of Basic EPS.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of company (after adjusting for interest on the convertible preference shares, in each case, net of tax) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

3.12. Share based payment

Equity-settled share based payments to employees and others providing similar services are measured at the fair value of equity instruments at the grant date. Details regarding determination of the fair value of equity settled share based payments transactions are set out in Note 34.

The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting period, based on the company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Share Based payments reserve.

On cancellation or lapse of option granted to employees, the compensation cost charged to statement of profit & loss is credited with corresponding decrease in equity.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.



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3.13. Provisions and other Contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The increase in the provision due to un-winding of discount over passage of time is recognised within finance costs. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement in other operating expenses.

Where it is more likely that no present obligation exists at the end of the reporting period, the entity discloses a contingent liability, unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent liability is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

3.14. Dividend on Ordinary Shares

Company recognises dividends on ordinary shares and related dividend tax as a liability and deducted from equity when they are approved by the Company's shareholders.

Proposed dividends on equity shares which are subject to approval at the annual general meeting are not recognised as a liability (including tax thereon) and is disclosed as an event after the reporting date.

3.15. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

3.16. Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past / future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3.17. Insurance claims

Insurance claims are accrued for on the basis of claims admitted and/or to the extent there is no uncertainty in receiving the claims. The Company re-assesses the claims made at each reporting period for recoverability.

3.18. Expenditure on Corporate Social Responsibility (CSR)

The Company accounts the expenditure incurred towards Corporate Social Responsibility as required under the Companies Act 2013 as a charge to the statement of profit and loss.

3.19. Determination of Fair Value

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above at each balance sheet date.

Fair value is the price at the measurement date, at which an asset can be sold or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.

The Company's accounting policies require, measurement of certain financial / non-financial assets and liabilities at fair values (either on a recurring or non-recurring basis). Also, the fair values of financial instruments measured at amortised cost are required to be disclosed in the said financial statements.

The Company is required to classify the fair valuation method of the financial / non-financial assets and liabilities, either measured or disclosed at fair value in the financial statements, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurement).

Accordingly, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy described as follows:

Level 1 financial instruments – Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments – Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

Level 3 financial instruments – Those that includes one or more unobservable input where there is little market activity for the asset/liability at the measurement date that is significant to the measurement as a whole.

3.20. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Entity becomes a party to the contractual provisions of the instruments.

Financial Assets

Initial Recognition – All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the asset.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI).
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL).
- Equity instruments measured at fair value through other comprehensive income FVTOCI.

Financial assets measured at amortised cost

A 'debt instrument' is measured at amortised cost if both the following conditions are met:

- a) The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.



After initial measurement at fair value plus directly attributable costs, these financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. The measurement of credit impairment is based on the three-stage expected credit loss model described below.

Business model: The business model reflects how the company manages the assets in order to generate cash flows. That is, whether the company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL.

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss. The amortised cost, as mentioned above, is computed using the effective interest rate method.

Effective interest method - The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. The amortised cost of the financial asset is adjusted if the company revises its estimates of payments or receipts. The adjusted amortised cost is calculated based on the original or latest re-estimated EIR and the change is recorded as 'Interest and similar income' for financial assets. Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Financial assets measured at fair value through other comprehensive income

Debt Instrument - Investments in debt instruments are measured at fair value through other comprehensive income where they have:

- a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest (SPPI) on the principal amount outstanding; and
- b) Are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest revenue and foreign exchange gains and losses are recognised in profit and loss. Upon disposal, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the income statement. The measurement of credit impairment is based on the three-stage expected credit loss model as applied to financial assets at amortised cost. The expected credit loss model is described below:

Financial instrument measured at fair value through profit or loss

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVOCI criteria may be designated as at FVTPL upon initial recognition, if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Company's investment are classified as FVTPL, if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking, or it is a derivative not in a qualifying hedge relationship. Trading derivatives and trading securities are classified as held for trading and recognised at fair value.

Financial instruments held at fair value through profit or loss, are initially recognised at fair value, with transaction costs recognised in the income statement as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the income statement as they arise. Where a financial asset is measured at fair value, a credit valuation adjustment is included to reflect the credit worthiness of the counterparty, representing the movement in fair value attributable to changes in credit risk.

Equity Instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares.

Financial liabilities

Initial Measurement

Financial liabilities are classified and measured at amortized cost. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent Measurement

Financial liabilities are subsequently carried at amortized cost using the effective interest method.

Embedded Derivative

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specific interest rate, value of an underlying security, or other variable.

The embedded derivative, which are not closely related to the host contract are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

Modification of loans

The company sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the company assesses whether or not the new terms are substantially different to the original terms.

If the terms are substantially different, the company derecognises the original financial asset and recognises a 'new' asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the company also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on de recognition. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be Purchased or originated credit impaired financial assets (POCI).

If the terms are not substantially different, the renegotiation or modification does not result in de recognition, and the company recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss to the extent that an impairment loss has not already been recorded. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).



Derivative financial instruments

Derivative financial instruments are contracts whose value is derived from one or more underlying price, index or other variable, and typically comprise of instruments such as swaps, forward rate agreements, futures and options. All derivatives are recognised in the balance sheet at fair value and are classified as trading except where they are designated as a part of an effective hedge relationship and classified as hedging derivatives. The carrying value of a derivative is re measured at fair value throughout the life of the contract. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Credit Valuation Adjustments (CVA) - Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the statement of financial position. In the case of credit derivatives, the company is also exposed to or protected from the risk of default of the underlying entity referenced by the derivative. Hence, to reflect potential losses, the company applies CVA to all relevant over-the-counter positions with the exception of positions settled through central clearing houses.

Impairment of financial assets

The company applies the expected credit loss (ECL) model for recognising impairment loss as against hitherto IRAC norms of RBI.

ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months from the reporting date.

The company assesses at each reporting date whether a financial asset such as investments, loans and advances, non-fund based limits not designated as FVTPL and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Lifetime Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

The company applies a three-stage approach to measuring expected credit losses (ECLs) for the following categories of financial assets that are not measured at fair value through profit or loss:

- debt instruments measured at amortised cost and fair value through other comprehensive income;
- loan commitments; and
- Financial guarantee contracts.

No ECL is recognised on equity investments.

PD estimation process

Probability of Default (PD) is an estimate of the likelihood of default in a homogenous pool of loans, over a 12 month time horizon. PD estimation process is done based on historical & empirical internal data available with the company. Company calculates the 12 month PD by taking into account the past historical trends of the portfolio and its credit performance. In case of assets where there is a significant increase in credit risk (SICR), lifetime PD is applied which is computed based on survival analysis. For credit impaired assets, a PD of 100% is applied.

Exposure at Default (EAD)

Exposure at Default is considered as 100% of Outstanding balance in respect of loan receivables.

In case of undrawn loan commitments, a credit conversion factor of 75 % is applied for expected drawdown. For credit impaired assets (i.e. Stage 3 assets), an EAD factor of 100% is applied.

Loss Given Default (LGD)

Loss Given Default (LGD) is an estimate of the ultimate loss arising, when a default occurs. It is based on empirical contractual realisations from credit impaired assets (i.e. Stage 3 assets), after event of default (& till the time the exposure is written off) including from the realization of any security.

Financial assets are classified through the following three stages based on the change in credit risk since initial recognition:

Stage 1: 12-months ECL

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The company has assessed that all standard advances and advances upto 30 days default (SMA 0) would fall under this category. For these assets, 12-month ECL are recognized and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance).

Stage 2: Lifetime ECL – not credit impaired

Financial instruments that have had a significant increase in credit risk since initial recognition are classified under this stage. 30 Days Past Due is considered as significant increase in credit risk and classified under this category. For these assets, lifetime ECL are recognized, but interest revenue is still calculated on the gross carrying amount of the asset.

Stage 3: Lifetime ECL – credit impaired

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount.

Credit-impaired financial assets:

At each reporting date, the company assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- a) Significant financial difficulty of the borrower or issuer;
- b) A breach of contract such as a default or past due event;
- c) The restructuring of a loan or advance by the company on terms that the company would not consider otherwise;
- d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- e) The disappearance of an active market for a security because of financial difficulties.

Measurement of ECLs

The measurement of ECL reflects:

- a) An unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes
- b) The time value of money
- c) Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2022

ECLs are derived from unbiased and probability-weighted estimates of expected loss, and are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls over the expected life of the financial asset discounted by the effective interest rate. The cash shortfall is the difference between the cash flows due to the company in accordance with the contract and the cash flows that the company expects to receive.
- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows discounted by the effective interest rate.
- Undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the company if the commitment is drawn down and the cash flows that the company expects to receive.

ECLs are recognised using a provision for doubtful debts account in profit and loss. In the case of debt instruments measured at fair value through other comprehensive income, the measurement of ECLs is based on the three-stage approach as applied to financial assets at amortised cost. The company recognises the provision charge in profit and loss, with the corresponding amount recognised in other comprehensive income, with no reduction in the carrying amount of the asset in the balance sheet.

Write-off

Loans and debt securities are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the company's procedures for recovery of amounts due.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows.

- Financial assets measured at amortised cost, as a deduction from the gross carrying amount of the assets;
- Loan commitments and financial guarantee contracts: generally, as a provision;
- Where a financial instrument includes both a drawn and an undrawn component, and the company cannot identify the ECL on the loan commitment component separately from those on the drawn component, the company presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision; and
- Debt instruments measured at FVOCI, no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the fair value reserve.

Derecognition of financial assets and financial liabilities

Financial assets

The Company derecognizes a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de recognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are generally reported gross in the balance sheet. Financial assets and liabilities are offset and the net amount is presented in the balance sheet when the Company has a legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously in all of the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Company and/or its counterparties

Derivative assets and liabilities with master netting arrangements (e.g. ISDAs) are only presented net when they satisfy the eligibility of netting for all of the above criteria and not just in the event of default.

Hedge Accounting

The company makes use of derivative instruments to manage exposures to interest rate and foreign currency. In order to manage particular risks, the company applies hedge accounting for transactions that meet specified criteria.

At the inception of a hedge relationship, the company formally designates and documents the hedge relationship to which the company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

Fair value hedges

Fair value hedges hedge the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or firm commitment, that is attributable to a particular risk and could affect profit or loss.

For designated and qualifying fair value hedges, the cumulative change in the fair value of a hedging derivative is recognised in the statement of profit and loss in net gain on fair value changes. Meanwhile, the cumulative change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item in the balance sheet and is also recognised in the statement of profit and loss in net gain on fair value changes.

The company classifies a fair value hedge relationship when the hedged item (or Company of items) is a distinctively identifiable asset or liability hedged by one or a few hedging instruments. The financial instruments hedged for interest rate risk in a fair value hedge relationships fixed rate debt issued and other borrowed funds. If the hedging instrument expires or is sold, terminated or exercised, or where the hedge no longer meets the criteria for hedge accounting, the hedge relationship is discontinued prospectively. If the relationship does not meet hedge effectiveness criteria, the company discontinues hedge accounting from the date on which the qualifying criteria are no longer met. For hedged items recorded at amortised cost, the accumulated fair value hedge adjustment to the carrying amount of the hedged item on termination of the hedge accounting relationship is amortised over the remaining term of the original hedge using the recalculated EIR method by recalculating the EIR at the date when the amortisation begins. If the hedged item is derecognised, the unamortised fair value adjustment is recognised immediately in the statement of profit and loss.



Cash flow hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit or loss.

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in net gain/loss on fair value changes in the profit and loss statement.

When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss. When the forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in OCI are reversed and included in the initial cost of the asset or liability.

When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time re-mains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss.

Cost of hedging

The company also may separate forward element and the spot element of a forward contract and designate as the hedging instrument only the change in the value of the spot element of a forward contract. Similarly currency basis spread may be separated and excluded from the designation of a financial instrument as the hedging instrument. When an entity separates the forward element and the spot element of a forward contract and designates as the hedging instrument only the change in the value of the spot element of the forward contract, or when an entity separates the foreign currency basis spread from a financial instrument and excludes it from the designation of that financial instrument as the hedging instrument, such amount is recognised in OCI and accumulated as a separate component of equity under Cost of hedging reserve. These amounts are reclassified to the statement of profit or loss account as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

Financial guarantee

Financial guarantee are contracts that require the Company to make specified payments to reimburse the holder for loss that it incur because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument.

Financial Guarantee contract is initially recognised at Fair Value. Subsequently, this guarantee is to be measured at the higher of an amount determined based on the expected loss method (as per guidance in Ind AS 109) or the amount originally recognised less, the cumulative amount recognised as income on a straight-line basis.



NEOGROWTH CREDIT PRIVATE LIMITED**Notes to financial statements for the year ended March 31, 2022****(₹ in Lakhs)****Note 4: Cash and cash equivalents**

	As at March 31, 2022	As at March 31, 2021 - Restated
Cash on hand	55.43	31.75
Balances with bank	2,554.53	3,221.47
Bank deposit with maturity of less than 3 months	6,432.41	2,200.00
TOTAL	9,042.37	5,453.22

Balances with banks earn interest at fixed rates based on daily bank deposit rates. Short term deposits are made for varying periods between one day and three months, depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates. The Company has not taken bank overdraft against these Bank deposits, therefore the cash and cash equivalent for cash flow statement is same as cash and cash equivalent given above.

Note 5: Bank balance other than cash and cash equivalents

	As at March 31, 2022	As at March 31, 2021 - Restated
Deposits with original maturity for more than 3 months but less than 12 months	-	797.96
Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments	4,842.05	25,009.85
TOTAL	4,842.05	25,807.81

Fixed deposit earns interest at fixed rate based on applicable bank deposit rates.



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2022
(₹ in Lakhs)

Note 6: Derivative financial instruments

The Company enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that meet the hedge accounting requirements.

The table below shows the fair value of derivative financial instruments recorded as assets or liabilities together with their notional amounts and the fair values of embedded derivatives

The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

Particulars	As at March 31, 2022				As at March 31, 2021 - Restated			
	Notional amounts	Fair value assets	Notional amounts	Fair value liabilities	Notional amounts	Fair value assets	Notional amounts	Fair value liabilities
Part I								
(i) Currency derivatives								
-Currency swaps	4,245.00	197.56	-	-	-	-	4,245.00	(64.08)
Sub total (i)	4,245.00	197.56	-	-	-	-	4,245.00	(64.08)
(ii) Other derivatives - Cross Currency Interest Rate Swaps	8,494.49	397.70	-	-	-	-	11,892.29	90.73
(iii) Embedded Derivatives	-	-	-	6.26	-	-	-	-
Total derivative financial instruments (i+ii)	12,739.49	595.26	-	6.26	-	-	16,137.29	26.65
Part II								
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:								
Cash flow hedging	12,739.49	595.26	-	-	-	-	16,137.29	26.65
Embedded Derivative	-	-	-	6.26	-	-	-	-
Total Derivative Financial Instruments	12,739.49	595.26	-	6.26	-	-	16,137.29	26.65

6.1: Hedging activities and derivatives

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk. The Company's risk management strategy and how it is applied to manage risk are explained in Note 44.

6.1.1: Embedded Derivative

Embedded Derivative arising from the CCD issued is accounted for separately since the economic characteristic is different from the host liability contract. The embedded derivative is initially recorded at fair value and subsequently will be carried at fair value through Profit & Loss.

6.1.2 Derivatives designated as hedging instruments

6.1.2.1 Cash flow hedges

The Company is exposed to foreign currency risk arising from its foreign currency borrowing, as well as interest rate risk on floating rate foreign currency borrowings - both aggregating to a notional amount of USD 17.84 million as on March 31, 2022 (as on March 31, 2021 USD 22.58 million).

The Company has economically hedged

- (i) the foreign currency risk arising from the fixed rate non-INR borrowing using the cross currency swap, and
- (ii) the foreign currency risk and interest rate risk arising from the floating rate non-INR borrowing using the cross currency interest rate swap

The swap contracts above effectively convert the cash outflows of the foreign currency borrowing to fixed rate cash outflows in INR.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the all the swap contracts matches that of the foreign currency borrowing (notional amount, interest payment dates, principal repayment date etc.).

The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the derivative are identical to the hedged risk components.

To test the hedge effectiveness, the Company uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The hedge ineffectiveness can arise mainly if there is a change in the credit risk of the Company or the counterparty.



NEOGROWTH CREDIT PRIVATE LIMITED

Notes to financial statements for the year ended March 31, 2022

(` in Lakhs)

Note 6: Derivative financial instruments

The Company has recorded notional Cash flow hedge gain of Rs. 209.03 lakhs for the year ended March 31, 2022 which is routed through Other Comprehensive Income. The Company has entered into effective hedge and hence such notional gain would be nullified at the time of actual cash settlement. Hence increase in equity to the extent of Rs.156.42 (net of tax) lakhs is notional in nature

The impact of the hedging instruments on the balance sheet is as follows:

March 31, 2022

Particulars	Notional amount	Carrying amount	Line item in the balance sheet
Cross Currency Interest Rate Swaps	8,494.49	397.70	Derivative financial instruments
Currency Swaps	4,245.00	197.56	Derivative financial instruments

March 31, 2021

Particulars	Notional amount	Carrying amount	Line item in the balance sheet
Cross Currency Interest Rate Swaps	11,892.29	90.73	Derivative financial instruments
Currency Swaps	4,245.00	(64.08)	Derivative financial instruments

The impact of hedged items on the balance sheet is as follows:

Particulars	Cash flow hedge reserve as at March 31, 2022	Cash flow hedge reserve as at March 31, 2021
External Commercial Borrowings	(141.78)	(298.20)

The effect of cash flow hedge in the statement of profit or loss and other comprehensive income is as follows:

Particulars	Total hedging gain / (loss) recognised in OCI for the year ended March 31, 2022	Total hedging gain / (loss) recognised in OCI for the year ended March 31, 2021
External Commercial Borrowings	209.03	(0.53)



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2022
(₹ in Lakhs)
Note 7: Receivables

Particulars	As at March 31, 2022	As at March 31, 2021 - Restated
Trade Receivables Unsecured considered good	304.60	0.01
TOTAL	304.60	0.01

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade Receivables ageing

Particulars		Outstanding for following periods from due date of payment						Total
		Unbilled & Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	As at March 31, 2022	304.60	-	-	-	-	-	304.60
	As at March 31, 2021 - Restated	-	0.01	-	-	-	-	0.01
TOTAL	As at March 31, 2022	304.60	0.01	-	-	-	-	304.61
	As at March 31, 2021 - Restated	-	0.01	-	-	-	-	0.01



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2022
(₹ in Lakhs)
Note 8: Loans (at amortised cost)

Particulars	As at March 31, 2022	As at March 31, 2021 - Restated
Term loans	1,55,917.83	1,32,833.41
Total - Gross	1,55,917.83	1,32,833.41
Less: Impairment loss allowance	17,946.06	12,066.76
Total - Net	1,37,971.77	1,20,766.65
Secured by tangible assets	2,500.04	-
Unsecured	1,53,417.79	1,32,833.41
Total - Gross	1,55,917.83	1,32,833.41
Less: Impairment loss allowance -		
Secured	17,946.06	12,066.76
Total - Net	1,37,971.77	1,20,766.65
Loans in India		
i) Public Sector	-	-
ii) Others (Private sector)	1,55,917.83	1,32,833.41
Total - Gross	1,55,917.83	1,32,833.41
Less: Impairment loss allowance	17,946.06	12,066.76
Total - Net	1,37,971.77	1,20,766.65
Loans outside India	-	-
Less: Impairment loss allowance	-	-
Total - Net	-	-
Total	1,37,971.77	1,20,766.65

Summary of loans by stage distribution

Details of Company's Risk Management process and policies are set out in Note 44 - Risk Management.

	As at March 31, 2022				As at March 31, 2021 - Restated			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	1,30,282.52	8,760.99	16,874.30	1,55,917.82	83,907.21	40,428.89	8,497.29	1,32,833.39
Less: Impairment loss allowance	(4,987.08)	(2,584.87)	(10,374.13)	(17,946.09)	(2,748.26)	(4,130.54)	(5,187.96)	(12,066.76)
Net carrying amount	1,25,295.44	6,176.12	6,500.17	1,37,971.73	81,158.95	36,298.35	3,309.33	1,20,766.63

Gross Carrying amount and Impairment loss allowance excludes amounts written off which are still subject to enforcement activity



An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to business loan is, as follows:

Particulars	For the year ended March 31, 2022				For the year ended March 31, 2021 - Restated			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	83,907.21	40,428.89	8,497.29	1,32,833.39	1,27,279.71	3,976.82	4,136.88	1,35,393.41
New assets originated or purchased	1,07,965.00	6,438.12	13,084.68	1,27,487.80	76,038.14	40,109.15	8,122.48	1,24,269.77
Assets derecognised or repaid (excluding write offs)	(66,389.05)	(27,029.65)	(3,686.75)	(97,105.45)	(1,18,902.54)	(3,926.63)	(1,135.84)	(1,23,965.01)
Transfers to Stage 1	7,873.19	(7,591.51)	(281.68)	-	1.60	(0.28)	(1.33)	-
Transfers to Stage 2	(1,117.87)	1,344.71	(226.85)	-	(328.27)	328.27	-	-
Transfers to Stage 3	(1,255.50)	(2,094.36)	3,349.86	-	(152.27)	(21.21)	173.47	-
Assets written Off	(700.46)	(2,735.21)	(3,862.25)	(7,297.92)	(29.18)	(37.23)	(2,798.37)	(2,864.76)
Gross carrying amount closing balance	1,30,282.52	8,760.99	16,874.30	1,55,917.82	83,907.21	40,428.89	8,497.29	1,32,833.41

Reconciliation of ECL balance is given below:

Particulars	For the year ended March 31, 2022				For the year ended March 31, 2021 - Restated			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	2,748.26	4,130.54	5,187.96	12,066.76	7,443.25	262.36	3,156.78	10,862.39
New assets originated or purchased	5,238.48	6,005.65	9,733.50	20,977.61	1,827.03	4,027.81	5,424.79	11,279.63
Assets derecognised or repaid (excluding write offs)	(2,312.33)	(2,821.85)	(2,666.20)	(7,800.38)	(6,281.84)	(236.12)	(692.54)	(7,210.50)
Transfers to Stage 1	896.57	(844.90)	(51.67)	0.00	0.02	-0.02	-0.00	-
Transfers to Stage 2	(84.95)	217.70	(132.74)	-	(126.03)	126.03	-	-
Transfers to Stage 3	(798.47)	(1,367.06)	2,165.53	-	(85.01)	(12.29)	97.30	-
Assets written Off	(700.46)	(2,735.21)	(3,862.25)	(7,297.92)	(29.18)	(37.23)	(2,798.37)	(2,864.76)
ECL allowance - closing balance	4,987.08	2,584.87	10,374.13	17,946.07	2,748.26	4,130.54	5,187.96	12,066.76



Concentration of loans and advances (%)

Industry	As at	As at
	March 31, 2022	March 31, 2021 - Restated
Food and Beverage	10.94%	14.66%
Apparel	11.70%	13.66%
Petrol Pump	7.09%	7.90%
Groceries	6.51%	5.51%
Hardware and Electrical	4.48%	3.85%
Engineering and Capital Goods	3.51%	2.87%
Contractor	5.03%	3.69%
Mobile	3.90%	3.62%
Pharmacy	3.20%	3.16%
FMCG	3.45%	2.69%
Hotels	0.43%	1.07%
Spa and Salon	1.74%	2.29%
CDIT	1.64%	1.92%
Logistics	1.90%	1.38%
Others	34.50%	31.73%

Note:

Others consist a list of more than 50 industries, over which this portion of the portfolio is distributed.



NEOGROWTH CREDIT PRIVATE LIMITED**Notes to financial statements for the year ended March 31, 2022****(₹ in Lakhs)****Note 9: Investments**

Particulars	At Fair value through profit and loss account
As at March 31, 2022	
Mutual funds in India	-
Total Gross	-
Less : Impairment loss allowance	-
Total - Net	-
As at March 31, 2021 - Restated	
Mutual funds in India	8,255.93
Total Gross	8,255.93
Less : Impairment loss allowance	-
Total - Net	8,255.93

All the Mutual Fund units have been redeemed at the end of the reporting period, March 31 2022

More information regarding the valuation methodologies can be found in Note 43 - Fair value measurement.



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2022
(₹ in Lakhs)
Note 10: Property, Plant and Equipment

Particulars	Leasehold property improvement work	Office equipment	Computer Equipment	Furniture & Fixtures	Total
Cost:					
As at April 1, 2020	40.94	80.49	324.63	61.33	507.39
Additions	38.55	13.97	56.31	-	108.83
Disposals	-	(37.36)	(214.78)	(11.57)	(263.71)
As at March 31, 2021 - Restated	79.49	57.10	166.16	49.76	352.51
Additions	0.00	7.85	58.96	9.33	76.14
Disposals	(4.99)	(1.99)	(12.87)	(0.08)	(19.93)
As at March 31, 2022	74.50	62.96	212.25	59.01	408.72
Depreciation and impairment:					
As at April 1, 2020	31.10	41.09	212.47	27.15	311.81
Depreciation charge for the year	12.61	21.87	80.06	8.74	123.27
Disposals	-	(34.80)	(210.17)	(9.74)	(254.71)
As at March 31, 2021 - Restated	43.71	28.16	82.36	26.15	180.37
Depreciation charge for the year	8.16	17.26	64.78	8.37	98.56
Disposals	(4.97)	(1.07)	(11.41)	-	(17.45)
As at March 31, 2022	46.90	44.35	135.73	34.52	261.48
Net book value:					
As at March 31, 2021 - Restated	35.78	28.94	83.80	23.61	172.13
As at March 31, 2022	27.60	18.61	76.52	24.48	147.24

Note : The company has not done any revaluation in respect of the above Property, plant and equipment during the year.



NEOGROWTH CREDIT PRIVATE LIMITED

Notes to financial statements for the year ended March 31, 2022

(₹ in Lakhs)

Note 11: Right-of-use assets

The company has elected not to apply the requirement of Ind AS 116 to short term leases of all assets that have a lease term of 12 months or less. The lease payments associated with these leases are recognized as an expenses on a straight line basis over the lease term.

Particulars	Right-of-use Premises	Total
Cost:		
As at April 1, 2020	4,181.20	4,181.20
Additions	2,250.94	2,250.94
Adjustments	(290.67)	(290.67)
Disposals	(2,895.60)	(2,895.60)
As at March 31, 2021 - Restated	3,245.87	3,245.87
Additions	179.94	179.94
Adjustments	0.38	0.38
Disposals	(141.54)	(141.54)
As at March 31, 2022	3,284.65	3,284.65
Depreciation and impairment:		
As at April 1, 2020	1,754.63	1,754.63
Depreciation charge for the year	799.58	799.58
Adjustments	52.19	52.19
Disposals	(1,996.92)	(1,996.92)
As at March 31, 2021 - Restated	609.48	609.48
Depreciation charge for the year	652.02	652.02
Adjustments	-	-
Disposals	(57.06)	(57.06)
As at March 31, 2022	1,204.44	1,204.44
Net book value:		
As at March 31, 2021 - Restated	2,636.39	2,636.39
As at March 31, 2022	2,080.21	2,080.21



NEOGROWTH CREDIT PRIVATE LIMITED**Notes to financial statements for the year ended March 31, 2022****(₹ in Lakhs)****Note 12: Other financial assets**

Particulars	As at March 31, 2022	As at March 31, 2021 - Restated
Unsecured considered good, unless stated otherwise		
Security deposits	267.03	244.94
Interest accrued on Loan Portfolio (Secured, considered good)	-	-
Cash Collateral Placed for hedge transaction	-	115.50
Others		
Fixed deposits with bank with original maturity for more than 12 months	2,034.78	1,400.24
Other receivables	593.47	193.45
Less: Impairment allowance	-3.63	-
Total	2,891.65	1,954.13

Note: Out of the above, fixed deposit Rs. 1,443.03 lakhs (as at March 31, 2021 - Rs.1,249.01 lakhs) are marked as lien against term loans.



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2022
(₹ in Lakhs)

Note 13: Other intangible assets

Particulars	Computer Software
Cost:	
As at April 1, 2020	182.24
Additions	-
As at March 31, 2021 - Restated	182.24
Additions	44.99
As at March 31, 2022	227.23
Accumulative amortisation and Impairment:	
As at April 1, 2020	90.37
Amortisation charge for the year	45.62
As at March 31, 2021 - Restated	135.99
Amortisation charge for the year	30.84
As at March 31, 2022	166.83
Net book value:	
As at March 31, 2021 - Restated	46.25
As at March 31, 2022	60.40

Note 14: Other non-financial assets

Particulars	As at March 31, 2022	As at March 31, 2021 - Restated
Advance tax (net of Provisions for taxation and tax deducted at source)	623.36	362.97
Goods & Service Tax cash ledger	0.03	0.03
Goods & Service Tax credit (input) receivable	353.27	339.49
Prepaid expenses	268.17	151.60
Advance to vendors	144.93	125.24
TOTAL	1,389.76	979.33



NEOGROWTH CREDIT PRIVATE LIMITED

Notes to financial statements for the year ended March 31, 2022

(₹ in Lakhs)

Note 15: Trade Payable

Particulars		Outstanding for following periods from due date of payment				
		Less than 1 years	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	As of March 31, 2022	10.76	-	-	-	10.76
	As of March 31, 2021	-	-	-	-	-
(ii) Others	As of March 31, 2022	1,016.14	1.10	-	-	1,017.24
	As of March 31, 2021	1,161.58	-	-	-	1,161.58
TOTAL		1,026.90	1.10	-	-	1,028.00
		1,161.58	-	-	-	1,161.58

Notes:**The Following details relating to Micro, Small and Medium Enterprises shall be disclosed:**

(a) The Principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year.

- Principal is 10.76 lakh as on 31st March 22 (Nil in 31st March 21)
- Interest is Nil.

(b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year: Current year Nil (Previous year Nil).

(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act : Current year Nil (Previous year Nil).

(d) The amount of interest accrued and remaining unpaid at the end of each accounting year : Current year Nil (Previous year Nil).

(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 : Current year Nil (Previous year Nil).



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2022
(₹ In Lakhs)
Note 16: Debt securities

Particulars	As at March 31, 2022	As at March 31, 2021 - Restated
	Amortised cost	Amortised cost
Liability component of compound financial instruments	9.10	9.10
Senior secured notes		
Non Convertible Debentures (Secured)		
Privately placed debentures	72,315.93	88,833.88
Compulsorily Convertible Debentures (Unsecured)		
Privately placed debentures	6,972.91	-
Total	79,297.94	88,842.98
Debt securities in India	79,297.94	88,842.98
Debt securities outside India	-	-
TOTAL	79,297.94	88,842.98

The Company has sought and obtained waiver / amendment etc in respect of any breach of loan covenants. No loans have been recalled by lender as of March 31, 2022

Particulars of Privately Placed Redeemable Non Convertible Debentures (Secured):

Redemption Date	Put/Call option date	Repayment details	Face Value	As at March 31, 2022	As at March 31, 2021 - Restated
September 29, 2021	-	Bullet	10,00,000	-	4,000.00
October 26, 2021	-	Two Equal Instalments	10,00,000	-	6,500.00
August 07, 2022	-	Bullet	10,00,000	5,060.00	5,060.00
November 16, 2022	-	Two Equal Instalments	10,00,000	6,000.00	6,000.00
February 07, 2023	-	Bullet	10,00,000	3,500.00	3,500.00
February 15, 2023	-	Bullet	10,00,000	10,500.00	10,500.00
April 26, 2023	-	Two Instalments	10,00,000	3,250.00	3,250.00
May 13, 2023	-	Two Instalments	10,00,000	0.51	5,080.00
August 28, 2023	-	Bullet	10,00,000	6,500.00	6,500.00
September 03, 2025	September 03, 2022	Bullet	10,00,000	6,200.00	6,200.00
February 26, 2026	August 25, 2022	Bullet	10,00,000	3,500.00	7,000.00
November 24, 2023	-	Bullet	10,00,000	3,200.00	3,200.00
December 9, 2024	-	Four Equal Instalments	10,00,000	5,550.00	7,400.00
May 13, 2024	-	Two Instalments	5,000	4,521.40	4,521.40
February 13, 2026	-	Two Instalments	10,00,000	4,100.00	4,100.00
March 18, 2024	March 18, 2023	Six Instalments	1,00,000	1,667.00	2,500.00
March 19, 2024	March 19, 2023	Six Instalments	1,00,000	1,333.00	2,000.00
June 13, 2026	-	Two Instalments	1,00,000	2,450.00	-
March 10, 2027	March 10, 2025	Bullet	10,00,000	2,000.00	-
March 30, 2025	March 30, 2024	Six Equal Instalments	10,00,000	2,000.00	-
Total				71,331.91	87,311.40
Add: Interest Component (including EIR)				984.02	1,522.48
Total				72,315.93	88,833.88



Interest rates range from 11.65% p.a. to 14% p.a. for the year ended March 31, 2022 (for the year ended March 31, 2021 - Interest rate range from 11.65% p.a. to 14% p.a.)

Security details for Non Convertible Debentures ('NCDs')

The NCDs are fully secured by first pari passu charge over the loan to merchants of the Company or cash deposits / fixed deposits of the company in cases where the funds are pending deployment towards loan to merchants. The total asset cover has been maintained as per the terms and condition stated in the respective debenture trust deeds.

Particulars of Privately Placed Cumulative Convertible Debentures (Unsecured):

Redemption Date	Put/Call option date	Repayment details	Face Value	As at March 31, 2022	As at March 31, 2021 - Restated
September 23, 2040	-	Bullet	1,000	6,625.00	-
Total				6,625.00	-
Add: Interest Component (including EIR)				347.91	-
Total				6,972.91	-

Interest rate is 13.5% p.a. for the year ended March 31, 2022 (for the year ended March 31, 2021 - Nil)

CCD is classified as Financial Liability for the first two years from the date of issuance since it does not meet the fixed for fixed test criteria as per Ind AS 109

Each CCD shall have a maximum maturity period of 19 years from the date of its issuance, on the expiry of which it shall compulsorily and automatically convert into Series D CCPS at Floor Price (INR 75) ie fair value of the equity shares of the Company in the valuation report obtained by the Company prior to issuance of CCD in accordance with the requirements of the Foreign Exchange Management Act 1999.

The CCD shall convert into CCPS in the following manner:

- Conversion within 12 months - at a discount of 20% of the Next Qualified Round Price
- Conversion within 24 months - at a discount of 30% of the Next Qualified Round Price
- Conversion after 24 months - Floor Price



NEOGROWTH CREDIT PRIVATE LIMITED

Notes to financial statements for the year ended March 31, 2022

(` in Lakhs)

Note 17: Borrowings other than debt securities

Particulars	As at March 31, 2022	As at March 31, 2021 - Restated
	Amortised cost	Amortised cost
Term Loan		
from bank in INR (secured)	5,225.83	4,085.80
from third party in INR (secured)	10,110.13	12,670.42
from third party in INR (Unsecured)	-	2,004.11
Cash credit / Overdraft facilities from banks (secured)	5,115.96	2,455.72
External Commercial Borrowings	13,698.92	16,648.32
Others: PTC	15,928.75	3,421.36
Total	50,079.59	41,285.73
Borrowings in India	36,380.67	24,637.41
Borrowings outside India	13,698.92	16,648.32
Total	50,079.59	41,285.73

The Company has sought and obtained waiver / amendment etc in respect of any breach of loan covenants. No loans have been recalled by lender as of March 31, 2022

Term loan from bank:

These are secured by an exclusive first charge by way of hypothecation of specific identified book debts (loan assets). Of the total, loans of Rs. 1,927 lakhs (March 31, 2021: Rs.2,569 lakhs) are secured by additional third party guarantee.

Coupon rate range from 6.85% to 11.50% for the year ended March 31, 2022 (for the year ended March 31, 2021 - Interest rate range from 6.85% p.a. to 11.50%).

Term loan from third party:

These are secured by an exclusive first charge by way of hypothecation of specific identified book debts. Of the total, loans of Rs. 500 lakhs (March 31, 2021: Rs. 1,166.67 lakhs) are secured by additional fixed deposit. Further, of the total, loans of Rs. 1,357 lakhs (March 31, 2021: Rs. 2,140.59) are secured by additional third party guarantee.

Coupon rates range from 11.5% p.a. to 14% p.a. for the year ended March 31, 2022 (for the year ended March 31, 2021 interest rate range from 11.5% p.a. to 14.45% p.a.).

Cash credit / Overdraft facilities from banks:

These are secured by an exclusive first charge by way of hypothecation of specific identified book debts. Of the total, Rs 5,115 lakhs (March 31, 2021: 2,455 lakhs) are partially secured by lien marked Fixed Deposits.

Coupon rates range from 6% to 11.05% p.a. for the year ended March 31, 2022 (for the year ended March 31, 2021 - 9.75% to 11.05% p.a.).

External Commercial Borrowings:

These loans represent the External Commercial Borrowings (ECB) of the company. These are secured by an exclusive first charge by way of hypothecation of specific identified book debts.

Coupon rates range from 4.15% p.a. to 6.15% p.a. for the year ended March 31, 2022 (for the year ended March 31, 2021 4.19% p.a. to 6.15% p.a.).

Others : Pass Through Certificate (PTC)

These are Pass Through Certificates issued by securitisation Trust which meets the criteria of True Sale as per the RBI guidelines. For the year ended 31st March 2022, Rs 15,853 lakhs (March 31, 2021: Rs 3,411 lakhs) are partially secured by lien marked Fixed Deposits



NEOGROWTH CREDIT PRIVATE LIMITED**Notes to financial statements for the year ended March 31, 2022**(**₹ in Lakhs**)**Note 18: Other financial liabilities**

Particulars	As at March 31, 2022	As at March 31, 2021 - Restated
Merchant balances	1,150.42	1,466.46
Lease liabilities for premises on rent (refer Note 18A)	2,259.60	2,679.98
Other liabilities	86.30	82.51
TOTAL	3,496.32	4,228.95

Note 18A: Lease liabilities

Particulars	As at March 31, 2022	As at March 31, 2021 - Restated
Lease liabilities for premises on rent	2,259.60	2,679.98
TOTAL	2,259.60	2,679.98

Maturity analysis of contractual undiscounted cash flow

Particulars	As at March 31, 2022	As at March 31, 2021 - Restated
Less than 1 year	828.32	800.65
1 - 5 years	1,909.16	2,586.75
6 - 10 years	88.11	122.99
More than 10 years	-	-
Total undiscounted lease liabilities	2,825.58	3,510.39

The following is the movement in lease liabilities for the year ended March 31, 2022:

Particulars	Amount
Balance as at April 1, 2020	2,592.84
Add: Finance Cost accrued during the year	320.04
Add: Lease liability recognised during the year (Net of foreclosure)	731.74
Less: Payment of Lease Liabilities	(964.64)
Balance as at March 31, 2021 - Restated	2,679.98
Add: Finance Cost accrued during the year	304.31
Add: Lease liability recognised during the year (Net of foreclosure)	76.32
Less: Payment of Lease Liabilities	(801.01)
Balance as at March 31, 2022	2,259.60



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2022
(₹ in Lakhs)
Note 19: Provisions

Particulars	As at March 31, 2022	As at March 31, 2021 - Restated
Employee benefits		
- Gratuity (refer Note 35)	84.19	31.71
- Provision for compensated absences (refer Note 35)	41.87	45.68
- Retention & performance bonus	336.14	520.42
Provision for non-fund based exposure	15.78	10.86
Provision for Stock Appreciation Rights (SAR)	66.41	174.90
Financial Guarantee	261.62	-
Others	2.71	22.26
TOTAL	808.72	805.83

Loan commitment

Details of Company's Risk Management process and policies are set out in Note 44 - Risk Management.

Provision for non-fund based exposure:
a) Credit Quality of Assets

Particulars	As at March 31, 2022				As at March 31, 2021 - Restated			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Carrying amount of non-fund based exposure (refer Note 38)	1,099.31	-	-	1,099.31	620.35	-	-	620.35
Total	1,099.31	-	-	1,099.31	620.35	-	-	620.35

b) An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loans is, as follows:

Particulars	For the year ended March 31, 2022				For the year ended March 31, 2021 - Restated			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount - opening balance	620.35	-	-	620.35	1,082.26	20.90	9.25	1,112.41
New assets originated or purchased	1,099.31	-	-	1,099.31	620.35	-	-	620.35
Assets derecognised or repaid (excluding write offs)	(620.35)	-	-	(620.35)	(1,082.26)	(20.90)	(9.25)	(1,112.41)
Gross carrying amount - closing balance	1,099.31	-	-	1,099.31	620.35	-	-	620.35



Note 19: Provisions

c) Reconciliation of ECL balance is given below:

Particulars	For the year ended March 31, 2022				For the year ended March 31, 2021 - Restated			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	10.86	-	-	10.86	50.10	0.93	7.22	58.25
New assets originated or purchased	15.78	-	-	15.78	10.86	-	-	10.86
Assets derecognised or repaid (excluding write offs)	(10.86)	-	-	(10.86)	(50.10)	(0.93)	(7.22)	(58.25)
ECL allowance - closing balance	15.78	-	-	15.78	10.86	-	-	10.86

Movement of provisions other than employee benefit during the year

The movement in provisions for the year ended March 31, 2022 is, as follows:

Particulars	Litigation	Other	Total
As at March 31, 2021 - Restated	-	22.26	22.26
Additional provisions during the year	-	0.44	0.44
Utilised (Incurred or charged against that provision)	-	(20.00)	(20.00)
As at March 31, 2022	-	2.70	2.70

Other Provisions:

Other provisions include allocated amounts related to Provision for regular expenses. It is expected that the costs will be incurred over the next 12 months.

Stock Appreciation Rights (SAR PLAN 2015)

SAR grants was cancelled by the shareholders at their Extra Ordinary General Meeting held on November 30, 2017. The SAR's already granted to continuing employees as on March 31, 2018 is replaced by the Employee Stock Options under the ESOP 2017 scheme at the Special resolution passed by the members on November 30, 2017. The vesting schedule of each employee under ESOP scheme is aligned to the vesting schedule as per the original SAR scheme except the first vesting shall happen only after completion of 12 months from the date of the grant of option under ESOP scheme 2017.



NEOGROWTH CREDIT PRIVATE LIMITED

Notes to financial statements for the year ended March 31, 2022

(₹ in Lakhs)

Note 19: Provisions

Details of activity under SARs is summarized below:

Particulars	As at March 31, 2022	As at March 31, 2021 - Restated
	Nos	Nos
SARs Outstanding at the beginning of the year	1,69,400	1,69,400
Outstanding at the end of the year	1,69,400	1,69,400
Total Liability of SAR (Rs. in lakhs)	66.41	174.90

Particulars	As at March 31, 2022	As at March 31, 2021 - Restated
Opening balance of provision for SARs	174.90	174.90
Change in employee compensation cost pertaining to SARs for the year	(108.49)	-
Closing balance of provision for SARs (Net off)	66.41	174.90

Details of activity under Value Distribution Scheme (VDS) is summarized below:

Particulars	As at March 31, 2022	As at March 31, 2021 - Restated
Opening balance of provision for VDS	198.00	-
Change in employee compensation cost pertaining to VDS for the year	(194.40)	198.00
Closing balance of provision for VDS (Net off)	3.60	198.00

During the year, company cancelled VDS scheme through Board Resolution dated 18th November 2021 except for 2 employees for whom the VDS scheme will continue as per the original terms of VDS scheme.

Note 20: Other non-financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021 - Restated
Statutory dues payable	262.21	230.09
TOTAL	262.21	230.09



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2022
(₹ in Lakhs)

Note 21: Share capital

Particulars	As at March 31, 2022	As at March 31, 2021 - Restated
Authorised		
2,10,00,000 (March 31, 2021: 2,10,00,000) equity shares of Rs. 10 each	2,100.00	2,100.00
4,60,00,000 (March 31, 2021: 4,60,00,000) preference shares of Rs. 10 each	4,600.00	4,600.00
TOTAL	6,700.00	6,700.00
Issued, Subscribed and Fully paid-up Share Capital		
1,80,00,600 (March 31, 2021: 1,80,00,600) equity shares of Rs. 10 each	1,800.06	1,800.06
TOTAL	1,800.06	1,800.06

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Particulars	Equity		Compulsory Cumulative Convertible Preference Shares (CCCPS)	
	Numbers	Amount	Numbers	Amount
As at April 1, 2020	1,80,00,600	1,800.06	4,56,44,009	4,555.30
Issued during the year	-	-	-	-
As at March 31, 2021 - Restated	1,80,00,600	1,800.06	4,56,44,009	4,555.30
Issued during the year	-	-	-	-
As at March 31, 2022	1,80,00,600	1,800.06	4,56,44,009	4,555.30

Rights, preferences and restrictions attached to Equity Shares:

The Company has a single class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. During the year ended March 31, 2022, the amount of per share dividend recognized as distributions to equity shareholders was Nil (for the year ended March 31, 2021: Rs. Nil per share). In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Details of shareholders holding more than 5% shares in the Company as on reporting date

Particulars	As at March 31, 2022			As at March 31, 2021 - Restated		
	Nos.	% holding in the class	% holding in all classes	Nos.	% holding in the class	% holding in all classes
i) Dhruv Kumar Khaitan	90,00,000	49.998%	14.141%	90,00,000	49.998%	14.141%
ii) Piyush Kumar Khaitan	90,00,000	49.998%	14.141%	90,00,000	49.998%	14.141%

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, refer Note 34

Details of Promoters Shareholding

Shares held by promoters at the end of the year			% Change during the year
Promoter name	No of Shares	% of total shares	
i) Dhruv Kumar Khaitan	90,00,000	49.998%	0.00%
ii) Piyush Kumar Khaitan	90,00,000	49.998%	0.00%
Total	1,80,00,000	100.00%	



NEOGROWTH CREDIT PRIVATE LIMITED

Notes to financial statements for the year ended March 31, 2022

(₹ in Lakhs)

Note 21: Share capital

Note 22: Other Equity

Other equity movement during the year

Particulars	As at March 31, 2022	As at March 31, 2021 - Restated
4,56,44,009 (March 31, 2021: 4,56,44,009) 0.01% Compulsory Cumulative Convertible Preference Shares (CCCPS) of Rs. 10/- each fully paid up		
Balance as at the beginning of the year	4,555.30	4,555.30
Addition/Deletion	-	-
Balance at the end of the year	4,555.30	4,555.30
Statutory Reserve (pursuant to section 45-IC(1) of the Reserve Bank of India Act, 1934)		
Balance as at the beginning and at the end of the year	202.45	202.45
Securities Premium		
Balance as at the beginning and at the end of the year	42,518.24	42,518.24
Retained Earnings		
Balance as at the beginning of the year	(14,514.84)	(11,505.34)
Changes in accounting policy/prior period errors	(1,178.04)	-
Restated balance at the beginning of the current reporting period	(15,692.88)	(11,505.34)
Profit for the year	(3,945.41)	(4,187.08)
Less: Dividend declared during the year on CCCPS (a)	(0.46)	(0.46)
Less: Transferred to statutory reserves during the year	-	-
Balance as at the end of the year	(19,638.75)	(15,692.88)
Share options outstanding account		
Balance as at the beginning of the year	888.96	729.92
Add: Cost recognised during the year	58.85	159.04
Balance as at the end of the year	945.81	888.96
Other Comprehensive Income		
Balance as at the beginning of the year	(258.03)	(253.36)
Add: Additions during the year	150.00	(4.67)
Balance as at the end of the year	(108.03)	(258.03)
Total	28,475.02	32,214.04

Nature and purpose of Reserves:**Securities Premium Reserve:**

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Share options outstanding account:

The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees as per IND AS 102 'Share Based Payments', including key management personnel, as part of their remuneration. Refer to Note 34 for further details of these plans.

Cash flow hedging reserve:

The Company uses hedging instruments as part of its management of foreign currency risk and interest rate risk associated on borrowings as described within note 6. For hedging foreign currency and interest rate risk, the Company uses foreign currency swaps and cross currency interest rate swaps. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to the statement of profit or loss when the hedged item affects profit or loss.



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2022
(₹ in Lakhs)

Note 21: Share capital

Statutory reserve:

Statutory reserve is created as per the terms of section 45-IC(1) of the Reserve Bank of India Act, 1934.

In compliance with the provisions, the Management has provided for dividend on Series A, B and C of Compulsory Cumulative Convertible Preference Shares at the rate of 0.01% on a prorata basis.

Rights, preferences and restrictions attached to Preference Shares(CCCPS):

Each holder of CCCPS is entitled to one vote per share only on resolutions placed before the Company which directly affect the rights attached to CCCPS. Each share of the series A, B & C CCCPS shall be converted into one equity share of face value of Rs. 10 each subject to any adjustments required for any possible corporate action, e.g. share split, issue of bonus shares, etc. The Series A, B & C CCCPS shall be compulsorily convertible at the end of 20 (twenty) years from the date of issuance of each Series CCCPS. The conversion can be done by investors on any date, provided 30 days advance written notice is given to the Company by the respective investor. The Series A, B & C CCCPS shall carry a cumulative coupon rate of 0.01% per annum. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Details of shareholders holding more than 5% preference shares in the Company as on reporting date

Particulars	As at March 31, 2022			As at March 31, 2021 - Restated		
	Nos.	% holding in the class	% holding in all classes	Nos.	% holding in the class	% holding in all classes
Aspada Investment Company	53,80,758	11.79%	8.45%	53,80,758	11.79%	8.45%
ON Mauritius	69,65,181	15.26%	10.94%	69,65,181	15.26%	10.94%
Khosla Impact I Mauritius	32,51,470	7.12%	5.11%	32,51,470	7.12%	5.11%
Accion Frontier Inclusion Mauritius	62,80,638	13.76%	9.87%	62,80,638	13.76%	9.87%
IIFL Seed Ventures Fund I	48,59,845	10.65%	7.64%	48,59,845	10.65%	7.64%
West Bridge Crossover Fund LLC	26,89,900	5.89%	4.23%	26,89,900	5.89%	4.23%
Trinity Inclusion Ltd	1,62,16,217	35.53%	25.48%	1,62,16,217	35.53%	25.48%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

The Company has not issued any shares for a consideration other than cash during the year and immediately preceding five years from the reporting date.

Terms of any securities convertible into equity / preference shares issued along with the earliest date of conversion in descending order starting from the farthest such date:

7,462,587 shares - 0.01% fully Compulsory convertible cumulative preference shares of Rs. 10/- each are convertible into equity share in the ratio of 1 equity share for every 1 preference shares held at the end of twenty years from the date of allotment (May 22, 2013) or earlier at the option of the preference shareholder. The conversion can be done by investors on any date, provided 30 days advance written notice is given to the Company by the respective investor, ten days prior to the proposed filing of draft red herring prospectus by the Company in pursuance of Qualified Institutional Placement Offer (QIPO).

1,897,479 shares - 0.01% fully Compulsory convertible cumulative preference shares of Rs. 10/- each are convertible into equity share in the ratio of 1 equity share for every 1 preference shares held at the end of twenty years from the date of allotment (March 25, 2014) or earlier at the option of the preference shareholder. The conversion can be done by investors on any date, provided 30 days advance written notice is given to the Company by the respective investor, ten days prior to the proposed filing of draft red herring prospectus by the Company in pursuance of QIPO.

1,131,720 shares - 0.01% fully Compulsory convertible cumulative preference shares of Rs. 10/- each are convertible into equity share in the ratio of 1 equity share for every 1 preference shares held at the end of twenty years from the date of allotment (June 19, 2014) or earlier at the option of the preference shareholder. The conversion can be done by investors on any date, provided 30 days advance written notice is given to the Company by the respective investor, ten days prior to the proposed filing of draft red herring prospectus by the Company in pursuance of QIPO.

4,680,752 shares - 0.01% fully Compulsory convertible cumulative preference shares of Rs. 10/- each are convertible into equity share in the ratio of 1 equity share for every 1 preference shares held at the end of twenty years from the date of allotment (March 31, 2015) or earlier at the option of the preference shareholder. The conversion can be done by investors on any date, provided 30 days advance written notice is given to the Company by the respective investor, ten days prior to the proposed filing of draft red herring prospectus by the Company in pursuance of QIPO.

13,232 shares - 0.01% fully Compulsory convertible cumulative preference shares of Rs. 10/- each are convertible into equity share in the ratio of 1 equity share for every 1 preference shares held at the end of twenty years from the date of allotment (April 6, 2015) or earlier at the option of the preference shareholder. The conversion can be done by investors on any date, provided 30 days advance written notice is given to the Company by the respective investor, ten days prior to the proposed filing of draft red herring prospectus by the Company in pursuance of QIPO.



NEOGROWTH CREDIT PRIVATE LIMITED

Notes to financial statements for the year ended March 31, 2022

(₹ In Lakhs)

Note 21: Share capital

2,357,650 shares - 0.01% fully Compulsory convertible cumulative preference shares of Rs. 10/- each are convertible into equity share in the ratio of 1 equity share for every 1 preference shares held at the end of twenty years from the date of allotment (July 29, 2015) or earlier at the option of the preference shareholder. The conversion can be done by investors on any date, provided 30 days advance written notice is given to the Company by the respective investor, ten days prior to the proposed filing of draft red herring prospectus by the Company in pursuance of QIPO.

94,88,272 shares - 0.01% fully Compulsory convertible cumulative preference shares of Rs. 10/- each are convertible into equity share in the ratio of 1 equity share for every 1 preference shares held at the end of twenty years from the date of allotment (June 21, 2016) or earlier at the option of the preference shareholder. The conversion can be done by investors on any date, provided 30 days advance written notice is given to the Company by the respective investor, ten days prior to the proposed filing of draft red herring prospectus by the Company in pursuance of QIPO.

10,660,312 shares - 0.01% fully Compulsory convertible cumulative preference shares of Rs. 10/- each are convertible into equity share in the ratio of 1 equity share for every 1 preference shares held at the end of twenty years from the date of allotment (January 23, 2018) or earlier at the option of the preference shareholder. The conversion can be done by investors on any date, provided 30 days advance written notice is given to the Company by the respective investor, ten days prior to the proposed filing of draft red herring prospectus by the Company in pursuance of QIPO.

8,152,005 shares - 0.01% fully Compulsory convertible cumulative preference shares of Rs. 10/- each issued by way of right issue are convertible into equity share in the ratio of 1 equity share for every 1 preference shares held at the end of twenty years from the date of allotment (March 21, 2018) or earlier at the option of the preference shareholder. The conversion can be done by investors on any date, provided 30 days advance written notice is given to the Company by the respective investor, ten days prior to the proposed filing of draft red herring prospectus by the Company in pursuance of QIPO. Right issue of share to existing shareholders.



NEOGROWTH CREDIT PRIVATE LIMITED

Notes to financial statements for the year ended March 31, 2022

(₹ in Lakhs)

Note 23: Interest income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 - Restated
	On Financial Assets measured at Amortised cost	On Financial Assets measured at Amortised cost
<u>Interest on Loans</u>		
Business loans	34,962.35	29,594.81
<u>Interest on deposits with Banks</u>	814.62	963.80
<u>Other Interest Income</u>		
Unwinding of security deposit	35.90	131.33
Total	35,812.87	30,689.94

Note 24: Fees and commission income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 - Restated
Other financial services- Commission	123.79	56.90
Merchant Service Fees	91.66	281.15
Service Fees on Syndication	71.44	3.17
Total	286.89	341.22

Revenue from contracts with customers

Set out below is the revenue from contracts with customers and reconciliation to profit and loss account

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 - Restated
Type of Services or Service		
Fee and commission income	286.89	341.22
Total revenue from contract with customers	286.89	341.22
Geographical markets		
India	286.89	341.22
Outside India	-	-
Total revenue from contract with customers	286.89	341.22
Timing of revenue recognition		
Services transferred at a point in time	286.89	341.22
Services transferred over time		
Total revenue from contracts with customers	286.89	341.22



NEOGROWTH CREDIT PRIVATE LIMITED

Notes to financial statements for the year ended March 31, 2022

(₹ in Lakhs)

Contract Balances

Particulars	As at March 31, 2022	As at March 31, 2021 - Restated
Trade receivables	304.60	0.01
Fees and other receivables	41.05	49.23

Impairment allowance recognised on contract balances is Rs. Nil (March 2021 Rs.Nil)

Note 25: Net gain on fair value changes

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 - Restated
Net gain/ (loss) on financial instruments at fair value through profit or loss		
On trading portfolio		
Realised	65.65	97.56
Unrealised	-	6.34
Embedded Derivative in respect of CCD	(6.26)	-
Total	59.39	103.90

Note 26: Other Income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 - Restated
Income from other Services	8.28	11.27
Interest on Income Tax Refund	-	88.31
Cheque bounce charges	108.05	95.56
Miscellaneous Income	0.26	0.25
Total	116.59	195.39



Note 27: Finance Cost

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 - Restated
	On Financial liabilities measured at Amortised Cost	On Financial liabilities measured at Amortised Cost
Interest expense on:-		
- Debt securities	10,309.53	9,346.60
- Borrowings (other than debt securities)	3,264.97	2,551.56
Interest expense on lease liability	293.24	176.26
Other borrowing costs		
Other borrowing cost	1,473.96	1,497.24
Total	15,341.70	13,571.66

Note 28: Impairment on financial instruments

The below table show impairment loss on financial instruments charge to statement of profit and loss based on category of financial instrument.

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 - Restated
	On Financial instruments measured at Amortised cost	On Financial instruments measured at Amortised cost
Loans	14,725.46	12,515.64
Non Fund Based Exposure	4.92	(47.40)
Security Deposits	-	(9.40)
Total	14,730.38	12,458.84

During the year, the Company has written off loans amounting to Rs. 8,642.53 lakhs (for the year ended March 31, 2021 - Rs. 11,311.27 lakhs). Also the Company has recovered an amount of Rs. 4,044.83 lakhs (for the year ended March 31, 2021 - Rs. 1,629.95 lakhs) against current year and previous years' written off amounts.

The table below shows the ECL charges on financial instruments for the year recorded in the profit and loss based on evaluation stage:

Particulars	For the year ended March 31, 2022					For the year ended March 31, 2021 - Restated				
	Stage 1	Stage 2	Stage 3	Simplified approach	Total	Stage 1	Stage 2	Stage 3	Simplified approach	Total
Loans and advances to customers	2,236.82	(1,545.67)	5,189.80	-	5,862.95	(4,694.99)	3,868.18	2,031.16	-	1,204.37
Bad debts written off	-	-	-	-	4,365.91	-	-	-	-	9,064.53
Principal loss on settlement	-	-	-	-	4,456.62	-	-	-	-	2,246.73
Sub - Total	2,236.82	(1,545.67)	5,189.80	-	14,725.46	(4,694.99)	3,868.18	2,031.16	-	12,515.63
Non Fund Based Exposure	4.92	-	-	-	4.92	(39.23)	(0.93)	(7.22)	-	(47.39)
Security deposits	-	-	-	-	-	-	-	-	(9.40)	(9.40)
Sub - Total	4.92	-	-	-	4.92	(39.23)	(0.93)	(7.22)	(9.40)	(56.79)
Total impairment loss	2,241.74	(1,545.67)	5,189.80	-	14,730.40	(4,734.22)	3,867.25	2,023.96	(9.40)	12,458.84



NEOGROWTH CREDIT PRIVATE LIMITED

Notes to financial statements for the year ended March 31, 2022

(₹ in Lakhs)

Note 29: Employee benefit expense

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 - Restated
Salaries and wages	6,275.80	6,831.57
Contribution to provident and other funds	154.78	150.50
Gratuity expenses	48.84	51.34
Share based payments to employees	66.85	159.04
Staff welfare expenses	238.93	193.24
Total	6,775.20	7,185.76

Note 30: Depreciation, amortisation and impairment

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 - Restated
Depreciation of tangible assets	98.57	123.27
Amortisation of intangible assets	30.84	45.62
Depreciation on right-of-use asset	652.01	799.58
Total	781.42	968.47

Note 31: Other expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 - Restated
Marketing Expenses	172.34	61.06
Professional & Legal Fees	589.34	369.82
Rent - Short term leases	-	6.45
Traveling & Lodging Expenses	58.00	25.30
IT Services Expenses	536.22	401.00
Fee & Stamp Charges	0.20	-
Terminal deployment charges	61.83	121.74
Service Tax & GST expensed out	408.68	361.04
Rates & Taxes	3.37	5.40
Auditors' Remuneration (a)	30.92	26.57
Insurance expenses	5.75	6.71
Office and Maintenance Expenses	175.49	207.05
Power and Fuel Charges	105.85	81.59
Telephone & Internet Charges	137.05	115.56
Verification and Rating charges	267.35	150.59
Bank charges	83.50	51.20
Outsource Agency Cost	1,041.45	633.66
Miscellaneous Expenses	174.01	97.95
Total	3,824.41	2,744.81

(a) Audit Remuneration include fees payable to auditor as analysed below:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 - Restated
As auditor:		
Statutory audit of the Company	31.25	24.50
Certification fees	5.00	4.00
Out of Pocket expenses	1.57	0.07
TOTAL	38.82	28.57

Amounts recognized in profit and loss for ROU Assets and Lease Liabilities

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 - Restated
Depreciation expense on right-of-use assets	652.01	799.58
Interest expense on lease liabilities	293.24	176.28



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2022
(₹ in Lakhs)

Note 32: Income Tax

The components of income tax expense for the year ended March 31, 2022 and March 31, 2021 are:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 - Restated
Current tax	223.15	-
Deferred tax charge / (credit) relating to origination and reversal of temporary differences	(1,455.20)	(1,412.02)
Total tax charge	(1,232.05)	(1,412.02)

Reconciliation of the total tax charge:

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended March 31, 2022 and March 31, 2021 is, as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 - Restated
Accounting profit before tax	(5,177.46)	(5,599.10)
At India's statutory income tax rate of 25.168% (for the year ended March 31, 2021: 25.168%)	(1,303.06)	(1,409.18)
Effects of:		
Creation of Deferred Tax on account of Other Ind AS adjustments of the previous period	71.01	(2.84)
	(1,232.05)	(1,412.02)
Adjustment in respect of current income tax of prior years	-	-
Deferred tax charge / (credit) relating to change in tax rates	-	-
Income tax expense reported in the statement of profit & Loss	(1,232.05)	(1,412.02)

Deferred Tax

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
	As at March 31, 2022	As at March 31, 2022	For the year ended March 31, 2022	For the year ended March 31, 2022
Brought Forward Loss	487.65	-	(405.83)	-
Depreciation, amortisation and impairment	63.80	-	0.92	-
Lease Adjustments	75.42	-	24.31	-
Impairment allowance for financial assets	4,521.55	-	1,424.02	-
Derivative Instruments in Cash flow hedge relationship	47.68	-	-	(52.61)
Gratuity	21.19	-	11.05	2.16
ESOP Expenses	238.04	-	14.31	-
Other temporary differences includes deferred tax on unamortised costs on Borrowings and unamortised net income on Loan, deferred tax on Allowable / disallowable expenses under Income Tax etc.	473.48	-	386.42	-
Total	5,928.81	-	1,455.20	(50.45)
Net Amount	5,928.81			

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
	As at March 31, 2021 - Restated	As at March 31, 2021 - Restated	For the year ended March 31, 2021 - Restated	For the year ended March 31, 2021 - Restated
Brought Forward Loss	893.48	-	246.66	-
Depreciation, amortisation and impairment	62.88	-	8.92	-
Lease Adjustments	51.11	-	(30.01)	-
Impairment allowance for financial assets	3,097.63	-	982.23	-
Derivative Instruments in Cash flow hedge relationship	100.29	-	-	0.13
Gratuity	7.98	-	6.54	1.44
ESOP Expenses	223.73	-	124.59	-
Other temporary differences includes deferred tax on unamortised costs on Borrowings and unamortised net income on Loan, deferred tax on Allowable / disallowable expenses under Income Tax etc.	87.06	-	73.09	-
Total	4,524.06	-	1,412.02	1.57
Net Amount	4,524.06			



NEOGROWTH CREDIT PRIVATE LIMITED**Notes to financial statements for the year ended March 31, 2022****(₹ in Lakhs)****Note 33: Earnings per share**

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of Company (after adjusting for dividend on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 - Restated
Net profit / (loss) attributable to ordinary equity holders of the parent	(3,945.41)	(4,187.08)
Less: Dividend to Preference Shareholders	(0.46)	(0.46)
Profit / (loss) available for equity shareholders (A)	(3,945.87)	(4,187.54)
Weighted average number of ordinary shares for basic earnings per share (B)	7,24,77,942	6,36,44,609
Weighted average number of ordinary shares for dilutive earnings per share (C)	7,46,81,492	6,56,68,292
Weighted average number of equity shares outstanding during the year	1,80,00,600	1,80,00,600
Weighted average number of Compulsory Cumulative Convertible Preference Shares (CCPS)	4,56,44,009	4,56,44,009
Weighted average number of Compulsory Convertible Debentures (CCD)	88,33,333	-
Dilutive impact of weighted average number of ESOP	22,03,550	20,23,683
Face value of per share	10.00	10.00
Earnings per share		
Basic earnings per share (Rs.) [A / B]	(5.44)	(6.58)
Diluted earnings per share (Rs.) [A / C] (Refer Note 1)	(5.44)	(6.58)

Notes:

1. Since diluted EPS are anti-dilutive hence, the disclosure is restricted to basic EPS.
2. Weighted average shares mentioned above are numbers.
3. As per Ind AS 33, Para 23 " Ordinary shares that will be issued upon the conversion of a mandatorily convertible instrument are included in the calculation of basic earnings per share from the date the contract is entered into". Consequently CCPS and CCD have been included in the computation of Basic EPS.



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2022
(₹ in Lakhs)

Note 34: Employee Stock Option Scheme (ESOS)

ESOP Scheme 2018

The Employee Stock Options Scheme (ESOP Scheme) 2018 was approved by the shareholders at their Extra Ordinary General Meeting held on March 21, 2018. The Scheme has been formulated in accordance with the provisions of the Companies Act, 2013, as amended read with applicable provisions of the Companies Rules, 2014. The Company has granted stock options to the eligible employees as per ESOP scheme 2018. All the options are exercisable on liquidity event or Initial Public Offer (IPO), whichever is earlier. The Employee Stock Option Scheme 2018 is being administered and monitored by the Nomination and Remuneration Committee of the Company set up by the Board. The Company is authorised to issue 27,99,589 (Twenty Seven Lakhs Ninety Nine Thousand Five Hundred and Eighty Nine) number of equity shares of the Company having face value of Rs. 10 per share, under the ESOP Scheme 2018 to the eligible employees upon meeting of such vesting criteria as may be fixed or determined by the Board.

ESOP Scheme 2017

No further options were granted during the year under this scheme. All the options are exercisable on liquidity event or Initial Public Offer (IPO), whichever is earlier. The Board at its meeting held on March 21, 2018 approved for short closing the ESOP 2017 and approved revised ESOP 2018 scheme.

For the year ended March 31, 2022 following Employee Stock Option Plans (ESOPs) were in existence. The relevant details of the schemes and the grants are as below :

Details of Employee Stock Option Schemes	ESOP 2018	ESOP 2017
Date of Shareholder's approval of plan	March 21, 2018	November 30, 2017
Date of grant	Various dates	Various dates
Number of options granted	21,63,884	4,21,000
Method of settlement	Equity	Equity
Vesting Period	5 years	5 years
Details of vesting condition	Continued service	Continued service
Exercise Price	Rs. 159.47	Rs. 10 to Rs. 113.17

Details of Vesting

Vesting period from the grant date *	ESOP 2018	ESOP 2017
Completion of 1 year	20.00%	20.00%
Completion of 2 year	20.00%	20.00%
Completion of 3 year	20.00%	20.00%
Completion of 4 year	20.00%	20.00%
Completion of 5 year	20.00%	20.00%

There were no cancellations or modifications to the schemes in March 31, 2022, March 31, 2021

* The SAR's already granted to continuing employees as on March 31, 2018 is replaced by the Employee Stock Options under the ESOP 2017 scheme at the Special resolution passed by the members on November 30, 2017. The vesting schedule of each employee under ESOP scheme is aligned to the vesting schedule as per the original SAR scheme except the first vesting shall happen only after completion of 12 months from the date of the grant of option under ESOP scheme 2017.

Details of activity under each plan

Particulars	ESOP 2018		ESOP 2017	
	No. of Options	Weighted Avg. Exercise Price	No. of Options	Weighted Avg. Exercise Price
Outstanding as at April 1, 2020	16,53,384	159.47	3,97,200	60.81
Granted during the year	30,000	159.47	-	-
Outstanding as at March 31, 2021	16,83,384	-	3,97,200	-
Outstanding as at April 1, 2021	16,83,384	159.47	3,97,200	60.81
Granted during the year	2,50,000	159.47	-	-
Forfeited during the year	(1,19,500)	159.47	-	-
Outstanding as at March 31, 2022	18,13,884	159.47	3,97,200	60.81
Vested and exercisable as at March 31, 2022	9,43,130	-	3,91,200	-
Weighted average remaining contractual life (in years)	2	-	1	-

The value of the underlying shares has been determined by an independent valuer. The following assumptions were used for calculation of fair value of grants in accordance with Black Scholes model, for options granted during the financial year:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 - Restated
Risk-free interest rate	3.82% to 5.35%	4.44% to 5.71%
Expected life of options (years)	5 years	5 years
Expected volatility (%)	38.13%	24.08%
Dividend yield	0%	0%
Exercise price	159.47	159.47
Weighted average share price (Rs.)	159.47	159.47

The risk free interest rates are determined based on the Government bond yields with maturity equal to the expected term of the option. Volatility calculation is based on historical stock prices of comparable companies using standard deviation of change in stock price. The historical period is taken into account to match the expected life of the option.

The expense recognised for employee services received during the year is shown in the following table:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 - Restated
Expense arising from equity-settled share based payment transactions	56.85	159.04
Expense arising from cash-settled share based payment transactions	-	-
Total expense arising from share based payment transactions	56.85	159.04



NEOGROWTH CREDIT PRIVATE LIMITED

Notes to financial statements for the year ended March 31, 2022

(₹ in Lakhs)

Note 35: Retirement benefit plan**Defined Contribution Plan**

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized Rs. 154.68 lakhs (for the year ended March 31, 2021: Rs. 150.34 lakhs) for Provident Fund contributions (including admin charges) and Rs. 0.10 lakhs (for the year ended March 31, 2021: Rs. 0.22 lakhs) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes.

Defined Benefit Plan

The Company has defined benefit gratuity plan and is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service, managerial grade and salary at retirement age. Gratuity expense has been disclosed separately in Note 29.

The following tables summaries the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan.

Statement of Profit and Loss**(1) Net employee benefit expense recognised in the employee cost**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 - Restated
Current service cost	47.45	48.55
Interest expense	8.11	7.06
Interest income	(6.72)	(5.34)
Total Expenses recognised in Statement of profit and loss	48.84	50.27
Remeasurement (or Actuarial) (gain) / loss arising from:		
-change in demographic assumptions	(7.24)	-
-change in financial assumptions	(2.33)	(7.87)
-experience variance (i.e. Actual experience vs assumptions)	16.03	9.50
-others		
Return on plan assets excluding interest income	2.12	4.08
Total Expenses recognised in other comprehensive income	8.58	5.71

Balance Sheet**(2) Reconciliation of present value of the obligation and the fair value of plan assets:**

Particulars	As at March 31, 2022	As at March 31, 2021 - Restated
Defined benefit obligation	221.09	184.45
Fair value of plan assets	136.92	152.74
Asset/(liability) recognized in the balance sheet	(84.18)	(31.71)

(3) Changes in the present value of the defined benefit obligation are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021 - Restated
Opening defined benefit obligation	184.45	141.22
Transfer in/Out		
Interest cost	8.11	7.06
Current service cost	47.45	48.55
Benefits paid	(25.37)	(14.01)
Past Service Cost	-	-
Remeasurement (or Actuarial) (gain) / loss arising from:		
-change in demographic assumptions	(7.24)	-
-change in financial assumptions	(2.33)	(7.87)
-experience variance (i.e. Actual experience vs assumptions)	16.03	9.50
Closing defined benefit obligation	221.09	184.45
Less: Amount paid by Fund but yet to be paid to employee	-	-
Net Closing defined benefit obligation	221.09	184.45



NEOGROWTH CREDIT PRIVATE LIMITED

Notes to financial statements for the year ended March 31, 2022

(₹ in Lakhs)

Note 35: Retirement benefit plan

Note:

Amount of Rs. Nil (as of March 31, 2021: Nil) has been released by LIC to the company w.r.t. gratuity payment to a left employee, while the same has not yet been received by the employee.

(4) Changes in the fair value of plan assets are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021 - Restated
Opening fair value of plan assets	152.74	106.85
Transfer in/Out		
Interest income	6.72	5.34
Contributions by employer	4.95	58.64
Benefits paid	(25.37)	(14.01)
Return on plan assets excluding interest income	(2.12)	(4.08)
Closing fair value of plan assets	136.92	152.74

(5) The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	As at March 31, 2022	As at March 31, 2021 - Restated
Discount rate	4.75%	4.40%
Salary growth rate	6.00%	6.00%
Attrition rate:		
Customer Acquisition Manager ('CAMS')	58%	70%
Other than CAMS	41%	35%
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14

(6) Investments quoted in active markets:

Particulars	As at March 31, 2022	As at March 31, 2021 - Restated
Funds managed by the issuer	100%	100%
Total	100%	100%

(7) Expected payment for future years

Particulars	As at March 31, 2022	As at March 31, 2021 - Restated
Within the next 12 months (next annual reporting period)	81.03	55.60
Between 2 and 5 years	142.30	116.48
Between 6 and 10 years	24.77	35.09
Beyond 10 years	2.30	5.94
Total expected payments	250.40	213.11

The Company expects to contribute Rs. 120.72 lakhs to the fund in the next financial year.

The weighted average duration of the defined benefit obligation as at March 31, 2022 is 2 years (as at March 31, 2021 : 3 years).

The fund is administered by Life Insurance Corporation of India ("LIC"). The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.



NEOGROWTH CREDIT PRIVATE LIMITED

Notes to financial statements for the year ended March 31, 2022

₹ in Lakhs)

Note 35: Retirement benefit plan

The principal assumptions used in determining leave encashment obligations for the Company's plans are shown below:

Particulars	As at March 31, 2022	As at March 31, 2021 - Restated
Discount rate	4.75%	4.40%
Salary growth rate	6.00%	6.00%
Normal retirement age	58 years	58 years
Mortality Rate	100% of IALM 2012-14	100% of IALM 2012-14
Attrition rate		
Customer Acquisition Manager ('CAMS')	58%	70%
Other than CAMS	41%	35%

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields / rates available on applicable bonds as on the current valuation date.

The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

Asset Liability Matching Strategies

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	As at March 31, 2022	As at March 31, 2021 - Restated
Defined Benefit Obligation (Base)	221.09	184.45

Particulars	As at March 31, 2022		As at March 31, 2021 - Restated	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%) (% change compared to base due to sensitivity)	226.80 2.60%	215.65 -2.50%	190.46 3.30%	178.77 -3.10%
Salary Growth Rate (- / + 1%) (% change compared to base due to sensitivity)	215.97 -2.30%	226.36 2.40%	178.90 -3.00%	190.17 3.10%
Attrition Rate (- / + 50% of attrition rates) (% change compared to base due to sensitivity)	265.48 20.10%	191.45 -13.40%	237.58 28.80%	150.93 -18.20%
Mortality Rate (- / + 10% of mortality rates) (% change compared to base due to sensitivity)	221.07 0.00%	221.11 0.00%	184.42 0.00%	184.47 0.00%



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2022
(₹ in Lakhs)
Note 36: Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. With regard to loans and advances to customers, the Company uses the same basis of expected repayment behaviour as used for estimating the EIR. Issued debt reflect the contractual coupon amortisations.

Particulars	As at March 31, 2022			As at March 31, 2021 - Restated		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	9,042.37	-	9,042.37	5,453.22	-	5,453.22
Bank Balance other than above	4,842.05	-	4,842.05	25,807.81	-	25,807.81
Derivative financial instruments	-	595.26	595.26	-	-	-
Trade receivables	227.72	76.88	304.60	0.01	-	0.01
Loans	90,282.71	47,689.06	1,37,971.77	79,726.24	41,040.41	1,20,766.65
Investments	-	-	-	8,255.93	-	8,255.93
Other financial assets	704.35	2,187.29	2,891.64	317.62	1,636.51	1,954.13
Non-financial Assets						
Deferred tax assets (net)	0.00	5,928.81	5,928.81	0.00	4,524.06	4,524.06
Property, plant and equipment	0.01	147.23	147.24	0.00	172.13	172.13
Right-of-use assets	-	2,080.21	2,080.21	-0.01	2,636.40	2,636.39
Other intangible assets	-	60.40	60.40	-	46.25	46.25
Other non financial assets	755.77	633.99	1,389.76	613.96	365.37	979.33
Total assets	1,05,854.98	59,399.13	1,65,254.12	1,20,174.78	50,421.13	1,70,595.91
Liabilities						
Financial Liabilities						
Trade payables						
total outstanding dues of micro enterprises and small enterprises	10.76	-	10.76	-	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises	1,017.24	-	1,017.24	1,161.58	-	1,161.58
Derivative financial liabilities	6.26	-	6.26	26.65	-	26.65
Debt Securities	45,798.49	33,499.45	79,297.94	27,703.84	61,139.14	88,842.98
Borrowings (other than debt securities)	41,237.15	8,842.44	50,079.59	21,217.00	20,068.73	41,285.73
Other Financial liabilities	1,812.66	1,683.66	3,496.32	1,201.08	3,027.87	4,228.95
Non-financial Liabilities						
Provisions	523.47	285.25	808.72	551.13	254.70	805.83
Other non-financial liabilities	262.21	-	262.21	230.09	-	230.09
Total Liabilities	90,668.24	44,310.80	1,34,979.04	52,091.37	84,490.44	1,36,581.81
Net	15,186.74	15,088.33	30,275.07	68,083.41	(34,069.31)	34,014.10

Note:

- The Company considers Put/Call option dates for the purpose of reporting maturity pattern of Borrowings including debt securities.
- In the preparation of the above disclosure, certain assumption have been considered by the management which have been relied upon by the auditors.
- The Maturity Profile in respect of loans given has been prepared based on the contractual cash inflows from the loans disbursed agreed with customers as the company expects the behaviour to be similar.



NEOGROWTH CREDIT PRIVATE LIMITED

Notes to financial statements for the year ended March 31, 2022

(₹ in Lakhs)

Note 37: Change in liabilities arising from financing activities

Changes in liabilities arising from financing activities

Particulars	As at March 31, 2021 - Restated	Cash Flows (net)	Exchange difference	*Others	As at 31 March 2022
Debt Securities	88,842.98	(9,354.49)	-	(190.55)	79,297.94
Borrowings other than debt securities	41,285.74	8,259.51	412.88	121.46	50,079.59
Total	1,30,128.72	(1,094.98)	412.88	(69.09)	1,29,377.53

Particulars	As at April 1, 2020	Cash Flows (net)	Exchange difference	*Others	As at March 31, 2021 - Restated
Debt Securities	73,302.22	15,121.41	-	419.36	88,842.98
Borrowings other than debt securities	34,317.77	7,534.66	(576.96)	10.26	41,285.74
Total	1,07,619.99	22,656.07	(576.96)	429.62	1,30,128.72

*Others Includes amortised cost impact and incremental interest liability at the year end



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2022
(₹ in Lakhs)

Note 38: Contingent liabilities, commitments

(A) Contingent Liability

Particulars	As at 31 March 2022	As at March 31, 2021 - Restated
Contingent Liability	-	-
Total	-	-

(B) Commitments

Particulars	As at 31 March 2022	As at March 31, 2021 - Restated
Commitments related to loans sanctioned but undrawn		
PayLater Open Limits (refer Note 19)	1,465.74	827.14
Other Commitments		
Capital commitments	0.35	7.48
Total	1,466.09	834.62



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2022
(₹ in Lakhs)
Note 39: Details of transactions with struck off company / under process of strike off

Name of struck off Company/under process of strike off *	Nature of transactions with struck-off Company/under process of strike off	As at 31 March 2022	Relationship with the struck off Company, if any, to be disclosed
Mn & C Supply Links Retails Pvt Ltd	Loans and Advances	69,47,156	Un related party, Customers
Tanvi Express Logistics Solution Pvt. Ltd	Loans and Advances	45,42,197	Un related party, Customers
Volando Tours Pvt Ltd	Loans and Advances	23,97,082	Un related party, Customers
Mysore Bakery And Restaurant Pvt Ltd	Loans and Advances	22,43,794	Un related party, Customers
Viva Concrete Technologies Private Limited	Loans and Advances	21,76,768	Un related party, Customers
Mentor Corporation Management Consultants Pvt Ltd	Loans and Advances	20,54,166	Un related party, Customers
Kaffee Concepts Gurgaon Private Limited	Loans and Advances	19,78,251	Un related party, Customers
Tei Medias Pvt. Ltd.	Loans and Advances	19,12,830	Un related party, Customers
Boudoir Lounge Private Limited	Loans and Advances	18,68,930	Un related party, Customers
Sanka India Pvt Ltd	Loans and Advances	18,34,719	Un related party, Customers
The Next Automotive Era Private Limited	Loans and Advances	18,25,383	Un related party, Customers
Cgn Research Labs Private Limited	Loans and Advances	17,43,825	Un related party, Customers
Dominion Expo Ventures Pvt Ltd	Loans and Advances	16,02,075	Un related party, Customers
Day2Day Restaurant India Private Limited	Loans and Advances	15,01,666	Un related party, Customers
Magpie Fashions Pvt. Ltd.	Loans and Advances	13,74,823	Un related party, Customers
Smart M K Trade World Pvt Ltd	Loans and Advances	13,47,332	Un related party, Customers
White Feathers Hospitality Pvt. Ltd.	Loans and Advances	13,43,462	Un related party, Customers
Nature Bless International Private Limited	Loans and Advances	12,79,216	Un related party, Customers
Tamarai Hotels Private Limited	Loans and Advances	11,64,176	Un related party, Customers
Benze Vacations Club - Hyderabad	Loans and Advances	11,45,610	Un related party, Customers
23 Chefs Private Limited	Loans and Advances	11,15,829	Un related party, Customers
City Fresh Retail Pvt Ltd	Loans and Advances	10,73,892	Un related party, Customers
Grandway Innovations India Pvt Ltd	Loans and Advances	9,52,371	Un related party, Customers
Brg Sales Pvt Ltd	Loans and Advances	8,74,575	Un related party, Customers
Cellcom Computers Solutions Pvt Ltd	Loans and Advances	8,19,278	Un related party, Customers
Sukhsagar Textiles Pvt Ltd	Loans and Advances	8,04,982	Un related party, Customers
Meenu Gems Private Limited	Loans and Advances	7,84,300	Un related party, Customers
Sinhas Home Pvt Ltd	Loans and Advances	7,68,143	Un related party, Customers
Dalchini (Opc) Private Limited	Loans and Advances	7,41,344	Un related party, Customers
Backhome Hospitality Services Private Limited	Loans and Advances	7,29,360	Un related party, Customers
The Elbo Room	Loans and Advances	6,99,188	Un related party, Customers
Brydan Foods Pvt Ltd	Loans and Advances	6,76,597	Un related party, Customers
The Elbo Room - Chq	Loans and Advances	6,61,570	Un related party, Customers
I We Hotels Private Limited	Loans and Advances	6,31,050	Un related party, Customers
Apni Air Travels (India) Private Limited	Loans and Advances	6,15,161	Un related party, Customers
Prateek Intimate Products Pvt Ltd- Parallel	Loans and Advances	6,03,026	Un related party, Customers
Enchanting Destination Tours Pvt Ltd	Loans and Advances	5,91,597	Un related party, Customers
Rage Fitness & Adventure Private Limited	Loans and Advances	5,64,838	Un related party, Customers
Jarola Enterprises Private Limited	Loans and Advances	5,00,261	Un related party, Customers
Niche Events And Promotions Pvt Ltd	Loans and Advances	4,90,000	Un related party, Customers
Beauty Channel Salon & Spa Private Limited	Loans and Advances	4,65,372	Un related party, Customers
M/S Aditya Inkjet Technologies Pvt Ltd	Loans and Advances	4,39,582	Un related party, Customers
Avisons Works Private Limited	Loans and Advances	4,12,059	Un related party, Customers
Maa Bhook Lagi Food Services Private Limited	Loans and Advances	3,87,398	Un related party, Customers
Diya Hospitality Private Limited	Loans and Advances	3,06,464	Un related party, Customers
Delictable Gnosh Private Limited	Loans and Advances	2,75,701	Un related party, Customers
Sagayam Hospitalities Pvt Ltd	Loans and Advances	2,50,542	Un related party, Customers
Pawanputra Oil Technologies Private Limited	Loans and Advances	2,40,853	Un related party, Customers
Srt Fitness Private Limited	Loans and Advances	2,04,749	Un related party, Customers
Pan Club Hotel Pvt Ltd	Loans and Advances	1,93,231	Un related party, Customers
Golden Gale Residency Hotels Opc Pvt Ltd	Loans and Advances	1,76,011	Un related party, Customers
Wega Lifestyle Pvt Ltd.	Loans and Advances	1,68,518	Un related party, Customers
Sevenoaks Engineering Private Limited	Loans and Advances	1,48,800	Un related party, Customers
Pure Proteen Pvt. Ltd	Loans and Advances	1,40,633	Un related party, Customers
Kalpavruksh Hotels Pvt Ltd	Loans and Advances	1,29,436	Un related party, Customers
Sarika Craft Bazaar Private Limited	Loans and Advances	1,21,847	Un related party, Customers
Bq Automobiles Private Limited	Loans and Advances	1,07,056	Un related party, Customers
Cellcom Computers Solutions Private Limited	Loans and Advances	38,850	Un related party, Customers
Total		6,11,87,927	

*Notes: Out of outstanding principal balance of Rs 6,11,87,927/-, 50 loans amounting to Rs. 5,53,77,250/- has been write off loan and advances as at 31st March 2022.



NEOGROWTH CREDIT PRIVATE LIMITED

Notes to financial statements for the year ended March 31, 2022
(₹ in Lakhs)

Note 40: Related party disclosures
(A) List of Related Parties with whom Company had transaction
Enterprise where Key Managerial Personnel has significant influence or control

Delta Services LLP
KFO Enterprises LLP

Key Managerial Personnel

Mr. Piyush Kumar Khaitan	Managing Director
Mr. Arun Nayyar	Whole Time Director & Chief Executive Officer (CEO)
Mr. B Ravi Kumar	Chief Financial Officer (CFO) & Company Secretary (CS) (till June 10, 2021)
Mr. Deepak Goswami	Chief Financial Officer (CFO) (from June 11, 2021)
Mr. Mulhiah Ganapathy	Company Secretary (CS) (from October 01, 2021 to February 18, 2022)
Ms. Tanushri Yewale	Company Secretary (CS) (from February 19, 2022)

Directors

Mr. Dhruv Kumar Khaitan	Chairman
Ms. Bindu Ananth	Independent Director
Mr. Mahesh Krishnamurthy	Director
Mr. Ganesh Rengaswamy	Director
Mr. Prashasta Seth (upto January 1, 2021)	Director
Mr. Micheal Fernandes	Director
Mr. Pranav Kumar	Director
Mr Amit Mehta (from February 12, 2021)	Additional Director

(B) Related Party transactions during the year:

Particulars	Enterprise where Key Managerial Personnel has significant influence or control		Key Management Personnel / Managing Director		Directors		Relatives of Key Management Personnel / Directors	
	For the year ended / as at March 31, 2022	For the year ended / as at March 31, 2021 - Restated	For the year ended / as at March 31, 2022	For the year ended / as at March 31, 2021 - Restated	For the year ended / as at March 31, 2022	For the year ended / as at March 31, 2021 - Restated	For the year ended / as at March 31, 2022	For the year ended / as at March 31, 2021 - Restated
Transactions								
For infrastructure maintenance charges recovered	8.28	11.27	-	-	-	-	-	-
Managerial Remuneration	-	-	47.06	47.30	-	-	-	-
Interest Expense	-	-	23.07	-	23.07	-	-	-
Professional fees	-	-	-	-	24.00	24.00	-	-
Remuneration	-	-	529.38	347.57	-	-	-	-
Balances								
Deposit for accommodation	-	-	-	7.00	-	-	-	-
Compulsorily Converted Debentures (CCD)	-	-	330.00	-	330.00	-	-	-
Interest accrued on CCD	-	-	16.83	-	16.83	-	-	-

Note:

a) Related parties have been identified on the basis of the declaration received by the management and other records available.

b) Provisions for gratuity, compensated absences and other long term service benefits are made for the Company as a whole and the amounts pertaining to the key managerial personnel are not specifically identified and hence are not included above.

c) The Company enters into transactions, arrangements and agreements involving related parties in the ordinary course of business under the same commercial and market terms, interest and commission rates that apply to non-related parties.



NEOGROWTH CREDIT PRIVATE LIMITED**Notes to financial statements for the year ended March 31, 2022****(₹ in Lakhs)****Note 41: Capital****Capital Management**

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

Regulatory capital	As at 31 March 2022	As at March 31, 2021 - Restated
TIER I capital	23,389.24	28,662.72
TIER II capital	7,554.06	1,758.68
Total capital	30,943.30	30,421.40
Risk weighted assets	1,33,243.32	1,40,694.03
Tier I CRAR	17.55%	20.37%
Tier II CRAR	5.67%	1.25%
Tier I + II CRAR	23.22%	21.62%

Regulatory capital consists of TIER I capital, which comprises share capital, share premium, retained earnings including current year loss less accrued dividends.

As per RBI guidelines, the Company being a Non-Banking Finance Company has to maintain 15% of capital adequacy ratio for NBFC business.

Note 42: Events after reporting date

There have been no events after the reporting date that require disclosure in these financial statements.



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2022
(₹ In Lakhs)

Note 43: Fair value measurement

43.1 Valuation Principle

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques

Level 1: Valuation based on quoted market price: financial instruments with quoted prices for identical instruments in active markets that the Company can access at the measurement date.

Level 2: Valuation using observable inputs: financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Level 3: Valuation technique with significant unobservable inputs: financial instruments valued using valuation techniques where one or more significant inputs are unobservable.

43.2 Fair Value Hierarchy of assets and liabilities

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

March 31, 2022

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Derivative financial instruments				
Currency Swaps	-	197.56	-	197.56
Cross Currency Interest Rate Swaps	-	397.70	-	397.70
Total derivative financial instruments	-	595.26	-	595.26
Financial assets held for trading				
Mutual funds	-	-	-	-
Total Financial assets held for trading	-	-	-	-
Total assets measured at fair value on a recurring basis	-	595.26	-	595.26
Total financial assets measured at fair value	-	595.26	-	595.26
Liabilities measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Derivative financial instruments				
Embedded Derivatives	-	6.26	-	6.26
Total derivative financial instruments	-	6.26	-	6.26
Total financial liabilities measured at fair value on a recurring basis	-	6.26	-	6.26
Total financial liabilities measured at fair value	-	6.26	-	6.26

March 31, 2021 - Restated

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Financial assets held for trading				
Mutual funds	8,255.93	-	-	8,255.93
Total Financial assets held for trading	8,255.93	-	-	8,255.93
Total assets measured at fair value on a recurring basis	8,255.93	-	-	8,255.93
Total financial assets measured at fair value	8,255.93	-	-	8,255.93
Liabilities measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Derivative financial instruments				
Currency Swaps	-	-64.08	-	-64.08
Cross Currency Interest Rate Swaps	-	90.73	-	90.73
Total derivative financial instruments	-	26.65	-	26.65
Total financial liabilities measured at fair value on a recurring basis	-	26.65	-	26.65
Total financial liabilities measured at fair value	-	26.65	-	26.65

There are no financial instruments measured at fair value on non-recurring basis.

Investments in Mutual Fund are fair valued through Profit & Loss account. Derivative Financial Instruments are fair valued through Other Comprehensive Income.



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2022
(₹ in Lakhs)

Note 43: Fair value measurement

43.3 Valuation techniques

Derivative contracts

Derivatives contracts include Cross Currency Swaps and Cross Currency Interest Rate Swaps. These instruments are valued by (a) observable foreign exchange rates; and (b) observable or calculated forward points (implied yield curves).

The Company classifies Derivatives contracts as Level 2 financial instruments when no unobservable inputs are used for their valuation or the unobservable inputs used are not significant to the measurement (as a whole).

Foreign exchange contracts

Foreign exchange contracts include foreign exchange forward and swap contracts and over-the-counter foreign exchange options. These instruments are valued by either observable foreign exchange rates, observable or calculated forward points and option valuation models. With the exception of contracts where a directly observable rate is available which are disclosed as Level 1, the Company classifies foreign exchange contracts as Level 2 financial instruments when no unobservable inputs are used for their valuation or the unobservable inputs used are not significant to the measurement (as a whole).

Mutual Funds

Mutual Funds include investment in liquid funds and overnight funds. These are debt-based funds. The amounts mentioned is the fair value of the portfolio basis the NAV of the underlying schemes which are published by respective AMC's on a daily basis. The cost of the portfolio as at March 31, 2022 is Rs. Nil (As at March 31, 2021 - 8,249.59 lakhs)

43.4 Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets

March 31, 2022	Valuation	Fair Value				
		Carrying Value	Level-1	Level-2	Level-3	Total
Financial assets:						
Cash and cash equivalents	At amortised cost	9,042.37	2,609.95	6,432.41	-	9,042.37
Bank balance other than above	At amortised cost	4,842.05	-	4,842.05	-	4,842.05
Trade receivables	At amortised cost	304.60	-	-	304.60	304.60
Loans	At amortised cost	1,37,971.77	-	-	1,37,971.77	1,37,971.77
Other Financial Assets	At amortised cost	2,891.65	-	-	2,891.65	2,891.65
Total financial assets		1,55,052.44	2,609.95	11,274.46	1,41,168.02	1,55,052.44
Financial liabilities:						
Trade payables	At amortised cost	1,028.00	-	-	1,028.00	1,028.00
Debt securities	At amortised cost	79,297.94	-	-	79,297.94	79,297.94
Borrowings (other than debt securities)	At amortised cost	50,079.59	-	-	50,079.59	50,079.59
Other Financial liabilities	At amortised cost	3,496.32	-	-	3,496.32	3,496.32
Total financial liabilities		1,33,901.85	-	-	1,33,901.85	1,33,901.85
Off balance sheet items						
Other commitments	At amortised cost	1,465.74	-	-	1,465.74	1,465.74
Total off-balance sheet items		1,465.74	-	-	1,465.74	1,465.74

There are no transfer of assets / liabilities between Level 1, Level 2 and Level 3 during the current year as well as previous year. - to confirm this statement

March 31, 2021 - Restated	Valuation	Fair Value				
		Carrying Value	Level-1	Level-2	Level-3	Total
Financial assets:						
Cash and cash equivalents	At amortised cost	5,453.22	3,253.22	2,200.00	-	5,453.22
Bank balance other than above	At amortised cost	25,807.81	-	25,807.81	-	25,807.81
Trade receivables	At amortised cost	0.01	-	-	0.01	0.01
Loans	At amortised cost	1,20,766.65	-	-	1,20,766.65	1,20,766.65
Other Financial Assets	At amortised cost	1,954.13	-	-	1,954.13	1,954.13
Total financial assets		1,53,981.82	3,253.22	28,007.81	1,22,720.79	1,53,981.82
Financial liabilities:						
Trade payables	At amortised cost	1,161.58	-	-	1,161.58	1,161.58
Debt securities	At amortised cost	88,842.98	-	-	88,842.98	88,842.98
Borrowings (other than debt securities)	At amortised cost	41,285.73	-	-	41,285.73	41,285.73
Other Financial liabilities	At amortised cost	4,228.95	-	-	4,228.95	4,228.95
Total financial liabilities		1,35,519.24	-	-	1,35,519.24	1,35,519.24
Off balance sheet items						
Other commitments	At amortised cost	827.14	-	-	827.14	827.14
Total off-balance sheet items		827.14	-	-	827.14	827.14

43.5 Valuation methodologies of financial instruments not measured at fair value

The Company has determined that the carrying values of cash and cash equivalents, bank balances, trade receivables, loans, trade payables, debt securities, borrowings, other financial assets, other financial liabilities and off-balance sheet item are a reasonable approximation of their fair value and hence their carrying values are deemed to be fair values.



Note 44: Risk management

44.1 Introduction and Risk Profile

44.1.1 Risk management structure

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles. The Board has constituted the Credit and Risk Management Committee which is responsible for monitoring the overall risk process within the Company.

The Credit and Risk Management Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. This Committee is also responsible for managing portfolio risk decisions and monitoring risk levels.

The Company's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Company.

The Company's risk management processes are audited annually by the Internal Auditors, who examine both the adequacy of the procedures and the Company's compliance with the procedures. The Internal Auditors discuss the results of all assessments with the management and reports their findings and recommendations to the Audit Committee of the Board.

44.1.2 Risk mitigation and risk culture

As part of its overall risk management, the Company can use derivatives and other instruments to manage exposures resulting from changes in interest rates and foreign currencies, equity risks and credit risks. Currently, the Company uses derivatives to manage its interest rate and foreign exchange risk arising from the USD denominated borrowings.

In accordance with the Company's policy, its risk profile is assessed before entering into hedging transactions, which are authorised by the appropriate level of seniority within the Company. The effectiveness of hedges is assessed by the ALCO (based on economic considerations rather than the Ind AS hedge accounting regulations). The effectiveness of all the hedge relationships is monitored by the ALCO on a monthly basis. It is the Company's policy that in situations of ineffectiveness, it will enter into a new hedge relationship to mitigate risk on a continuous basis. Currently, the positions are fully hedged (i.e. 100% risk of interest rate and/or foreign exchange movement) in line with the Board approved policies.

44.1.3 Risk measurement and reporting systems

The Company's loan asset portfolio risk is measured using a method that reflects expected loss likely to arise in normal circumstances based on statistical models. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment, whenever required. This risk measurement is quantified by way of the Expected Credit Loss (ECL). Unexpected losses resulting from unforeseen event risks e.g., natural disasters / events / pandemic situations etc., are estimated by applying judgmental inferences to lead indicators of portfolio behavior.

The Company's policy is to measure and monitor the overall risk, in relation to the aggregate risk exposure across all risk types and activities.

Information compiled from all the departments is examined and processed to analyse, control and identify operational risks on a timely basis. This information is presented and explained to the Head of each Department, the Audit Committee of the Board. The Audit Committee of the Board & the Credit and Risk Management Committee receives a comprehensive risk report once a quarter (from the Auditors & the Risk Head respectively) which is designed to provide all the necessary information to interpret, assess and conclude on the risks of the Company.

It is the Company's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Company is exposed to. The Company continuously trains its employees to build awareness of the Company's risk appetite and support them in their roles and responsibilities to monitor risk.

44.2 Credit Risk

Credit risk is the possibility that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept on its Loan Portfolio, and by monitoring exposures in relation to such limits.

The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties.

The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

44.2.1 Derivative financial instruments

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the balance sheet.

With gross-settled derivatives, the Company is also exposed to a settlement risk, being the risk that the Company honours its obligation, but the counterparty fails to deliver the counter value. The Company deals with only high rated Banking Counterparty(ies) to ensure mitigation of counterparty credit risk and settlement risk.

44.2.2 Impairment assessment

The references below show where the Company's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the Summary of significant accounting policies.

The Company's definition and assessment of default (Note 44.2.2.1):

- How the Company defines, calculates, monitors and validates the Probability of Default (PD) and Loss Given Default (LGD) (Notes 44.2.2.2 to 44.2.2.3)
- When the Company considers there has been a significant increase in credit risk (SICR) of an exposure (Note 44.2.2.4)
- The details of the ECL calculations for Stage 1, Stage 2, Stage 3 and it's respective sub-stage assets

44.2.2.1 Definition of default

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikelihood to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events may include (and not be limited to):

- All the facilities of a borrower from all the borrowed accounts are treated as Stage 3 when one of his facility becomes 90 days past due i.e. credit impaired.
- A covenant breach not waived by the Company
- The Company on selective Basis does consider restructuring of loans after due assessment of its viability from time to time, in line with regulatory /judicial norms & dispensations

44.2.2.2 PD estimation process

Probability of Default (PD) is an estimate of the likelihood of default in a homogenous pool of loans, over its performance period of following 12 month / lifetime horizon. PD estimation process is done based on historical & empirical internal data available with the company. Company calculates the 12-month PD by taking into account the past historical trends of the portfolio and its credit performance. In case of assets where there is 'a significant increase in credit risk (SICR)' i.e when a borrower becomes 30 Days past Due and is classified as Stage 2, a higher PD is applied basis empirical data of such customers defaulting. For credit impaired assets (Stage 3), a PD of 100% is applied.

PD represents the empirical residual value of loans at the time of default (during the performance period), relative to the principal balance of all Non-Default accounts at the start point of the performance period. 12 month period for which performance has been empirically measured. The Company assesses and empirically measure the possible default events within 12 months or lifetime. This PD factor is applied to all Stage 1 & Stage 2 loans, to estimate the likely of Default

For credit impaired assets (i.e. Stage 3 assets), PD of 100% is applied. In case of undrawn loan commitments (for accounts that are live & unexpired), a credit conversion factor of 75 % is applied for expected drawdown.

44.2.2.3 Loss Given Default (LGD) & Exposure at Default (EAD)

Loss Given Default (LGD) is an estimate of the ultimate loss arising when a default occurs. It is based on empirical contractual realizations from credit impaired assets (i.e. Stage 3 assets) after event of default including from the realization of any security. This is computed basis seasoned defaulted loans.

Exposure at Default (EAD) is considered as 100% of Outstanding balance in respect of loan receivables.

In case of undrawn loan commitments, a credit conversion factor of 75% is applied for expected drawdown. For credit impaired assets (i.e. Stage 3 assets), an EAD is considered at 100%.



Note 44: Risk management

44.2.2.4 Significant increase in credit risk

The Company continuously monitors its Loan Portfolio in order to assess whether there has been an event which could cause a significantly increase in the credit risk (SICR) of the underlying asset or the customer's ability to pay and accordingly applies a higher PD rate. An asset can move in & out of SICR category based upon whether it has undergone SICR events that may include (and not be limited to):

- When one of the facilities of a borrower becomes 30 days past due
- Borrowers of a segment / industry / geography under stress

44.3 Liquidity risk and funding management

Liquidity risk arises from mismatches in the timing of cash flows, these mismatches originates due to difference in average maturity of assets and liabilities in the books. It is a risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities as and when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances.

Liquidity Risk is primarily monitored by a Board appointed Asset Liability Committee (ALCO) and is managed by the Company's treasury team under the guidance of ALCO.

Liquidity Risk is measured by identifying gaps in the structural and dynamic liquidity statements. Key practices employed by the company for assessment and monitoring of liquidity risk are as below:

1. Monitoring the external operating environment, regulatory framework for NBFCs, capital market instruments and bank loans, debt market conditions and liquidity, and risk appetite of investors
2. Mapping of near to medium-term outflows on liabilities and expected inflows from assets, thereby performing a gap assessment for incremental fund raising
3. Periodic reviews by ALCO relating to the liquidity position, plan of action for incremental fund raising and stress tests of the ALM position

The Company continues to closely monitor liquidity in the market and as part of its ALCO strategy maintains a liquidity buffer to reduce any liquidity risk. This liquidity buffer is maintained in the form of unencumbered investments in units of mutual funds (Liquid and/or Overnight Schemes), Fixed Deposits with high rated scheduled Commercial Banks and undrawn Bank lines.

The Company maintains a diverse mix of borrowings from various sources, including banks, developmental financial institutions, foreign portfolio investors and high rated NBFCs. The Company continued to borrow long term debt with longer contractual maturity compared to its loans and advances portfolio, in order to maintain positive cumulative gaps in its ALM. The average maturity of liabilities is higher than average maturity of assets, which has caused positive gap in the ALM. During the year, the Company strengthened its banking partnerships by onboarding Small Industries Bank of India (SIBI) as debt provider. The Company also continues to explore borrowing opportunities in the market and concluded multiple borrowings transactions in form of Term loans, PTC securitization and NCDs during the financial year FY 2021 - 2022.

Considering the COVID-19 pandemic, the company had augmented its liquidity buffers by taking measured steps on disbursements and expenses during H1 FY2022. However, the Company deployed these surplus liquidity buffer towards business growth in H2-FY2022. At the same time, a strong borrowings pipeline has been built from a diverse set of domestic and overseas financing institutions. The liquidity buffer is sufficient to support ongoing debt repayments and operating expenses of the company, along with regular collections, the incremental debt fund raising pipeline is sufficient to support business growth.

44.3.1. Liquidity ratios

Public Disclosure on Liquidity Risk (in accordance with RBI Circular - RBI/2019-20/88 DOR NBFC (PD) CC. No.102/03.10.001/2019-20), as on March 31, 2022 as below:

a. Funding Concentration based on significant counterparty

Particulars	As at March 31, 2022
Number of significant counter parties	22
Amount	1,25,205.33
Percentage of funding total borrowings	96.78%

Significant Counterparties are defined as - A single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the Company's total borrowings.

b. Top 10 borrowings (by counterparty)

Particulars	As at March 31, 2022
Total Borrowings	1,29,377.53
Top 10 Borrowings	99,034.58
Top 10 as a percentage of total borrowings	76.65%

c. Funding Concentration by Instrument #

Name of the instrument	As at March 31, 2022	% of Total
Non-Convertible Debentures (NCD)	72,315.93	55.90%
Compulsory Convertible Debentures (CCD)	6,972.91	5.39%
CCPS	9.10	0.01%
Term Loans	15,335.96	11.85%
External Commercial Borrowings (ECB)	13,698.92	10.59%
Cash Credit (CC)	5,115.96	3.95%
Others	15,928.75	12.31%
Total	1,29,377.53	

Significant Counterparties are defined as - A single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the Company's total borrowings.

d. Stock Ratios

Particulars	Percentage
Commercial Paper - as a percentage of total public funds	NA
Commercial Paper - as a percentage of total liabilities *	Nil
Commercial Paper - as a percentage of total assets	Nil
NCD (original maturity < 1year) - as a percentage of total public funds	NA
NCD (original maturity < 1year) - as a percentage of total liabilities *	Nil
NCD (original maturity < 1year) - as a percentage of total assets	Nil
Other Short Term Debt - as a percentage of total public funds	NA
Other Short Term Debt - as a percentage of total liabilities *	16.55%
Other Short Term Debt - as a percentage of total assets	13.52%

* Total Liabilities does not include Total Equity.



Note 44: Risk management

a. Institutional set-up for liquidity risk management

The Liquidity Risk Management Policy of the Company is approved by the Board of Directors of the Company.

The Board of Directors or other sub-Committee of the Board including Audit Committee / Sub-Committee have approved the formation of the Asset Liability Committee (ALCO), comprising the Managing Director, Chief Executive Officer, Chief Financial Officer, Senior Vice President - Treasury.

44.3.2. Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cashflow of Debt Securities and Borrowings (other than debt securities):

Particulars	As at 31 March 2022	As at March 31, 2021 - Restated
Within 1 Year	97,122.00	59,597.31
Over 1 year to 2 Years	28,552.13	61,878.86
Over 2 years to 3 Years	13,141.89	23,313.44
Over 3 years to 5 Years	1,789.50	5,759.41
Over 5 years	19,155.35	-
	1,59,760.87	1,50,549.02

Notes:

1. The Company considers Put/Call option dates for the purpose of reporting maturity pattern of Borrowings including debt securities.

The table below summarises the maturity profile of the undiscounted cashflow of Trade Payable and Other Financial Liabilities:

Particulars	As at 31 March 2022		As at March 31, 2021 - Restated	
	Trade Payable	Other Financial Liabilities	Trade Payable	Other Financial Liabilities
Within 1 Year	1,028.00	2,056.12	1,161.58	1,201.04
Over 1 years to 3 Years	-	1,510.39	-	1,828.08
Over 3 years to 5 Years	-	407.68	-	690.16
Above 5 Years	-	88.10	-	309.63
TOTAL	1,028.00	4,062.29	1,161.58	4,228.91

The table below shows the contractual expiry by maturity of the company's contingent liabilities and commitments: Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn. For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

Particulars	Carrying Value	On demand	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
31st March 2022									
Other undrawn commitments to lend	1,465.74	1,465.74	-	-	-	-	-	-	1,465.74
Total commitments	1,465.74	1,465.74	-	-	-	-	-	-	1,465.74
As at March 31, 2021 - Restated									
Other undrawn commitments to lend	827.14	827.14	-	-	-	-	-	-	827.14
Total commitments	827.14	827.14	-	-	-	-	-	-	827.14



NEOGROWTH CREDIT PRIVATE LIMITED

Notes to financial statements for the year ended March 31, 2022

(₹ in Lakhs)

Note 44: Risk management
44.4 Market Risk

Market risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Company classifies exposures to market risk into either trading or non-trading portfolios and manages each of those portfolios separately. Such risks the market risk for the trading portfolio is managed and monitored based on a VaR methodology that reflects the interdependency between risk variables. Non-trading positions are managed and monitored using other sensitivity analyses.

44.4.1 Total market risk exposure

Particulars	As at 31 March 2022			As at March 31, 2021 - Restated			Primary Risk sensitivity
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk	
Assets							
Cash and cash equivalents	9,042.37	-	9,042.37	5,453.22	-	5,453.22	Interest Rate
Other bank balances	4,842.05	-	4,842.05	25,807.81	-	25,807.81	Interest Rate
Derivative financial instruments	595.26	595.26	-	-	-	-	Interest Rate / Foreign Exchange
Trade receivables	304.60	-	304.60	0.01	-	0.01	Interest Rate
Loans	1,37,971.77	-	1,37,971.77	1,20,766.65	-	1,20,766.65	Interest Rate
Financial investments at FVTPL	-	-	-	8,255.93	8,255.93	-	Interest Rate / Equity Price
Other Financial Assets	2,891.65	-	2,891.65	1,954.13	-	1,954.13	Interest Rate
Total	1,55,647.70	595.26	1,55,052.44	1,62,237.75	8,255.93	1,53,981.82	
Liabilities							
Derivative financial instruments	6.26	6.26	-	26.65	26.65	-	Interest Rate / Foreign Exchange
Trade payables	1,028.00	-	1,028.00	1,161.58	-	1,161.58	Interest Rate
Debt securities	79,297.94	-	79,297.94	88,842.98	-	88,842.98	Interest Rate
Borrowings (other than debt securities)	50,079.59	-	50,079.59	41,285.73	-	41,285.73	Interest Rate / Foreign Exchange
Other financial liabilities	3,496.32	-	3,496.32	4,228.95	-	4,228.95	Interest Rate
Total	1,33,905.11	6.26	1,33,901.86	1,35,545.89	26.65	1,35,519.24	

44.4.1 Market risk non-trading
44.4.1.1 Interest rate risk

Interest rate sensitivity on fixed and floating rate assets and liabilities with differing maturity profiles is measured by using the duration gap analysis. The same is monitored by the ALCO periodically. All the Company loans and advances are on a Fixed Interest basis. The Company has floating rate borrowings primarily in two categories – (a) Domestic borrowings linked to the Lender's Base Rate/MCLR; (b) USD denominated borrowings linked to USD LIBOR. The USD LIBOR linked borrowings are fully hedged for the interest rate risk in accordance with the company's Foreign Exchange Risk Management Policy. Most of the borrowings in NCD and Term loans are fixed rate borrowings, hence not exposed interest rate risk.

Change in Interest Rate

Particulars	As at 31 March 2022		As at March 31, 2021 - Restated	
	Impact on profit before tax	Impact on equity	Impact on profit before tax	Impact on equity
25 basis point down	24.08	16.02	12.69	9.50
50 basis point down	48.15	36.03	25.38	18.99
25 basis point up	(24.08)	(16.02)	(12.69)	(9.50)
50 basis point up	(48.15)	(36.03)	(25.38)	(18.99)

Borrowings with floating rate structure has been considered for interest rate sensitivity analysis

44.4.1.2 Currency risk

In the normal course of its business, the Company does not deal in foreign exchange significantly, except for its USD denominated External Commercial Borrowings. Any foreign exchange exposure on account of foreign exchange borrowings is hedged fully to safeguard against exchange rate risk in accordance with the company's Foreign Exchange Risk Management Policy.

Particulars	As at 31 March 2022		As at March 31, 2021 - Restated	
	USD in lakhs	Amount	USD in lakhs	Amount
External Commercial Borrowings (ECB)	178.44	13,524.22	225.81	16,509.14
Derivative Financial Instrument *	(178.44)	(13,524.22)	(225.81)	(16,509.14)

* represents the notional amount of the derivative financial instrument



Note 44: Risk management

44.4.1.3 Equity price risk

The Company does not have any exposure to equity price risk.

44.4.1.4 Operational and business risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events.

The operational risks of the company are managed through comprehensive internal control systems and procedures and key back up processes. In order to further strengthen the control framework and effectiveness, the company has established risk control self-assessment at branches to identify process lapses by way of exception reporting. This enables the management to evaluate key areas of operational risks and the process to adequately mitigate them on an ongoing basis. The company also undertakes Risk based audits on a regular basis across all business units / functions. While examining the effectiveness of control framework through self-assessment, the risk-based audit would assure effective implementation of self-certification and internal financial controls adherence, thereby, reducing enterprise exposure.

The company has put in place a robust Disaster Recovery (DR) plan, which is periodically tested. Business Continuity Plan (BCP) is further put in place to ensure seamless continuity of operations including services to customers, when confronted with adverse events such as natural disasters, technological failures, human errors, terrorism, etc. Periodic testing is carried out to address gaps in the framework, if any. DR and BCP audits are conducted on a periodical basis to provide assurance regarding the effectiveness of the company's readiness.



NEOGROWTH CREDIT PRIVATE LIMITED

Notes to financial statements for the year ended March 31, 2022
(₹ in Lakhs)

Note 44A: Restatement of Comparative Information relating to material transactions

BALANCE SHEET AS AT MARCH 31, 2021 - RESTATED

(Rs. in lakhs)

Particulars	Notes	As previously reported	Adjustments	As at March 31, 2021 - Restated
I ASSETS				
1 Financial assets				
Cash and cash equivalents		5,453.22	-	5,453.22
Bank balance other than above		25,807.81	-	25,807.81
Derivative financial instruments		-	-	-
Receivables				
Trade receivables		0.01	-	0.01
Loans	1	1,21,690.53	(923.88)	1,20,766.65
Investments		8,255.93	-	8,255.93
Other financial assets		1,954.13	-	1,954.13
2 Non-financial assets				
Deferred tax assets (net)		4,524.06	-	4,524.06
Property, Plant and Equipment		172.13	-	172.13
Right-of-use assets		2,636.39	-	2,636.39
Other intangible assets		46.25	-	46.25
Other non-financial assets		979.33	-	979.33
Total assets		1,71,519.79	(923.88)	1,70,595.91
II LIABILITIES AND EQUITY				
Liabilities				
1 Financial liabilities				
Derivative financial instruments		26.65	-	26.65
Trade Payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2	1,118.55	43.03	1,161.58
Debt securities		88,842.98	-	88,842.98
Borrowings (other than debt securities)		41,285.73	-	41,285.73
Other financial liabilities	3	4,019.25	209.70	4,228.95
2 Non-financial liabilities				
Provisions		805.83	-	805.83
Other non-financial liabilities		230.09	-	230.09
Total liabilities		1,36,329.08	252.73	1,36,581.81
Equity				
Equity share capital	6	6,355.36	(4,555.30)	1,800.06
Other equity	6	28,835.35	3,378.69	32,214.04
Total equity		35,190.71	(1,176.61)	34,014.10
Total liabilities and equity		1,71,519.79	(923.88)	1,70,595.91



STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED

Particulars	Notes	For the year ended March 31, 2021	Adjustments	For the year ended March 31, 2021 - Restated
Revenue from operations				
(i) Interest income	1 & 4	32,673.25	(1,983.31)	30,689.94
(ii) Fee and commission income		341.22	-	341.22
(iii) Net gain on fair value changes		103.90	-	103.90
(I) Total revenue from operations		33,118.37	(1,983.31)	31,135.06
(II) Other income		195.39	-	195.39
(III) Total income (I + II)		33,313.76	(1,983.31)	31,330.45
Expenses				
(i) Finance cost		13,571.68	-	13,571.68
(ii) Impairment on financial instruments	1	12,731.21	(272.37)	12,458.84
(iii) Employee benefit expense	5	7,376.04	(190.29)	7,185.75
(iv) Depreciation, amortisation and impairment		968.47	-	968.47
(v) Other expenses	4	3,088.86	(344.05)	2,744.81
(IV) Total expenses		37,736.26	(806.71)	36,929.55
(V) Profit / (loss) before exceptional items and tax (III - IV)		(4,422.50)	(1,176.60)	(5,599.10)
(VI) Exceptional items		-	-	-
(VII) Profit / (loss) before tax (V - VI)		(4,422.50)	(1,176.60)	(5,599.10)
(VIII) Tax expense:				
(1) Current tax		-	-	-
(2) Earlier year adjustments		-	-	-
(3) Deferred tax charge / (credit)	6	(1,413.46)	1.44	(1,412.02)
(IX) Profit/(loss) for the period from continuing operations		(3,009.04)	(1,178.04)	(4,187.08)
(X) Profit/(loss) from discontinued operations		-	-	-
(XI) Tax expense of discontinued operations		-	-	-
(XII) Profit/(loss) from discontinued operations (after tax)		-	-	-
(IX) Profit / (loss) for the year (VII - VIII)		(3,009.04)	(1,178.04)	(4,187.08)
(X) Other comprehensive income				
A Items that will not be reclassified to profit or loss				
Remeasurement gain/(loss) on defined benefit plan		(5.71)	-	(5.71)
		(5.71)	-	(5.71)
Income tax impact	6	-	1.44	1.44
Total (A)		(5.71)	1.44	(4.27)
B Items that will be classified to profit or loss				
Cash flow hedge				
Net Gain / (Loss) for the year		(0.53)	-	(0.53)
Income tax impact		0.13	-	0.13
Net gain/(loss) on cash flow hedge		(0.40)	-	(0.40)
Total (B)		(0.40)	-	(0.40)
Other comprehensive income (A + B)		(6.11)	1.44	(4.67)
(XI) Total comprehensive income (IX + X)		(3,015.15)	(1,176.60)	(4,191.75)
(XII) Earnings per equity share				
Basic (Rs.)		(16.72)		(6.58)
Diluted (Rs.)		(16.72)		(6.58)

Note for Restatement

- Impact of change in the Interest calculation as per contractually agreed terms of repayment schedule (earlier interest was computed on 'daily' basis) & Modification loss (net of ECL).
- Provision of GST expenses, forming part of directly attributable cost amortised as per the Effective Interest Rate (EIR) method in respect of loan asset.
- Appropriation adjustment of the principal amount relating to the change in interest calculation referred to in point no 1.
- Directly attributable transaction cost (Referral commission & GST on YP / Alliance Commission) with respect to the loan asset has been considered as a part of EIR.
- Directly attributable transaction cost (Sales Incentive) with respect to the loan asset has been considered as a part of EIR.
- Break up of Movement in Other equity provided below.

Reconciliation of other equity as at March 31, 2021 & Statement of profit and loss and other comprehensive income for the year ended March 31, 2021



Particulars	Other equity restated as of March 31, 2021	Statement of profit and loss for the year ended March 31, 2021	Other comprehensive income for the year ended March 31, 2021
As previously reported (A)	28,835.35	(3,009.04)	(6.11)
Impact of correction			
Interest Income recognition (Net of ECL)	(296.61)	(296.61)	-
Modification loss accounting and restructured loans (Net of ECL)	(1,316.00)	(1,316.00)	-
Amortisation of Loan Acquisition Costs	436.00	436.00	-
Tax Provision		(1.44)	1.44
Reclassified from Equity to SOCIE			
CCPS reclassified from Equity share capital to Other Equity	4,555.30	-	-
Increase/(Decrease) by (B)	3,378.69	(1,178.05)	1.44
Restated (A+B)	32,214.04	(4,187.09)	(4.67)



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2022
(₹ in Lakhs)

Note 45: Regulatory disclosures

45.1 Capital

Particulars	March 31, 2022	March 31, 2021 - Restated
i) CRAR (%)	23.22%	21.62%
ii) CRAR - Tier I Capital (%)	17.55%	20.37%
iii) CRAR - Tier II Capital (%)	5.67%	1.25%
iv) Amount of subordinated debt raised as Tier-II capital	-	-
v) Amount raised by issue of Perpetual Debt Instruments	-	-

45.2 Investments

Particulars	March 31, 2022	March 31, 2021 - Restated
(1) Value of Investments		
(i) Gross Value of Investments		
(a) In India	-	8,255.93
(b) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net Value of Investments		
(a) In India	-	8,255.93
(b) Outside India	-	-
a Movement of provision held toward Depreciation on Investment		
(i) Opening balance	-	-
(ii) Add : Provisions made during the year	-	-
(iii) Less : Write-off / write-back of excess provisions during the year	-	-
(iv) Closing Balance	-	8,255.93

45.3 Derivatives

45.3.1 Forward Rate Agreement / Interest Rate Swap

Particulars	March 31, 2022	March 31, 2021 - Restated
i) The notional principal of swap agreements	12,739.49	-
ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
iii) Collateral required by the Company upon entering into swaps	1,149.01	1,264.51
iv) Concentration of credit risk arising from the swaps	-	-
v) The fair value of the swap book	595.26	-26.65

45.3.2 Exchange Traded Interest Rate Derivatives

The Company has not entered into any Exchange Traded Interest Rate Derivatives

45.3.3 Disclosures on Risk Exposure in Derivatives

Particular	March 31, 2022		March 31, 2021 - Restated	
	Currency Derivatives	Interest rate derivatives	Currency Derivatives	Interest rate derivatives
Derivatives (Notional Principal Amount)				
a) For hedging	8,494.49	4,245.00	11,892.29	4,245.00
b) For trading	-	-	-	-
Marked to Market Positions				
a) Asset (+)	397.70	197.56	64.08	-
b) Liability (-)*	(6.26)	-	-	(90.73)
Credit Exposure				
Unhedged Exposures	-	-	-	-

* This is the MTM movement for Embedded Derivative

45.4 Disclosures relating to Securitisation

i) The Company has entered into Securitisation transactions for the year ended March 31, 2022

Particulars	No. / Amount in Rs lakhs
No of SPVs sponsored by the NBFC for securitisation transactions	9
Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	-
Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	
On-balance sheet exposures	
* First Loss	1,472.96
* Others	17,177.76

ii) Details of financial assets sold to Securitisation/Reconstruction Company for Asset Reconstruction:

The Company has not sold any financial assets to Securitisation/Reconstruction Company for Asset Reconstruction for the year ended March 31, 2022 and March 31, 2021.

iii) Details of assignment transactions

The Company has not assigned any financial assets for the year ended March 31, 2022 and March 31, 2021.

vi) Details of non-performing assets purchased / sold

a) Details of non-performing financial assets purchased



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2022
(₹ In Lakhs)

Note 45: Regulatory disclosures

Particulars	March 31, 2022	March 31, 2021 - Restated
1		
(a) No. of accounts purchased during the year	-	-
(b) Aggregate outstanding	-	-
2		
(a) Of these, number of accounts restructured during the year	-	-
(b) Aggregate outstanding	-	-
b) Details of non-performing financial assets sold		
Particulars	March 31, 2022	March 31, 2021 - Restated
1. No of accounts sold	-	-
2. Aggregate outstanding	-	-
3. Aggregate consideration received	-	-

45.5 Exposures

- i) The Company has no exposure to real estate sector during the March 31, 2022 and March 31, 2021.
- ii) The Company has no exposure to capital market during the March 31, 2022 and March 31, 2021.
- iii) Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC
During the year, the Company has not exceeded SGL & GBL limits as prescribed under NBFC Regulation
- iv) Unsecured Advances
During the year, the Company has not given any advance against collateral of rights, licenses, authority, etc

45.6 - Miscellaneous

45.6.1 - Registration obtained from other financial sector regulators

RBI registration no	B-13 02077
IRDA registration no	CA0472
Company Identification Number (CIN)	U51504MH1993PTC251544

45.6.2 - Disclosure of Penalties imposed by RBI and other regulator

During the year ended March 31, 2022, no penalties have been levied by any regulator on the Company

45.6.3 - Related Party Transaction

Refer note no. 40 for transactions with related party.

45.6.4 - Ratings assigned by credit rating agencies and migration of ratings during the year

Instruments	Credit Rating Agency	March 31, 2022	March 31, 2021 - Restated
Long Term Bank lines	ICRA	[ICRA] BBB (Negative)	[ICRA] BBB (Stable)
Non-Convertible Debenture	ICRA	[ICRA] BBB (Negative)	[ICRA] BBB (Stable)
Cash Credit	ICRA	[ICRA] BBB (Negative)	[ICRA] BBB (Stable)
Working Capital Demand Loan	ICRA	[ICRA] BBB (Negative)	[ICRA] BBB (Stable)
Non-Convertible Debenture	CARE	CARE BBB (Negative)	CARE BBB+ (Negative)
Long Term Bank lines	CARE	CARE BBB (Negative)	CARE BBB+ (Negative)
Series A - Pass Through Certificates (Securitisation) - Ambit, AK Capital & Northern Arc	CARE	Provisional CARE Single A (Structured Obligation)	Provisional CARE Single A (Structured Obligation)
Series A - Pass Through Certificates (Securitisation) - Vivriti Capital	CARE	Provisional CARE Single A- (Structured Obligation)	-

45.6.5 - Remuneration of Directors

No Remuneration or Sitting fees paid or provided to non-executive directors during the year ended March 31, 2022 and March 31, 2021

45.7.1 - Provisions and contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure In Profit and Loss Account	March 31, 2022	March 31, 2021 - Restated
Provisions for depreciation on Investment	-	-
Provision towards Stage 3	5,169.80	2,023.96
Provision made towards Income tax	223.15	-
Other Provision and Contingencies (with details)	-	-
Provision for Standard Assets	698.08	(866.98)

45.7.2 - Draw Down from Reserves

During the year, the Company has not drawn down any amount from Reserves.

45.7.3 - Concentration of Advances, Expenses & NPAs

45.7.3.1 - Concentration of Advances

	March 31, 2022
Total Advances to twenty largest borrowers	1,838.94
Percentage of Advances to twenty largest borrowers to Total Advances of the applicable NBFC	1.19%



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2022
(₹ in Lakhs)

Note 45: Regulatory disclosures

45.7.3.2 - Concentration of Exposures

	March 31, 2022
Total Exposure to twenty largest borrowers /customers	1,877.58
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the applicable NBFC on borrowers / customers	1.21%

45.7.3.3 - Concentration of Stage 3 assets

	March 31, 2022
Total Exposure to top four Stage 3 accounts	380.66

45.7.3.4 - Sector-wise Stage 3 assets

Sector (As certified by management and relied by Auditors)	Percentage of Stage 3 assets to Total Advances in that sector
Agriculture & allied activities	-
MSME	10.55%
Corporate borrowers	-
Services	-
Unsecured personal loans	-
Auto loans	-
Other personal loans	-

45.7.4 - Movement of Stage 3 assets

Particulars	March 31, 2022	March 31, 2021 - Restated
Stage 3 assets net of stage 3 provision to net advances (%)	4.71%	2.74%
Movement of Stage 3 (Gross)		
Opening balance	8,497.29	4,136.88
Additions during the year	16,434.54	8,295.95
Reductions during the year	(8,057.53)	(3,935.54)
Closing balance	16,874.30	8,497.29
Movement of Net Stage 3		
Opening balance	3,309.33	980.10
Additions during the year	4,535.51	2,773.86
Reductions during the year	(1,344.66)	(444.63)
Closing balance	6,500.18	3,309.33
Movement of provisions for Stage 3 (excluding provisions on standard assets)		
Opening balance	5,187.96	3,156.78
Provisions made during the year	11,899.03	5,522.09
Write-off / Write-back of excess provisions	(6,712.87)	(3,490.91)
Closing balance	10,374.12	5,187.96

45.8 Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

Name of the Joint Venture/ Subsidiary	Other Partner in the JV	Country	Total Assets
The company does not have any joint venture or subsidiary abroad, hence, not applicable.	NA	NA	NA

45.9 Off-balance Sheet SPVs sponsored

The company does not have any off balance sheet SPV sponsored

45.10 Disclosure of Complaints

Customer Complaints (As certified by management and relied by Auditors)	Numbers
No. of complaints pending at the beginning of the year	11
No. of complaints received during the year	605
No. of complaints redressed during the year	616
No. of complaints pending at the end of the year	-



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2022
(₹ in Lakhs)

Note 45: Regulatory disclosures (continued)

45.11 Asset Liability Management (ALM) Maturity pattern of certain Items of Assets and Liabilities

Particulars	Deposits	Advances	Investments	Borrowings *	Foreign Currency assets	Foreign Currency liabilities
Over 1 day to 7 days	-	5,519.33	-	5,115.96	-	-
Over 8 days to 14 days	-	5,818.80	-	1,283.62	-	-
Over 15 days to 30 days	-	3,150.93	-	3,303.85	-	-
Over 1 month to 2 months	-	7,707.17	-	10,585.18	-	-
Over 2 months to 3 Months	-	7,448.60	-	3,789.01	-	-
Over 3 months to 6 months	-	22,146.92	-	26,428.52	-	-
Over 6 months to 1 Year	-	38,490.97	-	36,529.50	-	-
Over 1 year to 3 Years	-	37,255.89	-	35,359.44	-	-
Over 3 years to 5 Years	-	10,210.86	-	0.64	-	-
Over 5 Years	-	222.31	-	6,981.81	-	-
Total	-	1,37,971.78	-	1,29,377.53	-	-

Notes:

- 1 Borrowings include debt securities and borrowings other than debt securities (including External Commercial Borrowings)
- 2 The Company considers Put/Call option dates for the purpose of reporting maturity pattern of Borrowings including debt securities
- 3 In the preparation of the above disclosure, certain assumption have been considered by the management which have been relied upon by the auditors

45.12 Disclosure as per RBI notification DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 & RBI/DNBR/2016-17/45 DNBR.PD.008/03.10.119/2016-17 dated March 03, 2022- A comparison between provisions required under IRACP and impairment allowances made under Ind AS 109 'Financial Instruments'

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	1,30,282.52	4,987.08	1,25,295.44	521.13	4,465.95
Standard	Stage 2	8,760.99	2,584.87	6,176.12	35.04	2,549.83
Subtotal		1,39,043.52	7,571.95	1,31,471.56	556.17	7,015.78
Non-Performing Assets (NPA)						
Substandard*	Stage 3	16,874.30	10,374.13	6,500.17	1,687.43	8,686.70
Total		1,55,917.82	17,946.08	1,37,971.73	2,243.60	15,702.48

*Includes asset classified as doubtful assets since specific identification/classification is not available. Accordingly RBI Provision is computed considering rate applicable for Substandard assets. Further, as per Company policy loan assets are written off at 240 DPD, hence loans written off are not included above.

45.12.1 Disclosures pursuant to RBI Notification - RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22 dated May 5, 2021

During the year, the Company has done One time Restructuring of loans amounting to Rs. 24,378.54 lakhs (cases: 3,472)



NEOGROWTH CREDIT PRIVATE LIMITED**Notes to financial statements for the year ended March 31, 2022****(₹ In Lakhs)****Note 46: Segment Information**

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.

Note 47: Transferred financial assets that are not derecognised in their entirety

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities.

	For the year ended March 31, 2022	For the year ended March 31, 2021
Securitisations		
Carrying amount of the transferred assets (held as collateral)	17,229.87	3,536.28
Carrying amount of associated liabilities	15,928.75	3,421.36

Note 48: Registration of Charge

Company has created charges within the statutory period.

Note 49: Utilisation of Borrowed funds and share premium

(A) Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

(B) Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For ASA & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration No: 009571N/N500006

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Date: 2022.05.26 23:23:15
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per Prateet Mittal

Partner

Membership No. 402631

Place: Mumbai

Date: May 26, 2022

For and on behalf of the Board of Directors

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KUMAR
KHAITAN

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Dhruv Khaitan

Chairman

(DIN 00002584)

Place: Mumbai

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Date: 2022.05.26
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Arun Nayyar

Whole - time Director & CEO

Place: Mumbai

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Piyush Khaitan

Managing Director

(DIN 00002579)

Place: Bengaluru

DEEPAK NATH
GOSWAMI

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Date: 2022.05.26 21:48:10 +05'30'

Deepak Goswami

Chief Financial Officer

Place: Mumbai

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Tanushri Yewale

Company Secretary

(M.No A31273)

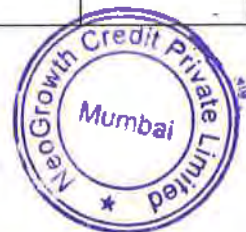
Place: Mumbai

Date: May 26, 2022



Schedule to the Balance Sheet of a non-deposit taking Non-Banking Financial Company (as required in terms of paragraph 18 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016)

Amount in Lakhs		
Particulars		
LIABILITIES SIDE:		
1 Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:	Amount Outstanding	Amount Overdue
a. Debentures (other than falling within the meaning of public deposits*)		-
- Secured	72,315.93	-
- Unsecured	-	-
b. Deferred Credits	-	-
c. Term Loans	44,963.63	-
d. Inter-corporate loans and borrowings	-	-
e. Commercial Paper	-	-
f. Other Loans - Demand loans	5,115.96	-
* Please see Note 1 below		-
ASSET SIDE:		
2 Break-up of Loans and Advances including bills receivables [other than those included in(4) below]:		Amount Outstanding
a. Secured		1,55,917.82
b. Unsecured		-
3 Break up of Leased Assets and stocks on hire and other assets counting towards AFC activities		Amount Outstanding
i. Lease Assets including lease rentals under sundry debtors:		-
a. Finance Lease		-
b. Operating Lease		-
ii. Stocks on hire including hire charges under sundry debtors:		-
a. Assets on hire		-
b. Repossessed Assets		-
iii. Other Loans counting towards AFC activities:		-
a. Loans where assets have been repossessed		-
b. Loans other than (a) above		-
4 Break up of Investments:		
Current Investments		
1 Quoted		
i. Shares: a. Equity		-
b. Preference		-
ii. Debentures and Bonds		-
iii. Units of mutual funds		-
iv. Government Securities		-
v. Others		-
2 Unquoted		
i. Shares: a. Equity		-
b. Preference		-
ii. Debentures and Bonds		-
iii. Units of mutual funds		-
iv. Government Securities		-
v. Others		-
Long Term Investments		
1 Quoted		
i. Shares - Equity		-
- Preference		-
ii. Debentures and Bonds		-
iii. Units of mutual funds		-
iv. Government Securities		-
v. Others		-
2 Unquoted		
i. Shares - Equity		-
- Preference		-
ii. Debentures and Bonds		-
iii. Units of mutual funds		-
iv. Government Securities		-
v. Others		-



Schedule to the Balance Sheet of a non-deposit taking Non-Banking Financial Company (as required in terms of paragraph 18 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016)

Amount in Lakhs

5 Borrower group-wise classification of assets financed as in (2) and (3) above : Please see Note 2 below			
Category	Amount net of provision		
	Secured	Unsecured	Total
1 Related Parties**	-	-	-
a. Subsidiaries	-	-	-
b. Companies in the same group	-	-	-
c. Other related parties	-	-	-
2 Other than related parties	1,37,971.77	-	-
Total	1,37,971.77	-	-

6 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): Please see note 3 below		
Category	Market Value/ Break up of fair value or NAV	Book Value (Net of Provisions)
1 Related Parties**	-	-
a. Subsidiaries	-	-
b. Companies in the same group	-	-
c. Other related parties	-	-
2 Other than related parties	-	-
Total	-	-

** As per Accounting Standard of ICAI (Please see Note 3)

7 Other information	
Particulars	
i. Gross Non-Performing Assets	-
a. Related Parties	-
b. Other than related parties	16,874.30
ii. Net Non-Performing Assets	-
a. Related Parties	-
b. Other than related parties	6,500.18
iii. Assets acquired in satisfaction of debt	-

Notes:

- As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016
- All Indian Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debts. However, market value in respect of quoted investments and break up/ fair value/ NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in category (4) above.



INDEPENDENT AUDITOR'S REPORT

To the Members of NeoGrowth Credit Private Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying financial statements of **NeoGrowth Credit Private Limited** (the "Company"), which comprise the balance sheet as at March 31, 2023, and the statement of profit and loss (including other comprehensive income), and the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr No	Key Audit Matter	Auditor's Response
1	Impairment of financial assets (including provision for expected credit loss) (as described in note 8 and 29 of the Ind AS financial statements)	
	Ind AS 109 – 'Financial Instruments', requires the Company to provide for impairment of its financial assets using the expected credit loss (the "ECL") approach	In view of the significance of the matter, our audit procedures performed included, but not limited to the following:

which involves an estimation of probability-weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances. In the process, a significant degree of estimates and judgement has been applied by the management including but not limited to the following matters: • Qualitative and quantitative factors used in staging the loan assets; • Basis used for estimating Probabilities of Default ("PD") and Loss Given Default ("LGD"); • Staging of loans and estimation of behavioural life • Grouping of borrowers on the basis of homogeneity given the variety of products; • Calculation of past default rates; • Assigning rating grades to loans for which external rating is not available; • Calibrating the loss given default where the impairment provision is calculated on a pool level; • Applying macro-economic factors to arrive at forward looking probability of default; • Significant assumptions regarding the probability of various scenarios and discounting rates for different loan products. Given the high degree of management's judgement involved in estimation of ECL, it is a key audit matter.	• Read and assessed the Company's accounting policy for impairment of financial assets and its compliance with Ind AS 109 and the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued on 13 March 2020. • Tested the operating effectiveness of the controls for staging of loans based on their past-due status. • Tested a sample of performing (stage 1) loans to assess whether any Significant Increase in Credit Risk ("SICR") or loss indicators were present requiring them to be classified under stage 2 or 3. • Performed tests of details, on a sample basis and inspected the repayment schedule from the underlying borrower agreements and collections made on the due dates which formed the basis of the staging of loans. • Verified on a test check basis underlying data related to estimates and judgements: - o Model/methodology used for various loan products; - o Management's grouping of borrowers on basis of different product lines and customer segments with different risk characteristics; - o Various assumptions for calculation of expected loss viz. probability of default, loss given defaults, exposure at default, discounting factors applied by the management along with Management's governance process and documentation of its assumptions; - o Basis of floor/minimum rates of provisioning applied by the Company for loan products with inadequate historical defaults;
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		o We performed test of details of information used in the ECL computation, on a sample basis. • Tested the arithmetical accuracy of computation of ECL provision performed by the Company. • Verified the ECL provision on restructured cases pursuant to the Reserve Bank of India (“the RBI”) circular on a sample basis. • Assessed disclosures included in the Ind AS financial statements in respect of expected credit losses.
2	IT systems and controls The reliability and security of IT systems play a key role in the business operations and financial accounting and reporting process of the Company. Since large volume of transactions are processed daily, the IT controls are required to ensure that applications process data as expected and that changes are made in an appropriate manner. Any gaps in the IT control environment could result in a material misstatement of the financial accounting and reporting records. Therefore, due to complexity of the IT environment, the assessment of the general IT controls and the application controls specific to the accounting and preparation of the financial information is considered to be a key audit matter.	We performed the following procedures for testing IT general controls and for assessing the reliability of electronic data processing, assisted by our internal specialist IT auditors: • The aspects covered in the IT General Control audit were (i) User Access Management (ii) Programme Change Management (iii) Other related ITGCs – to understand the design and test the operating effectiveness of such controls; • Assessed the changes that were made to the key systems during the audit period and assessing changes that have impact on financial reporting; • Tested the periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorization; • Performed tests of controls (including other compensatory controls wherever applicable) on the IT application controls and IT dependent manual controls in the system; • Tested the design and operating effectiveness of compensating controls, where deficiencies were identified and, where necessary, extended the scope of our substantive audit procedures.

Other Information

The Company's Board of Directors are responsible for the other information. The other information comprises the Director's Report but does not include the financial statements and our auditor's report thereon. The Director's report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered

material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of misstatement in the financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatement in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act;
 - (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - (g) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act, in our opinion, according to the information and explanation give to us, the provisions of section 197 read with Schedule V of the Act are not applicable to the Company as it is a private limited company, and
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at March 31, 2023 on its financial statements – Refer Note No. 39 to the financial statements.

- ii. The Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 6 to the financial statements.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 45.4 to the financial statement, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company, or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

 (b) The management has represented, that, to the best of its knowledge and belief, as disclosed in the note 45.5 to the financial statement, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

 (c) Based on audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.
- v. The Company has neither declared nor paid any dividend during the year.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from April 1, 2023, reporting under clause (g) of Rule 11 is not applicable.

For ASA & Associates LLP

Chartered Accountants

Firm Registration No: 009571N/N500006

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Prateet Mittal

Partner

Membership No. 402631

UDIN: 23402631BGXJTZ6525

Place: Mumbai

Date: May 12, 2023

Annexure- A referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date

- (i) a) A) According to the information and explanations given to us and audit procedures performed by us, the Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- B) According to the information and explanations given to us and audit procedures performed by us, the Company has maintained proper records showing full particulars of intangible assets.
- b) The property, plant and equipment were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanations given to us, no material discrepancies were identified on such verification.
- c) The Company does not have immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable.
- d) According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) a) The Company does not hold any physical inventories during the year. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable.
- b) The Company has been sanctioned working capital limits (i.e. Cash Credit /Overdraft facility) in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets (i.e. loan assets). According to information and explanations given to us and on the basis of our examination of the records of the Company, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company.
- (iii) a) The principal business of the Company is to give loans. Accordingly, reporting under clause 3(iii)(a) of the Order is not applicable.
- b) According to the information and explanations given to us and audit procedures performed by us, we are of the opinion that the investment made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are, prima facie, not prejudicial to the Company’s interest.

- c) The Company, being a Non-Banking Financial Company, is registered under provisions of the RBI Act, 1934, in pursuance of its compliance with provisions of the said Act, particularly, the Income Recognition, Asset Classification and Provisioning Norms and generally accepted business practices by the lending institutions, repayments scheduled are stipulated basis the nature of the loan products. The repayment of the principal and the payment of interest by the borrowers are as per the stipulated repayment schedule except in case of default cases.
- d) According to the information and explanations given to us and audit procedures performed by us, there is no overdue amounts for more than ninety days in respect of the loans given by the Company except an amount of Rs 5,647.00 lakhs (principal amount) and Rs. 790.87 lakhs (interest) overdue for more than ninety days as at March 31, 2023. In our opinion, reasonable steps have been taken by the Company for recovery of the principal and interest.

Further, the Company has not given any advance in the nature of loan to any party during the year.

- e) The principal business of the Company is to give loans. Accordingly, reporting under clause 3(iii)(e) of the Order is not applicable.
 - f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186(1) of the Act. The other sub-sections of Section 186 of the Act are not applicable to the Company.
 - (v) In our opinion and according to the information and explanations given to us, the Company being NBFC registered with RBI, provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, are not applicable to the Company. We are informed by the Management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.
 - (vi) According to information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the services provided by it. Accordingly, reporting under clause 3(vi) of the Order is not applicable.
 - (vii) a) According to the information provided and explanations given to us and based on our examination of the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employee's state insurance, income tax, cess and other material statutory dues applicable to it, to the appropriate authorities. There were no

material outstanding statutory dues existing as on the last day of the financial year which is outstanding for more than six months from the day these becomes payable.

- b) According to the information provided and explanations given to us, statutory dues relating to goods and services tax, provident fund, income-tax, value added tax, cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute are as follows:

Name of the Statute	Nature of dues	Amount	Period	Forum	Remark
Goods and Service Tax, 2017	GST, interest, and penalty	Rs. 31.77 lakhs	Financial year 2017-18	Commissioner of Appeal	The Company has filed appeal against order of Deputy Commissioner of State Tax against this demand order (DRC-01A) on 14th February 2022 and no further communication received from department till the date of this report.

- (viii) According to the information provided and explanations given to us, and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessment under the Income Tax Act, 1961 as income during the year.
- (ix) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowings or in the payment of interest thereon to the lenders during the year.
- b) According to the information and explanations given to us, the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- c) According to the information and explanations given to us and audit procedures performed by us, term loans were applied for the purposes for which they were obtained.
- d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- e) The Company does not hold any investment in any subsidiary, associate or joint venture as defined under the Companies Act, 2013 during the year. Accordingly, reporting under clause 3(ix)(e) of the Order is not applicable.
- f) The Company does not hold any investment in any subsidiary, associate or joint venture as defined under the Companies Act, 2013 during the year. Accordingly, reporting under clause 3(ix)(f) of the Order is not applicable.

- (x) a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable.
- b) According to the information provided and explanations given to us, and on the basis of our examination of the records, the Company has made private placement of shares and convertible debentures (fully) during the year and has duly complied with the requirements of section 42 and 62 of the Companies Act, 2013. In our opinion and according to information and explanations given to us, the Company has utilised funds for the purpose for which they were raised.
- (xi) a) According to the information and explanations given by the management and based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements, we report that no fraud by the Company or any fraud on the Company has been noticed or reported during the year other than instances of fraud noticed and reported by the management in terms of regulatory provision applicable to the Company amounting to Rs. 51.35 lakhs comprising of 8 instances.
- b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, report under section 143(12) of the Act, in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.
- c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, reporting under clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions entered with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and details have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- (xiv) a) According to the information and explanations given to us and audit procedures performed by us, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- b) We have considered the internal audit reports of the Company issued till date, for the period under audit.
- (xv) According to the information and explanations given to us, in our opinion the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 ('RBI Act') and it has obtained the registration.

- b) According to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- c) The Company is not Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting under clause 3(xvi)(c) and (d) of the Order are not applicable.
- (xvii) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly reporting under clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The requirements as stipulated by the provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company. Accordingly, reporting under clause 3(xx)(a) and (b) of the Order are not applicable.

For ASA & Associates LLP

Chartered Accountants

Firm Registration No: 009571N/N500006

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**Prateet Mittal**

Partner

Membership No. 402631

UDIN: 23402631BGXJTZ6525

Place: Mumbai

Date: May 12, 2023

Annexure - B to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **NeoGrowth Credit Private Limited** (the "Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **ASA & Associates LLP**

Chartered Accountants

Firm Registration No: 009571N/N500006

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Prateet Mittal

Partner

Membership No. 402631

UDIN: 23402631BGXJ TZ6525

Place: Mumbai

Date: May 12, 2023

NEOGROWTH CREDIT PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2023

(₹ in Lakhs)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
I ASSETS			
1 Financial assets			
Cash and cash equivalents	4	17,522.75	9,000.22
Bank balance other than above	5	6,148.91	4,842.05
Derivative financial instruments	6	381.90	595.26
Receivables	7		
Trade receivables		123.59	29.17
Other receivables		1,261.09	275.43
Loans	8	1,64,580.24	1,37,971.77
Other financial assets	9	4,428.81	2,933.79
2 Non-financial assets			
Deferred tax assets (net)	33	5,437.83	5,928.81
Property, Plant and Equipment	10	107.26	147.27
Right-of-use assets	11	1,569.54	2,080.21
Intangible assets under development	12	101.93	-
Other intangible assets	13	38.26	60.40
Other non-financial assets	14	1,481.07	1,389.76
Total assets		2,03,183.18	1,65,254.15
II LIABILITIES AND EQUITY			
Liabilities			-
1 Financial liabilities			
Derivative financial instruments	6	-	6.26
Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	15	32.64	10.76
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	15	1,191.85	1,017.24
Debt securities	16	53,301.05	79,297.94
Borrowings (other than debt securities)	17	86,714.18	50,079.59
Other financial liabilities	18	3,408.91	3,496.35
2 Non-financial liabilities			
Provisions	19	2,463.42	808.72
Other non-financial liabilities	20	338.09	262.21
Total liabilities		1,47,450.14	1,34,979.07
Equity			
Equity share capital	21	1,800.07	1,800.06
Other equity	22	53,932.97	28,475.02
Total equity		55,733.04	30,275.08
Total liabilities and equity		2,03,183.18	1,65,254.15

Summary of significant accounting policies

3

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For ASA & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration No: 009571N/N500006

Prateet

Kumar Mittal

Digitally signed by
Prateet Kumar Mittal
Date: 2023.05.12
19:35:54 +05'30'

Prateet Mittal

Partner

Membership No. 402631

Place: Mumbai

Date: May 12, 2023

For and on behalf of the Board of Directors

DHRUV
KUMAR
KHAITAN

Digitally signed by DHRUV
KUMAR KHAITAN
Date: 2023.05.12
18:55:25 +05'30'

Dhruv Khaitan
Director
(DIN 00002584)
Place: Mumbai

DEEPAK NATH
GOSWAMI

Digitally signed by DEEPAK
NATH GOSWAMI
Date: 2023.05.12 19:09:30
+05'30'

Deepak Goswami
Chief Financial Officer
Place: Mumbai

ARUN
KUMAR
NAYYAR

Digitally signed by ARUN KUMAR
NAYYAR
Date: 2023.05.12
18:44:25 +05'30'

Arun Nayyar
Managing Director & CEO
(DIN 06804277)
Place: Mumbai

TANUSHRI
YEWALE

Digitally signed by TANUSHRI
YEWALE
Date: 2023.05.12
19:18:46 +05'30'

Tanushri Yewale
Company Secretary
(M.No A31273)
Place: Mumbai
Date: May 12, 2023



NEOGROWTH CREDIT PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Lakhs)

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from operations			
(i) Interest income	23	36,312.71	35,754.13
(ii) Fee and commission income	24	1,277.77	345.63
(iii) Income on derecognition of loan assets	25	181.15	-
(iv) Net gain on fair value changes	26	317.91	59.39
(I) Total revenue from operations		38,089.54	36,159.15
(II) Other income	27	204.95	116.59
(III) Total income (I + II)		38,294.49	36,275.74
Expenses			
(i) Finance cost	28	15,900.97	15,341.70
(ii) Impairment on financial instruments	29	6,967.98	14,730.38
(iii) Employee benefit expense	30	7,877.72	6,775.29
(iv) Depreciation, amortisation and impairment	31	758.45	781.42
(v) Other expenses	32	4,241.89	3,824.41
(IV) Total expenses		35,747.01	41,453.20
(V) Profit / (loss) before exceptional items and tax (III - IV)		2,547.48	(5,177.46)
(VI) Exceptional items		184.37	-
Impact of modification of exercise price of Employee Stock Option Plan	35	184.37	-
(VII) Profit / (loss) before tax (V - VI)		2,363.11	(5,177.46)
(VIII) Tax expense:			
(1) Current tax	33	-	223.15
(2) Earlier year adjustments	33	(32.52)	-
(3) Deferred tax charge / (credit)	33	669.08	(1,455.20)
(IX) Profit / (loss) for the year (VII - VIII)		1,726.55	(3,945.41)
(X) Other comprehensive income			
A Items that will not be reclassified to profit or loss			
Remeasurement gain/(loss) on defined benefit plan		(12.18)	(8.58)
Income tax impact		3.07	2.16
Total (A)		(9.11)	(6.42)
B Items that will be classified to profit or loss			
Cash flow hedge			
Net Gain / (Loss) for the year		(537.45)	209.03
Income tax impact		135.26	(52.61)
Total (B)		(402.19)	156.42
Other comprehensive income (A + B)		(411.30)	150.00
(XI) Total comprehensive income (IX + X)		1,315.25	(3,795.41)
(XII) Earnings per equity share			
Basic (Rs.)	34	2.11	(5.78)
Diluted (Rs.)	34	2.05	(5.78)

Summary of significant accounting policies

3

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For ASA & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration No: 009571N/N500006

Prateet

Kumar

Mittal

Prateet Mittal

Partner

Membership No. 402631

Place: Mumbai

Date: May 12, 2023

Digitally signed by
Prateet Kumar Mittal
Date: 2023.05.12
19:36:24 +05'30'

For and on behalf of the Board of Directors

**DHRUV
KUMAR
KHAITAN**

Dhruv Khaitan
Director
(DIN 00002584)
Place: Mumbai

Digitally signed by DEEPAK
NATH GOSWAMI
Date: 2023.05.12 19:10:00
+05'30'

Deepak Goswami
Chief Financial Officer
Place: Mumbai

**ARUN
KUMAR
NAYYAR**

Arun Nayyar
Managing Director & CEO
(DIN 06804277)
Place: Mumbai

Digitally signed
by ARUN KUMAR
NAYYAR
Date: 2023.05.12
18:44:57 +05'30'

Digitally signed by
TANUSHRI YEWALE
Date: 2023.05.12
19:19:49 +05'30'

Tanushri Yewale
Company Secretary
(M.No A31273)
Place: Mumbai
Date: May 12, 2023



NEOGROWTH CREDIT PRIVATE LIMITED
Statement of changes in Equity for the year ended March 31, 2023
(₹ in Lakhs)

A. Equity Share Capital

As at March 31, 2023

Balance as at April 1, 2022	Changes in equity share capital during the year	Balance as at March 31, 2023
1,800.06	0.01	1,800.07

As at March 31, 2022

Balance as at April 1, 2021	Changes in equity share capital during the year	Balance as at March 31, 2022
1,800.06	-	1,800.06

B. Other Equity

As at March 31, 2023

(₹ in Lakhs)

Particulars	Equity component of compound financial instrument	Reserves and Surplus				Other comprehensive income		Total
		Statutory reserve	Share options outstanding account	Securities premium account	Retained Earnings	Cash flow hedge reserve	Actuarial gains/(losses)	
Balance as at April 1, 2022	4,555.30	202.45	945.81	42,518.24	(19,638.75)	(141.78)	33.75	28,475.02
Dividends	-	-	-	-	(0.71)	-	-	(0.71)
Issued during the year	1,515.23	-	-	-	-	-	-	1,515.23
Compulsorily Convertible Debentures converted during the year	1,042.20	-	-	-	-	-	-	1,042.20
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	-	345.31	-	-	(345.31)	-	-	-
ESOP Cost recognised during the year	-	-	310.95	-	-	-	-	310.95
Utilised during the year	-	-	-	-	-	-	-	-
Premium received during the year	-	-	-	21,987	-	-	-	21,987.00
Share issue expenses	-	-	-	(751.70)	-	-	-	(751.70)
Less: Income tax on the above	-	-	-	39.77	-	-	-	39.77
Profit / (loss) for the year	-	-	-	-	1,726.55	-	-	1,726.55
Other Comprehensive Income for the year	-	-	-	-	-	(537.45)	(12.18)	(549.63)
Less: Income Tax	-	-	-	-	-	135.26	3.07	138.33
Total Comprehensive Income for the year	2,557.43	345.31	310.95	21,275.08	1,380.53	(402.19)	(9.11)	25,457.98
Balance as at March 31, 2023	7,112.73	547.76	1,256.76	63,793.31	(18,258.22)	(543.97)	24.64	53,933.00

As at March 31, 2022

	Equity component of compound financial instrument	Reserves and Surplus				Other comprehensive income		Total
		Statutory reserve	Share options outstanding account	Securities premium account	Retained Earnings	Cash flow hedge reserve	Actuarial gains/(losses)	
Balance as at April 1, 2021	4,555.30	202.45	888.96	42,518.24	(15,692.88)	(298.20)	40.17	32,214.04
Dividends	-	-	-	-	(0.46)	-	-	(0.46)
ESOP Cost recognised during the year	-	-	56.85	-	-	-	-	56.85
Profit / (loss) for the year	-	-	-	-	(3,945.41)	-	-	(3,945.41)
Other Comprehensive Income for the year	-	-	-	-	-	209.03	(8.58)	200.45
Less: Income Tax	-	-	-	-	-	(52.61)	2.16	(50.45)
Total Comprehensive Income for the year	-	-	56.85	-	(3,945.87)	156.42	(6.42)	(3,739.00)
Balance as at March 31, 2022	4,555.30	202.45	945.81	42,518.24	(19,638.75)	(141.78)	33.75	28,475.02

Summary of significant accounting policies

3

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For ASA & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration No: 009571N/N500006
Prateet Kumar Mittal
Digitally signed by Prateet Kumar Mittal
Date: 2023.05.12 19:37:07 +05'30'
Prateet Mittal
Partner
Membership No. 402631

For and on behalf of the Board of Directors

DHRUV KUMAR KHAITAN
Digitally signed by DHRUV KUMAR KHAITAN
Date: 2023.05.12 18:56:43 +05'30'
Dhruv Khaitan
Director
(DIN 00002584)
Place: Mumbai

ARUN KUMAR NAYYAR
Digitally signed by ARUN KUMAR NAYYAR
Date: 2023.05.12 18:45:26 +05'30'
Arun Nayyar
Managing Director & CEO
(DIN 06804277)
Place: Mumbai

DEEPAK NATH GOSWAMI
Digitally signed by DEEPAK NATH GOSWAMI
Date: 2023.05.12 19:10:27 +05'30'
Deepak Goswami
Chief Financial Officer
Place: Mumbai

TANUSHRI YEWALE
Digitally signed by TANUSHRI YEWALE
Date: 2023.05.12 19:20:27 +05'30'
Tanushri Yewale
Company Secretary
(M.No A31273)
Place: Mumbai

Date: May 12, 2023



NEOGROWTH CREDIT PRIVATE LIMITED
Cash Flow statement for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Operating activities		
Profit / (Loss) before tax	2,363.11	(5,177.46)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation, amortisation and impairment	758.45	781.42
Fair value movement of embedded derivative	(6.25)	6.26
Non cash adjustment made for creation and foreclosure of Right-of-use assets	-	11.07
Effective Interest Rate adjustment in Borrowings	(317.24)	97.41
Interest Income on security deposits	(35.51)	(35.90)
Interest on Lease liability	251.19	293.24
Interest on Debt Securities	8,278.25	10,309.53
Interest on Borrowings	5,754.83	3,264.97
Income on Derecognition of Loan Assets	(181.15)	-
Employee Benefit expenses	1,486.92	168.56
Profit on sale of property, plant and equipment	(0.08)	-
Impairment on financial instruments	6,967.98	14,730.38
Remeasurement gain/(loss) on defined benefit plan	(12.18)	(8.58)
Net Gain on fair value of Investments	(311.66)	(65.65)
Working capital changes		
(Increase) / Decrease in Loan	(33,165.13)	(31,926.96)
(Increase) / Decrease in Receivables	(1,081.32)	(304.58)
(Increase) / Decrease in Other Financial Assets	(1,689.74)	(947.39)
(Increase) / Decrease in Other Non Financial Assets	48.74	(150.04)
(Increase) / Decrease in Bank balance other than cash and cash equivalents	(1,306.86)	20,965.76
Increase / (Decrease) in Trade payable	196.48	(133.58)
Increase / (Decrease) in Other financial liabilities	371.43	(312.29)
Increase / (Decrease) in Provisions	467.54	(114.19)
Increase / (Decrease) in Other non-financial Liabilities	75.87	(76.66)
Interest Paid on Debt Securities and Borrowings	(14,692.95)	(13,741.00)
Income tax paid / refund received (Net of refunds / payments)	(107.56)	(374.66)
Net cash flows used in operating activities	(25,886.81)	(2,740.38)
Investing activities		
Proceeds from sale of property, plant and equipment	0.08	2.47
Purchase of property, plant and equipment	(42.04)	(76.18)
Intangible assets under development	(101.93)	-
Purchase of intangible assets	0.01	(44.99)
Proceeds from redemption of Investments at fair value through profit and loss	2,70,598.18	45,204.74
Investments in Mutual Fund at fair value through profit and loss	(2,70,286.52)	(36,883.16)
Net cash flows from investing activities	167.78	8,202.88
Financing activities		
Debt securities issued	17,080.00	13,075.00
Debt securities repaid	(38,873.58)	(22,429.49)
Borrowings other than debt securities taken	89,362.11	39,685.78
Borrowings other than debt securities repaid	(52,809.43)	(31,426.27)
Proceeds from issuance of Equity Shares	0.01	-
Proceeds from issuance of Compulsorily Convertible Preference Shares	15,999.46	-
Compulsorily Convertible Debenture (CCD) issued	5,000.00	-
Payment towards share issue expenses	(615.25)	-
Expenses towards issuance of Compulsorily Convertible Debentures	(59.89)	-
Interest paid on lease liability	(251.19)	(293.24)
Principal portion of lease liability except short term lease payments	(590.70)	(527.28)
Net cash flows from / (used in) financing activities	34,241.54	(1,915.50)
Net increase / (decrease) in cash and cash equivalents	8,522.51	3,547.00
Cash and cash equivalents at April 1	9,000.22	5,453.22
Cash and cash equivalents at the end (refer Note 4)	17,522.73	9,000.22
Operational cash flows from interest and dividends		
Interest paid	14,692.95	13,741.00
Short-term lease payments	(0.56)	-

Notes :

- The above Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'
- Components of cash and cash equivalents are disclosed in Note 4.
- For disclosures relating to changes in liabilities arising from financing activities, refer Note 38.

As per our report of even date

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

Prateet Kumar Mittal
Digitally signed by Prateet Kumar Mittal
Date: 2023.05.12 19:37:46 +05'30'

Prateet Mittal
Partner
Membership No. 402631
Place: Mumbai
Date: May 12, 2023

For and on behalf of the Board of Directors

DHRUV KUMAR KHAITAN
Digitally signed by DHRUV KUMAR KHAITAN
Date: 2023.05.12 18:57:36 +05'30'

Dhruv Khaitan
Director
(DIN 00002584)
Place: Mumbai

DEEPAK NATH GOSWAMI
Digitally signed by DEEPAK NATH GOSWAMI
Date: 2023.05.12 19:10:56 +05'30'

Deepak Goswami
Chief Financial Officer
Place: Mumbai

ARUN KUMAR NAYYAR
Digitally signed by ARUN KUMAR NAYYAR
Date: 2023.05.12 18:45:49 +05'30'

Arun Nayyar
Managing Director & CEO
(DIN 06804277)
Place: Mumbai

TANUSHRI YEWALE
Digitally signed by TANUSHRI YEWALE
Date: 2023.05.12 19:21:07 +05'30'

Tanushri Yewale
Company Secretary
(M.No A31273)
Place: Mumbai
Date: May 12, 2023



NEOGROWTH CREDIT PRIVATE LIMITED

Notes to financial statements for the year ended March 31, 2023

Accounting Policies

Note 1: Corporate Information

NeoGrowth Credit Private Limited (the 'Company' or 'NeoGrowth') is a Private Limited Company domiciled in India and incorporated on May 17, 1993 under the provisions of Companies Act, 1956. The Company has received a Certificate of Registration from the Reserve Bank of India ('RBI') under Section 45 - IA of the Reserve Bank India Act, 1934 on September 13, 2001 to commence / carry on the business of Non-Banking Financial Institution ('NBFC') without accepting public deposits. Presently the Company is engaged in providing business loans to small and medium enterprise. The financial statements has been approved in its Board meeting held on May 12, 2023

Note 2: Statement of compliance

The financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) issued by the Ministry of Corporate Affairs in exercise of the powers conferred by section 133 of the Companies Act, 2013. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied along with compliance with other statutory promulgations which require a different treatment. Any directions issued by the RBI or other regulators are implemented as and when they become applicable.

Further, the Company has complied with all the directions related to Implementation of Indian Accounting Standards prescribed for Non-Banking Financial Companies (NBFCs) in accordance with the RBI notification no. RBI/2019-20/170 DOR NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020.

Accounting policies have been consistently applied.

Basis of preparation and presentation

a. Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

Presentation of financial statements:

The Company presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in "Note 37: Maturity Profile".

b. Basis of measurement

The financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

c. Functional and presentation currency

The financial statements are presented in Indian Rupees which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates and all values are rounded to the nearest lakhs, except when otherwise indicated.

Note 3: Significant accounting policies

3.1. Use of estimates, judgments and assumptions

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revisions to accounting estimates are recognised prospectively in the period in which the estimate is revised and future periods.



3.2. Revenue Recognition

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs.

The company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to provide service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when or as the Company satisfies a performance obligation.

a.) Interest and similar Income

Under Ind AS 109 interest income is recorded using the Effective Interest Rate (EIR) method for all financial instruments measured at amortised cost, debt instrument measured at FVOCI and debt instruments designated at FVTPL. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the gross carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk. The adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the statement of profit and loss.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the company reverts to calculating interest income on a gross basis.

Gains arising out of de-recognition transactions comprise the difference between the interest on the loan portfolio and the applicable rate at which the transaction is entered into with the assignee, also known as the right of Excess Interest Spread (EIS). The future EIS basis the scheduled cash flows on execution of the transaction, discounted at the applicable rate is recorded upfront in the statement of profit and loss. EIS is evaluated and adjusted for ECL, expected prepayment & expected collection cost..

b.) All other charges such as cheque return charges, overdue charges etc are recognised on realization basis. For term loans, these charges are treated to accrue on realization, due to the uncertainty of their realization. For other loan assets, charges are accounted on accrual basis.

c.) Revenue from fee-based activities are recognized as and when the services are rendered. Fees earned from contract with customer is recognised point in time when performance obligation is satisfied (when the trade is executed). Fees and commissions arising from negotiating or participating in the negotiation of a transaction for a third party, such as the arrangement/participation, syndication fees, consortium fees, are recognised on completion of the underlying transaction. Fees or components of fees that are linked to a certain performance are recognised after fulfilling the corresponding criteria.

d.) The Company designates certain financial assets for subsequent measurement at Fair Value Through Profit or Loss (FVTPL). The Company recognises gains on fair value change of financial assets measured at FVTPL and realised gains on derecognition of financial asset measured at FVTPL on net basis.



NEOGROWTH CREDIT PRIVATE LIMITED**Notes to financial statements for the year ended March 31, 2023****3.3. Property, Plant and equipment (PPE)**

An item is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price (including non-refundable duties and taxes but excluding any trade discounts and rebates), and any directly attributable cost of bringing the asset to its working condition and location for its intended use. Subsequent to initial recognition, PPE are stated at cost less accumulated depreciation and any impairment losses. When significant parts of property, plant and equipment are required to be replaced in regular intervals, the Company recognises such parts as separate component of assets. When an item of PPE is replaced, then its carrying amount is de-recognised from the balance sheet and cost of the new item of PPE is recognised. The expenditures that are incurred after the item of PPE has been put to use, such as repairs and maintenance, are normally charged to the statement of profit and loss in the period in which such costs are incurred. However, in situations where the said expenditure can be measured reliably, and is probable that future economic benefits associated with it will flow to the Company, it is included in the asset's carrying value or as a separate asset, as appropriate.

Depreciation on fixed assets is calculated using the Written Down Value (WDV) method and Straight Line Method (SLM) as per the remaining useful life of assets estimated by the management.

The estimated useful lives are, as follows:

Particulars	Useful Life of Assets	Depreciation Method
Leasehold Improvements	As per Lease period	SLM
Office Equipments	5 years	WDV
Computers		
Servers	6 years	WDV
Others	3 years	WDV
Software		
Advance Suite	7 years	SLM
PayLater Software	5 years	SLM
SUN Infor	3 years	SLM
Customer Relationship Management 2.0	4 years	SLM
Furniture & Fixtures	10 years	WDV

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Accelerated depreciation is used for assets amounting to less than Rs 5,000.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate

Property and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other operating income in the Statement of profit and loss in the year in which the asset is derecognised.

The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

3.4. Intangible assets

An intangible asset is recognised only when its cost can be measured reliably, and it is probable that the expected future economic benefits that are attributable to it will flow to the company. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment loss. Intangible assets are amortized on a straight line basis over the estimated useful economic life. The company considers that the useful life of an intangible asset will not exceed 6 years from the date when the asset is available for use.

Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

3.5. Impairment of non-financial assets

An assessment is done at each Balance Sheet date to ascertain whether there is any indication that an asset may be impaired. If any such indication exists, an estimate of the recoverable amount of asset is determined. If the carrying value of relevant asset is higher than the recoverable amount, the carrying value is written down accordingly.

3.6. Leases

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement a right to use the asset.



Company as a lessee
Identifying a lease

At the inception of the contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses whether:

- i. The contract involves the use of an identified asset, this may be specified explicitly or implicitly.
- ii. The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use, and
- iii. The Company has right to direct the use of the asset.

This policy is applied to contracts entered into, or changed, on or after April 1, 2018

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component based on their relative stand-alone prices.

Recognition of right of use asset

The Company recognises a right of use asset at the lease commencement date of lease and comprises of the initial lease liability amount, plus any indirect costs incurred.

Subsequent measurement of right of use asset

The right of use asset is subsequently amortized using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term, whichever is lesser. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurement of the lease liability.

Recognition of lease liability

The lease liability is initially measured at the present value of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate.

Subsequent measurement of lease liability

Lease liability is measured at amortised cost using the effective interest method. The lease payments are apportioned between the finance charges and reduction of the lease liability using the incremental borrowing rate implicit in the lease to achieve a constant rate of interest on the remaining balance of the liability.

It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. Whenever the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right of use asset or is recorded in profit or loss of the carrying amount of the right of use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The company has elected by class of underlying asset to not recognise right of use assets and lease liabilities for short term leases that have a lease term of 12 months and leases for which the underlying asset is of low value.

In case of short-term leases and leases for which the underlying asset is of low value, the company has elected not to apply the requirements of Ind AS 116 and the lease payments associated with those leases are recognised as an expense on a straight-line basis.

3.7. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity

The company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund.

The fund is administered by Life Insurance Corporation of India (LIC). The gratuity liability is calculated using the Projected Unit Credit Method which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Re-measurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods. The effect of any planned amendments are recognised in Statement of Profit and Loss.



Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include compensated absences such as paid annual leave and sickness leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized in the Statement of Profit and Loss during the year.

Long-term employee benefits

Company's liabilities towards compensated absences to employees are accrued on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss.

Compensated absence

Compensated absence which is a defined benefit, is accrued based on an actuarial valuation at the balance sheet date carried out by an independent actuary.

Share-based Payment Arrangements

Share-based Payment Arrangements estimating fair value for share-based payment transactions requires use of an appropriate valuation model. The Company measures the cost of equity-settled transactions with Option holders using Black-Scholes Model to determine the fair value of the options on the grant date.

Inputs into the valuation model, includes assumption such as the expected life of the share option, volatility and dividend yield.

The stock options granted to employees pursuant to the Company's Stock Options Schemes, are measured at the fair value of the options at the grant date using Black Scholes Model. The fair value of the options determined at grant date is accounted as employee compensation cost over the vesting period on a straight line basis over the period of option, based on the number of grants expected to vest, with corresponding increase in equity.

3.8. Foreign currency translation

Functional and presentational currency - The financial statements are presented in INR which is also functional currency of the company.

Transactions and balances - Transactions in foreign currencies are initially recorded in the functional currency at the spot rate of ex-change ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the spot rate of exchange at the reporting date. All differences arising on non-trading activities are taken to other income/expense in the statement of profit and loss.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

3.9. Borrowing cost

Borrowing cost includes interest, amortization of ancillary costs based on Effective Interest Rate method (EIR), incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

3.10. Taxes

Income tax expense comprises of current and deferred tax. Current / Deferred tax is recognized in the Statement of Profit and Loss except to the extent it relates to a business combination or to an item which is recognized directly in equity or in other comprehensive income in which case the related income tax is also recognised accordingly. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority. The Company only off-sets its deferred tax assets against liabilities when there is both a legal right to offset and it is the Company's intention to settle on a net basis

i) Current Taxes

Current tax is the amount of income taxes payable/ receivable in respect of taxable profit/ loss for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible in accordance with applicable tax laws. Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. Interest income / expenses and penalties, if any, related to income tax are included in current tax expense. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the end of reporting date in India where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.



NEOGROWTH CREDIT PRIVATE LIMITED

Notes to financial statements for the year ended March 31, 2023

ii) Deferred Taxes

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences.

A deferred tax liability is recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it becomes probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and deferred taxes are recognised as income tax benefits or expenses in the Statement of profit and loss except for tax related to the fair value re-measurement of financial assets classified through other comprehensive income, foreign exchange differences and the net movement on cash flow hedges, which are charged or credited to Other Comprehensive Income (OCI). These exceptions are subsequently reclassified from OCI to the statement of profit and loss together with the respective deferred loss or gain. The Company also recognises the tax consequences of payments and issuing costs, related to financial instruments that are classified as equity, directly in equity.

3.11. Earnings per share

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of the company by the weighted average number of ordinary shares outstanding during the year.

As per Ind AS 33, Para 23 " Ordinary shares that will be issued upon the conversion of a mandatorily convertible instrument are included in the calculation of basic earnings per share from the date the contract is entered into. Consequently CCPS and CCD have been included in the computation of Basic EPS.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of company (after adjusting for interest on the convertible preference shares, in each case, net of tax) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

3.12. Share based payment

Equity-settled share based payments to employees and others providing similar services are measured at the fair value of equity instruments at the grant date. Details regarding determination of the fair value of equity settled share based payments transactions are set out in Note 35.

The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting period, based on the company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Share Based payments reserve.

On cancellation or lapse of option granted to employees, the compensation cost charged to statement of profit & loss is credited with corresponding decrease in equity.

On modification of terms of the ESOP scheme, the Company shall include the incremental fair value granted in the measurement of the amount recognised for services received as consideration for the equity instruments granted. The incremental fair value granted is the difference between the fair value of the modified equity instrument and that of the original equity instrument, both estimated as at the date of the modification. If the modification occurs during the vesting period, the incremental fair value granted is included in the measurement of the amount recognised for services received over the period from the modification date until the date when the modified equity instruments vest, in addition to the amount based on the grant date fair value of the original equity instruments, which is recognised over the remainder of the original vesting period. If the modification occurs after vesting date, the incremental fair value granted is recognised immediately, or over the vesting period if the employee is required to complete an additional period of service before becoming unconditionally entitled to those modified equity instruments.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.



3.13. Provisions and other Contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The increase in the provision due to un-winding of discount over passage of time is recognised within finance costs. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement in other operating expenses.

Where it is more likely that no present obligation exists at the end of the reporting period, the entity discloses a contingent liability, unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent liability is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

3.14. Dividend on Ordinary Shares

Company recognises dividends on ordinary shares and related dividend tax as a liability and deducted from equity when they are approved by the Company's shareholders.

Proposed dividends on equity shares which are subject to approval at the annual general meeting are not recognised as a liability (including tax thereon) and is disclosed as an event after the reporting date.

3.15. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

3.16. Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past / future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3.17. Insurance claims

Insurance claims are accrued for on the basis of claims admitted and/or to the extent there is no uncertainty in receiving the claims. The Company re-assesses the claims made at each reporting period for recoverability.

3.18. Expenditure on Corporate Social Responsibility (CSR)

The Company accounts the expenditure incurred towards Corporate Social Responsibility as required under the Companies Act 2013 as a charge to the statement of profit and loss, if applicable.

3.19. Determination of Fair Value

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above at each balance sheet date.

Fair value is the price at the measurement date, at which an asset can be sold or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.

The Company's accounting policies require, measurement of certain financial / non-financial assets and liabilities at fair values (either on a recurring or non-recurring basis). Also, the fair values of financial instruments measured at amortised cost are required to be disclosed in the said financial statements.

The Company is required to classify the fair valuation method of the financial / non-financial assets and liabilities, either measured or disclosed at fair value in the financial statements, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurement).

Accordingly, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy described as follows:

Level 1 financial instruments – Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments – Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

Level 3 financial instruments – Those that includes one or more unobservable input where there is little market activity for the asset/liability at the measurement date that is significant to the measurement as a whole.

3.20. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Entity becomes a party to the contractual provisions of the instruments.



NEOGROWTH CREDIT PRIVATE LIMITED

Notes to financial statements for the year ended March 31, 2023

Financial Assets

Initial Recognition - All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the asset.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI).
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL).
- Equity instruments measured at fair value through other comprehensive income FVTOCI.

Financial assets measured at amortised cost

A 'debt instrument' is measured at amortised cost if both the following conditions are met:

- a) The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement at fair value plus directly attributable costs, these financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

The measurement of credit impairment is based on the three-stage expected credit loss model described below.

Business model: The business model reflects how the company manages the assets in order to generate cash flows. That is, whether the company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL.

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss. The amortised cost, as mentioned above, is computed using the effective interest rate method.

Effective interest method - The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount on initial recognition. Transaction cost and income which is directly attributable to financial assets are amortised over the tenor of the loan. The amortised cost of the financial asset is adjusted if the company revises its estimates of payments or receipts. The adjusted amortised cost is calculated based on the original or latest re-estimated EIR and the change is recorded as 'Interest and similar income' for financial assets. Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Financial assets measured at fair value through other comprehensive income

Debt Instrument - Investments in debt instruments are measured at fair value through other comprehensive income where they have:

- a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest (SPPI) on the principal amount outstanding; and
- b) Are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest revenue and foreign exchange gains and losses are recognised in profit and loss. Upon disposal, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the income statement. The measurement of credit impairment is based on the three-stage expected credit loss model as applied to financial assets at amortised cost. The expected credit loss model is described below :



NEOGROWTH CREDIT PRIVATE LIMITED

Notes to financial statements for the year ended March 31, 2023

Financial Instrument measured at fair value through profit or loss

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVOCI criteria may be designated as at FVTPL upon initial recognition, if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Company's investment are classified as FVTPL, if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking, or it is a derivative not in a qualifying hedge relationship. Trading derivatives and trading securities are classified as held for trading and recognised at fair value.

Financial instruments held at fair value through profit or loss, are initially recognised at fair value, with transaction costs recognised in the income statement as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the income statement as they arise. Where a financial asset is measured at fair value, a credit valuation adjustment is included to reflect the credit worthiness of the counterparty, representing the movement in fair value attributable to changes in credit risk.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares.

Financial liabilities

Initial Measurement

Financial liabilities are classified and measured at amortized cost. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent Measurement

Financial liabilities are subsequently carried at amortized cost using the effective interest method.

Embedded Derivative

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specific interest rate, value of an underlying security, or other variable. The embedded derivative, which are not closely related to the host contract are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

Modification of loans

The company sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the company assesses whether or not the new terms are substantially different to the original terms.

If the terms are substantially different, the company derecognises the original financial asset and recognises a 'new' asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the company also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on de recognition. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be Purchased or originated credit impaired financial assets (POCI).

If the terms are not substantially different, the renegotiation or modification does not result in de recognition, and the company recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss to the extent that an impairment loss has not already been recorded. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

Derivative financial instruments

Derivative financial instruments are contracts whose value is derived from one or more underlying price, index or other variable, and typically comprise of instruments such as swaps, forward rate agreements, futures and options. All derivatives are recognised in the balance sheet at fair value and are classified as trading except where they are designated as a part of an effective hedge relationship and classified as hedging derivatives. The carrying value of a derivative is re measured at fair value throughout the life of the contract. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Credit Valuation Adjustments (CVA) - Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the statement of financial position. In the case of credit derivatives, the company is also exposed to or protected from the risk of default of the underlying entity referenced by the derivative. Hence, to reflect potential losses, the company applies CVA to all relevant over-the-counter positions with the exception of positions settled through central clearing houses.



NEOGROWTH CREDIT PRIVATE LIMITED

Notes to financial statements for the year ended March 31, 2023

Impairment of financial assets

The company applies the expected credit loss (ECL) model for recognising impairment loss as against hitherto IRAC norms of RBI.

ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months from the reporting date.

The company assesses at each reporting date whether a financial asset such as investments, loans and advances, non-fund based limits not designated as FVTPL and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Lifetime Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

The company applies a three-stage approach to measuring expected credit losses (ECLs) for the following categories of financial assets that are not measured at fair value through profit or loss:

- debt instruments measured at amortised cost and fair value through other comprehensive income;
- loan commitments; and
- Financial guarantee contracts.

No ECL is recognised on equity investments.

Definition of default-

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikelihood to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events may include (and not be limited to):

- All the facilities of a borrower from all the borrowed accounts are treated as Stage 3 when one of his facility becomes 90 days past due i.e. credit impaired.
- A covenant breach not waived by the Company
- The Company on selective Basis does consider restructuring of loans after due assessment of its viability from time to time, in line with regulatory /judicial norms & dispensations

PD estimation process

Probability of Default (PD) is an estimate of the likelihood of default in a homogenous pool of loans, over its performance period of following 12 month / lifetime horizon. PD estimation process is done based on historical & empirical internal data available with the company. 'Company calculates the 12-month PD by taking into account the past historical trends of the portfolio, credit performance including actual default data and Macro economic variables. In case of assets where there is 'a significant increase in credit risk (SICR) i.e when a borrower becomes 30 Days past Due and is classified as Stage 2, a higher PD is applied basis empirical data of such customers defaulting. 'For credit impaired assets (Stage 3), a PD of 100% is applied.

Exposure at Default (EAD)

Exposure at Default is considered as 100% of Outstanding balance in respect of loan receivables.

In case of undrawn loan commitments, a credit conversion factor of 75 % is applied for expected drawdown. For credit impaired assets (i.e. Stage 3 assets), an EAD factor of 100% is applied.

Loss Given Default (LGD)

Loss Given Default (LGD) is an estimate of the ultimate loss arising , when a default occurs. It is based on empirical contractual realisations from credit impaired assets (i.e. Stage 3 assets). after event of default (& till the time the exposure is written off) including from the realization of any security.

Financial assets are classified through the following three stages based on the change in credit risk since initial recognition:

Stage 1: 12-months ECL

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The company has assessed that all standard advances and advances upto 30 days default (SMA 0) would fall under this category.

For these assets, 12-month ECL are recognized and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance).

Stage 2: Lifetime ECL – not credit impaired

Financial instruments that have had a significant increase in credit risk since initial recognition are classified under this stage. 30 Days Past Due is considered as significant increase in credit risk and classified under this category. For these assets, lifetime ECL are recognized, but interest revenue is still calculated on the gross carrying amount of the asset.



Stage 3: Lifetime ECL – credit impaired

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount.

Credit-impaired financial assets:

At each reporting date, the company assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- a) Significant financial difficulty of the borrower or issuer;
- b) A breach of contract such as a default or past due event;
- c) The restructuring of a loan or advance by the company on terms that the company would not consider otherwise;
- d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- e) The disappearance of an active market for a security because of financial difficulties.

Measurement of ECLs

The measurement of ECL reflects:

- a) An unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes
- b) The time value of money
- c) Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

ECLs are derived from unbiased and probability-weighted estimates of expected loss, and are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls over the expected life of the financial asset discounted by the effective interest rate. The cash shortfall is the difference between the cash flows due to the company in accordance with the contract and the cash flows that the company expects to receive.
- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows discounted by the effective interest rate.
- Undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the company if the commitment is drawn down and the cash flows that the company expects to receive.

ECLs are recognised using a provision for doubtful debts account in profit and loss. In the case of debt instruments measured at fair value through other comprehensive income, the measurement of ECLs is based on the three-stage approach as applied to financial assets at amortised cost. The company recognises the provision charge in profit and loss, with the corresponding amount recognised in other comprehensive income, with no reduction in the carrying amount of the asset in the balance sheet.

Write-off

Loans and debt securities are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the company's procedures for recovery of amounts due.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

- a) Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- b) Loan commitments and financial guarantee contracts: generally, as a provision;
- c) Where a financial instrument includes both a drawn and an undrawn component, and the company cannot identify the ECL on the loan commitment component separately from those on the drawn component: the company presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision; and
- d) Debt instruments measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the fair value reserve.

Derecognition of financial assets and financial liabilities

Financial assets

The Company derecognizes a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the statement of profit and loss.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability. The difference between value of the original financial liability and the consideration paid is recognised in profit or loss.



Offsetting

Financial assets and financial liabilities are generally reported gross in the balance sheet. Financial assets and liabilities are offset and the net amount is presented in the balance sheet when the Company has a legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously in all of the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Company and/or its counterparties

Derivative assets and liabilities with master netting arrangements (e.g. ISDAs) are only presented net when they satisfy the eligibility of netting for all of the above criteria and not just in the event of default.

Hedge Accounting

The company makes use of derivative instruments to manage exposures to interest rate and foreign currency. In order to manage particular risks, the company applies hedge accounting for transactions that meet specified criteria.

At the inception of a hedge relationship, the company formally designates and documents the hedge relationship to which the company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

Fair value hedges

Fair value hedges hedge the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or firm commitment, that is attributable to a particular risk and could affect profit or loss.

For designated and qualifying fair value hedges, the cumulative change in the fair value of a hedging derivative is recognised in the statement of profit and loss in net gain on fair value changes. Meanwhile, the cumulative change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item in the balance sheet and is also recognised in the statement of profit and loss in net gain on fair value changes.

The company classifies a fair value hedge relationship when the hedged item (or Company of items) is a distinctively identifiable asset or liability hedged by one or a few hedging instruments. The financial instruments hedged for interest rate risk in a fair value hedge relationships fixed rate debt issued and other borrowed funds. If the hedging instrument expires or is sold, terminated or exercised, or where the hedge no longer meets the criteria for hedge accounting, the hedge relationship is discontinued prospectively. If the relationship does not meet hedge effectiveness criteria, the company discontinues hedge accounting from the date on which the qualifying criteria are no longer met. For hedged items recorded at amortised cost, the accumulated fair value hedge adjustment to the carrying amount of the hedged item on termination of the hedge accounting relationship is amortised over the remaining term of the original hedge using the recalculated EIR method by recalculating the EIR at the date when the amortisation begins. If the hedged item is derecognised, the unamortised fair value adjustment is recognised immediately in the statement of profit and loss.

Cash flow hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit or loss.

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in net gain/loss on fair value changes in the profit and loss statement.

When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss. When the forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in OCI are reversed and included in the initial cost of the asset or liability.

When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time re-mains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss.



Cost of hedging

The company also may separate forward element and the spot element of a forward contract and designate as the hedging instrument only the change in the value of the spot element of a forward contract. Similarly currency basis spread may be separated and excluded from the designation of a financial instrument as the hedging instrument.

When an entity separates the forward element and the spot element of a forward contract and designates as the hedging instrument only the change in the value of the spot element of the forward contract, or when an entity separates the foreign currency basis spread from a financial instrument and excludes it from the designation of that financial instrument as the hedging instrument, such amount is recognised in OCI and accumulated as a separate component of equity under Cost of hedging reserve. These amounts are reclassified to the statement of profit or loss account as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

The Company's hedging policy only allows for effective hedging relationships to be considered as hedges as per the relevant IndAS. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed.

Financial guarantee

Financial guarantee are contracts that require the Company to make specified payments to reimburse the holder for loss that it incur because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument.

Financial Guarantee contract is initially recognised at Fair Value. Subsequently, this guarantee is to be measured at the higher of an amount determined based on the expected loss method (as per guidance in Ind AS 109) or the amount originally recognised less, the cumulative amount recognised as income on a straight-line basis.

Intangible Assets under Development

An intangible asset is recognised only when its cost can be measured reliably, and it is probable that the expected future economic benefits that are attributable to it will flow to the company. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment loss. Intangible assets are amortized on a straight line basis over the estimated useful economic life. The company considers that the useful life of an intangible asset will not exceed 6 years from the date when the asset is available for use.

Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

When it is certain that the future economic benefit attributable to the use of such intangible assets are probable to flow to the company and the expenditure incurred for development of such intangible assets can be measured reliably. The cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by the Company. The intangible assets including those internally generated are amortised using the straight line method over a period of six years, which is the Management's estimate of its useful life. The useful lives of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate. Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as 'Intangible assets under development'

Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.



NEOGROWTH CREDIT PRIVATE LIMITED**Notes to financial statements for the year ended March 31, 2023**

(₹ in Lakhs)

Note 4: Cash and cash equivalents

	As at March 31, 2023	As at March 31, 2022
Cash on hand	13.83	13.28
Balances with bank*	5,008.87	2,554.53
Bank deposit with maturity of less than 3 months	12,500.05	6,432.41
TOTAL	17,522.75	9,000.22

*Balance with Bank includes Rs 451 lakhs (March 31, 2022 : Rs Nil) payable to assignee under the Direct Assignment.

Balances with banks earn interest at fixed rates based on daily bank deposit rates. Short term deposits are made for varying periods between one day and three months, depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates. The Company has not taken bank overdraft against these Bank deposits, therefore the cash and cash equivalent for cash flow statement is same as cash and cash equivalent given above.

Note 5: Bank balance other than cash and cash equivalents

	As at March 31, 2023	As at March 31, 2022
Deposits with original maturity for more than 3 months but less than 12 months	554.41	-
Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments (under lien)*	5,594.50	4,842.05
TOTAL	6,148.91	4,842.05

*Of the above, (i) Fixed Deposits amounting to Rs 3,552.62 lakhs (March 31, 2022 - Rs 3,474.01 lakhs) have been lien marked against Cash Credit and overdraft facility, (ii) Rs 987.77 lakhs (March 31, 2022 - Rs 970.04 lakhs) have been line marked against Pass Through Certificates, (iii) Rs 965 lakhs (March 31, 2022 - Rs 298 lakhs) have been lien marked against External Commercial Borrowings (ECB), (iv) Nil lien marked against term loans (March 31, 2022 - Rs 100 lakhs) (Refer Note no 17 for details of borrowing) and (v) Rs 89.10 lakhs (March 31, 2022 - Nil) have been lien marked against Business Correspondence arrangement.

Fixed deposit earns interest at fixed rate based on applicable bank deposit rates.



NEOGROWTH CREDIT PRIVATE LIMITED**Notes to financial statements for the year ended March 31, 2023****(₹ in Lakhs)****Note 6: Derivative financial instruments**

The Company enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that meet the hedge accounting requirements. The Company has adopted hedge accounting principles as per Ind AS 109.

The table below shows the fair value of derivative financial instruments recorded as assets or liabilities together with their notional amounts and the fair values of embedded derivatives.

The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

Particulars	As at March 31, 2023				As at March 31, 2022			
	Notional amounts	Fair value assets	Notional amounts	Fair value liabilities	Notional amounts	Fair value assets	Notional amounts	Fair value liabilities
Part I								
(i) Currency derivatives - Currency swaps	24,269.50	(20.93)	-	-	4,245.00	197.56		
Sub total (i)	24,269.50	(20.93)	-	-	4,245.00	197.56	-	-
(ii) Other derivatives - Cross Currency Interest Rate Swaps	23,353.64	402.83	-	-	8,494.49	397.70		
(iii) Embedded Derivatives	-	-	-	-	-	-	-	6.26
Total derivative financial instruments (i+ii)	47,623.14	381.91	-	-	12,739.49	595.26	-	6.26
Part II								
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:								
Cash flow hedging	47,623.14	381.91	-	-	12,739.49	595.26	-	-
Embedded Derivative	-	-	-	-	-	-	-	6.26
Total Derivative Financial Instruments	47,623.14	381.91	-	-	12,739.49	595.26	-	6.26

6.1: Hedging activities and derivatives

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk. The Company's risk management strategy and how it is applied to manage risk are explained in Note 47.

6.1.1: Embedded Derivative

Embedded Derivative arising from the CCD's issued is accounted for separately since the economic characteristic is different from the host liability contract. The embedded derivative is initially recorded at fair value and subsequently will be carried at fair value through Profit & Loss.



NEOGROWTH CREDIT PRIVATE LIMITED**Notes to financial statements for the year ended March 31, 2023**

(₹ in Lakhs)

Note 6: Derivative financial instruments**6.1.2 Derivatives designated as hedging instruments****6.1.2.1 Cash flow hedges**

The Company is exposed to foreign currency risk arising from its foreign currency borrowing, as well as interest rate risk on floating rate foreign currency borrowings - both aggregating to a notional amount of USD 59.31 million as on March 31, 2023 (as on March 31, 2022 USD 17.84 million).

The Company has economically hedged

- (i) the foreign currency risk arising from the fixed rate non-INR borrowing using the cross currency swap, and
- (ii) the foreign currency risk and interest rate risk arising from the floating rate non-INR borrowing using the cross currency interest rate swap

The swap contracts above effectively convert the cash outflows of the foreign currency borrowing to fixed rate cash outflows in INR.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the all the swap contracts matches that of the foreign currency borrowing (notional amount, interest payment dates, principal repayment date etc.).

The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the derivative are identical to the hedged risk components.

To test the hedge effectiveness, the Company uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The hedge ineffectiveness can arise mainly if there is a change in the credit risk of the Company or the counterparty.

The Company has recorded notional Cash flow hedge loss of Rs. 537.45 lakhs for the year ended March 31, 2023 (cash flow hedge gain of Rs 209.03 lakhs for year ended March 31, 2022) which is routed through Other Comprehensive Income. The Company has entered into effective hedge and hence such notional loss would be nullified at the time of actual cash settlement. Hence decrease in equity to the extent of Rs.402.18 lakhs (net of tax) (increase in equity to the extent of Rs 156.42 lakhs (net of tax) for the year ended March 31, 2022) is notional in nature.

The impact of the hedging instruments on the balance sheet is as follows:

Particulars	March 31, 2023			March 31, 2022		
	Notional amount	Carrying amount	Line item in the balance sheet	Notional amount	Carrying amount	Line item in the balance sheet
Cross Currency Interest Rate Swaps	23,353.64	402.83	Derivative financial instruments	8,494.49	397.70	Derivative financial instruments
Currency Swaps	24,269.50	(20.93)	Derivative financial instruments	4,245.00	197.56	Derivative financial instruments

The effect of cash flow hedge in the statement of profit or loss and other comprehensive income is as follows:

Particulars	Total hedging gain / (loss) recognised in OCI for the year ended March 31, 2023	Total hedging gain / (loss) recognised in OCI for the year ended March 31, 2022	Cash flow hedge reserve as at March 31, 2023	Cash flow hedge reserve as at March 31, 2022
External Commercial Borrowings	(537.45)	209.03	(543.97)	(141.78)



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2023
(₹ in Lakhs)
Note 7: Receivables

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Receivables (Unsecured considered good)	123.59	29.17
Other Receivables (Unsecured considered good)	1,262.32	275.43
Unsecured considered good	1262.3	275.43
Less: Impairment Loss Allowance	(1.23)	-
TOTAL	1,261.09	275.43
	1,384.68	304.60

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade Receivables ageing

Particulars		Outstanding for following periods from due date of payment						Total
		Unbilled & Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	As at March 31, 2023	-	123.59	-	-	-	-	123.59
	As at March 31, 2022	-	29.17	-	-	-	-	29.17
TOTAL	As at March 31, 2023	-	123.59	-	-	-	-	123.59
	As at March 31, 2022	-	29.17	-	-	-	-	29.17

Other Receivables ageing

Particulars		Outstanding for following periods from due date of payment						Total
		Unbilled & Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Other receivables – considered good	As at March 31, 2023	1,262.32	-	-	-	-	-	1,262.32
	As at March 31, 2022	275.43	-	-	-	-	-	275.43
TOTAL	As at March 31, 2023	1,262.32	-	-	-	-	-	
	As at March 31, 2022	275.43	-	-	-	-	-	



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2023
(₹ in Lakhs)

Note 8: Loans (at amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022
Total loans	1,71,992.96	1,55,917.83
Total - Gross	1,71,992.96	1,55,917.83
Less: Impairment loss allowance	7,412.71	17,946.06
Total	1,64,580.24	1,37,971.77

Note 8.1: Nature of Loans		
(A) Term loans	1,67,401.14	1,51,555.43
Less: Impairment loss allowance	7,139.67	17,828.76
Total - Net	1,60,261.47	1,33,726.67
(B) Others (Limit Loans)	4,591.81	4,362.41
Less: Impairment loss allowance	273.04	117.30
Total - Net	4,318.77	4,245.10
Note 8.2: Nature of Security	-	-
Secured against tangible assets	1,71,992.96	1,55,917.83
Total - Gross	1,71,992.96	1,55,917.83
Less: Impairment loss allowance - Secured	(7,412.71)	(17,946.06)
Total - Net	1,64,580.24	1,37,971.77
Note 8.3: Location Loans in India		
i) Others (Private sector)	1,71,992.96	1,55,917.83
Less: Impairment loss allowance	(7,412.71)	(17,946.06)
Total - Net	1,64,580.24	1,37,971.77

Summary of loans by stage distribution

Details of Company's Risk Management process and policies are set out in Note 47 - Risk Management.

	As at March 31, 2023				As at March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	1,60,915.51	5,539.55	5,537.95	1,71,993.00	1,30,282.52	8,761.00	16,874.30	1,55,917.82
Less: Impairment loss allowance	(3,563.08)	(222.22)	(3,627.41)	(7,412.70)	(4,987.08)	(2,584.87)	(10,374.12)	(17,946.07)
Net carrying amount	1,57,352.43	5,317.33	1,910.54	1,64,580.30	1,25,295.44	6,176.13	6,500.18	1,37,971.76

Gross Carrying amount and Impairment loss allowance excludes amounts written off which are still subject to enforcement activity



Note 8: Loans (at amortised cost)

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to business loan is, as follows:

Particulars	For the year ended March 31, 2023				For the year ended March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	1,30,282.52	8,761.00	16,874.30	1,55,917.82	83,907.21	40,428.89	8,497.29	1,32,833.39
New assets originated or purchased	2,15,412.07	1,777.43	2,795.10	2,19,984.61	1,68,604.73	23,610.51	20,030.81	2,12,246.05
Assets derecognised or repaid (excluding write offs)	(1,69,120.50)	(6,898.81)	(6,936.73)	(1,82,956.03)	(1,28,188.85)	(29,933.29)	(11,028.39)	(1,69,150.54)
Transfers to Stage 1	2,883.11	(2,489.80)	(393.30)	0.01	28,985.42	(26,402.71)	(2,582.71)	-
Transfers to Stage 2	(18,519.43)	19,234.77	(715.35)	-	(22,995.42)	27,245.84	(4,250.42)	-
Transfers to Stage 3	(34.20)	(14,927.64)	14,961.84	-	(12.91)	(17,464.21)	17,477.13	-
Assets written Off	11.93	82.59	(21,047.92)	(20,953.40)	(17.67)	(8,724.02)	(11,269.40)	(20,011.08)
Gross carrying amount closing balance	1,60,915.51	5,539.55	5,537.95	1,71,993.01	1,30,282.52	8,761.00	16,874.30	1,55,917.82

Reconciliation of ECL balance is given below:

Particulars	For the year ended March 31, 2023				For the year ended March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	4,987.08	2,584.87	10,374.12	17,946.07	2,748.26	4,130.54	5,187.96	12,066.76
New assets originated or purchased	6,955.74	7,023.28	7,124.17	21,103.18	12,248.99	19,435.00	16,420.50	48,104.49
Assets derecognised or repaid (excluding write offs)	(7,235.37)	(1,977.48)	(3,152.05)	(12,364.90)	(7,601.44)	(8,004.67)	(8,439.55)	(24,045.66)
Transfers to Stage 1	257.78	(211.67)	(46.10)	-	2,038.66	-1,542.35	-496.30	-
Transfers to Stage 2	(1,375.23)	1,574.02	(198.80)	-	(4,440.79)	6,516.51	(2,075.72)	-
Transfers to Stage 3	(24.42)	(8,799.06)	8,823.48	-	(5.52)	(10,071.09)	10,076.61	-
Assets written Off	(2.49)	28.26	(19,297.41)	(19,271.64)	(1.09)	(7,879.06)	(10,299.38)	(18,179.53)
ECL allowance - closing balance	3,563.08	222.22	3,627.41	7,412.70	4,987.08	2,584.87	10,374.12	17,946.06



Note 8: Loans (at amortised cost)**Concentration of loans and advances (%)**

Industry	As at March 31, 2023	As at March 31, 2022
Food and Beverage	9.32%	10.94%
Apparel	10.32%	11.70%
Petrol Pump	5.88%	7.09%
Groceries	5.15%	6.51%
Hardware and Electrical	4.96%	4.48%
Engineering and Capital Goods	5.01%	3.51%
Contractor	5.81%	5.03%
Mobile	3.23%	3.90%
Pharmacy	2.88%	3.20%
FMCG	3.21%	3.45%
Hotels	0.39%	0.43%
Spa and Salon	1.49%	1.74%
CDIT	1.57%	1.64%
Logistics	2.13%	1.90%
Others	38.62%	34.50%

Note:

Others consist a list of more than 50 industries, over which this portion of the portfolio is distributed.



NEOGROWTH CREDIT PRIVATE LIMITED**Notes to financial statements for the year ended March 31, 2023**

(₹ in Lakhs)

Note 9: Other financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured considered good, unless stated otherwise		
Security deposits	311.57	267.03
<u>Others</u>		
Fixed deposits with bank with original maturity for more than 12 months	3,549.96	2,034.78
Excess Interest Spread (EIS) on Direct Assignment	150.10	-
Less: Impairment allowance on EIS on Direct Assignment	(3.36)	-
Other receivables	820.44	635.61
Less: Impairment allowance	(399.90)	(3.63)
Total	4,428.81	2,933.79

Note: Of the above, fixed deposit amounting to i) Rs. 1,943.01 lakhs (March 31, 2022 - Rs. 851.01 lakhs) are lien marked against External Commercial Borrowings (refer note no 17), ii) Rs 555.43 lakhs (March 31, 2022 - Rs. 502.92 lakhs) are lien marked against Pass Through Certificates (refer note no 17) iii) 463.55 lakhs (March 31, 2022 - Rs. 89.10 lakhs) are lien marked against Business Correspondence arrangement.



NEOGROWTH CREDIT PRIVATE LIMITED**Notes to financial statements for the year ended March 31, 2023****(₹ in Lakhs)****Note 10: Property, Plant and Equipment**

Particulars	Leasehold improvement	Office equipment	Computer Equipment	Furniture & Fixtures	Total
Cost:					
As at April 1, 2021	79.49	57.10	166.16	49.76	352.51
Additions	0.00	7.85	58.96	9.33	76.14
Disposals	(4.97)	(1.99)	(12.87)	(0.08)	(19.91)
As at March 31, 2022	74.52	62.96	212.25	59.01	408.74
Additions	-	9.44	30.74	1.86	42.05
Disposals	-	(1.74)	(1.89)	-	(3.62)
As at March 31, 2023	74.52	70.66	241.11	60.87	447.18
Depreciation and impairment:					
As at April 1, 2021	43.71	28.16	82.36	26.14	180.37
Depreciation charge for the year	8.16	17.26	64.78	8.37	98.57
Disposals	(4.96)	(1.08)	(11.40)	-	(17.44)
As at March 31, 2022	46.90	44.34	135.74	34.51	261.49
Depreciation charge for the year	8.14	11.46	55.77	6.68	82.04
Disposals	-	(1.73)	(1.89)	-	(3.62)
As at March 31, 2023	55.04	54.07	189.62	41.19	339.93
Net book value:					
As at March 31, 2022	27.62	18.63	76.51	24.49	147.27
As at March 31, 2023	19.48	16.59	51.49	19.68	107.26

Note : The company has not done any revaluation in respect of the above Property, plant and equipment during the year.



NEOGROWTH CREDIT PRIVATE LIMITED**Notes to financial statements for the year ended March 31, 2023**

(₹ in Lakhs)

Note 11: Right-of-use assets

The Company has elected not to apply the requirement of Ind AS 116 to short term leases of all assets that have a lease term of 12 months or less. The lease payments associated with these leases are recognized as an expenses on a straight line basis over the lease term.

Particulars	Right-of-use Premises
Cost:	
As at April 1, 2021	3,245.87
Additions	179.94
Adjustments	0.38
Disposals	(141.54)
As at March 31, 2022	3,284.65
Additions	166.51
Disposals	(77.27)
As at March 31, 2023	3,373.89
Depreciation and impairment:	
As at April 1, 2021	609.48
Depreciation charge for the year	652.02
Adjustments	-
Disposals	(57.06)
As at March 31, 2022	1,204.44
Depreciation charge for the year	654.25
Adjustments	-
Disposals	(54.34)
As at March 31, 2023	1,804.35
Net book value:	
As at March 31, 2022	2,080.21
As at March 31, 2023	1,569.54



NEOGROWTH CREDIT PRIVATE LIMITED

Notes to financial statements for the year ended March 31, 2023

(₹ in Lakhs)

Note 12: Intangible assets under development

Particulars				As at March 31, 2023	As at March 31, 2022
Intangible assets under development				101.93	-
TOTAL				101.93	-

Intangible assets under development ageing	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	101.93	-	-	-	101.93

Note - Above Intangible asset under development is not overdue or has not exceeded its cost compared to its original plan.



NEOGROWTH CREDIT PRIVATE LIMITED

Notes to financial statements for the year ended March 31, 2023

(₹ in Lakhs)

Note 13: Other intangible assets

Particulars	Computer Software
Cost:	
As at April 1, 2021	182.24
Additions	44.99
As at March 31, 2022	227.23
Additions	-
As at March 31, 2023	227.23
Accumulative amortisation and impairment:	
As at April 1, 2021	135.99
Amortisation charge for the year	30.84
As at March 31, 2022	166.83
Amortisation charge for the year	22.14
As at March 31, 2023	188.96
Net book value:	
As at March 31, 2022	60.40
As at March 31, 2023	38.26

Note 14: Other non-financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Advance tax (net) (net of provision for tax Rs 223.14 lakhs [March 31, 2022 Rs 223.14 lakhs])	763.41	623.36
Goods & Service Tax credit (input) receivable	232.64	353.30
Prepaid expenses	282.61	268.17
Advance to vendors	202.42	144.93
TOTAL	1,481.07	1,389.76



NEOGROWTH CREDIT PRIVATE LIMITED**Notes to financial statements for the year ended March 31, 2023**

(₹ in Lakhs)

Note 15: Trade Payable

Particulars		Outstanding for following periods from due date of payment				
		Less than 1 years	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	As of March 31, 2023	32.64	-	-	-	32.64
	As of March 31, 2022	10.76	-	-	-	10.76
(ii) Others	As of March 31, 2023	1,191.85	-	-	-	1,191.85
	As of March 31, 2022	1,016.14	1.10	-	-	1,017.24
TOTAL		1,224.48	-	-	-	1,224.48
		1,026.90	1.10	-	-	1,028.00

Notes:**The Following details relating to Micro, Small and Medium Enterprises shall be disclosed:**

(a) The Principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year.

- Principal is 32.64 lakh as on March 31, 2023 (10.76 lakhs in March 31, 2022)

- Interest is Nil.

(b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year: Current year Nil (Previous year Nil).

(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act : Current year Nil (Previous year Nil).

(d) The amount of interest accrued and remaining unpaid at the end of each accounting year : Current year Nil (Previous year Nil).

(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 : Current year Nil (Previous year Nil).



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2023
(₹ in Lakhs)
Note 16: Debt securities

Particulars	As at March 31, 2023	As at March 31, 2022
	Amortised cost	Amortised cost
Liability component of compound financial instruments	14.22	9.10
Senior secured notes		
Non Convertible Debentures (Secured)		
Privately placed debentures	50,011.95	72,315.93
Compulsorily Convertible Debentures (Unsecured)		
Rights issue for CCDs	3,274.89	6,972.91
Total	53,301.05	79,297.94
Debt securities in India	8,839.68	5,872.62
Debt securities outside India	44,461.37	73,425.32
TOTAL	53,301.05	79,297.94

Particulars of Privately Placed Redeemable Non Convertible Debentures (Secured):

Redemption Date	Put/Call option date	Repayment details	Face Value	As at March 31, 2023	As at March 31, 2022
August 07, 2022	-	Bullet	10,00,000	-	5,060.00
November 16, 2022	-	Two Equal Instalments	10,00,000	-	6,000.00
February 07, 2023	-	Bullet	10,00,000	-	3,500.00
February 15, 2023	-	Bullet	10,00,000	-	10,500.00
April 26, 2023	-	Two Instalments	10,00,000	1,625.00	3,250.00
May 13, 2023	-	Two Instalments	10,00,000	-	0.51
August 28, 2023	-	Bullet	10,00,000	6,500.00	6,500.00
September 03, 2025	September 03, 2022	Bullet	10,00,000	6,200.00	6,200.00
February 26, 2026	August 25, 2022	Bullet	10,00,000	-	3,500.00
November 24, 2023	-	Bullet	10,00,000	3,200.00	3,200.00
December 9, 2024	-	Four Equal Instalments	10,00,000	5,550.00	5,550.00
May 13, 2024	-	Two Instalments	5,000	-	4,521.40
February 13, 2026	-	Two Instalments	10,00,000	4,100.00	4,100.00
March 18, 2024	March 18, 2023	Six Instalments	1,00,000	833.33	1,667.00
March 19, 2024	March 19, 2023	Six Instalments	1,00,000	666.67	1,333.00
June 13, 2026	-	Two Instalments	1,00,000	2,450.00	2,450.00
March 10, 2027	March 10, 2025	Bullet	10,00,000	2,000.00	2,000.00
March 30, 2025	March 30, 2024	Six Equal Instalments	10,00,000	1,333.33	2,000.00
July 19, 2026	-	Four Equal Instalments	10,00,000	6,000.00	-
August 31, 2026	-	Two Instalments	1,00,000	3,080.00	-
February 28, 2026	August 28, 2024	Bullet	1,00,000	2,500.00	-
March 25, 2024	-	Four Equal Instalments	1,00,000	3,500.00	-
Total				49,538.33	71,331.91
Add: Interest Component (including EIR)				473.62	984.02
Total				50,011.95	72,315.93



NEOGROWTH CREDIT PRIVATE LIMITED**Notes to financial statements for the year ended March 31, 2023****(₹ in Lakhs)****Note 16: Debt securities**

Redeemable Non Convertible Debentures (Secured) carries Interest rates ranging from 11.65% p.a. to 14% p.a. for the year ended March 31, 2023 (March 31, 2022 - 11.65% p.a. to 14% p.a.)

Security details for Non Convertible Debentures ('NCDs')

The NCDs are fully secured by first charge over the loan receivable from borrowers of the Company or fixed deposits of the Company specifically lien marked against respective lender. The total asset cover has been maintained as per the terms and condition stated in the respective debenture trust deeds.

Particulars of Privately Placed Compulsorily Convertible Debentures (CCD) (Unsecured):

Maturity Date	Put/Call option date	Repayment details	Face Value	As at March 31, 2023	As at March 31, 2022
September 23, 2040	-	Bullet	1,000	3,075.00	6,625.00
Total				3,075.00	6,625.00
Add: Interest Component (including EIR)				199.89	347.91
Total				3,274.89	6,972.91

CCD carries interest rate at 13.5% p.a. for the year ended March 31, 2023 (March 31, 2022 - 13.5% p.a.). All CCD has been converted into Compulsorily Convertible Preference Shares except Rs 3,075 lakhs which is awaiting RBI approval.



NEOGROWTH CREDIT PRIVATE LIMITED**Notes to financial statements for the year ended March 31, 2023**

(₹ in Lakhs)

Note 17: Borrowings other than debt securities

Particulars	As at March 31, 2023	As at March 31, 2022
	Amortised cost	Amortised cost
Term Loan		
from bank in INR (secured)	3,662.38	5,225.83
from third party in INR (secured)	27,358.32	10,110.13
Cash credit / Overdraft facilities from banks (secured)	443.93	5,115.96
External Commercial Borrowings (secured)	48,832.79	13,698.92
Others: Pass Through Certificates (secured)	6,416.76	15,928.75
Total	86,714.18	50,079.59
Borrowings in India	37,881.39	36,380.67
Borrowings outside India	48,832.79	13,698.92
Total	86,714.18	50,079.59

The Company has sought and obtained waiver / amendment etc in respect of any breach of loan covenants. No loans have been recalled by lender as of March 31, 2023

The Company has utilised the funds raised from banks and financial institutions for the specific purpose for which they were borrowed.

The Company has borrowed funds from banks and financial institutions on the basis of security of current assets. It has filed quarterly returns or statements of current assets with banks and financial institutions and the said returns/statements are in agreement with books of accounts.

Term loan from bank:

These are secured by first charge by way of hypothecation of specific identified book debts (loan assets).

Coupon rate ranges from 8.85% to 12.50% for the year ended March 31, 2023 (March 31, 2022 - Interest rate range from 6.85% p.a. to 11.50% p.a.).

Term loan from third party:

These are secured by first charge by way of hypothecation of specific identified book debts. Of the total, loans of Rs. Nil (March 31, 2022: Rs. 500 lakhs) are secured by additional fixed deposit. Further, of the total, loans of Rs. 478 lakhs (March 31, 2022: Rs. 1,357) are secured by additional third party guarantee.

Coupon rates range from 11.5% p.a. to 13.90% p.a. for the year ended March 31, 2023 (for the year ended March 31, 2022) interest rate range from 11.5% p.a. to 14% p.a.).

Cash credit / Overdraft facilities from banks:

These are secured by first charge by way of hypothecation of specific identified book debts. Of the total, Rs 443.93 lakhs (March 31, 2022 5,115.96 lakhs) are partially secured by lien marked Fixed Deposits.

Coupon rates range from 6.8% p.a. to 10.90% p.a. for the year ended March 31, 2023 (March 31, 2022 - 6.% p.a. to 11.05% p.a.).

External Commercial Borrowings:

These are secured by first charge by way of hypothecation of specific identified book debts.

Coupon rates range from 4.25% p.a. to 9.61% p.a. for the year ended March 31, 2023 (March 31, 2022 4.15% p.a. to 6.15% p.a.).

Others : Pass Through Certificate (PTC)

PTC's issued by Trust meets the criteria of True Sale as per the RBI guidelines. For the year ended 31st March 2023, Rs 6,390 lakhs (March 31, 2022: Rs 15,853 lakhs) are partially secured by lien marked Fixed Deposits



NEOGROWTH CREDIT PRIVATE LIMITED**Notes to financial statements for the year ended March 31, 2023****(₹ in Lakhs)****Note 18: Other financial liabilities**

Particulars	As at March 31, 2023	As at March 31, 2022
Merchant balances	1,116.30	1,150.42
Lease liabilities for premises on rent (refer Note 18A)	1,800.74	2,259.60
Other liabilities	491.94	86.30
TOTAL	3,408.98	3,496.35

Note 18A: Lease liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Lease liabilities for premises on rent	1,800.74	2,259.60
TOTAL	1,800.74	2,259.60

The Company has taken various office premises under lease. Certain agreements provide for cancellation by either party or certain agreements contains clause for escalation and renewal of agreements. The non-cancellable operating lease agreements are ranging for a period 18 to 108 months. There are no restrictions imposed by lease arrangements.

Maturity analysis of contractual undiscounted cash flow

Particulars	As at March 31, 2023	As at March 31, 2022
Less than 1 year	810.65	828.32
1 - 5 years	1,294.79	1,909.16
6 - 10 years	56.19	88.11
More than 10 years	-	-
Total undiscounted lease liabilities	2,161.63	2,825.58

The following is the movement in lease liabilities for the year ended March 31, 2023:

Particulars	Amount
Balance as at April 1, 2022	2,679.98
Add: Finance Cost accrued during the year	293.24
Add: Finance Cost reversed due to foreclosure during the year	11.07
Add: Lease liability recognised during the year (Net of foreclosure)	76.32
Less: Payment of Lease Liabilities	(801.01)
Balance as at March 31, 2022	2,259.60
Add: Finance Cost accrued during the year	251.19
Add: Finance Cost reversed due to foreclosure during the year	4.16
Add: Lease liability recognised during the year (Net of foreclosure)	126.32
Less: Payment of Lease Liabilities	(840.53)
Balance as at March 31, 2023	1,800.74



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2023
(₹ in Lakhs)

Note 19: Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Employee benefits		
- Gratuity (refer Note 36)	139.82	84.19
- Provision for compensated absences (refer Note 36)	28.42	41.87
- Retention and performance bonus	838.99	336.14
Provision for non-fund based exposure	26.25	15.78
Provision for Stock Appreciation Rights (SAR)	107.66	66.41
Financial Guarantee	1,318.84	261.61
Others	3.44	2.72
TOTAL	2,463.42	808.72

Loan commitment

Details of Company's Risk Management process and policies are set out in Note 47 - Risk Management.

Note 19.1 - Provision for non-fund based exposure:

a) Credit Quality of Assets

Particulars	As at March 31, 2023				As at March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Carrying amount of non-fund based exposure (refer Note 39)	716.93	-	-	716.93	1,099.31	-	-	1,099.31
Total	716.93	-	-	716.93	1,099.31	-	-	1,099.31

b) An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loans is, as follows:

Particulars	For the year ended March 31, 2023				For the year ended March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount - opening balance	1,099.31	-	-	1,099.31	620.35	-	-	620.35
New assets originated or purchased	716.93	-	-	716.93	1,099.31	-	-	1,099.31
Assets derecognised or repaid (excluding write offs)	(1,099.31)	-	-	(1,099.31)	(620.35)	-	-	(
Gross carrying amount - closing balance	716.93	-	-	716.93	1,099.31	-	-	1,



Note 19: Provisions

c) Reconciliation of ECL balance is given below:

Particulars	For the year ended March 31, 2023				For the year ended March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	15.78	-	-	15.78	10.86	-	-	10.86
New assets originated or purchased	26.25	-	-	26.25	15.78	-	-	15.78
Assets derecognised or repaid (excluding write offs)	(15.78)	-	-	(15.78)	(10.86)	-	-	(10.86)
ECL allowance - closing balance	26.25	-	-	26.25	15.78	-	-	15.78

Note 19.2 - Movement of provisions other than employee benefit during the year

The movement in provisions for the year ended March 31, 2023 is, as follows:

Particulars	Litigation*	Other	Total
As at March 31, 2021	20.00	22.26	42.26
Additional provisions during the year	-	0.46	0.46
Utilised (Incurred or charged against that provision)	-	(20.00)	(20.00)
As at March 31, 2022	20.00	2.72	22.72
Additional provisions during the year	-	0.72	0.72
Utilised (Incurred or charged against that provision)	-	-	-
As at March 31, 2023	20.00	3.44	23.44

* Included in Trade Payable (Note 15)

Note 19.3 - Other Provisions:

Other provisions include allocated amounts related to Provision for regular expenses. It is expected that the costs will be incurred over the next 12 months.



NEOGROWTH CREDIT PRIVATE LIMITED

Notes to financial statements for the year ended March 31, 2023

(₹ in Lakhs)

Note 19: Provisions**Note 19.4 - Stock Appreciation Rights (SAR PLAN 2015)**

SAR grants was cancelled by the shareholders at their Extra Ordinary General Meeting held on November 30, 2017. The SAR's already granted to continuing employees as on March 31, 2018 is replaced by the Employee Stock Option Plan under the ESOP 2017 scheme at the Special resolution passed by the members on November 30, 2017. The vesting schedule of each employee under ESOP scheme is aligned to the vesting schedule as per the original SAR scheme except the first vesting shall happen only after completion of 12 months from the date of the grant of option under ESOP scheme 2017.

Details of activity under SARs is summarized below:

Particulars	As at March 31, 2023	As at March 31, 2022
	Nos	Nos
SARs Outstanding at the beginning of the year	1,69,400	1,69,400
Outstanding at the end of the year	1,69,400	1,69,400
Total Liability of SAR (Rs. In lakhs)	107.66	66.41

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance of provision for SARs	66.41	174.90
Change in employee compensation cost pertaining to SARs for the year	41.25	(108.49)
Closing balance of provision for SARs (Net off)	107.66	66.41

Note 19.5 - Retention and performance bonus includes Value distribution scheme -

During FY 22, Company cancelled VDS scheme through Board Resolution dated 18th November 2021 except for 2 employees for whom the VDS scheme will continue as per the original terms of VDS scheme.

Details of activity under Value Distribution Scheme (VDS) is summarized below:

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance of provision	3.60	198.00
Change in employee compensation cost for the year	12.43	(194.40)
Closing balance of provision for VDS (Net off)	16.03	3.60

Note 20: Other non-financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues payable	338.09	262.21
TOTAL	338.09	262.21



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2023
(₹ in Lakhs)

Note 21: Share capital

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised		
2,10,00,000 (March 31, 2022: 2,10,00,000) equity shares of Rs. 10 each	2,100.00	2,100.00
9,60,00,000 (March 31, 2022: 4,60,00,000) preference shares of Rs. 10 each	9,600.00	4,600.00
TOTAL	11,700.00	6,700.00
Issued, Subscribed and Fully paid-up Share Capital		
1,80,00,700 (March 31, 2022: 1,80,00,600) Equity Shares of Rs. 10 each	1,800.07	1,800.06
7,12,69,526 (March 31, 2022: 4,56,44,009) Preference Shares of Rs. 10 each	7,126.95	4,564.40
TOTAL	8,927.02	6,364.46

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Particulars	Equity		Compulsorily Convertible Preference Shares (CCCPs)	
	Numbers	Amount	Numbers	Amount
As at April 1, 2021	1,80,00,600	1,800.06	4,56,44,009	4,555.30
Issued during the year	-	-	-	-
As at March 31, 2022	1,80,00,600	1,800.06	4,56,44,009	4,555.30
Issued during the year	100.00	0.01	1,51,82,630	1,515.23
CCD's converted during the year	-	-	1,04,42,887	1,042.20
As at March 31, 2023	1,80,00,700	1,800.07	7,12,69,526	7,112.73

Rights, preferences and restrictions attached to Equity Shares:

The Company has a single class of equity shares having a face value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. During the year ended March 31, 2023, the amount of per share dividend recognized as distributions to equity shareholders was Nil (for the year ended March 31, 2022: Rs. Nil per share). In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Details of shareholders holding more than 5% shares in the Company as on reporting date

Particulars	As at March 31, 2023			As at March 31, 2022		
	Nos.	% holding in the class	% holding in all classes	Nos.	% holding in the class	% holding in all classes
i) Dhruv Kumar Khaitan	90,00,000	49.998%	10.85%	90,00,000	49.998%	14.14%
ii) Piyush Kumar Khaitan	90,00,000	49.998%	10.85%	90,00,000	49.998%	14.14%

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, refer Note 35

Details of Promoters Shareholding - Nil



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2023
(₹ in Lakhs)
Note 22: Other Equity

Other equity movement during the year

Particulars	As at March 31, 2023	As at March 31, 2022
7,12,69,526 (March 31, 2022: 4,56,44,009) 0.01% Compulsory Cumulative Convertible Preference Shares (CCCPs) of Rs. 10/- each fully paid up		
Balance as at the beginning of the year	4,555.30	4,555.30
Issued during the year	1,515.23	-
CCD's converted during the year	1,042.20	-
Balance at the end of the year	7,112.73	4,555.30
Statutory Reserve (pursuant to section 45-IC(1) of the Reserve Bank of India Act, 1934)		
Balance as at the beginning of the year	202.45	202.45
Add: Transferred from profit during the year	345.31	-
Balance at the end of the year	547.76	202.45
Securities Premium		
Balance as at the beginning and at the end of the year	42,518.24	42,518.24
Add: Premium on issue / allotment of shares	21,987.00	-
Less: Share issue expense as per section 52 of the Companies Act, 2013	(751.70)	-
Add : Income Tax benefit on the above	39.77	-
Balance as at the end of the year	63,793.31	42,518.24
Retained Earnings		
Balance at the beginning of the year	(19,638.76)	(15,692.88)
Profit / (loss) for the year	1,726.54	(3,945.41)
Less: Dividend declared during the year on CCPS (a)	(0.71)	(0.46)
Less: Transferred to statutory reserves during the year	(345.31)	-
Balance as at the end of the year	(18,258.24)	(19,638.75)
Share options outstanding account		
Balance as at the beginning of the year	945.81	888.96
Add: Cost recognised during the year	310.95	56.85
Balance as at the end of the year	1,256.76	945.81
Other Comprehensive Income		
Balance as at the beginning of the year	(108.03)	(258.04)
Add: Additions during the year	(411.32)	150.00
Balance as at the end of the year	(519.35)	(108.03)
Total	53,932.97	28,475.02

Nature and purpose of Reserves:

Securities Premium Reserve:

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Share options outstanding account:

The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees as per IND AS 102 'Share Based Payments', including key management personnel, as part of their remuneration. Refer to Note 35 for further details of these plans.

Cash flow hedging reserve:

The Company uses hedging instruments as part of its management of foreign currency risk and interest rate risk associated on borrowings as described within note 6. For hedging foreign currency and interest rate risk, the Company uses foreign currency swaps and cross currency interest rate swaps. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to the statement of profit or loss when the hedged item affects profit or loss.



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2023
(₹ in Lakhs)

Statutory reserve:

Statutory reserve is created as per the terms of section 45-IC(1) of the Reserve Bank of India Act, 1934.

Rights, preferences and restrictions attached to Preference Shares(CCCPS):

Each holder of CCCPS is entitled to one vote per share only on resolutions placed before the Company which directly affect the rights attached to CCCPS. Each share of the series A, B, C & D CCCPS shall be converted into one equity share of face value of Rs. 10 each subject to any adjustments required for any possible corporate action, e.g. share split, issue of bonus shares, etc. The Series A, B, C & D CCCPS shall be compulsorily convertible at the end of 20 (twenty) years from the date of issuance of each Series CCCPS. The conversion can be done by investors on any date, provided 30 days advance written notice is given to the Company by the respective investor. The Series A, B, C & D CCCPS shall carry a cumulative coupon rate of 0.01% per annum. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Details of shareholders holding more than 5% preference shares in the Company as on reporting date

Particulars	As at March 31, 2023			As at March 31, 2022		
	Nos.	% holding in the class	% holding in all classes	Nos.	% holding in the class	% holding in all classes
Aspada Investment Company	65,80,758	9.23%	7.37%	53,80,758	11.79%	8.45%
ON Mauritius	70,98,514	9.96%	7.95%	69,65,181	15.26%	10.94%
Khosla Impact I Mauritius	32,51,470	4.56%	3.64%	32,51,470	7.12%	5.11%
Accion Frontier Inclusion Mauritius	67,67,305	9.50%	7.58%	62,80,638	13.76%	9.87%
IIFL Seed Ventures Fund I	51,26,512	7.19%	5.74%	48,59,845	10.65%	7.64%
West Bridge Crossover Fund LLC	26,89,900	3.77%	3.01%	26,89,900	5.89%	4.23%
Trinity Inclusion Ltd	2,31,05,476	32.42%	25.88%	1,62,16,217	35.53%	25.48%
Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V	1,51,82,630	21.30%	17.01%	-	0%	0%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Terms of any securities convertible into equity / preference shares issued along with the earliest date of conversion in descending order starting from the farthest such date:

Due Date of Conversion*	Date of Allotment of convertible securities	No. of shares post conversion	Share exchange ratio	Tenure (in years)
December 15, 2042	December 15, 2022	49,34,387	1:1	20
December 15, 2042	December 15, 2022	1,04,42,887	1:1	20
December 7, 2042	December 7, 2022	1,02,48,243	1:1	20
September 23, 2040	September 23, 2021	41,00,000	13.33:1	19
March 21, 2038	March 21, 2018	81,52,005	1:1	20
January 23, 2038	January 23, 2018	1,06,60,312	1:1	20
June 21, 2036	June 21, 2016	94,88,272	1:1	20
July 29, 2035	July 29, 2015	23,57,650	1:1	20
April 6, 2035	April 6, 2015	13,232	1:1	20
March 31, 2035	March 31, 2015	46,80,752	1:1	20
June 19, 2034	June 19, 2014	11,31,720	1:1	20
March 25, 2034	March 25, 2014	16,97,479	1:1	20
March 22, 2033	March 22, 2013	74,62,587	1:1	20

*The conversion can be done by preference shareholder on any date, provided 30 days advance written notice is given to the Company or ten days prior to the proposed filing of draft red herring prospectus by the Company in pursuance of QIPO.

*The conversion can be done by preference shareholder on any date, provided 30 days advance written notice is given to the Company or ten days prior to the proposed filing of draft red herring prospectus by the Company in pursuance of 'IPO' or ten days prior to Trade Sale.



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2023
(₹ in Lakhs)
Note 23: Interest income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
	On Financial Assets measured at Amortised cost	On Financial Assets measured at Amortised cost
<u>Interest on Loans</u>		
Business loans	35,695.41	34,903.61
<u>Interest on deposits with Banks</u>	581.79	814.62
<u>Other interest income</u>		
Unwinding of security deposit	35.51	35.90
Total	36,312.71	35,754.13

Note 24: Fees and commission income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Other financial services- Commission	99.36	123.79
Merchant Service Fees	33.46	91.66
Service Fees on Direct Assignment	8.34	-
Service Fees on FI business	1,136.61	130.18
Total	1,277.77	345.63

Revenue from contracts with customers

Set out below is the revenue from contracts with customers and reconciliation to statement of profit and loss

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Type of Services or Service		
Fee and commission income	1,277.77	345.63
Total revenue from contract with customers	1,277.77	345.63
Geographical markets		
India	1,277.77	345.63
Outside India	-	-
Total revenue from contract with customers	1,277.77	345.63
Timing of revenue recognition		
Services transferred at a point in time	1,277.77	345.63
Services transferred over time	-	-
Total revenue from contracts with customers	1,277.77	



NEOGROWTH CREDIT PRIVATE LIMITED**Notes to financial statements for the year ended March 31, 2023**

(₹ in Lakhs)

Contract Balances

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Trade receivables	1,262.32	275.43
Fees and other receivables	120.88	41.05

Impairment allowance recognised on contract balances is Rs. 1.23 lakhs (March 31, 2022 Rs.Nil)

Note 25: Income on Derecognition of Loan Assets

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Gain on derecognition of loan asset	181.15	-
Total	181.15	-

Note 26: Net gain on fair value changes

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net gain/ (loss) on financial instruments at fair value through profit or loss		
On trading portfolio		
Realised	311.66	65.65
Unrealised	-	-
Embedded Derivative in respect of CCD	6.25	(6.26)
Total	317.91	59.39

Note 27: Other Income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Income from other Services	8.63	8.28
Interest on Income Tax Refund	77.40	-
Cheque bounce charges	118.56	108.05
Miscellaneous Income	0.36	0.26
Total	204.95	116.59



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2023
(₹ in Lakhs)

Note 28: Finance Cost

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
	On Financial liabilities measured at Amortised Cost	On Financial liabilities measured at Amortised Cost
Interest expense on:-		
- Debt securities	8,278.25	10,309.53
- Borrowings (other than debt securities)	5,754.83	3,264.97
Interest expense on lease liability	251.19	293.24
Other borrowing costs		
Other borrowing cost	1,616.70	1,473.96
Total	15,900.97	15,341.70

Note 29: Impairment on financial instruments

The below table show impairment loss on financial instruments charge to statement of profit and loss based on category of financial instrument.

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
	On Financial instruments measured at Amortised cost	On Financial instruments measured at Amortised cost
Loans	6,556.66	14,721.84
Non Fund Based Exposure	10.47	4.92
Other receivables - FI business	397.50	3.62
Excess Interest Spread on Direct Assignment	3.35	-
Total	6,967.98	14,730.38

During the year, the Company has written off loans amounting to Rs. 17,090.01 lakhs (for the year ended March 31, 2022 – Rs. 8,842.53 lakhs). Also the Company has recovered an amount of Rs. 3,782.93 lakhs (for the year ended March 31, 2022 – Rs. 4,044.83 lakhs) against current year and previous years' written off amounts.

The table below shows the ECL charges on financial instruments for the year recorded in the profit and loss based on evaluation stage:

Particulars	For the year ended March 31, 2023					For the year ended March 31, 2022				
	Stage 1	Stage 2	Stage 3	Simplified approach	Total	Stage 1	Stage 2	Stage 3	Simplified approach	Total
ECL provision on Loans and advances	(1,424.00)	(2,362.65)	(6,746.71)	-	(10,533.37)	2,238.82	(1,545.67)	5,186.18	-	5,879.33
Bad debts written off	-	-	-	-	11,963.26	-	-	-	-	4,385.91
Principal loss on settlement	-	-	-	-	5,126.75	-	-	-	-	4,456.62
Sub - Total	(1,424.00)	(2,362.65)	(6,746.71)	-	6,556.64	2,238.82	(1,545.67)	5,186.18	-	14,721.85
Non Fund Based Exposure	10.47	-	-	-	10.47	4.92	-	-	-	4.92
Other receivables - FI business	-	-	397.50	-	397.50	-	-	3.62	-	3.62
Excess Interest Spread on Direct Assignment	3.35	-	-	-	3.35	-	-	-	-	-
Sub - Total	13.82	-	397.50	-	411.32	4.92	-	3.62	-	8.54
Total impairment loss	(1,410.19)	(2,362.65)	(6,349.21)	-	6,967.96	2,243.74	(1,545.67)	5,189.80	-	14,730.39



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2023
 (₹ in Lakhs)

Note 30: Employee benefit expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and wages	7,280.88	6,275.89
Contribution to provident and other funds	136.54	154.78
Gratuity expenses (Refer note no 36)	51.56	48.84
Share based payments to employees (Refer note no 35)	126.58	56.85
Staff welfare expenses	282.16	238.93
Total	7,877.72	6,775.29

Note 31: Depreciation, amortisation and impairment

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of tangible assets	82.05	98.57
Amortisation of intangible assets	22.15	30.84
Depreciation on right-of-use asset	654.25	652.01
Total	758.45	781.42

Note 32: Other expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Marketing Expenses	217.82	172.34
Professional & Legal Fees	559.94	569.34
Travelling & Lodging Expenses	117.72	58.00
IT Services Expenses	660.13	570.22
Fee & Stamp Charges	0.98	0.20
Terminal deployment charges	27.13	61.83
Service Tax & GST expensed out	538.07	409.68
Rates & Taxes	14.65	3.37
Auditors' Remuneration (a)	38.76	38.92
Insurance expenses	13.83	5.75
Office and Maintenance Expenses	241.06	175.49
Power and Fuel Charges	111.80	105.85
Telephone & Internet Charges	140.38	137.05
Verification and Rating charges	288.07	257.35
Bank charges	80.95	83.56
Outsource Agency Cost	1,007.15	1,001.45
Miscellaneous Expenses	183.45	174.01
Total	4,241.89	3,824.41

(a) Audit Remuneration include fees payable to auditor as analysed below:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
As auditor:		
Statutory audit of the Company	32.01	31.25
Certification fees	4.50	5.80
Out of Pocket expenses	2.25	1.87
TOTAL	38.76	38.92

Amounts recognised in statement of profit and loss for right-of-use assets and lease liabilities

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation expense on right-of-use assets	654.25	652.01
Interest expense on lease liabilities	251.19	293.24



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2023
(₹ in Lakhs)

Note 33: Income Tax

The components of income tax expense for the year ended March 31, 2023 and March 31, 2022 are:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax	-	223.15
Adjustment in respect of current income tax of prior years	(32.52)	-
Deferred tax charge / (credit) relating to origination and reversal of temporary differences	669.08	(1,455.20)
Total tax charge	636.57	(1,232.05)

Reconciliation of the total tax charge:

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended March 31, 2023 and March 31, 2022 is, as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Accounting profit before tax	2,363.11	(5,177.46)
At India's statutory income tax rate of 25.168% (for the year ended March 31, 2022: 25.168%)	594.75	(1,303.06)
<i>Effects of:</i>		
Creation of Deferred Tax on account of Other Ind AS adjustments of the previous period	41.81	71.01
Total	636.56	(1,232.06)
Income tax expense reported in the statement of Profit & Loss	636.56	(1,232.06)

Deferred Tax

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	Other Comprehensive Income	Securities Premium
	As at March 31, 2023	As at March 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2023
Brought Forward Loss	2,547.71	-	2,060.04	-	-
Depreciation, amortisation and impairment	61.98	-	(1.82)	-	-
Lease Adjustments	82.35	-	6.93	-	-
Impairment allowance for financial assets	1,973.19	-	(2,548.36)	-	-
Derivative instruments in Cash flow hedge relationship	182.95	-	-	135.26	-
Gratuity	35.19	-	10.93	3.07	-
ESOP Expenses	316.30	-	78.26	-	-
Excess Interest Spread on Direct Assignment	-	37.78	(37.78)	-	-
Share issue expenses	39.77	-	-	-	39.77
Other temporary differences includes deferred tax on unamortised costs on Borrowings and unamortised net income on Loan, deferred tax on Allowable / disallowable expenses under Income Tax etc.	236.16	-	(237.31)	-	-
Total	5,475.61	37.78	(669.08)	138.33	39.77
Net Amount	5,437.83				

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	Other Comprehensive Income	Securities Premium
	As at March 31, 2022	As at March 31, 2022	For the year ended March 31, 2022	For the year ended March 31, 2022	For the year ended March 31, 2022
Brought Forward Loss	487.65	-	(405.83)	-	-
Depreciation, amortisation and impairment	63.80	-	0.92	-	-
Lease Adjustments	75.42	-	24.31	-	-
Impairment allowance for financial assets	4,521.55	-	1,424.02	-	-
Derivative instruments in Cash flow hedge relationship	47.68	-	-	(52.61)	-
Gratuity	21.19	-	11.05	2.16	-
ESOP Expenses	238.04	-	14.31	-	-
Other temporary differences includes deferred tax on unamortised costs on Borrowings and unamortised net income on Loan, deferred tax on Allowable / disallowable expenses under Income Tax etc.	473.48	-	386.42	-	-
Total	5,928.81	-	1,455.20	(50.45)	-
Net Amount	5,928.81				



NEOGROWTH CREDIT PRIVATE LIMITED**Notes to financial statements for the year ended March 31, 2023**

(₹ in Lakhs)

Note 34: Earnings per share

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of Company (after adjusting for dividend on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net profit / (loss) attributable to ordinary equity holders of the parent	1,726.55	(3,945.41)
Less: Dividend to Preference Shareholders	(0.71)	(0.46)
Profit / (loss) available for equity shareholders (A)	1,725.83	(3,945.87)
Weighted average number of ordinary shares for basic earnings per share (B)	8,16,58,532	6,82,66,983
Weighted average number of ordinary shares for dilutive earnings per share (C)	8,42,53,354	7,04,70,533
Weighted average number of equity shares outstanding for the year	1,80,00,700	1,80,00,600
Weighted average number of Compulsory Cumulative Convertible Preference Shares (CCPS)	5,95,57,832	4,56,44,009
Weighted average number of Compulsory Convertible Debentures (CCD)	41,00,000	46,22,374
Dilutive impact of weighted average number of ESOP	25,94,822	22,03,550
Face value of per share	10.00	10.00
Earnings per share		
Basic earnings per share (Rs.) [A / B]	2.11	(5.78)
Diluted earnings per share (Rs.) [A / C] (Refer Note 3)	2.05	(5.78)

Notes:

- For the year ended March 31, 2022 diluted EPS are antidilutive hence, the disclosure is restricted to basic EPS.
- Weighted average shares mentioned above are numbers.
- As per Ind AS 33, Para 23 " Ordinary shares that will be issued upon the conversion of a mandatorily convertible instrument are included in the calculation of basic earnings per share from the date the contract is entered into". Consequently CCPS and CCD have been included in the computation of Basic EPS.



Note 35: Employee Stock Option Scheme (ESOS)

ESOP Scheme 2022

The Employee Stock Options Scheme (ESOP Scheme) 2022 was approved by the shareholders at their Extra Ordinary General Meeting held on December 01, 2022. The Scheme has been formulated in accordance with the provisions of the Companies Act, 2013, as amended read with applicable provisions of the Companies Rules, 2014. The Company has granted stock options to the eligible employees as per ESOP scheme 2022. All the options are exercisable within 5 yrs from Initial Public Offer (IPO) event. The Employee Stock Option Scheme 2022 is being administered and monitored by the Nomination and Remuneration Committee of the Company set up by the Board. The Company is authorised to issue 8,09,871 (Eight Lakhs Nine Thousand Eight Hundred and Seventy One) number of equity shares of the Company having face value of Rs. 10 per share, under the ESOP Scheme 2022 to the eligible employees upon meeting of such vesting criteria as may be fixed or determined by the Board.

ESOP Scheme 2018

The Employee Stock Options Scheme (ESOP Scheme) 2018 was approved by the shareholders at their Extra Ordinary General Meeting held on March 21, 2018. The Scheme has been formulated in accordance with the provisions of the Companies Act, 2013, as amended read with applicable provisions of the Companies Rules, 2014. The Company has granted stock options to the eligible employees as per ESOP scheme 2018. All the options are exercisable on liquidity event or Initial Public Offer (IPO), whichever is earlier. The Employee Stock Option Scheme 2018 is being administered and monitored by the Nomination and Remuneration Committee of the Company set up by the Board. The Company is authorised to issue 27,99,589 (Twenty Seven Lakhs Ninety Nine Thousand Five Hundred and Eighty Nine) number of equity shares of the Company having face value of Rs. 10 per share, under the ESOP Scheme 2018 to the eligible employees upon meeting of such vesting criteria as may be fixed or determined by the Board.

ESOP Scheme 2017

No further options were granted during the year under this scheme. All the options are exercisable on liquidity event or Initial Public Offer (IPO), whichever is earlier. The Board at its meeting held on March 21, 2018 approved for short closing the ESOP 2017 and approved revised ESOP 2018 scheme.

For the year ended March 31, 2023 following Employee Stock Option Plans (ESOPs) were in existence. The relevant details of the schemes and the grants are as below :

Details of Employee Stock Option Schemes	ESOP 2022	ESOP 2018	ESOP 2017
Date of Shareholder's approval of plan	December 1, 2022	March 21, 2018	November 30, 2017
Date of grant	December 1, 2022	Various dates	Various dates
Number of options granted	7,89,871	27,78,884	4,21,000
Method of settlement	Equity	Equity	Equity
Vesting Period	Bullet Vesting	5 years	5 years
Details of vesting condition	Continued service	Continued service	Continued service
Exercise Price	Rs. 105.38	Rs. 105.38 to Rs. 159.47	Rs.10 to Rs.105.38

Details of Vesting

Vesting period from the grant date *	ESOP 2022	ESOP 2018	ESOP 2017
Completion of 1 year		20.00%	20.00%
Completion of 2 year		20.00%	20.00%
Completion of 3 year		20.00%	20.00%
Completion of 4 year		20.00%	20.00%
Completion of 5 year		20.00%	20.00%

The exercise price was modified for the employees who were granted ESOP's in the 2017 & 2018 scheme. The exercise price was modified to Rs 105.38 for employees whose exercise price was more than Rs 105.38 & who hadn't resigned as on December 15, 2022.

* The SAR's already granted to continuing employees as on March 31, 2018 is replaced by the Employee Stock Options under the ESOP 2017 scheme at the Special resolution passed by the members on November 30, 2017. The vesting schedule of each employee under ESOP scheme is aligned to the vesting schedule as per the original SAR scheme except the first vesting shall happen only after completion of 12 months from the date of the grant of option under ESOP scheme 2017.

Details of activity under each plan

Particulars	ESOP 2022		ESOP 2018		ESOP 2017	
	No. of Options	Weighted Avg. Exercise Price	No. of Options	Weighted Avg. Exercise Price	No. of Options	Weighted Avg. Exercise Price
Outstanding as at April 1, 2021	-	-	16,83,384	159.47	3,97,200	60.81
Granted during the year	-	-	2,50,000	159.47	-	-
Forfeited during the year	-	-	(1,19,500)	-	-	-
Exercised during the year	-	-	-	-	-	-
Outstanding as at March 31, 2022	-	-	18,13,884	-	3,97,200	-
Outstanding as at April 1, 2022	-	-	18,13,884	159.47	3,97,200	60.81
Granted during the year	7,89,871	105.38	6,15,000	105.38	-	-
Forfeited during the year	-	-	(69,000)	159.47	-	-
Outstanding as at March 31, 2023	7,89,871	105.38	23,59,884	107.74	3,97,200	59.05
Vested and exercisable as at Mar 31, 2023	-	-	12,60,507	-	3,97,200	-
Weighted average remaining contractual life (in years)	2.35	-	2.35	-	2.35	-

The value of the underlying shares has been determined by an independent valuer. The following assumptions were used for calculation of fair value of grants in accordance with Black Scholes model, for options granted during the financial year:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Risk-free interest rate	6.94% to 7.12%	3.82% to 5.35%
Expected life of options (years)	2.35 - 4.85 years	5 years
Expected volatility (%)	42.53% - 46.52%	38.13%
Dividend yield	0%	0%
Exercise price	105.38	159.47
Weighted average share price (Rs.)	105.38	159.47

The risk free interest rates are determined based on the Government bond yields with maturity equal to the expected term of the option. Volatility calculation is based on historical stock prices of comparable companies using standard deviation of change in stock price. The historical period is taken into account to match the expected life of the option.

The expense recognised for employee services received during the year is shown in the following table:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Expense arising from equity-settled share based payment transactions	126.58	56.85
Total expense arising from share based payment transactions	126.58	56.85

During the year, the Company has modified the exercise price for ESOP's issued under the ESOP 2017 & ESOP 2018 scheme. The exercise price has been modified to Rs 105.38. The impact of the modification in exercise price is reflected under the head Exceptional Items. Below is the impact

Particulars	For the year ended March 31, 2023
Expense arising from equity-settled share based payment transactions shown as exceptional item	184.3
Total expense arising from share based payment transactions	184.3

*During the year, the Company has modified the exercise price for ESOP's issued under the ESOP 2017 & ESOP 2018 scheme. The exercise price has been modified to Rs 105.38. The impact of the modification in exercise price is reflected under the head Exceptional Items.



NEOGROWTH CREDIT PRIVATE LIMITED**Notes to financial statements for the year ended March 31, 2023**

(₹ in Lakhs)

Note 36: Retirement benefit plan**Note 36.1: Defined Contribution Plan**

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized Rs. 136.54 lakhs (for the year ended March 31, 2022: Rs. 154.78 lakhs) for Provident Fund contributions (including admin charges) and Nil (for the year ended March 31, 2022: Rs. 0.10 lakhs) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes.

Note 36.2: Defined Benefit Plan

The Company has defined benefit gratuity plan and is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service, managerial grade and salary at retirement age. Gratuity expense has been disclosed separately in Note 30.

The following tables summaries the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan.

(1) Net employee benefit expense recognised in the employee cost

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current service cost	47.56	47.45
Interest expense	10.49	8.11
Interest income	(6.51)	(6.72)
Total Expenses recognised in Statement of profit and loss	51.56	48.84
Remeasurement (or Actuarial) (gain) / loss arising from:		
-change in demographic assumptions	(11.73)	(7.24)
-change in financial assumptions	(14.87)	(2.33)
-experience variance (i.e. Actual experience vs assumptions)	36.71	16.03
-others		
Return on plan assets excluding interest income	2.07	2.12
Total Expenses recognised in other comprehensive income	12.18	8.58

(2) Reconciliation of present value of the obligation and the fair value of plan assets:

Particulars	As at March 31, 2023	As at March 31, 2022
Defined benefit obligation	229.78	221.09
Fair value of plan assets	89.97	136.92
Asset/(liability) recognized in the balance sheet	(139.81)	(84.18)

(3) Changes in the present value of the defined benefit obligation are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Opening defined benefit obligation	221.09	184.45
Transfer in/Out		
Interest cost	10.49	8.11
Current service cost	47.56	47.45
Benefits paid	(59.47)	(25.37)
Remeasurement (or Actuarial) (gain) / loss arising from:		
-change in demographic assumptions	(11.73)	(7.24)
-change in financial assumptions	(14.87)	(2.33)
-experience variance (i.e. Actual experience vs assumptions)	36.71	16.03
Closing defined benefit obligation	229.78	221.09
Net Closing defined benefit obligation	229.78	221.09



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2023
(₹ in Lakhs)

Note 36: Retirement benefit plan

(4) Changes in the fair value of plan assets are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Opening fair value of plan assets	136.92	152.74
Transfer in/Out		
Interest income	6.50	6.72
Contributions by employer	8.11	4.95
Benefits paid	(59.49)	(25.37)
Return on plan assets excluding interest income	(2.07)	(2.12)
Closing fair value of plan assets	89.97	136.92

(5) The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate	7.20%	4.75%
Salary growth rate	6.00%	6.00%
Attrition rate		
Customer Acquisition Manager ('CAMS')	84%	58%
Other than CAMS	55%	41%
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14

(6) Investments quoted in active markets:

Particulars	As at March 31, 2023	As at March 31, 2022
Funds managed by the issuer	100%	100%
Total	100%	100%

(7) Expected payment for future years

Particulars	As at March 31, 2023	As at March 31, 2022
Within the next 12 months (next annual reporting period)	130.47	81.03
Between 2 and 5 years	124.27	142.30
Between 6 and 10 years	7.54	24.77
Beyond 10 years	0.17	2.30
Total expected payments	262.45	250.40

The Company expects to contribute Rs. 162.84 lakhs to the fund in the next financial year.

The weighted average duration of the defined benefit obligation as at March 31, 2023 is 1 year (as at March 31, 2022 : 2 years).

The fund is administered by Life Insurance Corporation of India ("LIC"). The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The salary growth rate indicated above is the Company's best estimate of an increase in salary for the purpose of gratuity of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2023
(₹ in Lakhs)

Note 36: Retirement benefit plan

The principal assumptions used in determining leave encashment obligations for the Company's plans are shown below:

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate	7.20%	4.75%
Salary growth rate	6.00%	6.00%
Normal retirement age	58 years	58 years
Mortality Rate	100% of IALM 2012-14	100% of IALM 2012-14
Attrition rate		
Customer Acquisition Manager ('CAMS')	84%	58%
Other than CAMS	55%	41%

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields / rates available on applicable bonds as on the current valuation date.

Asset Liability Matching Strategies

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	As at March 31, 2023	As at March 31, 2022
Defined Benefit Obligation (Base)	229.78	221.09

Particulars	As at March 31, 2023		As at March 31, 2022	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%) (% change compared to base due to sensitivity)	233.87 1.80%	225.81 -1.70%	226.80 2.60%	215.65 -2.50%
Salary Growth Rate (- / + 1%) (% change compared to base due to sensitivity)	226.01 -1.60%	233.59 1.70%	215.97 -2.30%	226.36 2.40%
Attrition Rate (- / + 50% of attrition rates) (% change compared to base due to sensitivity)	253.86 10.50%	214.32 -6.70%	265.48 20.10%	191.45 -13.40%
Mortality Rate (- / + 10% of mortality rates) (% change compared to base due to sensitivity)	229.75 0.00%	229.79 0.00%	221.07 0.00%	221.11 0.00%



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2023
(₹ in Lakhs)
Note 37: Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. With regard to loans and advances to customers, the Company uses the same basis of expected repayment behaviour as used for estimating the EIR. Issued debt reflect the contractual coupon amortisations.

Particulars	As at March 31, 2023			As at March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	17,522.75	-	17,522.75	9,042.37	-	9,042.37
Bank Balance other than above	6,148.91	-	6,148.91	4,842.05	-	4,842.05
Derivative financial instruments	-	381.90	381.90	-	595.26	595.26
Trade receivables	123.59	-	123.59	227.72	76.88	304.60
Other receivables	945.02	316.06	1,261.09	-	-	-
Loans	1,00,988.59	63,591.65	1,64,580.24	90,282.71	47,689.06	1,37,971.77
Other financial assets	494.78	3,889.65	4,384.43	704.35	2,187.29	2,891.65
Non-financial Assets						
Deferred tax assets (net)	-0.01	5,437.84	5,437.83	-	5,928.81	5,928.81
Property, plant and equipment	0.03	107.23	107.26	-	147.23	147.23
Right-of-use assets	-	1,569.54	1,569.54	-	2,080.21	2,080.21
Intangible assets under development	-	101.93	101.93	-	-	-
Other intangible assets	-	38.26	38.26	-	60.40	60.40
Other non financial assets	454.34	1,026.73	1,481.07	755.77	633.99	1,389.76
Total assets	1,26,678.01	76,460.79	2,03,138.80	1,05,854.97	59,399.13	1,65,254.10
Liabilities						
Financial Liabilities						
Trade payables						
total outstanding dues of micro enterprises and small enterprises	32.64	-	32.64	10.76	-	10.76
total outstanding dues of creditors other than micro enterprises and small enterprises	1,191.85	-	1,191.85	1,017.24	-	1,017.24
Derivative financial liabilities	-	-	-	6.26	-	6.26
Debt Securities	24,519.60	28,781.45	53,301.05	45,798.49	33,499.45	79,297.94
Borrowings (other than debt securities)	29,448.10	57,266.09	86,714.18	41,237.15	8,842.44	50,079.59
Other Financial liabilities	1,389.67	2,019.25	3,408.91	1,812.66	1,683.66	3,496.32
Non-financial Liabilities						
Provisions	1,728.49	734.93	2,463.42	523.47	285.25	808.72
Other non-financial liabilities	338.09	-	338.09	262.21	-	262.21
Total Liabilities	58,648.43	88,801.71	1,47,450.14	90,668.24	44,310.79	1,34,979.03
Net	68,029.58	(12,340.93)	55,688.65	15,186.74	15,088.34	30,275.09

Note:

1. In the preparation of the above disclosure, certain assumption have been considered by the management which have been relied upon by the auditors.
2. The Maturity Profile in respect of loans given has been prepared based on the contractual cash inflows from the loans disbursed agreed with customers as the company expects the behaviour to be similar.
3. The Company considers Put/Call option dates for the purpose of reporting maturity pattern of Borrowings including debt securities.



NEOGROWTH CREDIT PRIVATE LIMITED

Notes to financial statements for the year ended March 31, 2023

(₹ in Lakhs)

Note 38: Change in liabilities arising from financing activities**Changes in liabilities arising from financing activities****As on March 31, 2023**

Particulars	As at March 31, 2022	Cash Flows (net)	Exchange difference	*Others	As at March 31, 2023
Debt Securities	79,297.94	(21,793.58)	-	(4,203.31)	53,301.05
Borrowings other than debt securities	50,079.59	36,552.68	324.08	(242.17)	86,714.18
Total	1,29,377.53	14,759.10	324.08	(4,445.48)	1,40,015.24

As on March 31, 2022

Particulars	As at April 1, 2021	Cash Flows (net)	Exchange difference	*Others	As at March 31, 2022
Debt Securities	88,842.98	(9,354.49)	-	(190.55)	79,297.94
Borrowings other than debt securities	41,285.74	8,259.51	412.88	121.46	50,079.59
Total	1,30,128.72	(1,094.98)	412.88	(69.09)	1,29,377.53

*Others Includes amortised cost impact and incremental interest liability at the year end



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2023
(₹ in Lakhs)

Note 39: Contingent liabilities, commitments

(A) Contingent Liability

Particulars	As at March 31, 2023	As at March 31, 2022
<u>Contingent Liability</u> <u>Disputed GST demand:</u> Pending before appellate authorities in respect of which the Company is in appeal	31.77	-
Total	31.77	-

(B) Commitments

Particulars	As at March 31, 2023	As at March 31, 2022
Commitments related to loans sanctioned but undrawn PayLater Open Limits (refer Note 19)	955.91	1,465.74
Other Commitments Capital commitments	580.74	0.35
Total	1,536.65	1,466.09



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2023
(₹ in Lakhs)
Note 40: Details of transactions with struck off company / under process of strike off

Name of struck off Company/under process of strike off *	Nature of transactions with struck-off Company/under process of strike off	Principal balance as at March 31, 2023	Relationship with the struck off Company, if any, to be disclosed
After Hours Hospitality Private Limited	Loans and Advances	6.99	Un related party, Customers
City Fresh Retail Private Limited	Loans and Advances	10.74	Un related party, Customers
After Hours Hospitality Private Limited	Loans and Advances	6.62	Un related party, Customers
Kalpavruksh Hotels Private Limited	Loans and Advances	1.29	Un related party, Customers
Enchanting Destination Tours Private Limited	Loans and Advances	5.92	Un related party, Customers
Backhome Hospitality Services Private Limited	Loans and Advances	7.29	Un related party, Customers
Mn&C Supply Links Retail Private Limited	Loans and Advances	69.47	Un related party, Customers
Brg Sales Private Limited	Loans and Advances	8.75	Un related party, Customers
Prateek Intimate Products Private Limited	Loans and Advances	6.03	Un related party, Customers
Wega Lifestyle Private Limited	Loans and Advances	1.69	Un related party, Customers
Tanvi Express Logistics Solution Private Limited	Loans and Advances	40.00	Un related party, Customers
Aditya Inkjet Technologies Private Limited	Loans and Advances	4.40	Un related party, Customers
Pure Protein Private Limited	Loans and Advances	1.41	Un related party, Customers
Cellcom Computers Solutions Private Limited	Loans and Advances	0.39	Un related party, Customers
Pan Club Hotels Private Limited	Loans and Advances	1.93	Un related party, Customers
Cellcom Computers Solutions Private Limited	Loans and Advances	8.19	Un related party, Customers
Magpie Fashions Private Limited	Loans and Advances	13.72	Un related party, Customers
Sagayam Hospitality Private Limited Opc	Loans and Advances	2.51	Un related party, Customers
I We Hotels Private Limited	Loans and Advances	6.31	Un related party, Customers
Niche Events And Promotions Private Limited	Loans and Advances	4.90	Un related party, Customers
Sukhsagar Textiles Private Limited	Loans and Advances	7.94	Un related party, Customers
Seven Oaks Engineering Private Limited	Loans and Advances	1.49	Un related party, Customers
Bq Automobiles Private Limited	Loans and Advances	1.07	Un related party, Customers
Sanka India Private Limited	Loans and Advances	18.13	Un related party, Customers
Sinhas Home Private Limited	Loans and Advances	7.27	Un related party, Customers
Mentor Corporate Management Consultants (Ap) Private	Loans and Advances	17.24	Un related party, Customers
Tei Medias Pvt Ltd	Loans and Advances	19.13	Un related party, Customers
Jarota Enterprises Private Limited	Loans and Advances	4.74	Un related party, Customers
White Feathers Hospitality Private Limited	Loans and Advances	13.12	Un related party, Customers
Cgn Research Labs Private Limited	Loans and Advances	17.44	Un related party, Customers
Pawanputra Oil Technologies Private Limited	Loans and Advances	2.41	Un related party, Customers
Meenu Gems Private Limited	Loans and Advances	7.08	Un related party, Customers
Srt Fitness Private Limited	Loans and Advances	1.95	Un related party, Customers
Diya Hospitality Private Limited	Loans and Advances	3.06	Un related party, Customers
Boudoir Lounge Private Limited	Loans and Advances	17.92	Un related party, Customers
Dominion Expo Ventures Private Limited	Loans and Advances	14.93	Un related party, Customers
Smart M K Trade World Private Limited	Loans and Advances	11.51	Un related party, Customers
Nature Bless International Private Limited	Loans and Advances	11.38	Un related party, Customers
23 Chefs Private Limited	Loans and Advances	8.87	Un related party, Customers
Volando Tours Private Limited	Loans and Advances	20.46	Un related party, Customers
Day2Day Restaurant India Private Limited	Loans and Advances	11.93	Un related party, Customers
Viva Concrete Technologies Private Limited	Loans and Advances	16.43	Un related party, Customers
Beauty Channel Salon & Spa Private Limited	Loans and Advances	4.60	Un related party, Customers
The Next Automotive Era Private Limited	Loans and Advances	18.25	Un related party, Customers
Brydan Foods Private Limited	Loans and Advances	6.46	Un related party, Customers
Mysore Bakery And Restaurants Private Limited	Loans and Advances	17.28	Un related party, Customers
Maa Bhook Lagi Food Services Private Limited	Loans and Advances	3.86	Un related party, Customers
Sarika Craft Bazaar Private Limited	Loans and Advances	1.22	Un related party, Customers
Rainbow Infrastructure Private Limited	Loans and Advances	39.22	Un related party, Customers
Tamarai Hotels Private Limited	Loans and Advances	11.62	Un related party, Customers
Dalchini (Opc) Private Limited	Loans and Advances	7.22	Un related party, Customers
Vans Hospitality Private Limited	Loans and Advances	6.11	Un related party, Customers
Golden Gate Residency Hotel(Opc) Private Limited	Loans and Advances	1.67	Un related party, Customers
Kaffee Concepts Gurgaon Private Limited	Loans and Advances	17.67	Un related party, Customers
Grandway Innovations India Private Limited	Loans and Advances	8.08	Un related party, Customers
Rage Fitness & Adventure Private Limited	Loans and Advances	4.58	Un related party, Customers
Avions Works Private Limited	Loans and Advances	3.79	Un related party, Customers
Apm Air Travels (India) Private Limited	Loans and Advances	4.92	Un related party, Customers
Sathva Spire Technologies Pvt Ltd	Trade Payable	0.17	Un related party, Customers
Total		600.75	

*Notes: Out of outstanding principal balance of Rs 600.75 lakhs, 50 loans and advances amounting to Rs. 508.71 lakhs has been written off as at March 31, 2023.



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the year ended Mar 31, 2023
(₹ in Lakhs)

Note 41: Related party disclosures

(A) List of Related Parties with whom Company had transaction

Enterprise where Director / Key Managerial Personnel has significant influence or control	
Dilta Services LLP KFO Enterprises LLP	
Key Managerial Personnel	
Mr. Piyush Kumar Khaitan	Managing Director (Till December 8, 2022)
Mr. Arun Nayyar	Managing Director & Chief Executive Officer (CEO)(MD from December 12, 2022)
Mr. Deepak Goswami	Chief Financial Officer (CFO)
Ms. Tanushri Yewale	Company Secretary (CS)
Directors	
Mr. Dhruv Kumar Khaitan	Director (Chairman Till December 8, 2022)
Mr. Piyush Kumar Khaitan	Director (Chairman from December 8, 2022)
Ms. Bindu Ananth	Independent Director
Mr. Mahesh Krishnamurthy	Director (Till December 5, 2022))
Mr. Amit Mehta	Director (Till May 13, 2022)
Mr. Ganesh Rengaswamy	Director
Mr. Micheal Fernandes	Director
Mr. Arun Kumar Nayyar	Managing Director (From December 12, 2022)
Mr. Pranav Kumar	Director (Till December 8, 2022)
Ms. Deepa Bachu	Director (From December 8, 2022)
Mr. Suresh Jayaraman	Additional Director (From March 27, 2023)
Mr. Ramakrishnan Subramanian	Additional Director (From March 27, 2023)
Entity having significant influence in the Company	
Trinity Inclusion Limited	

(B) Related Party transactions during the year:

Particulars	Enterprise where Key Managerial Personnel has significant influence or control		Key Management Personnel / Managing Director		Directors		Entity having significant influence in the Company	
	For the year ended / as at March 31, 2023	For the year ended / as at March 31, 2022	For the year ended / as at March 31, 2023	For the year ended / as at March 31, 2022	For the year ended / as at March 31, 2023	For the year ended / as at March 31, 2022	For the year ended / as at March 31, 2023	For the year ended / as at March 31, 2022
Transactions								
For infrastructure maintenance charges recovered	8.63	8.28	-	-	-	-	-	-
Managerial Remuneration	-	-	664.56	47.06	-	-	-	-
Interest Expense	-	-	55.29	23.07	48.56	23.07	839.86	307.57
Professional fees	-	-	-	-	36.00	24.00	-	-
Remuneration	-	-	190.83	529.38	-	-	-	-
Compulsorily Convertible Debentures (CCD)	-	-	100.00	330.00	500.00	330.00	4,400.00	4,400.00
CCD converted into CCPS	-	-	680.00	-	580.00	-	5,725.00	-
Balances								
Compulsorily Convertible Debentures (CCD)	-	-	-	330.00	-	330.00	3,075.00	4,400.00
Interest accrued on CCD	-	-	-	16.83	-	16.83	216.09	307.57

Note:

- Related parties have been identified on the basis of the declaration received by the management and other records available.
- Provisions for gratuity, compensated absences and other long term service benefits are made for the Company as a whole and the amounts pertaining to the key managerial personnel are not specifically identified and hence are not included above.
- The Company enters into transactions, arrangements and agreements involving related parties in the ordinary course of business under the same commercial and market terms, interest and commission rates that apply to non-related parties.



Note 42: Capital

Capital Management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

Regulatory capital	As at March 31, 2023	As at March 31, 2022
TIER I capital	49,484.30	23,389.24
TIER II capital	4,361.74	7,475.62
Total capital	53,846.04	30,864.86
Risk weighted assets	1,64,667.37	1,33,285.50
Tier I CRAR	30.05%	17.55%
Tier II CRAR	2.65%	5.61%
Tier I + II CRAR	32.70%	23.16%

Regulatory capital consists of TIER I capital, which comprises share capital, share premium, retained earnings including current year loss less accrued dividends and TIER II capital which comprises of Hybrid debt instruments & general provision of standard assets

As per RBI guidelines, the Company being a Non-Banking Finance Company has to maintain 15% of capital adequacy ratio for NBFC business.

Note 43: Events after reporting date

There have been no events after the reporting date that require disclosure in these financial statements.

Note 44: Social Security Code

The Indian Parliament has approved the code on Social Security, 2020 which will subsume 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.

Note 45: Other Disclosures

- 45.1 The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- 45.2 The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- 45.3 The Company have not traded or invested in Crypto currency or Virtual Currency during the period.
- 45.4 The Company have not advanced or loaned or invested funds to any other person (s) or entity (ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 45.5 The Company have not received any fund from any person (s) or entity (ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 45.6 The Company have not had any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- 45.7 The Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company
- 45.8 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.



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(₹ in Lakhs)

Note 46: Fair value measurement

46.1 Valuation Principle

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques

Level 1: Valuation based on quoted market price: financial instruments with quoted prices for identical instruments in active markets that the Company can access at the measurement date.

Level 2: Valuation using observable inputs: financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Level 3: Valuation technique with significant unobservable inputs: financial instruments valued using valuation techniques where one or more significant inputs are unobservable.

46.2 Fair Value Hierarchy of assets and liabilities

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

March 31, 2023

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Derivative financial instruments				
Currency Swaps	-	(20.93)	-	(20.93)
Cross Currency Interest Rate Swaps		402.83		402.83
Total derivative financial instruments	-	381.91	-	381.91
Financial assets held for trading				
Mutual funds	-	-	-	-
Total Financial assets held for trading	-	-	-	-
Total assets measured at fair value on a recurring basis	-	381.91	-	381.91
Total financial assets measured at fair value	-	381.91	-	381.91
Liabilities measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Derivative financial instruments				
Embedded Derivatives	-	-	-	-
Total derivative financial instruments	-	-	-	-
Total financial liabilities measured at fair value on a recurring basis	-	-	-	-
Total financial liabilities measured at fair value	-	-	-	-

March 31, 2022

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Derivative financial instruments				
Currency Swaps	-	197.56	-	197.56
Cross Currency Interest Rate Swaps	-	397.70	-	397.70
Total derivative financial instruments	-	595.26	-	595.26
Financial assets held for trading				
Mutual funds	-	-	-	-
Total Financial assets held for trading	-	-	-	-
Total assets measured at fair value on a recurring basis	-	595.26	-	595.26
Total financial assets measured at fair value	-	595.26	-	595.26
Liabilities measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Derivative financial instruments				
Embedded Derivative	-	6.26	-	6.26
Total derivative financial instruments	-	6.26	-	6.26
Total financial liabilities measured at fair value on a recurring basis	-	6.26	-	6.26
Total financial liabilities measured at fair value	-	6.26	-	6.26

There are no financial instruments measured at fair value on non-recurring basis.

Investments in Mutual Fund are fair valued through Profit & Loss account. Derivative Financial Instruments are fair valued through Other Comprehensive Income.



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Notes to financial statements for the year ended March 31, 2023
(₹ in Lakhs)

Note 46: Fair value measurement

46.3 Valuation techniques

Derivative contracts

Derivatives contracts include Cross Currency Swaps and Cross Currency Interest Rate Swaps. These instruments are valued by (a) observable foreign exchange rates; and (b) observable or calculated forward points (implied yield curves).

The Company classifies Derivatives contracts as Level 2 financial instruments when no unobservable inputs are used for their valuation or the unobservable inputs used are not significant to the measurement (as a whole).

Foreign exchange contracts

Foreign exchange contracts include foreign exchange forward and swap contracts and over-the-counter foreign exchange options. These instruments are valued by either observable foreign exchange rates, observable or calculated forward points and option valuation models. With the exception of contracts where a directly observable rate is available which are disclosed as Level 1, the Company classifies foreign exchange contracts as Level 2 financial instruments when no unobservable inputs are used for their valuation or the unobservable inputs used are not significant to the measurement (as a whole).

Mutual Funds

Mutual Funds include investment in liquid funds and overnight funds. These are debt-based funds. The amounts mentioned is the fair value of the portfolio basis the NAV of the underlying schemes which are published by respective AMC's on a daily basis. The cost of the portfolio as at March 31, 2023 is Rs. Nil (As at March 31, 2022 - Nil)

46.4 Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets

March 31, 2023	Valuation	Fair Value				
		Carrying Value	Level-1	Level-2	Level-3	Total
Financial assets:						
Cash and cash equivalents	At amortised cost	17,522.75	5,022.70	12,500.05	-	17,522.75
Bank balance other than above	At amortised cost	6,148.91	-	6,148.91	-	6,148.91
Trade receivables	At amortised cost	123.59	-	-	123.59	123.59
Loans	At amortised cost	1,64,580.24	-	-	1,64,580.24	1,64,580.24
Other Financial Assets	At amortised cost	4,428.81	-	-	4,428.81	4,428.81
Total financial assets		1,92,804.32	5,022.70	18,648.95	1,69,132.66	1,92,804.32
Financial liabilities:						
Trade payables	At amortised cost	1,224.48	-	-	1,224.48	1,224.48
Debt securities	At amortised cost	53,301.05	-	-	53,301.05	53,301.05
Borrowings (other than debt securities)	At amortised cost	86,714.18	-	-	86,714.18	86,714.18
Other Financial liabilities	At amortised cost	3,408.91	-	-	3,408.91	3,408.91
Total financial liabilities		1,44,648.64	-	-	1,44,648.63	1,44,648.63
Off balance sheet items						
Other commitments	At amortised cost	955.91	-	-	955.91	955.91
Total off-balance sheet items		955.91	-	-	955.91	955.91

There are no transfer of assets / liabilities between Level 1, Level 2 and Level 3 during the current year as well as previous year. - to confirm this statement

March 31, 2022	Valuation	Fair Value				
		Carrying Value	Level-1	Level-2	Level-3	Total
Financial assets:						
Cash and cash equivalents	At amortised cost	9,000.22	2,567.81	6,432.41	-	9,000.22
Bank balance other than above	At amortised cost	4,842.05	-	4,842.05	-	4,842.05
Trade receivables	At amortised cost	29.17	-	-	29.17	29.17
Other receivables	At amortised cost	275.43	-	-	275.43	275.43
Loans	At amortised cost	1,37,971.77	-	-	1,37,971.77	1,37,971.77
Other Financial Assets	At amortised cost	2,933.79	-	-	2,933.79	2,933.79
Total financial assets		1,55,052.43	2,567.81	11,274.47	1,41,210.16	1,55,052.43
Financial liabilities:						
Trade payables	At amortised cost	1,028.00	-	-	1,028.00	1,028.00
Debt securities	At amortised cost	79,297.94	-	-	79,297.94	79,297.94
Borrowings (other than debt securities)	At amortised cost	50,079.59	-	-	50,079.59	50,079.59
Other Financial liabilities	At amortised cost	3,496.35	-	-	3,496.35	3,496.35
Total financial liabilities		1,33,901.88	-	-	1,33,901.88	1,33,901.88
Off balance sheet items						
Other commitments	At amortised cost	1,465.74	-	-	1,465.74	1,465.74
Total off-balance sheet items		1,465.74	-	-	1,465.74	1,465.74

46.5 Valuation methodologies of financial instruments not measured at fair value

The Company has determined that the carrying values of cash and cash equivalents, bank balances, trade receivables, loans, trade payables, debt securities, borrowings, other financial assets, other financial liabilities and off-balance sheet item are a reasonable approximation of their fair value and hence their carrying values are deemed to be fair values.



Note 47: Risk management

47.1 Introduction and Risk Profile

47.1.1 Risk management structure

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles. The Board has constituted the Risk Management Committee which is responsible for monitoring the overall risk process within the Company.

The Risk Management Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. This Committee is also responsible for managing portfolio risk decisions and monitoring risk levels.

The Company's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Company.

The Company's risk management processes are audited annually by the Internal Auditors, who examine both the adequacy of the procedures and the Company's compliance with the procedures. The Internal Auditors discuss the results of all assessments with the management and reports their findings and recommendations to the Audit Committee of the Board.

47.1.2 Risk mitigation and risk culture

As part of its overall risk management, the Company can use derivatives and other instruments to manage exposures resulting from changes in interest rates and foreign currencies, equity risks and credit risks. Currently, the Company uses derivatives to manage its interest rate and foreign exchange risk arising from the USD denominated borrowings

In accordance with the Company's policy, its risk profile is assessed before entering into hedging transactions, which are authorised by the appropriate level of seniority within the Company. The effectiveness of hedges is assessed by the ALCO (based on economic considerations rather than the Ind AS hedge accounting regulations). The effectiveness of all the hedge relationships is monitored by the ALCO on a monthly basis. It is the Company's policy that in situations of ineffectiveness, it will enter into a new hedge relationship to mitigate risk on a continuous basis. Currently, the positions are fully hedged (i.e. 100% risk of interest rate and/or foreign exchange movement) in line with the Board approved policies.

47.1.3 Risk measurement and reporting systems

The Company's loan asset portfolio risk is measured using a method that reflects expected loss likely to arise in normal circumstances based on statistical models. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment, whenever required. This risk measurement is quantified by way of the Expected Credit Loss (ECL). Unexpected losses resulting from unforeseen event risks e.g., natural disasters / events / pandemic situations etc., are estimated by applying judgmental inferences to lead indicators of portfolio behavior.

The Company's policy is to measure and monitor the overall risk, in relation to the aggregate risk exposure across all risk types and activities.

Information compiled from all the departments is examined and processed to analyse, control and identify operational risks on a timely basis. This information is presented and explained to the Head of each Department, the Audit Committee of the Board. The Audit Committee of the Board & the Credit and Risk Management Committee receives a comprehensive risk report once a quarter (from the Auditors & the Risk Head respectively) which is designed to provide all the necessary information to interpret, assess and conclude on the risks of the Company.

It is the Company's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Company is exposed to. The Company continuously trains its employees to build awareness of the Company's risk appetite and support them in their roles and responsibilities to monitor risk.

47.2 Credit Risk

Credit risk is the possibility that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept on its Loan Portfolio, and by monitoring exposures in relation to such limits.

The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties.

The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

47.2.1 Derivative financial instruments

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the balance sheet.

With gross-settled derivatives, the Company is also exposed to a settlement risk, being the risk that the Company honours its obligation, but the counterparty fails to deliver the counter value. The Company deals with only high rated Banking Counterparty(ies) to ensure mitigation of counterparty credit risk and settlement risk.

47.2.2 Impairment assessment

The references below show where the Company's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the Summary of significant accounting policies.

The Company's definition and assessment of default (Note 47.2.2.1).

- How the Company defines, calculates, monitors and validates the Probability of Default (PD) and Loss Given Default (LGD) (Notes 47.2.2.2 to 47.2.2.3)
- When the Company considers there has been a significant increase in credit risk (SICR) of an exposure (Note 47.2.2.4)
- The details of the ECL calculations for Stage 1, Stage 2, Stage 3 and it's respective sub-stage assets

47.2.2.1 Definition of default

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikelihood to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events may include (and not be limited to):

- All the facilities of a borrower from all the borrowed accounts are treated as Stage 3 when one of his facility becomes 90 days past due i.e. credit impaired.
- A covenant breach not waived by the Company
- The Company on selective Basis does consider restructuring of loans after due assessment of its viability from time to time, in line with regulatory /judicial norms & dispensations

47.2.2.2 PD estimation process

Probability of Default (PD) is an estimate of the likelihood of default in a homogenous pool of loans, over it's performance period of following 12 month / lifetime horizon. PD estimation process is done based on historical & empirical internal data available with the company. 'Company calculates the 12-month PD by taking into account the past historical trends of the portfolio, credit performance including actual default data and Macro economic variables. In case of assets where there is 'a significant increase in credit risk (SICR) i.e when a borrower becomes 30 Days past Due and is classified as Stage 2, a higher PD is applied basis empirical data of such customers defaulting. 'For credit impaired assets (Stage 3), a PD of 100% is applied.

PD represents the empirical residual value of loans at the time of default (during the performance period), relative to the principal balance of all Non-Default accounts at the start point of the performance period. 12 month period for which performance has been empirically measured. The Company assesses and empirically measure the possible default events within 12 months or lifetime. This PD factor is applied to all Stage 1 & Stage 2 loans, to estimate the likely of Default

For credit impaired assets (i.e. Stage 3 assets), PD of 100% is applied.'In case of undrawn loan commitments (for accounts that are live & unexpired), a credit conversion factor of 75 % is applied for expected drawdown.



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(₹ in Lakhs)

Note 47: Risk management

47.2.2.3 Loss Given Default (LGD) & Exposure at Default (EAD)

Loss Given Default (LGD) is an estimate of the ultimate loss arising when a default occurs. It is based on empirical contractual realizations from credit impaired assets (i.e. Stage 3 assets). after event of default including from the realization of any security This is computed basis seasoned defaulted loans.

Exposure at Default (EAD) is considered as 100% of Outstanding balance in respect of loan receivables.

In case of undrawn loan commitments, a credit conversion factor of 75% is applied for expected drawdown. For credit impaired assets (i.e. Stage 3 assets), an EAD is considered at 100%.

47.2.2.4 Significant increase in credit risk

The Company continuously monitors its Loan Portfolio in order to assess whether there has been an event which could cause a significantly increase in the credit risk (SICR) of the underlying asset or the customer's ability to pay and accordingly applies a higher PD rate. An asset can move in & out of SICR category based upon whether it has undergone SICR events that may include (and not be limited to):

- When one of the facilities of a borrower becomes 30 days past due
- Borrowers of a segment / industry / geography under stress

47.2.2.5 Change in accounting estimates

Impact of updating the Expected Credit Loss (ECL) Model

The company periodically reviews and updates the model in line with the new inputs and performance trends to reflect the reasonableness and adequacy of ECL amount recognised as at reporting date. During the Financial Year 2022-23, the ECL model was reviewed and updated, and it has resulted into increase/decrease in expected credit cost for various cohorts of the Portfolio due to deterioration/improvement in performance of the cohort. The net impact of this exercise was Rs. 519.99 lakhs positive for the year ended March 31, 2023.

Stage	Principal Balance as at March 31, 2023	ECL as per Mar' 22 (PD and LGD)	ECL as per Mar' 23 (PD and LGD)	Impact of Model refresh & improvement in performance
		ECL	ECL	
Stage 1	1,57,114.77	4,523.40	3,499.00	1,024.40
Stage 2	4,433.57	130.73	152.00	(21.27)
Stage 3	4,023.55	2,533.86	2,610.00	(76.14)
Grand Total	1,65,571.89	7,187.99	6,261.00	926.99

Settlement cases moved directly to Stage 3	(119.00)
Secured Loans against immovable property (LGD increased from 10% to 40%)	(12.00)
100% Accrued Interest Reversal on Stage 3	(276.00)
Net Impact of changes	519.99

47.3 Liquidity risk and funding management

Liquidity risk arises from mismatches in the timing of cash flows, these mismatches originates due to difference in average maturity of assets and liabilities in the books. It is a risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities as and when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances.

Liquidity Risk is primarily monitored by a Board appointed Asset Liability Committee (ALCO) and is managed by the Company's treasury team under the guidance of ALCO.

Liquidity Risk is measured by identifying gaps in the structural and dynamic liquidity statements. Key practices employed by the company for assessment and monitoring of liquidity risk are as below:

1. Monitoring the external operating environment, regulatory framework for NBFCs, capital market instruments and bank loans, debt market conditions and liquidity, and risk appetite of investors
2. Mapping of near to medium-term outflows on liabilities and expected inflows from assets, thereby performing a gap assessment for incremental fund raising
3. Periodic reviews by ALCO relating to the liquidity position, plan of action for incremental fund raising and stress tests of the ALM position

The Company continues to closely monitor liquidity in the market and as part of its ALCO strategy maintains a liquidity buffer to reduce any liquidity risk. This liquidity buffer is maintained in the form of unencumbered investments in units of mutual funds (Liquid and/or Overnight Schemes), Fixed Deposits with high rated scheduled Commercial Banks and undrawn Bank lines.

The Company maintains a diverse mix of borrowings from various sources, including banks, developmental financial institutions, foreign portfolio investors and high rated NBFCs. The Company continued to borrow long term debt with longer contractual maturity compared to its loans and advances portfolio, in order to maintain positive cumulative gaps in its ALM. The average maturity of liabilities is higher than average maturity of assets, which has caused positive gap in the ALM. The Company also continues to explore borrowing opportunities in the market and concluded multiple borrowings transactions in form of Term loans, PTC securitization and NCDs during the year ended March 31, 2023. During the year, the Company strengthened its banking partnerships by onboarding DCB Bank as debt provider by way of securitization.

Considering the COVID-19 pandemic, the company had augmented its liquidity buffers by taking measured steps on disbursements and expenses during the period ended September 30, 2021. However, the Company deployed these surplus liquidity buffer towards business growth in six month ended March 31, 2022. At the same time, a strong borrowings pipeline has been built from a diverse set of domestic and overseas financing institutions. The liquidity buffer is sufficient to support ongoing debt repayments and operating expenses of the company, along with regular collections, the incremental debt fund raising pipeline is sufficient to support business growth.

47.3.1. Liquidity ratios

Public Disclosure on Liquidity Risk (in accordance with RBI Circular - RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20), as on March 31, 2023 as below:

a. Funding Concentration based on significant counterparty

Particulars	As at March 31, 2023
Number of significant counter parties	21
Amount	1,31,348.21
Percentage of funding total borrowings	93.81%

Significant Counterparties are defined as - A single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the Company's total borrowings.



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Note 47: Risk management

b. Top 10 borrowings (by counterparty)

Particulars	As at March 31, 2023
Total Borrowings	1,40,015.24
Top 10 Borrowings	99,068.55
Top 10 as a percentage of total borrowings	70.76%

c. Funding Concentration by Instrument #

Name of the instrument	As at March 31, 2023	% of Total
Non-Convertible Debentures (NCD)	50,011.95	35.72%
Compulsory Convertible Debentures (CCD)	3,274.89	2.34%
CCPS	14.22	0.01%
Term Loans	31,020.70	22.16%
External Commercial Borrowings (ECB)	48,832.79	34.88%
Cash Credit (CC)	443.93	0.32%
Others	6,416.76	4.58%
Total	1,40,015.24	

Significant Counterparties are defined as - A single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the Company's total borrowings.

d. Stock Ratios

Particulars	Percentage
Commercial Paper - as a percentage of total public funds	NA
Commercial Paper - as a percentage of total liabilities *	Nil
Commercial Paper - as a percentage of total assets	Nil
NCD (original maturity < 1year) - as a percentage of total public funds	NA
NCD (original maturity < 1year) - as a percentage of total liabilities *	Nil
NCD (original maturity < 1year) - as a percentage of total assets	Nil
Other Short Term Debt - as a percentage of total public funds	NA
Other Short Term Debt - as a percentage of total liabilities *	36.60%
Other Short Term Debt - as a percentage of total assets	26.56%

* Total Liabilities does not include Total Equity.

e. Institutional set-up for liquidity risk management

The Liquidity Risk Management Policy of the Company is approved by the Board of Directors of the Company.

The Board of Directors or other sub-Committee of the Board including Audit Committee / Sub-Committee have approved the formation of the Asset Liability Committee (ALCO), comprising the Managing Director, Chief Executive Officer, Chief Financial Officer, Senior Vice President - Treasury, Deputy Vice President - Treasury.

47.3.2. Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cashflow of Debt Securities and Borrowings (other than debt securities):

Particulars	As at March 31, 2023	As at March 31, 2022
Within 1 Year	93,434.01	97,122.00
Over 1 year to 2 Years	24,723.76	28,552.13
Over 2 years to 3 Years	35,610.14	13,141.89
Over 3 years to 5 Years	11,721.53	1,789.50
Over 5 years	14.23	19,155.35
	1,65,503.67	1,59,760.87

Notes:

1. The Company considers Put/Call option dates for the purpose of reporting maturity pattern of Borrowings including debt securities.

The table below summarises the maturity profile of the undiscounted cashflow of Trade Payable and Other Financial Liabilities:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Trade Payable	Other Financial Liabilities	Trade Payable	Other Financial Liabilities
Within 1 Year	1,224.48	2,233.80	1,028.00	2,056.12
Over 1 years to 3 Years	-	985.79	-	1,510.39
Over 3 years to 5 Years	-	137.54	-	407.68
Above 5 Years	-	51.82	-	88.10
TOTAL	1,224.48	3,408.95	1,028.00	4,062.29



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Note 47: Risk management

The table below shows the contractual expiry by maturity of the company's contingent liabilities and commitments: Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn. For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

Particulars	Carrying Value	On demand	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
31st March 2023									
Other undrawn commitments to lend	955.91	955.91	-	-	-	-	-	-	955.91
Total commitments	955.91	955.91	-	-	-	-	-	-	955.91
31st March 2022									
Other undrawn commitments to lend	1,465.74	1,465.74	-	-	-	-	-	-	1,465.74
Total commitments	1,465.74	1,465.74	-	-	-	-	-	-	1,465.74

47.4 Market Risk

Market risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Company classifies exposures to market risk into either trading or non-trading portfolios and manages each of those portfolios separately. Such risks the market risk for the trading portfolio is managed and monitored based on a VaR methodology that reflects the interdependency between risk variables. Non-trading positions are managed and monitored using other sensitivity analyses.

47.4.1 Total market risk exposure

Particulars	As at March 31, 2023			As at March 31, 2022			Primary Risk sensitivity
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk	
Assets							
Cash and cash equivalents	17,522.75	-	17,522.75	9,000.22	-	9,000.22	Interest Rate
Other bank balances	6,148.91	-	6,148.91	4,842.05	-	4,842.05	Interest Rate
Derivative financial instruments	381.90	-	381.90	595.26	-	595.26	Interest Rate / Foreign Exchange
Trade receivables	123.59	-	123.59	29.17	-	29.17	Interest Rate
Other Receivables	1,261.09	-	1,261.09	275.43	-	275.43	Interest Rate
Loans	1,64,580.24	-	1,64,580.24	1,37,971.77	-	1,37,971.77	Interest Rate
Other Financial Assets	4,428.81	-	4,428.81	2,933.79	-	2,933.79	Interest Rate
Total	1,94,447.30	-	1,94,447.30	1,55,647.70	-	1,55,647.69	
Liabilities							
Derivative financial instruments	-	-	-	6.26	6.26	-	Interest Rate / Foreign Exchange
Trade payables	1,224.48	-	1,224.48	1,028.00	-	1,028.00	Interest Rate
Debt securities	53,301.05	-	53,301.05	79,297.94	-	79,297.94	Interest Rate
Borrowings (other than debt securities)	86,714.18	-	86,714.18	50,079.59	-	50,079.59	Interest Rate / Foreign Exchange
Other financial liabilities	3,408.91	-	3,408.91	3,496.35	-	3,496.35	Interest Rate
Total	1,44,648.63	-	1,44,648.64	1,33,908.13	6.26	1,33,901.87	

47.4.1 Market risk non-trading

47.4.1.1 Interest rate risk

Interest rate sensitivity on fixed and floating rate assets and liabilities with differing maturity profiles is measured by using the duration gap analysis. The same is monitored by the ALCO periodically. All the Company loans and advances are on a Fixed Interest basis. The Company has floating rate borrowings primarily in two categories – (a) Domestic borrowings linked to the Lender's Base Rate/MCLR; (b) USD denominated borrowings linked to USD SOFR/LIBOR. The USD SOFR/LIBOR linked borrowings are fully hedged for the interest rate risk in accordance with the company's Foreign Exchange Risk Management Policy. Most of the borrowings in NCD and Term loans are fixed rate borrowings, hence not exposed interest rate risk.

Change in Interest Rate

Particulars	As at March 31, 2023		As at March 31, 2022	
	Impact on profit before tax	Impact on equity	Impact on profit before tax	Impact on equity
25 basis point down	108.12	80.91	24.08	18.02
50 basis point down	216.23	161.81	48.15	36.03
25 basis point up	(108.12)	(80.91)	(24.08)	(18.02)
50 basis point up	(216.23)	(161.81)	(48.15)	(36.03)

Borrowings with floating rate structure has been considered for interest rate sensitivity analysis

47.4.1.2 Currency risk

In the normal course of its business, the Company does not deal in foreign exchange significantly, except for its USD denominated External Commercial Borrowings. Any foreign exchange exposure on account of foreign exchange borrowings is hedged fully to safeguard against exchange rate risk in accordance with the company's Foreign Exchange Risk Management Policy.

Particulars	As at March 31, 2023		As at March 31, 2022	
	USD in lakhs	Amount	USD in lakhs	Amount
External Commercial Borrowings (ECB)	593.06	47,623.14	178.44	12,739.49
Derivative Financial Instrument *	(593.06)	(47,623.14)	(178.44)	(12,739.49)

* represents the notional amount of the derivative financial instrument



Note 47: Risk management

47.4.1.3 Equity price risk

The Company does not have any exposure to equity price risk.

47.4.1.4 Operational and business risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events.

The operational risks of the company are managed through comprehensive internal control systems and procedures and key back up processes. In order to further strengthen the control framework and effectiveness, the company has established risk control self-assessment at branches to identify process lapses by way of exception reporting. This enables the management to evaluate key areas of operational risks and the process to adequately mitigate them on an ongoing basis. The company also undertakes Risk based audits on a regular basis across all business units / functions. While examining the effectiveness of control framework through self-assessment, the risk-based audit would assure effective implementation of self-certification and internal financial controls adherence, thereby, reducing enterprise exposure.

The company has put in place a robust Disaster Recovery (DR) plan, which is periodically tested. Business Continuity Plan (BCP) is further put in place to ensure seamless continuity of operations including services to customers, when confronted with adverse events such as natural disasters, technological failures, human errors, terrorism, etc. Periodic testing is carried out to address gaps in the framework, if any. DR and BCP audits are conducted on a periodical basis to provide assurance regarding the effectiveness of the company's readiness.



NEOGROWTH CREDIT PRIVATE LIMITED**Notes to financial statements for the year ended March 31, 2023**

(₹ in Lakhs)

Note 48: Regulatory disclosures**48.1 Capital**

Particulars	March 31, 2023	March 31, 2022
i) CRAR (%)	32.70%	23.16%
ii) CRAR - Tier I Capital (%)	30.05%	17.55%
iii) CRAR - Tier II Capital (%)	2.65%	5.61%
iv) Amount of subordinated debt raised as Tier-II capital	-	-
v) Amount raised by issue of Perpetual Debt Instruments	-	-

48.2 Investments

The Company does not have any investments as on March 31, 2023 and March 31, 2022.

48.3 Derivatives**48.3.1 Forward Rate Agreement / Interest Rate Swap**

Particulars	March 31, 2023	March 31, 2022
i) The notional principal of swap agreements	47,623.14	12,739.49
ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
iii) Collateral required by the Company upon entering into swaps	2,908.01	1,149.01
iv) Concentration of credit risk arising from the swaps	-	-
v) The fair value of the swap book	381.91	595.26

48.3.2 Exchange Traded Interest Rate Derivatives

The Company has not entered into any Exchange Traded Interest Rate Derivatives.

48.3.3 Disclosures on Risk Exposure in Derivatives

Particular	March 31, 2023		March 31, 2022	
	Currency Derivatives	Cross Currency Interest rate derivatives	Currency Derivatives	Cross Currency Interest rate derivatives
Derivatives (Notional Principal Amount)				
a) For hedging	23,353.64	24,269.50	8,494.49	4,245.00
b) For trading	-	-	-	-
Marked to Market Positions				
a) Asset (+)		402.83	197.56	397.70
b) Liability (-)*	(20.93)		(6.26)	-
Credit Exposure	-	-	-	-
Unhedged Exposures	-	-	-	-

* Rs 6.26 lakhs in the year ended March 31, 2022 is the MTM movement for Embedded Derivative



NEOGROWTH CREDIT PRIVATE LIMITED**Notes to financial statements for the year ended March 31, 2023**

(₹ in Lakhs)

Note 48: Regulatory disclosures**48.4 Disclosures relating to Securitisation**

i) The Company has entered into Securitisation transactions for the year ended March 31, 2023.

Particulars	No. / Amount in Rs lakhs
No of SPVs sponsored by the NBFC for securitisation transactions	5
Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	6,390.37
Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	-
On-balance sheet exposures	-
* First Loss	1,543.21
* Others	2,267.90

ii) Details of financial assets sold to Securitisation/Reconstruction Company for Asset Reconstruction:

The Company has not sold any financial assets to Securitisation/Reconstruction Company for Asset Reconstruction for the year ended March 31, 2023 and March 31, 2022.

iii) Details of assignment transactions

The Company has sold financial assets by way of Direct Assignment in the year ended March 31, 2023.

Particulars	March 31, 2023	March 31, 2022
Count of loans accounts assigned	507	-
Amount of loan accounts assigned	4,866	-
Weighted average maturity (in months)	14.40	-
Weighted average holding period (in months)	10.2	-
Retention of beneficial economic interest	10%	-
Coverage of tangible security	100%	-
Rating wise distribution of rated loans	Not Rated	-

iv) The Company has not sold / purchased any non-performing assets during March 31, 2023 and March 31, 2022

48.5 Exposures

i) The Company has no exposure to real estate sector during the March 31, 2023 and March 31, 2022.

ii) The Company has no exposure to capital market during the March 31, 2023 and March 31, 2022.

iii) Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

During the year, the Company has not exceeded SGL & GBL limits as prescribed under NBFC Regulation.

iv) Unsecured Advances

During the year, the Company has not given any advance against collateral of rights, licenses, authority, etc.



NEOGROWTH CREDIT PRIVATE LIMITED**Notes to financial statements for the year ended March 31, 2023**

(₹ in Lakhs)

Note 48: Regulatory disclosures**48.6 - Miscellaneous****48.6.1 - Registration obtained from other financial sector regulators**

RBI registration no	B-13.02077	
IRDA registration no.	CA0472	
Company Identification Number (CIN)	U51504MH1993PTC251544	

48.6.2 - Disclosure of Penalties imposed by RBI and other regulator

During the year ended March 31, 2023, no penalties have been levied by any regulator on the Company.

48.6.3 - Related Party Transaction

Refer note no. 41 for transactions with related party.

48.6.4 - Ratings assigned by credit rating agencies and migration of ratings during the year

Instruments	Credit Rating Agency	March 31, 2023	March 31, 2022
Long Term Bank lines	ICRA	[ICRA] BBB (Stable)	[ICRA] BBB (Negative)
Non-Convertible Debenture	ICRA	[ICRA] BBB (Stable)	[ICRA] BBB (Negative)
Cash Credit	ICRA	[ICRA] BBB (Stable)	[ICRA] BBB (Negative)
Working Capital Demand Loan	ICRA	[ICRA] BBB (Stable)	[ICRA] BBB (Negative)
Non-Convertible Debenture	CARE	CARE BBB- (Stable)	CARE BBB (Negative)
Long Term Bank lines	CARE	CARE BBB- (Stable)	CARE BBB (Negative)
Series A - Pass Through Certificates (Securitisation) - Ambit & DCB Bank	ICRA	Provisional ICRA Single A (Structured Obligation)	-
Series A - Pass Through Certificates (Securitisation) - Vivriti Asset Management	ICRA	Provisional ICRA A- (Structured Obligation)	-
Series A - Pass Through Certificates (Securitisation) - Ambit, AK Capital & Northern Arc	CARE	CARE Single A (Structured Obligation)	Provisional CARE Single A (Structured Obligation)
Series A - Pass Through Certificates (Securitisation) - Vivriti Capital	CARE	CARE Single A- (Structured Obligation)	Provisional CARE Single A- (Structured Obligation)

48.6.5 - Remuneration of Directors

Remuneration or Sitting fees paid or provided is disclosed in the Related party disclosure (Refer note no 41)

48.7.1 - Provisions and contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	March 31, 2023	March 31, 2022
Provisions for depreciation on Investment	-	-
Provision towards NPA	(8,247.75)	7,078.14
Provision made towards Income tax	-	223.15
Other Provision and Contingencies (with details)	-	-
Provision for Standard Assets	(2,285.62)	(1,198.81)

48.7.2 - Draw Down from Reserves

During the year, the Company has not drawn down any amount from Reserves.



NEOGROWTH CREDIT PRIVATE LIMITED**Notes to financial statements for the year ended March 31, 2023****(₹ in Lakhs)****Note 48: Regulatory disclosures****48.7.3 - Concentration of Advances, Expenses & NPAs****48.7.3.1 - Concentration of Advances**

	March 31, 2023
Total Advances to twenty largest borrowers	1,761.85
Percentage of Advances to twenty largest borrowers to Total Advances of the applicable NBFC	1.03%

* Excludes retained interest on direct assignment Rs.395.98 lakhs.

48.7.3.2 - Concentration of Exposures

	March 31, 2023
Total Exposure to twenty largest borrowers /customers	1,879.95
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the applicable NBFC on borrowers / customers	1.09%

* Excludes retained interest on direct assignment Rs.395.98 lakhs.

48.7.3.3 - Concentration of NPA assets

	March 31, 2023
Total Exposure to top four NPA accounts	290.86

48.7.3.4 - Sector-wise NPA assets

Sector (As certified by management and relied by Auditors)	Percentage of NPA assets to Total Advances in that sector
Agriculture & allied activities	-
MSME	4.31%
Corporate borrowers	-
Services	-
Unsecured personal loans	-
Auto loans	-
Other personal loans	-

48.7.4 - Movement of NPA assets

Particulars	March 31, 2023	March 31, 2022
NPA (net of provisions) to net advances (%)	2.19%	5.72%
Movement of NPA (Gross)		
Opening balance	19,898.35	8,273.78
Additions during the year	5,931.18	19,357.26
Reductions during the year	(18,464.11)	(7,732.69)
Closing balance	7,365.42	19,898.35
Movement of Net NPA		
Opening balance	7,896.29	3,349.86
Additions during the year	2,805.32	7,608.56
Reductions during the year	(7,090.50)	(3,062.13)
Closing balance	3,611.11	7,896.29
Movement of provisions for NPA (excluding provisions on standard assets)		
Opening balance	12,002.06	4,923.92
Provisions made during the year	3,125.86	11,748.70
Write-off / Write-back of excess provisions	(11,373.61)	(4,670.56)
Closing balance	3,754.31	12,002.06

48.8 Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

Name of the Joint Venture/ Subsidiary	Other Partner in the JV	Country	Total Assets
The company does not have any joint venture or subsidiary abroad, hence, not applicable.	NA	NA	NA

48.9 Off-balance Sheet SPVs sponsored

The company does not have any off balance sheet SPV sponsored.

48.10 Disclosure of Complaints

Customer Complaints (As certified by management and relied by Auditors)	Numbers
No. of complaints pending at the beginning of the year	-
No. of complaints received during the year	328
No. of complaints redressed during the year	328
No. of complaints pending at the end of the year	-



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2023
(₹ in Lakhs)

Note 48: Regulatory disclosures (continued)

48.11 Asset Liability Management (ALM) Maturity pattern of certain items of Assets and Liabilities

Particulars	Deposits	Advances	Investments	Borrowings *	Foreign Currency assets	Foreign Currency liabilities
Over 1 day to 7 days	-	5,124.92	-	604.82	-	-
Over 8 days to 14 days	-	5,298.86	-	485.41	-	-
Over 15 days to 30 days	-	2,984.04	-	3,758.51	-	-
Over 1 month to 2 months	-	8,423.55	-	2,720.30	-	-
Over 2 months to 3 Months	-	8,210.57	-	2,753.40	-	-
Over 3 months to 6 months	-	24,897.34	-	17,246.11	-	-
Over 6 months to 1 Year	-	46,049.32	-	26,399.15	-	-
Over 1 year to 3 Years	-	58,475.39	-	67,379.37	-	-
Over 3 years to 5 Years	-	4,805.77	-	15,613.07	-	-
Over 5 Years	-	310.49	-	3,055.10	-	-
Total	-	1,64,580.25	-	1,40,015.24	-	-

Notes:

1. Borrowings include debt securities and borrowings other than debt securities (including External Commercial Borrowings).
2. The Company considers Put/Call option dates for the purpose of reporting maturity pattern of Borrowings including debt securities.
3. In the preparation of the above disclosure, certain assumption have been considered by the management which have been relied upon by the auditors.

48.12 Disclosure as per RBI notification DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 & RBI/DNBR/2016-17/45 DNBR.PD.008/03.10.119/2016-17 dated March 03, 2022- A comparison between provisions required under IRACP and impairment allowances made under Ind AS 109 'Financial Instruments'

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	1,60,915.51	3,563.08	1,57,352.43	643.66	2,919.41
Standard	Stage 2	5,539.55	222.22	5,317.33	22.16	200.06
Subtotal		1,66,455.06	3,785.29	1,62,669.76	665.82	3,119.48
Non-Performing Assets (NPA)						
Substandard*	Stage 3	5,537.95	3,627.41	1,910.54	553.80	3,073.61
Total		1,71,993.01	7,412.69	1,64,580.31	1,219.62	6,193.07

*Includes asset classified as doubtful assets since specific identification/classification is not available. Accordingly RBI Provision is computed considering rate applicable for Substandard assets. Further, as per Company policy Term loans assets are written off at 240 days past due & Limit Loan are written off at 180 days past due, hence loans written off are not included above.

48.12.1 Disclosures pursuant to RBI Notification - RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22 dated May 5, 2021

During the year, the Company has not done any One time Restructuring of loans.



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2023
(₹ in Lakhs)

Note 49: Transferred financial assets that are not derecognised in their entirety

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities.

	For the year ended March 31,2023	For the year ended March 31,2022
<u>Securitisations</u>		
Carrying amount of the transferred assets (held as collateral)	8,658.28	3,536.28
Carrying amount of associated liabilities	6,416.76	15,928.75

Note 50: Transferred financial assets that are derecognised in their entirety

The Company has assigned loans (earlier measured at amortised cost) by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of 90% of the assets transferred to the buyer, the assets have been de-recognised from the Company's Balance Sheet. The table below summarises the carrying amount of the derecognised financial assets :

	For the year ended March 31,2023	For the year ended March 31,2022
<u>Direct Assignment</u>		
Carrying amount of transferred assets measured at amortised cost	3,563.80	-
Carrying amount of exposures retained by the Company at amortised cost	395.98	-



NEOGROWTH CREDIT PRIVATE LIMITED

Notes to financial statements for the year ended March 31, 2023

(₹ in Crore)

Note 51: Annex Disclosure requirements under Scale Based Regulation for NBFCs

Section I
Sectoral exposure

Sectors	Current Year			Previous Year		
	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ crore)	Gross NPAs (₹ crore)	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ crore)	Gross NPAs (₹ crore)	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	11.70	0.51	4%	4.64	0.58	12%
2. Industry						
Apparel	192.87	7.69	4%	185.25	30.91	17%
CDIT	29.58	2.11	7%	25.85	5.07	20%
Engineering and Capital Goods	89.48	2.25	3%	55.37	2.43	4%
FMCG	57.31	3.53	6%	54.05	5.92	11%
Food and Beverage	170.80	10.79	6%	170.96	46.64	27%
Furniture and Furnishings	32.12	0.71	2%	23.92	1.90	8%
General Store or Supermarket	40.48	1.77	4%	37.47	4.05	11%
Groceries	99.61	6.32	6%	104.10	10.98	11%
Hardware and Electrical	93.70	3.21	3%	71.32	5.74	8%
Mobile	61.33	3.42	6%	60.73	4.91	8%
Others	87.63	2.77	3%	57.51	5.89	10%
Petrol Pump	100.80	4.46	4%	109.67	9.57	9%
Pharmacy	55.69	2.02	4%	50.46	3.66	7%
Others	345.39	7.80	2%	261.47	25.50	10%
Total of Industry	1,456.78	58.88	4%	1,268.15	163.17	13%
3. Services						
Contractor	101.66	3.45	3%	78.89	1.47	2%
IT and ITeS	31.49	0.82	3%	23.76	2.66	11%
Logistics	37.76	0.76	2%	29.90	2.32	8%
Skilled or Semi Skilled Labour Supplier	35.78	1.70	5%	34.89	3.01	9%
Spa and Salon	28.71	1.61	6%	28.10	6.74	24%
Others	126.74	5.92	5%	107.49	19.05	18%
Total of Services	362.15	14.26	4%	303.04	35.24	12%
4. Personal Loans	NA	NA	NA	NA	NA	NA
5. Others, if any (please specify)	NA	NA	NA	NA	NA	NA



NEOGROWTH CREDIT PRIVATE LIMITED

Notes to financial statements for the year ended March 31, 2023

(₹ in Lakhs)

Note 51: Annex Disclosure requirements under Scale Based Regulation for NBFCs

Section II

Related Party Disclosure are disclosed in Note 41

Section III**Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman**

Sr. No	Particulars	Current Year	Previous Year
Complaints received by the NBFC from its customers			
1	Number of complaints pending at beginning of the year	-	-
2	Number of complaints received during the year	328	605
3	Number of complaints disposed during the year	328	605
'3.1	Of which, number of complaints rejected by the NBFC	-	-
4	Number of complaints pending at the end of the year	-	-
Maintainable complaints received by the NBFC from Office of Ombudsman			
5*	Number of maintainable complaints received by the NBFC from Office of Ombudsman	49	95
'5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	49	95
'5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	-	-
'5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
6*	Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-



NEOGROWTH CREDIT PRIVATE LIMITED

Notes to financial statements for the year ended March 31, 2023

(₹ in Lakhs)

Note 51: Annex Disclosure requirements under Scale Based Regulation for NBFCs

Section IV

Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Current Year (FY 2022-23)					
Loans And Advances	-	93	3000%	-	-
Recovery Agents/	-	-	0%	-	-
Direct Sales Agents	-	235	-61%	-	-
Others	-			-	-
Total	-	328		-	-
Previous Year(FY 2021-22)					
Loans And Advances	-	3	200%	-	-
Recovery Agents/	-	1	-50%	-	-
Direct Sales Agents	-	601	-50%	-	-
Others	-			-	-
Total	-	605		-	-



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2023
(₹ in Lakhs)
Note 51: Annex Disclosure requirements under Scale Based Regulation for NBFCs
Section V
A) Corporate governance
1) Composition of the Board

Name of Director	Director since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	DIN	Number of Board Meetings			Remuneration			No. of shares held in and convertible instruments held in the NBFC
				Held	Attended	No. of other Director ships	Salary and other compensation	Sitting Fee	Commission	
Dhruv Kumar Khaitan	07.06.2012	Non-Executive	00002584	16	12	3	-	-	-	90,00,000 Equity Shares 6,84,567 CCPS
Piyush Kumar Khaitan	07.06.2012	Non-Executive	00002579	16	15	-	32,57,395	-	-	90,00,000 Equity Shares 6,84,567 CCPS
Ganesh Rengaswamy	29.07.2015	Non-Executive	02656783	16	8	1	-	-	-	-
Michael Fernandes	23.01.2018	Non-Executive	00064088	16	9	1	-	-	-	-
Pranav Kumar	21.03.2018 - 08.12.2022	Non-Executive	07896173	12	11	2	-	-	-	-
Bindu Ananth	10.10.2019	Non-Executive Independent	02456029	16	12	6	24,00,000	-	-	-
Arun Kumar Nayyar	06.01.2022	Executive	06804277	16	16	-	6,32,17,710	-	-	97,827 CCPS
Mahesh Krishnamurthy	01.04.2019- 05.12.2022	Non-Executive	02574801	11	7	1	-	-	-	-
Amit Mehta	12.02.2021- 13.05.2022	Non-Executive	07089427	1	0	-	-	-	-	-
Deepa Bachu	08.12.2022	Non-Executive	07397729	4	2	-	8,00,000	-	-	-
Suresh jayaraman	27.03.2023	Non-Executive Independent	03033110	1	1	5	2,00,000	-	-	-
Ramakrishnan Subramanian	27.03.2023	Non-Executive	02192747	1	1	1	2,00,000	-	-	-



NEOGROWTH CREDIT PRIVATE LIMITED

Notes to financial statements for the year ended March 31, 2023

Note 51: Annex Disclosure requirements under Scale Based Regulation for NBFCs

Section VI

Details of change in composition of the Board during the current and previous financial year.

Sr.No	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of change (resignation, appointment)	Effective date
1	Pranav Kumar	Non-Executive Director (Nominee)	Resignation	08.12.2022
2	Mahesh Krishnamurthy	Non-Executive Director (Nominee)	Resignation	05.12.2022
3	Amit Mehta	Non-Executive Director (Nominee)	Resignation	13.05.2022
4	Deepa Bachu	Non-Executive	Appointment	08.12.2022
5	Ramakrishnan Subramanian	Additional Director (Nominee Director)	Appointment	27.03.2022
6	Suresh Jayaraman	Additional Director (Independent Non-Executive Director)	Appointment	27.03.2022
7	Dhruv Kumar Khaitan	Chairman (Non-Executive)	Resignation	8.12.2022
8	Piyush Kumar Khaitan	Managing Director (Executive)	Resignation	08.12.2022
9	Piyush Kumar Khaitan	Chairman (Non-Executive)	Appointment	08.12.2022
10	Arun Kumar Nayyar	Managing Director (Executive)	Appointment	12.12.2022

During the financial year no independent director resigned before expiry of term.

None of the Directors are related inter-se (as per the definition of 'relatives' under Companies Act 2013).



NEOGROWTH CREDIT PRIVATE LIMITED

Notes to financial statements for the year ended March 31, 2023

Note 51: Annex Disclosure requirements under Scale Based Regulation for NBFCs

Section VII**2) Committees of the Board and their composition****Audit Committee:****TERMS OF REFERENCE (in brief)**

- 1.To oversight the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient, and credible.
- 2.To discuss and review, with the management and auditors, the annual/quarterly financial statements before submission/recommendation to the Board

Sr.No	Name of Director	Member of committee since	Capacity i.e Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	No of meetings of the committee		No. of shares held in the NBFC
				Held	Attended	
1	Bindu Ananth	04.12.2019	Chairperson	8	8	-
2	Piyush Kumar Khaitan	11.04.2014	Non-Executive	8	8	90,00,000 Equity Shares 6,84,567 CCPS
3	Ganesh Rengaswamy	21.07.2016	Non-Executive	8	5	-
4	Michael Fernandes	22.02.2018	Non-Executive	8	7	-
5	Mahesh Krishnamurthy	04.12.2019	Non-Executive	6	3	-
6	Dhruv Kumar Khaitan	08.12.2022	Non-Executive	2	2	90,00,000 Equity Shares 6,84,567 CCPS
7	Deepa Bachu	08.12.2022	Non-Executive	2	1	-

Section VIII**Nomination and Remuneration Committee****TERMS OF REFERENCE (in brief)**

- 1.To recommend to the Board regarding the appointment of Directors, KMP, etc.
- 2.To fix the remuneration paid to Whole-time / Executive Directors which generally shall include fixed salary, perquisites, variable pay in the form of performance bonus, certain retiral benefits, allowances and other benefits;
- 3.To decide the annual increments to Whole-time / Executive Directors which shall be linked up to their overall performance.
- 4.To consider the appoint Key Managerial Personnel of the Company

Sr.No	Name of Director	Member of committee since	Capacity i.e Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	No of meetings of the committee		No. of shares held in the NBFC
				Held	Attended	
1	Michael Fernandes	22.02.2018	Chairperson	5	5	-
2	Piyush Kumar Khaitan	19.10.2015	Non-Executive	5	5	90,00,000 Equity Shares 6,84,567 CCPS
3	Ganesh Rengaswamy	22.02.2018	Non-Executive	5	4	-
4	Bindu Ananth	04.12.2019	Non-Executive	5	4	-
5	Mahesh Krishnamurthy	04.12.2019	Non-Executive	4	2	-
6	Dhruv Kumar Khaitan	08.12.2022	Non-Executive	1	1	90,00,000 Equity Shares 6,84,567 CCPS
7	Deepa Bachu	08.12.2022	Non-Executive	1	0	-



NEOGROWTH CREDIT PRIVATE LIMITED**Notes to financial statements for the year ended March 31, 2023****Note 51: Annex Disclosure requirements under Scale Based Regulation for NBFCs****Section IX****Risk Management Committee
TERMS OF REFERENCE (in brief)**

- Design and implement risk management practices, specifically provide ongoing guidance and support for the refinement of the overall risk management framework and ensuring that best practices are incorporated.
- Monitor risk management practices, specifically determine which enterprise risks are most significant and approve resource allocation for risk monitoring and mitigation activities, assign risk owners and approve action plans.
- Periodically review and monitor risk mitigation processes, including:
 - magnitude of all material business risks.
 - the processes, procedures and controls in place to manage material risks.
 - the overall effectiveness of the risk management process

Sr.No	Name of Director	Member of committee since	Capacity i.e Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	No of meetings of the committee		No. of shares held in the NBFC
				Held	Attended	
1	Ganesh Rengaswamy	08.12.2022	Chairperson	1	0	-
2	Piyush Kumar Khaitan	19.10.2015	Non-Executive	4	4	90,00,000 Equity Shares 6,84,567 CCPS
3	Arun Kumar Nayyar	12.02.2022	Executive	4	4	97,827 CCPS
4	Mahesh Krishnamurthy	04.12.2019	Non-Executive	3	1	-
5	Pranav Kumar	22.02.2018	Non-Executive	3	3	-
6	Deepa Bachu	08.12.2022	Non-Executive	1	0	-
7	Dhruv Kumar Khaitan	08.12.2022	Non-Executive	1	1	90,00,000 Equity Shares 6,84,567 CCPS
8	Michael Fernandes	08.12.2022	Non-Executive	1	1	-

Section X**IT STRATEGY COMMITTEE
TERMS OF REFERENCE (in brief)**

Approving IT strategy and Policy documents.

- Ensuring that the management has put an effective strategic planning process in place.
- Overall responsibility of IT Governance.
- Ascertaining that management has implemented processes and practices that ensure that IT delivers value to the business; Providing the required funding to implement Information Security Management System.
- Reviewing the implementation of Information Security Management System.

Sr. No.	Name of Director	Member of committee since	Capacity i.e Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	No of meetings of the committee		No. of shares held in the NBFC
				Held	Attended	
1	Bindu Ananth	10.10.2019	Chairman	4	4	-
2	Piyush Kumar Khaitan	24.01.2019	Non-Executive	4	4	90,00,000 Equity Shares 6,84,567 CCPS
3	Arun Nayyar	24.01.2019	Non-Executive	4	4	97,827 CCPS
4	Michael Fernandes	10.10.2019	Executive	4	3	-
5	Mahesh Krishnamurthy	10.10.2019	Non-Executive	3	1	-
6	Deepak Nath Goswami	24.08.2022	CFO	3	3	-
7	Naveen Kumar	24.08.2022	VP - Engineering	3	3	-
8	Dhruv Kumar Khaitan	08.12.2022	Non-Executive	1	1	90,00,000 Equity Shares 6,84,567 CCPS
9	Ganesh Rengaswamy	08.12.2022	Non-Executive	1	1	-
10	Deepa Bachu	08.12.2022	Non-Executive	1	0	-



NEOGROWTH CREDIT PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2023
Note 51: Annex Disclosure requirements under Scale Based Regulation for NBFCs

Section XI

General Body Meetings

Details of the date, place and special resolutions passed at the General Body Meetings.

Sr.NO	Type of Meeting (Annual/ Extra-Ordinary)	Date & Place	Special resolutions passed
1	AGM	28.06.2022	Approve the Limit of Private Placement of Debentures
2	EGM	10.06.2022	1. Approval Of The Issuance Of Compulsorily Convertible Debentures And Approval Of The Draft Letter Of Offer. 2. Approval Of The Issuance Of Compulsorily Convertible Debentures On A Private Placement Basis And Approval Of The Draft Private Placement Offer Cum Application Letter (PAS-4).
3	EGM	21.06.2022	To Approve Amendments Made To The Articles Of Association Of The Company And To Adopt The Restated Articles Of Association
4	EGM	26.10.2022	To increase Authorised Share Capital of the Company and amend Memorandum of Association of the Company.
5	EGM	01.12.2022	1. To Approve Private Placement Of Equity Shares And Series D Compulsorily Convertible Preference Shares ("Series D CCPS") And Approve Private Placement Offer Letter 2. To Approve The "NeogGrowth Employees Stock Option Plan 2022" For the Benefit Of The Employees Of The Company.
6	EGM	12.12.2022	1. To approve The Restatement Of The Articles Of Association ("AoA") and adopt the amended AoA Of The Company 2. To approve The Private Placement Of Series D CCPS 3. To approve The Amendment In Terms Of CCD-1 4. To approve The Amendment In Terms Of CCD-2 5. To approve the appointment of Mr. Arun Kumar Nayyar as Managing Director of the Company

B) Breach of Covenant

The Company has reported 15 financial covenant breaches across 10 lenders for the period ended on 31st March'2023. These covenant breaches are pertaining to the asset quality which had got impacted due to outbreak of covid-19 pandemic. The Company reports covenant breaches to its lenders on regular basis. However, the Company has obtained covenant waiver/no action letters/amendment letters in respect of these covenant breaches from lenders. No loans have been recalled by any of the lender due to covenant breaches in past and during the financial year ended on 31st March'2023.

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For ASA & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration No:

Prateet
Kumar Mittal
Digitally signed by Prateet Kumar Mittal
Date: 2023.05.12 19:38:41 +05'30'
Prateet Mittal
Partner
Membership No. 402631
Place: Mumbai
Date: May 12, 2023

For and on behalf of the Board of Directors

DHRUV
KUMAR
KHAITAN
Digitally signed by DHRUV KUMAR KHAITAN
Date: 2023.05.12 18:58:52 +05'30'
Dhruv Khaitan
Director
(DIN 00002584)
Place: Mumbai

DEEPAK NATH
GOSWAMI
Digitally signed by DEEPAK NATH GOSWAMI
Date: 2023.05.12 19:12:01 +05'30'
Deepak Goswami
Chief Financial Officer
Place: Mumbai

ARUN
KUMAR
NAYYAR
Digitally signed by ARUN KUMAR NAYYAR
Date: 2023.05.12 18:46:14 +05'30'
Arun Nayyar
Managing Director & CEO
(DIN 06804277)
Place: Mumbai

TANUSHRI
YEWALE
Digitally signed by TANUSHRI YEWALE
Date: 2023.05.12 19:21:47 +05'30'
Tanushri Yewale
Company Secretary
(M.No A31273)
Place: Mumbai
Date: May 12, 2023



Schedule to the Balance Sheet of a non-deposit taking Non-Banking Financial Company (as required in terms of paragraph 18 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

Amount in Lakhs

Particulars			
LIABILITIES SIDE:			
1	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:	Amount Outstanding	Amount Overdue
	a. Debentures (other than falling within the meaning of public deposits*)		-
	- Secured	50,011.95	-
	- Unsecured	-	-
	b. Deferred Credits	-	-
	c. Term Loans	86,270.25	-
	d. Inter-corporate loans and borrowings	-	-
	e. Commercial Paper	-	-
	f. Other Loans - Demand loans	443.93	-
	* Please see Note 1 below		-
ASSET SIDE:			
2	Break-up of Loans and Advances including bills receivables other than those included in(4) below:		Amount Outstanding
	a. Secured		1,71,993.01
	b. Unsecured		-

3	Break up of Leased Assets and stocks on hire and other assets counting towards AFC activities	Amount Outstanding
	i. Lease Assets including lease rentals under sundry debtors:	-
	a. Finance Lease	-
	b. Operating Lease	-
	ii. Stocks on hire including hire charges under sundry debtors:	-
	a. Assets on hire	-
	b. Repossessed Assets	-
	iii. Other Loans counting towards AFC activities:	-
	a. Loans where assets have been repossessed	-
	b. Loans other than (a) above	-

4	Break up of Investments:	
	Current Investments	
	1. Quoted	
	i. Shares: a. Equity	-
	b. Preference	-
	ii. Debentures and Bonds	-
	iii. Units of mutual funds	-
	iv. Government Securities	-
	v. Others	-
	2. Unquoted	
	i. Shares: a. Equity	-
	b. Preference	-
	ii. Debentures and Bonds	-
	iii. Units of mutual funds	-
	iv. Government Securities	-
	v. Others	-

	Long Term Investments	
	1. Quoted	
	i. Shares - Equity	-
	- Preference	-
	ii. Debentures and Bonds	-
	iii. Units of mutual funds	-
	iv. Government Securities	-
	v. Others	-
	2. Unquoted	
	i. Shares - Equity	-
	- Preference	-
	ii. Debentures and Bonds	-
	iii. Units of mutual funds	-
	iv. Government Securities	-
	v. Others	-

ARUN
KUMAR
NAYYAR

Digitally signed
by ARUN KUMAR
NAYYAR
Date: 2024.02.26
22:10:10 +05'30'



Schedule to the Balance Sheet of a non-deposit taking Non-Banking Financial Company (as required in terms of paragraph 18 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

Amount in Lakhs

5 Borrower group-wise classification of assets financed as in (2) and (3) above : Please see Note 2 below			
Category	Amount net of provision		
	Secured	Unsecured	Total
1 Related Parties**			
a. Subsidiaries	-	-	-
b. Companies in the same group	-	-	-
c. Other related parties	-	-	-
2 Other than related parties	1,64,580.24	-	-
Total	1,64,580.24	-	-

6 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): Please see note 3 below		
Category	Market Value/ Break up of fair value or NAV	Book Value (Net of Provisions)
1 Related Parties**		
a. Subsidiaries	-	-
b. Companies in the same group	-	-
c. Other related parties	-	-
2 Other than related parties	-	-
Total	-	-

** As per Accounting Standard of ICAI (Please see Note 3)

7 Other information	
Particulars	
i. Gross Non-Performing Assets	
a. Related Parties	-
b. Other than related parties	7,365.42
ii. Net Non-Performing Assets	
a. Related Parties	-
b. Other than related parties	3,611.11
iii. Assets acquired in satisfaction of debt	-

Notes:

- As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
- All Indian Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debts. However, market value in respect of quoted investments and break up/ fair value/ NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in category (4) above.

For and on behalf of the Board of Directors

DHRUV KUMAR
KHAITAN

Digitally signed by DHRUV KUMAR KHAITAN
Date: 2023.05.12 19:00:08 +05'30'

Dhruv Khaitan
Director
(DIN 00002584)
Place: Mumbai

DEEPAK NATH
GOSWAMI

Digitally signed by DEEPAK NATH GOSWAMI
Date: 2023.05.12 19:12:33 +05'30'

Deepak Goswami
Chief Financial Officer
Place: Mumbai

ARUN KUMAR
NAYYAR

Digitally signed by ARUN KUMAR NAYYAR
Date: 2023.05.12 18:46:37 +05'30'

Arun Nayyar
Managing Director & CEO
(DIN 06804277)
Place: Mumbai

TANUSHRI
YEWALE

Digitally signed by TANUSHRI YEWALE
Date: 2023.05.12 19:22:18 +05'30'

Tanushri Yewale
Company Secretary
(M.No A31273)
Place: Mumbai
Date: May 12, 2023

ARUN
KUMAR
NAYYAR

Digitally signed by ARUN KUMAR NAYYAR
Date: 2024.02.26 22:09:49 +05'30'

