

October 21, 2021

Senior General Manager- Listing Compliance
BSE Limited
24th Floor, Phiroze Jeejeebhoy Towers
Dalai Street, Mumbai – 400 001

Dear Sir,

Sub: Outcome of the Board meeting held on October 21st, 2021

Please be informed that the Board of Directors in their meeting held on 21st October 2021 have approved the Unaudited Financial results (statements) for the half year ended 30th September, 2021.

The same have been enclosed herewith.

Request you to kindly take the same on record.

For NeoGrowth Credit Private Limited


Muthiah Ganapathy
Company Secretary



Encl: As above

Independent Auditor's Review Report on the Half-yearly Unaudited Financial Results of the Company Pursuant to Regulation 52 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 half year ended September 30, 2021 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This 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, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder 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 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 Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement or that or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

Emphasis of Matter

5. We draw attention to Note 2 to the Statement, which describes the continuing impact of the COVID 19 Pandemic on the Company's business and financial metrics including the Company's estimates of impairment of loans to customers which are dependent on uncertain future developments. Our conclusion is not modified in respect of this matter.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

**per Bharath N S**

Partner

Membership No.:210934

UDIN: 21210934AAAAHG8684

Place: Mumbai

October 21, 2021

Financial Results for the half year ended September 30, 2021

(₹ in Crores)

Particulars	Quarter Ended			Half year ended		Year Ended
	September 30, 2021 (Unaudited)	June 30, 2021 (Unaudited)	September 30, 2020 (Unaudited)	September 30, 2021 (Unaudited)	September 30, 2020 (Unaudited)	March 31, 2021 (Audited)
1 Revenue from operations						
(a) Interest income	87.82	81.97	80.78	169.79	169.84	326.73
(b) Fee and commission income	0.81	0.44	0.94	1.25	1.87	3.41
(c) Net gain on fair value changes	0.03	0.53	0.05	0.56	0.05	1.04
Total revenue from operations	88.66	82.94	81.77	171.60	171.76	331.18
2 Other income						
Other income	0.26	0.28	1.10	0.54	1.16	1.95
3 Total Income (1+2)	88.92	83.22	82.87	172.14	172.92	333.13
4 Expenses						
(a) Finance costs	38.15	38.90	31.44	77.05	65.36	135.72
(b) Employee benefits expense	15.15	19.08	17.63	34.23	34.85	73.76
(c) Depreciation and amortisation expense	1.91	1.91	2.43	3.82	5.00	9.68
(d) Impairment on financial instruments	36.74	68.02	24.66	104.76	51.40	127.31
(e) Other expenses	11.41	9.35	5.78	20.76	12.28	30.89
Total expenses	103.36	137.26	81.94	240.62	168.89	377.36
5 Profit before tax (3-4)	(14.44)	(54.04)	0.93	(68.48)	4.03	(44.23)
6 Tax expense	(3.64)	(13.57)	0.03	(17.21)	0.82	(14.14)
Current tax	-	-	2.30	-	2.87	-
Deferred tax charge / (credit)	(3.64)	(13.57)	(2.27)	(17.21)	(2.05)	(14.14)
7 Net Profit for the period (5-6)	(10.80)	(40.47)	0.90	(51.27)	3.21	(30.09)
8 Other Comprehensive Income						
(A) Items that will not be reclassified to profit or loss	(0.26)	-	(0.06)	(0.26)	(0.06)	(0.06)
(B) (i) Items that will be reclassified to profit or loss	1.60	(1.87)	1.12	(0.27)	(2.07)	(0.01)
(ii) Income tax relating to items that will be reclassified to profit or loss	(0.40)	0.47	(0.28)	0.07	0.52	0.00
9 Total Comprehensive Income (7+8)	(9.86)	(41.87)	1.68	(51.73)	1.60	(30.16)
10 Earnings Per Share (₹) (Face Value of ₹ 10/- each)						
- Basic (not annualised)	(6.00)	(22.48)	0.50	(28.48)	1.78	(16.72)
- Diluted (not annualised)	(6.00)	(22.48)	0.50	(28.48)	0.49	(16.72)

Notes:

- NeoGrowth Credit Private Limited (the 'Company') has prepared unaudited financial results (the 'Statement') for the half year ended September 30, 2021 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 provisions of the Companies Act, 2013, as applicable.
- 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 half year ended September 30, 2021. In accordance with the Board approved policy read with the Reserve Bank of India (RBI) circular dated August 6, 2020, May 5, 2021 and June 4, 2021 relating to Resolution Framework 2.0 – Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs), the Company has granted moratorium. In cases where restructuring was invoked in consequence of Reserve Bank of India (RBI) circular dated May 5, 2021 and June 4, 2021, such loans have been referred to as Sanjivni 2.0 by the Company.

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 Company has created Management Overlay of Rs. 5 Crores for the half year ended September 30, 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
CIN No-U51504MH1993PTC251544
Regd Office: 802, 8th floor, Tower A, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel (West), Mumbai-400013

3. Disclosures pursuant to RBI Notification - RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22 dated May 5, 2021

Description	Count
Number of requests received for invoking resolution process #	3,452
Number of accounts where resolution plan has been implemented	3,452
	(₹ in Crores)
Exposure to accounts before implementation of the plan #	239.45
Increase in provisions on account of the implementation of the resolution plan	12.76

this includes overall restructuring done during the half year ended September 30, 2021.

4. 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.

5. Balance Sheet as at September 30, 2021

	(₹ in Crores)	
	September 30, 2021 (Unaudited)	March 31, 2021 (Audited)
ASSETS		
Financial assets		
(a) Cash and cash equivalents	69.11	54.53
(b) Bank balances other than (a) above	131.43	258.08
(c) Derivative financial instruments	1.40	-
(d) Receivables		
Trade receivables	0.12	-
(e) Loans	1,237.39	1,216.91
(f) Investments	-	82.56
(g) Other financial assets	21.43	19.54
Non-financial assets		
(a) Deferred tax assets (net)	62.52	45.24
(b) Property, Plant and Equipment	1.54	1.72
(c) Right-of-use assets	23.00	26.36
(d) Capital work in progress	0.20	-
(e) Other Intangible assets	0.31	0.46
(f) Other non- financial assets	9.83	9.80
TOTAL ASSETS	1,558.28	1,715.20
LIABILITIES AND EQUITY		
Financial liabilities		
(a) Derivative financial instruments	-	0.27
(b) Payables		
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	12.21	11.19
(c) Debt securities #	844.94	888.43
(d) Borrowings (other than debt securities)	361.35	412.86
(e) Other financial liabilities	33.55	40.19
Non-financial liabilities		
(a) Provisions	4.29	8.06
(b) Other non-financial liabilities	1.27	2.30
Equity		
(a) Equity share capital	63.55	63.55
(b) Other equity	237.12	288.35
TOTAL LIABILITIES AND EQUITY	1,558.28	1,715.20

During the half year ended September 30, 2021, the Company issued Compulsorily Convertible Debentures (CCD) of Rs. 66.25 Crores to existing shareholders and it has been classified as Debt Securities under Ind AS



6. Cash Flow Statement for the half year ended September 30, 2021

	(₹ in Crores)	
	September 30, 2021 (Unaudited)	September 30, 2020 (Unaudited)
Operating activities		
Profit / (Loss) before tax	(68.48)	4.03
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation, amortisation and impairment	3.82	5.00
Effective Interest Rate adjustment in Borrowings	0.35	0.46
Interest Income on security deposits	(0.16)	(1.05)
Interest on Lease liability	1.58	0.11
Interest on Debt Securities	52.40	45.19
Interest on Borrowings	15.40	13.13
Employee Benefit expenses	0.31	1.13
Impairment on financial instruments	104.76	51.40
Remeasurement gain/(loss) on defined benefit plan	(0.26)	(0.06)
Net Gain on fair value of Investments	(0.56)	(0.05)
Working capital changes:		
(Increase) / Decrease in Loan	(125.05)	113.27
(Increase) / Decrease in Receivables	(0.12)	-
(Increase) / Decrease in Other Financial Assets	(1.73)	(64.12)
(Increase) / Decrease in Other Non Financial Assets	0.80	(0.95)
(Increase) / Decrease in Bank balance other than cash and cash equivalents	126.65	(109.85)
Increase / (Decrease) in Trade payable	1.02	(4.18)
Increase / (Decrease) in Other financial liabilities	(4.13)	2.81
Increase / (Decrease) in Provisions	(3.76)	1.65
Increase / (Decrease) in Other non-financial Liabilities	(1.06)	(0.97)
Interest Paid on Debt Securities and Borrowings	(71.20)	(58.62)
Income tax paid / refund received (Net of refunds / payments)	(0.83)	4.92
Net cash flows from operating activities	29.75	3.25
Investing activities		
Purchase of property, plant and equipment	(0.45)	(0.15)
Proceeds from redemption of Investments at fair value through profit and loss (net)	433.35	116.50
Investments in Mutual Fund at fair value through profit and loss	(350.23)	(158.39)
Net cash flows from / (used in) investing activities	82.67	(42.04)
Financing activities		
Debt securities issued	90.75	45.21
Debt securities repaid	(130.79)	(86.00)
Borrowings other than debt securities taken	71.74	10.00
Borrowings other than debt securities repaid	(125.59)	(54.31)
Interest paid on lease liability	(1.58)	(0.11)
Principal portion of lease liability except short term lease payments	(2.37)	(5.84)
Net cash flows used in financing activities	(97.84)	(91.05)
Net increase / (decrease) in cash and cash equivalents	14.58	(129.84)
Cash and cash equivalents at April 1	54.53	165.61
Cash and cash equivalents at the end	69.11	35.77

7. Previous years figures have been re-classified where appropriate to current years presentation.

8. The secured non-convertible debentures issued by the Company are fully secured by first pari passu charge over the current assets, book debts, receivables, and such other assets of the Company. The total asset cover has been maintained as per terms and conditions stated in the respective debenture trust deeds.

9. The above unaudited 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 21, 2021 respectively.

10. Pursuant to Regulation 52(7) of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, we hereby confirm that issue proceeds of Non-Convertible Debentures (NCDs) issued by the Company and outstanding as on September 30, 2021 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.

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

1. Debt Equity Ratio as on September 30, 2021 : **3.09**
2. Debt Service Coverage Ratio : **Not Applicable**
3. Interest Service Coverage Ratio : **Not Applicable**
4. Outstanding redeemable preference shares (quantity and value): **Not applicable**
5. Capital redemption reserve/debenture redemption reserve: **Not applicable**
6. Net worth as on September 30, 2021: **Rs. 369.35 Crores**
7. Net loss after tax for the quarter ended on September 30, 2021: **Rs. 10.80 Crores**
8. Earnings per share for the quarter ended on September 30, 2021: **(Rs. 6.00) per share**
9. Current ratio: **Not applicable**
10. Long term debt to working capital: **Not applicable**
11. Bad debts to Account receivable ratio: **Not applicable**
12. Current liability ratio: **Not applicable**
13. Total debts to total assets as on September 30, 2021: **0.73**
14. Debtors turnover: **Not applicable**
15. Inventory turnover: **Not applicable**
16. Operating margin (%): **Not applicable**
17. Net profit margin (%): **(12.15%)**
18. Sector specific equivalent ratios as on September 30, 2021
 - a. Gross Stage 3 asset: **10.02%**
 - b. Net Stage 3 asset: **3.96%**
 - c. CRAR (Tier I + II): **24.41%**
 - e1. CRAR (Tier I): **18.27%**
 - e2. CRAR (Tier II): **6.14%**
19. Liquidity Coverage Ratio: **Not Applicable**

Compulsorily Convertible Debentures (CCDs) 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 (RBI).

For NeoGrowth Credit Private Limited