BOARD OF DIRECTORS

Board of Directors

Mr. Manish Balkishan Chokhani
Additional Director (Independent)
Chairman

Mr. C. Ilango
Independent Director

Mr. Deo Shankar Tripathi
Additional Director (Independent)

Mr. Vivek Saraogi
Non-Executive Director

Mr. Akash Bhanshali
Non-Executive Director

Mr. Gautam Jain
Non-Executive Director

Mr. Ashwin Jain
Non-Executive Director

Mr. Neeraj Saxena
Executive Director & CEO

Chief Executive Officer

Mr. Neeraj Saxena

Chief Financial Officer

Mr. Harsha Saksena

Company Secretary

Ms. Deepika Thakur Chauhan

Corporate Identity Number

U65990MH2016PTC286516

Corporate and Registered Office Address

Auxilo Finserve Pvt. Ltd.
Kalpataru Square, Office No. 63, 6th floor,
Kondivita Rd, Andheri East,
Mumbai, Maharashtra
400059
Telephone: 022 6246 3333
Fax: 022 62463334

Statutory Auditors

Nangia & Co LPP, Charted Accountants
4th Floor, Iconic Tower, Urmi Estate
95 Ganpatrao Kadam Marg, Lower Parel (West),
Mumbai - 400013, India
Ph: +91 22 6173 7000

Registrar and Share Transfer Agents

Link Intime India Private Limited
C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai - 400083.
Telephone: 022 - 4918 6270
Toll-free number: 1800 1020 878

Debenture Trustee

Catalyst Trusteeship Limited Windsor, 6th Floor, Office No. 604 CST Road, Kalina
Santacruz East, Mumbai 400 098
Telephone - 022 - 49220555

Bankers

AU Small Finance Bank Ltd.	Indian Overseas Bank	ICICI Bank Ltd.
Bandhan Bank Ltd.	IndusInd Bank Ltd.	IDFC First Bank Ltd.
Bank of Baroda	Kotak Mahindra Bank Ltd	Indian Bank
Bank of India	Punjab & Sind Bank	Union Bank of India
Bank of Maharashtra	RBL Bank Ltd.	Utkarsh Small Finance Bank
Canara Bank	SBM Bank (India) Limited*	YES Bank Ltd.
CSB Bank Ltd.	Shivalik Small Finance Bank Ltd	Ujjivan Small Finance Bank Ltd.
DCB Bank Ltd.	South Indian Bank Ltd.	HDFC Bank Ltd.
Federal Bank Ltd.	State Bank of India	

BOARD OF DIRECTORS' REPORT

Dear Members,

The Board of Directors hereby submit the Seventh Annual Report on the business and operations of your Company along with the audited financial statements for the Financial Year (FY) that ended March 31, 2023.

Review of operations - Financial Performance

The summary of the Company's financial performance for the Financial Year ended March 31, 2023, as compared to the previous Financial Year ended March 31, 2022, is as below:

(Rs. in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Total Income	190.83	92.62
Less: Total expenses	156.13	77.57
Profit Before Tax	34.70	15.05
Less: Tax Expenses	8.95	2.48
Profit after tax	25.75	12.57
Add: Other Comprehensive Income	(0.13)	(0.14)
Total Comprehensive Income	25.62	12.43
Less: Transfer to Reserves as per Section 45-IC of the RBI Act	5.12	2.49
Balance carried to Balance Sheet	**20.50**	**9.94**

The total income and profit before tax have increased by 106.04% and 130.61% respectively for Financial Year that ended on March 31, 2023, compared to the Financial year ending on March 31, 2022.

Business Highlights

- The Assets Under Management (AUM) at March 31, 2023, were Rs. 1,690.51 Crore as against AUM of RS. 769.29 Crore as of March 31, 2022.
- The total disbursement for the financial year under review was Rs. 1,016.20 Crore which increased by 290% as compared to the disbursement of Rs. 350.42 Crore in the previous financial year.
- During the year under review the Company had funded 3,726 customers as against the 1,501 Customers in FY 2021-22 which amounted to an increase of 248%.
- The net worth of the Company stood at Rs. 455.25 Crore as on March 31, 2023, as compared to Rs. 385.32 Crore as on March 31, 2022.

Dividend

During the year under review the Board has not declared any interim dividend. In order to preserve capital and to utilize the funds for the Company's growth your Directors do not recommend Dividend for the Financial Year under review.

Capital Adequacy Ratio

The Company's Capital Adequacy Ratio (CAR) stood at 24.71 % as on March 31, 2023 out of which Tier I capital was 24.3 %. As per regulatory norms, the minimum requirement for the CAR and Tier I capital as March 31, 2023 are 15% and 10% respectively.

Profit to be carried forward to reserves

Your Directors propose to transfer Rs. 5.12 Crore as per Section 45-IC of the Reserve Bank of India Act, 1934 to the Special Reserve of the Company for the year ended on March 31, 2023.

Deposits

The Company did not hold any public deposits at the beginning of the year nor has it accepted any public deposits during the year under review.

Share Capital

1. Authorized share capital

During the year under review, your Company's Authorized Share Capital remained unchanged at Rs. 20,08,00,00,000/- (Two Thousand Eight Crore) comprising of Equity Share Capital of Rs. 20,00,00,00,000/- (Two Thousand Crore) divided into 2,00,00,00,000/- (Two Hundred Crore) equity shares of Rs. 10/- each and the Preference Share Capital of Rs. 8,00,00,000/- (Eight Crore) divided into 80,00,000 (Eighty Lakh) optionally convertible preference share of Rs. 10/- each.

2. Issued, Subscribed and Paid up Capital

(a) Equity Share Capital

During the year under review, the Company had issued and allotted 2,32,02,982 (Two Lakhs Thirty Two Thousand Equity Shares of Rs. 10 /- each (at an issue price of Rs. 17 where Rs. 10 being the face value and 7 being premium) aggregating to Rs. 23,20,29,820/- (Rupees Twenty Three Crore Twenty Lakhs Twenty Nine Thousand Eight Hundred and Twenty) (exclusive of premium) on right issue basis on September 30, 2022.

The Equity Share Capital of the Company also increased on account of conversion of 26,66,666 Class C 0.001% Optionally Convertible Preference Shares (OCPS) into equivalent number of Equity Shares, aggregating to Rs. 2,66,66,660/- (Rupees Two Crore Sixty Six Lakhs Sixty Six Thousand Six Hundred and Sixty) on March 30, 2023.

Further, during the year under review the Company allotted 9,51,500 Equity shares pursuant to the exercise of Options by employees under Employee Stock Option Scheme 2017.

(b) Preference Share Capital

No Preference share were issued by the Company during the financial year under review. The call money on 26,66,666 Class C 0.001% Optionally Convertible Preference Shares (OCPS) that were partly paid up were received aggregating to Rs. 2,63,73,326.74 (Two Crores Sixty-Three Lakhs Seventy-Three Thousand, Three Hundred Twenty-Six Rupees and Seventy-Four Paise) on 22nd March, 2023 in accordance with the Articles of Association of the Company. Consequently the fully paid Class C OCPS were converted into equivalent number of Equity Shares on March 30, 2023 as referenced above.

Pursuant to the above-mentioned changes the Issued, Subscribed and Paid-up Capital of your Company as on March 31, 2023 is Rs. 376,26,61,350 (Rupees Three Hundred Seventy Six Crores Twenty Six Lakhs Sixty One Thousand Three Hundred Fifty) consisting of 37,62,66,135 (Thirty Seven Crores Sixty Two Lakhs Sixty Six Thousand One Hundred Thirty Five) Equity Shares of Rs. 10 each being the face value.

Borrowings

During the year under review, the Company raised funds from various public / private sector banks and financial institutions. The Company continued to borrow funds inter-alia by issue of Commercial Papers and Non-Convertible Debentures, Credit facilities inter-alia from banks and financial institutions. Details in this regard are more particularly mentioned in the Audited Financial Statements.

Credit Rating:

The following ratings have been assigned on the Facilities availed by the Company

Sr. No.	Facility	Rating Assigned
1	Non - Convertible Debentures	CARE A - Stable CRISIL A - Stable
2	Principal Protected Market Linked Debentures	CARE PP-MLD A- Stable CRISIL PPMLD A- Stable
3	Commercial Paper (Short Term Facility)	CRISIL A1
4	Long Term Facility	CARE A Stable CRISIL A Stable

Board of Directors

Your Board of Directors have approved Internal Guidelines on Corporate governance laying a strong emphasis on transparency, accountability and in accordance with the Master Direction- Non-Banking Financial Company - Systemically Important Non- Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016. The composition of your Board is 8 (eight) Directors comprising of 4 (four) Non-Executive Non-Independent Directors, 3 (three) Independent Directors and 1 (one) Executive Managing Director.

The below table provides the details of the Company's composition of the Board of Directors in accordance with Reserve Bank of India circular Ref - RBI/2022-23/26 DOR.ACC.REC. No.20/21.04.018 / 2022-23

Sr. No.	Name of Director	Director since	Capacity	DIN	No. of other Director ships	Remuneration			No. of Equity shares held
						Salary and other compensation	Sitting Fee	Commission	
1.	Mr. Manish Balkishan Chokhani	8.10.2022	Independent-Chairman	00204011	7	-	5,40,000	-	Nil
2.	Mr. Neeraj Saxena	3.02.2023	Executive	07951705	0	3,76,78,740	-	-	83,54,078
3.	Mr. Akash Manek Bhanshali	2.01.2018	Non Executive	00265600	3	-	-	-	Nil
4.	Mr. Gautam Jain	4.10.2016	Non Executive	00296575	8	-	-	-	Nil
5.	Mr. Ashwin Pukhraj Jain	4.10.2016	Non Executive	00173983	6	-	-	-	Nil
6.	Mr. Vivek Saraogi	20.04.2018	Non Executive	00221419	4	-	-	-	Nil
7.	Mr. C. Ilango	29.05.2020	Independent	03498879	1	-	4,60,000	-	Nil
8.	Mr. Deo Shankar Tripathi	3.02.2023	Independent	07153794	3	-	80,000	-	Nil

The below table indicates the details of change in the composition of your Board of Directors 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.	Mr. Manish Chokhani	Independent Director	End of tenure	September 30 2022
2.	Mr. Manish Chokhani	Additional Director (Independent)	Appointment	October 8, 2022
3.	Mr. Neeraj Saxena	Executive Director	End of tenure	January 2, 2023
4.	Mr. Deo Shankar Tripathi	Additional Director (Independent)	Appointment	February 3, 2023
5.	Mr. Neeraj Saxena	Executive Director	Appointment	February 3, 2023

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors approved the appointment of Mr. Manish Chokhani as an Additional Director (Independent Director) of the Company and also designated Mr. Manish Chokhani as the Chairman of the Company with effect from October 8, 2022. The Company shall place before the members the resolution to regularize the appointment of Mr. Manish Chokhani for a further term of five years as Independent Director of the Company, at the ensuing Seventh Annual General Meeting of the Company.

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors approved the appointment of Mr. Deo Shankar Tripathi as an Additional Director (Independent Director) on February 3, 2023. The Company shall place before the members the resolution to regularize the appointment of Mr. Deo Shankar Tripathi and to appoint Mr. Tripathi as an Independent Director for a term of five years, at the ensuing Seventh Annual General Meeting of the Company.

Mr. Neeraj Saxena's tenure as the Managing Director of the Company ended on January 2, 2023, however he continued to be in employment of the Company as the CEO of the Company. Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors approved his appointment as an Additional Director of the Company on February 3, 2023. Further Mr. Neeraj Saxena's appointment was approved by the Board on the same day as the Managing Director and Chief Executive Officer of the Company for a term of 5 years with effect from February 3, 2023 to February 2, 2028. The Company shall place before the members the resolution to regularize the appointment of Mr. Neeraj Saxena as a Director (designated as Managing Director & CEO) of the Company, at the ensuing Seventh Annual General Meeting of the Company.

Pursuant to the 'Fit and Proper' Policy of the Company and the RBI Directions the Company has received the 'Fit and Proper' declaration from the above mentioned Director of the Company for the review and consideration of the Nomination and Remuneration Committee.

Inter-se Relationship amongst Directors

None of the Directors is related to any other Director on the Board nor is related to the other Key Managerial Personnel of the Company in terms of the provisions of the Act and the Rules framed thereunder.

As the Company is a Private Limited Company, the retirement by rotation of Directors is not applicable.

Key Managerial Personnel

As on March 31, 2023, your Company's Key Managerial Personnel comprises of the following:

Name of Key Managerial Personnel (KMP)	Designation
Mr. Neeraj Saxena	Managing Director & Chief Executive Officer
Mr. Harsha Saksena	Chief Financial Officer
Ms. Deepika Thakur Chauhan	Company Secretary & Head - Legal

During the Financial year under review, Ms. Deepika Thakur Chauhan was appointed as the Company Secretary with effect from September 23, 2022.

Independent Directors

In terms of the applicable provisions of the Companies Act, circulars, notifications and directions issued by the Reserve Bank of India and other applicable laws, the Company has received necessary declarations from the Independent Directors, affirming compliance with the criteria of independence laid under the applicable provisions of the Act and / or under applicable regulations and the same have been taken on record by the Board of Directors.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and that they hold the highest standards of integrity. In terms of Section 150 of the Act read with the Companies (Appointment & Qualification of Directors) Rules, 2014, the Independent Directors of the Company have registered themselves with the data bank of Independent Directors created and maintained by the Indian Institute of Corporate Affairs, Manesar.

There are no pecuniary transactions between the Directors and the Company except for the sitting fees being paid to the Independent Directors for attending the meetings of the Board and its Committee(s).

A separate meeting of the Independent Directors of your Company was held on May 19, 2022. All the Independent Directors of the Company attended the meeting.

Resignation by Independent Directors - There was no resignation by any of the independent Directors before expiration of their term.

Annual Evaluation of Board

The Board carried out a formal annual evaluation of its own performance and that of its committees and individual Directors. Pursuant to the provisions of the Companies Act, 2013 a structured questionnaire was prepared after taking into consideration various aspects of the Board's functioning, composition of the Board and its Committees, execution and performance of specific duties, obligations and governance. The performance evaluation of the Independent Directors was also carried out along with the other Board Members at the Board Meeting. The performance evaluation of the Non -Independent Directors was also carried out by the Independent Directors, separately at their meeting. Your Directors express their satisfaction with the evaluation process.

Meetings of the Board

The Board of Directors of your Company met 6 times during the Financial Year under review, that is on May 19, 2022, August 2, 2022, September 23, 2022, November 8, 2022, February 3, 2023 and March 30, 2023. The maximum gap between two Board Meetings did not exceed 120 (One Hundred and Twenty) days. The attendance of the Directors was as under:

Sr. No.	Name of Directors	Number of meetings held during the year	Number of meetings attended during the year
1.	Mr. Manish Chokhani	6	6
2.	Mr. C. Ilango	6	6
3	Mr. Vivek Saraogi	6	4
4.	Mr. Akash Bhanshali	6	5
5.	Mr. Gautam Jain	6	6
6.	Mr. Deo Shankar Tripathi	2	2
7.	Mr. Ashwin Jain	6	2
8.	Mr. Neeraj Saxena	6	6

Committees of the Board

In accordance with the applicable provisions of the Act, the circular(s), notification(s) and directions issued by the Reserve Bank of India and the Company's internal corporate governance requirements, the Board has constituted following Committees to focus on specific terms of reference and ensure expedient resolution on diverse matters.

- Audit Committee
- Nomination and Remuneration Committee
- Executive Committee
- Asset Liability Management Committee
- Risk Management Committee
- IT Strategy Committee
- Corporate Social Responsibility Committee

- Borrowing Committee

During the Financial Year under review, the following Committees were reconstituted:

- Audit Committee
- Nomination and Remuneration Committee
- Risk Management Committee
- Corporate Social Responsibility Committee
- IT Strategy Committee

1. Audit Committee

The Board reviews the working of the Committee from time to time to bring about greater effectiveness in order to comply with the various requirements under the Act, SEBI Regulations and NBFC Regulations. The terms of reference of the Committee are in accordance with the Act, SEBI Listing Regulations and NBFC Regulations. The major terms of reference of Audit Committee include oversight of the Company's financial reporting process and disclosure of its financial information, review of financial statements, review of compliances, systems and controls and approval or any subsequent modification of transactions with related parties.

Mr. C Ilango is the Chairman of the Audit Committee and Mr. Manish Chokhani and Mr. Gautam Jain are the members of the Audit Committee. Mr. Deo Shankar Tripathi was inducted as an Additional Director (Independent) of the Company on February 3, 2023. The Audit Committee was reconstituted by way of inducting Mr. Tripathi as a Member of the Audit Committee.

The Audit Committee met Five (5) times during the Financial Year under review being May 19, 2022, August 2, 2022, September 23, 2022, November 8, 2022 and February 3, 2023. The Board accepted all the recommendations of the Audit Committee. The below table provides the details of the Audit Committee in accordance with RBI Circular RBI/2022-23/26 DOR.ACC.REC. No.20/21.04.018/2022-23 dated April 19, 2022:

Sr. No.	Name of Director/Member	Member of Committee since	Capacity	Number of Meetings of Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Mr. C. Ilango	29.05.2020	Independent-Chairman	5	5	None
2.	Mr. Manish Chokhani	8.10.2022*	Independent-Member	5	5	None
3.	Mr. Gautam Jain	26.10.2017	Non-Executive-Member	5	5	None
4.	Mr. Deo Shankar Tripathi	3.02.2023	Independent-Member	0	0	None

*Mr. Manish Chokhani has been a member of the Committee since October 26, 2017. However, his term as Independent Director ended on September, 30, 2022 and was appointed as an Additional Director (Independent) with effect from October 8, 2022. The Committee was therefore re-constituted to induct Mr. Chokhani again inducted as the Member of the Committee w.e.f. October 8, 2022.

2. Nomination and Remuneration Committee

The major terms of reference of the Nomination and Remuneration Committee inter alia, includes formulation of criteria for determining qualifications, positive attributes and independence of a director, recommendation of persons to be appointed to the Board and Senior Management and specifying the manner for effective evaluation of performance of Board, its Committees, Chairperson and individual directors, recommendation of remuneration policy for directors, key managerial personnel and other employees, formulation of criteria for evaluation of performance of independent directors and the Board, etc.

Mr. Vivek Saraogi is the Chairman of the Nomination and Remuneration Committee and Mr. Manish Chokhani, Mr. C Ilango and Mr. Gautam Jain are the members of the Nomination and Remuneration Committee. Mr. Deo Shankar Tripathi was inducted as an Additional Director (Independent) of the Company on February 3, 2023. The Nomination and Remuneration Committee was reconstituted by way of inducting Mr. Tripathi as a Member of the Committee.

The Nomination and Remuneration Committee met three (3) times during the Financial Year under review being May 19, 2022, November 8, 2022 and February 3, 2023. The Board accepted all the recommendations of NRC. The below table provides the details of the Nomination and Remuneration Committee in accordance with RBI Circular RBI/2022-23/26 DOR.ACC.REC. No.20/21.04.018/2022-23 dated April 19, 2022:

Sr. No.	Name of Director/Member	Member of Committee since	Capacity	Number of Meetings of Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Mr. Vivek Saraogi	25.07.2018	Non Executive-Chairman	3	2	None
2.	Mr. Manish Chokhani	8.10.2022*	Independent-Member	3	3	None
3.	Mr. C Ilango	29.05.2020	Independent-Member	3	3	None
4.	Mr. Gautam Jain	26.10.2017	Non Executive-Member	3	3	None
5.	Mr. Deo Shankar Tripathi	3.02.2023	Independent - Member	0	0	None

*Mr. Manish Chokhani has been a member of the Committee since October 26, 2017. However, his term as Independent Director ended on September, 30, 2022 and was appointed as an Additional Director (Independent) with effect from October 8, 2022. The Committee was therefore re-constituted to induct Mr. Chokhani again as the Member of the Committee w.e.f. October 8, 2022.

3. Executive Committee

The Executive Committee is authorized by the Board to review and approve the operational activities and provide administrative convenience. The terms of reference of the Executive Committee inter alia, include authorizing opening of account with Banks / asset management companies, authorize execution of deeds and documents for any borrowings by the Company, authorize affixation of the Company's Common seal and consider and approve the Information Technology Policy / Information System Policy.

Mr. Gautam Jain, Non-Executive Director is the Chairman of the Committee and Mr. Neeraj Saxena, Managing Director and Chief Executive Officer of the Company is the member of the Executive Committee.

The Executive Committee met seven (7) times during the Financial Year under review being May 19, 2022, June 24, 2022, August 2, 2022, September 30, 2022, October 17, 2022, February 3, 2023, and March 28, 2023. The Board accepted all the recommendations of the Executive Committeee. The below table provides the details of the Executive Committee in accordance with RBI Circular RBI/2022-23/26 DOR.ACC.REC. No.20/21.04.018/2022-23 dated April 19, 2022:

Sr. No.	Name of Director/Member	Member of Committee since	Capacity	Number of Meetings of Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Mr. Gautam Jain	25.07.2018	Non Executive-Chairman	7	7	None
2.	Mr. Neeraj Saxena	3.02.2023*	Executive-Member	7	7	83,54,078 Equity Shares

*Mr. Neeraj Saxena has been a member of the Committee since July 25, 2018. However, his term as Managing Director ended on January, 2, 2023 and was appointed as Managing Director with effect from February 3, 2023. The Committee was therefore re-constituted to induct Mr. Saxena again as the Member of the Committee w.e.f. February 3, 2023.

4. Asset Liability Management Committee

The Asset Liability Management Committee was constituted in accordance with the RBI directives and to monitor the asset liability mismatches to ensure that there are no imbalances or excessive concentrations on either side of the balance sheet and identify ALM risks, measure their impact and monitor the management of fundamental risks to reduce the likelihood of unwelcome surprises.

Mr. Neeraj Saxena, Managing Director & Chief Executive Officer is the Chairman of the Committee and Mr. Harsha Saksena, Chief Financial Officer and Ms. Namita Raja, Head Credit and Operations of the Company are the members of Asset Liability Management Committee.

The Asset Liability Management Committee met seven (7) times during the Financial Year under review being May 19, 2022, June 30, 2022, August 2, 2022, October 7, 2022, November 8, 2022 February 3, 2023 and February 27, 2023. The Board accepted all the recommendations of Asset Liability Management Committee. The below table provides the details of the Asset Liability Management Committee in accordance with RBI Circular RBI/2022-23/26 DOR.ACC.REC. No.20/21.04.018/2022-23 dated April 19, 2022:

Sr. No.	Name of Director/Member	Member of Committee since	Capacity	Number of Meetings of Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Mr. Neeraj Saxena	3.02.2023*	Executive-Chairman	7	7	83,54,078 Equity Shares
2.	Mr. Harsha Saksena	17.02.2021	Chief Financial Officer- Member	7	7	None
3.	Ms. Namita Raja	19.04.2019	Head Credit and Operations-Member	7	7	None

* Mr. Neeraj Saxena has been a member of the Committee since October 17, 2019. However, his term as Managing Director ended on January, 2, 2023 and was appointed as Managing Director with effect from February 3, 2023. The Committee was therefore re-constituted to induct Mr. Saxena again as the Member of the Committee w.e.f. February 3, 2023.

5. Risk Management Committee

The major terms of reference of the Committee, inter alia, include, managing the integrated risk, to lay down procedures to inform the Board about risk assessment and minimisation procedures in the Company and to frame, implement, monitor the risk management plan for the Company. The Committee and the Board periodically review the Company's risk assessment and minimisation procedures to ensure that the Management identifies and controls risk through a properly defined framework.

Mr. Gautam Jain, Director is the Chairman of the Committee and Mr. Manish Chokhani, Independent Director, Mr. Neeraj Saxena, Managing Director & Chief Executive Officer, Mr. Harsha Saksena, Chief Financial Officer, Ms. Namita Raja, Head Credit and Operations of the Company and Mr. Kumar Lalwani, Chief Technology Officer of the Company are the members of the Committee. During the Financial Year under review, Risk Management Committee was reconstituted. Mr. Goutham KS resigned from the services of the Company as Head - Information Technology and thus ceased to be the member of the Committee. Mr. Kumar Lalwani who was appointed as Chief Technology Officer of the Company was inducted as the member of the Committee with effect from October 8, 2022. Mr. Deo Shankar Tripathi was appointed as an Additional Director (Independent) of the Company by the Board of Directors on February 3, 2023. The Risk Management Committee was reconstituted by way of inducting Mr. Tripathi as a Member of the Committee.

The Risk Management Committee met four (4) times during the Financial Year under review being May 19, 2022, August 2, 2022, November 8, 2022 and February 3, 2023. The Board accepted all the recommendations of Risk Management Committee.The below table provides the details of the Risk Management Committee in accordance with RBI Circular RBI/2022-23/26 DOR.ACC.REC. No.20/21.04.018/2022-23 dated April 19, 2022:

Sr. No.	Name of Director/Member	Member of Committee since	Capacity	Number of Meetings of Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Mr. Gautam Jain	5.08.2020	Non-Executive Chairman	4	4	None
2.	Mr. Manish Chokhani	8.10.2022*	Independent- Member	4	4	None
3.	Mr. Neeraj Saxena	3.02.2023#	Executive- Member	4	4	83,54,078 Equity Shares
4.	Mr. Harsha Saksena	17.02.2021	Chief Financial Officer-Member	4	4	None
5.	Ms. Namita Raja	17.10.2019	Head Credit and Operations-Member	4	4	None
6.	Mr. Goutham KS	17.10.2019	Head - Information Technology-Member	2	2	None
7.	Mr. Kumar Lalwani	8.10.2022	Chief Technology Officer- Member	2	2	None
8.	Mr. Deo Shankar Tripathi	3.02.2023	Independent - Member	0	0	

*Mr. Manish Chokhani has been a member of the Committee since October 17, 2019. However, his term as Independent Director ended on September, 30, 2022 and was appointed as an Additional Director (Independent) with effect from October 8, 2022. The Committee was therefore re-constituted to induct Mr. Chokhani again as the Member of the Committee w.e.f. October 8, 2022.

Mr. Neeraj Saxena has been a member of the Committee since October 17, 2019. However, his term as Managing Director ended on January, 2, 2023 and was appointed as Managing Director with effect from February 3, 2023. The Committee was therefore re-constituted to induct Mr. Saxena again as the Member of the Committee w.e.f. February 3, 2023.

6. IT Strategy Committee

The major terms of reference of IT Strategy Committee, inter alia, includes approving IT strategy and policy documents, to ensure that management has an effective strategic planning process and to ensure that IT strategy is aligned with business strategy.

Mr. C Ilango, Independent Director is the Chairman of the Committee and Mr. Neeraj Saxena, Managing Director & Chief Executive Officer, Mr. Harsha Saksena, Chief Financial Officer and Mr. Kumar Lalwani are the members of the Committee. During the period under review, IT Strategy Committee was reconstituted. Mr. Goutham KS has stepped down as Head - Information Technology and ceased to be the member of the Committee and Mr. Kumar Lalwani was appointed as Chief Technology Officer w.e.f. October 8, 2022 and inducted as the member of the Committee.

The IT Strategy Committee met two (2) times during the Financial Year under review being August 2, 2022 and February 3, 2023. The Board accepted all the recommendations of IT Strategy Committee.The below table provides the details of the IT Strategy Committee in accordance with RBI Circular RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated April 19, 2022:

Sr. No.	Name of Director/Member	Member of Committee since	Capacity	Number of Meetings of Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Mr. C Ilango	8.06.2020	Independent-Chairman	2	2	None
2.	Mr. Neeraj Saxena	3.02.2023#	Executive- Member	2	2	83,54,078 Equity Shares
3.	Mr. Harsha Saksena	12.05.2021	Chief Financial Officer-Member	2	2	None
4.	Mr. Goutham KS	8.06.2020	Head - Information Technology-Member	1	1	None
5.	Mr. Kumar Lalwani	8.10.2022	Chief Technology Officer- Member	1	1	None

Mr. Neeraj Saxena has been a member of the Committee since October 17, 2019. However, his term as Managing Director ended on January, 2, 2023 and was appointed as Managing Director with effect from February 3, 2023. The Committee was therefore re-constituted to induct Mr. Saxena again as the Member of the Committee w.e.f. February 3, 2023.

7. Corporate Social Responsibility Committee

The major terms of reference of CSR Committee, inter alia, includes confirming that the implementation and monitoring of CSR policy is in compliance with CSR objectives and policy of the Company; and to overview the projects or programmes which are proposed to be undertaken by the Company in the coming years.

Mr. Manish Chokhani, Independent Director is the Chairman of the Committee and Mr. Gautam Jain, Director with Mr. Neeraj Saxena, Managing Director & Chief Executive Officer are the members of the Committee. Mr. Deo Shankar Tripathi was appointed as the member of the Committee w.e.f. February 3, 2023.

The CSR Committee met two (2) time during the Financial Year under review being May 19, 2022 and August 2, 2022.The below table provides the details of the Corporate Social Responsibility Committee in accordance with RBI Circular RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated April 19, 2022:

Sr. No.	Name of Director/Member	Member of Committee since	Capacity	Number of Meetings of Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Mr. Manish Chokhani	8.10.2022*	Independent-Chairman	2	2	None
2.	Mr. Gautam Jain	5.08.2020	Non Executive-Member	2	2	None
3.	Mr. Neeraj Saxena	3.02.2023#	Executive -Member	2	2	83,54,078 Equity Shares
4.	Mr. Deo Shankar Tripathi	3.02.2023	Independent-Director	-	-	None

*Mr. Manish Chokhani has been a member of the Committee since August 5, 2020. However, his term as Independent Director ended on September, 30, 2022 and was appointed as an Additional Director (Independent) with effect from October 8, 2022. The Committee was therefore re-constituted to induct Mr. Chokhani again as the Member of the Committee w.e.f. October 8, 2022.

Mr. Neeraj Saxena has been a member of the Committee since August 5, 2020. However, his term as Managing Director ended on January, 2, 2023 and was appointed as Managing Director with effect from February 3, 2023. The Committee was therefore re-constituted to induct Mr. Saxena again as the Member of the Committee w.e.f. February 3, 2023.

8. Borrowing Committee

The terms of reference of Borrowing Committee, inter alia, includes exercising all powers to borrow money within limits approved by the Board, and taking necessary actions connected therewith, including refinancing for optimisation of borrowing costs including but not limited for the purpose of creating, offering, issuing and allotting the Debentures on behalf of the Company and to determine the terms and conditions of the issue of the Debentures of each series/ tranche for the purpose of issuance of the Debentures.

Mr. Akash Bhanshali, Director is the Chairman of the Committee and Mr. Neeraj Saxena, Managing Director and Chief Executive Officer and Mr. Vivek Saraogi, Director, are the members of the Committee. Mr, Vivek Sarogi was inducted as the member w.e.f. August 2, 2022.

The Borrowing Committee met eleven (11) times during the Financial Year under review being June, 24, 2022, July 12, 2022, August 10, 2022, August 26, 2022, September 1, 2022, September 13, 2022, September 30, 2022, December 22, 2022, January 30, 2023, March 14, 2023 and March 29, 2023.The below table provides the details of the Borrowing Committee in accordance with RBI Circular RBI/2022-23/26 DOR.ACC.REC. No.20/21.04.018/2022-23 dated April 19, 2022:

Sr. No.	Name of Director/Member	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/Chairman/ Promoter nominee/ Independent)	Number of Meetings of Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Mr. Akash Bhanshali	8.06.2020	Non-Executive - Chairman	11	11	None
2.	Mr. Neeraj Saxena	8.06.2020	Executive-Member	11	10*	83,54,078 Equity Shares
3.	Mr. Vivek Saraogi	2.08.2022	Non-Executive-Member	9	2	None

*Out of 11 meetings of the Borrowing Committee, Mr. Neeraj Saxena attended ten meetings as a Member of the Committee. One meeting which was held on January 30, 2023, Mr. Saxena attended as an invitee in his position as the Chief Executive Officer of the Company. Hence his attendance as a member is indicated as 10 out of 11.

Policies

1. Remuneration Policy

The Company has a Board approved Remuneration Policy laying down the standards to:

(a) Establish the remuneration system driven by the strategic objectives of the Company
(b) Establish remuneration practices strengthened by the principles of meritocracy and fairness.

(c) Ensure the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

The standards serve as the guidelines for the Nomination and Remuneration Committee of the Board to function. It also provides the guidance to the Company's management and Human Resources Department to follow in its recruitment process.

The Remuneration Policy has been displayed on the website of the Company. The link for the same ishttps://www.auxilo.com/policy

2. Risk Management Policy

The Board of the Company has approved Risk Management Policy. The risks covered under the scope of policy are Credit risk, Market risk and Operational risk. Risk Management Policy framework is formulated to ensure that there is a formal process for risk identification, risk assessment and risk mitigation.

3. Corporate Social Responsibility Policy

The Board of the Company has Company approved Corporate Social Responsibility Policy laying down the standards to:

(a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy to indicate the corporate social responsibility activities to be undertaken by the Company

(b) Recommend the amount of expenditure to be incurred on such activities

(c) Monitor the Corporate Social Responsibility Policy of the Company from time to time

During the year under review, the Company spent an amount of Rs. 42,841/- towards the identified as CSR activities. The Annual report on CSR activities is enclosed as **Annexure A** and forms part of this report.

Statutory Auditors

M/s. Nangia and Co. LLP, Chartered Accountants (Firm Registration Number: 002391C/N500069)) were appointed as the Statutory Auditors of the Company for a period of 3 years on June 28, 2022 at the Annual General Meeting held on June 28, 2022. M/s. Nangia and Co. LLP, Chartered Accountants continue to be the Statutory Auditors of the Company.

Internal Auditors

Your Board of Directors designated the team consisting of the Chief Financial Officer of the Company in co-ordination with the Associate Vice President Accounts - Corporate Planning & Strategy to handle in-house internal audit function of the Company. M/s KPMG Assurance and Consulting Services LLP were engaged to provide Co-Source Internal Audit Services to help the Internal Audit Function enhance the quality of Corporate Governance and better respond to the calls for increased and embedded risk management and control.

The Internal Audit reports were reviewed by the Audit Committee on periodical basis.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company appointed M/s Mehta and Mehta, Practicing Company Secretaries to conduct the secretarial audit for the Financial Year ended March 31, 2023.

Explanation or Comments by the Board on every qualification, reservation or adverse remarks or disclaimer made

(a) Auditors' Report **-** There were no qualifications, reservations or adverse remarks or disclaimers made by the Statutory Auditors of the Company in their audit report for the Financial Year 2022-23.

The report of the Statutory Auditors is annexed to this Report.

(b) Secretarial Audit Report - There were no qualifications, reservation or adverse comments made by the Secretarial Auditor of the Company in their audit report for the Financial Year 2022-23.

The Secretarial Audit report for the Financial Year 2022-23 is enclosed as **Annexure B** to this Report

Details of Fraud Reported by Statutory Auditors

During the Financial Year under review, the Statutory Auditors of the Company have not reported any instance of fraud as prescribed under Section 143(12) of the Companies Act, 2013.

Maintenance of Cost Records

During the Financial Year under review, the Company was not required to maintain the Cost records, pursuant to Section 148(1) of the Companies Act, 2013 read with Rule 3 of the Companies (Cost Records and Audit) Rules, 2014 for the services rendered. Hence, the disclosure required under Rule 8 of the Companies (Accounts) Rules, 2014 is not applicable.

Employee Stock Options

The Company has Employee Stock Option Plan 2017 ("ESOP 2017" or "the Scheme") with a pool of 1,20,00,000 Employee Stock Options convertible into equivalent number of equity shares of face value of Rs.10 each. The exercise price under the scheme is the fair market value as determined by the valuer appointed by the Board at the time of grant. The Scheme as approved authorizes the Nomination and Remuneration Committee to administer the same.

Details of Employee Stock Option Plan 2017 pursuant to the provisions of The Companies (Share Capital and Debentures) Rules, 2014 as on March 31, 2023:

Options granted for the year	8,50,500
Options vested for the year	22,88,000
The total number of shares arising as a result of exercise of option	9,51,500
Options lapsed	12,40,500
Exercise price	Exercise price is the 'Fair Market Value' of the shares of the Company as determined by an independent valuer appointed by the Company for each grant
Variation of terms of options	The terms of options has not been varied
Money realized by exercise of options	Rs. 95,96,475/- (excluding taxes)
Total number of options in force	1,02,14,000

Employee-wise details of options granted during the year under review

i. Key Managerial Personnel

Sr. No	Key Managerial Personnel	No. of options granted
1.	Deepika Thakur Chauhan	1,00,500

ii. Any other employee who received a grant of options in any one year of option amounting to five percent or more of options granted during that year

Sr. No	Employee Name	No. of options granted
	NIL	NIL

iii. Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversion) of the Company at the time of grant

Sr. No	Employee Name	No. of options granted
	NIL	NIL

Extract of the Annual Return

The Annual Return for Financial Year 2022-23 as required under Section 92 of the Companies Act, 2013 has been placed on the website of the Company. The following is web link for the same: https://www.auxilo.com/investor-relations/.

Companies that have become or ceased to become Subsidiaries/Joint Ventures/ Associate Companies

M/s Balrampur Chini Mills Limited and M/s Elme Advisors LLP each have investment to the tune of 43.93% respectively in equity shareholding in your Company. Your Company continues to be the associate Company of M/s Balrampur Chini Mills Limited and M/s Elme Advisors LLP by virtue of having the significant influence on your Company in terms of the provisions of the Companies Act, 2013.

Particulars of Loans, Guarantees or Investments under Section 186 of the Companies Act, 2013

The Company being a Non-Banking Financial Company registered with the Reserve Bank of India has the exemption from the provisions of section 186 of the Companies Act, 2013 and rules thereunder for the purpose of grant of loans. The Company in the ordinary course of business grants Loans for higher education to the students and loans to the Educational institutions in the ordinary course of business details of which are provided under the financial statements.

Particulars of Contracts or Arrangements with Related Parties

Your Company has not entered into any contract or arrangement with related parties referred under the provisions of Section 188 of the Companies Act, 2013, during the Financial Year 2022-23 requiring disclosure in Form No. AOC 2, as prescribed under Rule 8(2) of the Companies (Accounts) Rules, 2014. Details of other related party transactions are provided in the notes to the financial statements. The Company's Policy on dealing with Related Party Transactions is available on the Company's website. The following is web link for the same: https://www.auxilo.com/policy

Vigil Mechanism/Whistle Blower Policy

The Company has established a vigil mechanism to provide appropriate avenues to the Directors and employees to bring to the attention of the Management, their genuine concerns about behavior of employees, if any, or report about the unethical behavior by using the mechanism provided in the Whistle Blower Policy. During the Financial Year 2022-23, no cases under this mechanism were reported to the Company.

Directors' Responsibility Statement

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors state that:

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit and loss of the Company for that period;
(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
(d) the directors had prepared the annual accounts on a going concern basis; and
(e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
(f) The directors had laid down internal financial controls to be followed by the Company and such internal controls were adequate and operating effectively.

Internal Financial Control Systems and their Adequacy

The Company has put in place adequate policies and procedures to ensure that the system of internal financial control is commensurate with the size and nature of the Company's business. These systems provide a reasonable assurance in respect of providing financial and operational controls, complying with applicable statues, safeguarding of assets of the Company, prevention and detection of frauds, accuracy and completeness of accounting records and ensuring compliance with corporate policies.

Disclosure under the Sexual Harassment of Woman at Workplace

The Board had formulated, adopted and approved a Policy on Prevention of Sexual Harassment at work place in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees are covered under the policy. The Company has constituted Internal Complaints Committee (ICC) under the provision of the said act. No complaint was received from any employee during the Financial Year 2022-23 and hence no complaint is outstanding as on March 31, 2023 for redressal.

Material Changes and commitments, if any, affecting the Financial position after the Balance Sheet date

There have been no material changes or commitments which affect the financial position of the Company which have occurred between end of Financial Year to which the financial statements relate and the date of this report.

Change in Registered Office

During the Financial Year under review, the Company shifted its registered office from LG-B-13 & 14, Lower Ground Floor, Art Guild House, Phoenix Market City, LBS Marg, Kurla West, Mumbai- 400070 to Office No. 63, 6th Floor Kalptaru Square Kondivita Road, Andheri East Mumbai- 400059 in the month of October, 2022 in accordance with the approval accorded by the Board of Directors at their meeting held on August 2, 2022.

Regulatory Updates

The Reserve Bank of India introduced significant changes to the Regulatory structure for Non-Banking Financial Companies (NBFCs). The NBFCs based on their size, activity and perceived riskiness have been divided into four layers viz., NBFC - Base Layer, (NBFC-BL), NBFC - Middle Layer (NBFC-ML) NBFC - Upper Layer (NBFC-UL) and NBFC- Top Layer (NBFC-TL). The base layer shall include non-deposit taking NBFCs, with asset size less than Rs. 1000 Crore. The middle layer shall include all deposit taking NBFCs, irrespective of asset size, non-deposit taking NBFCs with an asset size of Rs. 1000 Crore or more, as well as housing finance companies, infrastructure finance companies, standalone primary dealers, infrastructure debt fund investment companies and core investment companies.

Your Company with a total asset size of above Rs. 1000 Crore shall be NBFC-Middle Layer. The Company as per the Master Directions issued by Reserve Bank of India (RBI) and the erstwhile classification is a Non-Banking Financial Company - Systemically Important Non-Deposit taking Company.

Secretarial Standards/Regulatory Guidelines

Your Company has complied with the applicable provisions of Secretarial Standards 1 and 2 issued by the Institute of Company Secretaries of India and the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 prescribed by RBI regarding accounting standards, prudential norms for asset classification, income recognition, provisioning, capital adequacy, etc.

There was no change in nature of business of your Company during the Financial Year 2022-23.

During the year there has been no significant orders passed by the Regulators or Courts or Tribunals impacting the going concern status and the Company's operation in future.

Details of General Board Meetings

During the Financial year under review, the Company had held 1 Annual General Meeting. The details are as under:

Sr. no	Type of Meeting (Annual/ Extra Ordinary)	Date and Place	Special resolutions passed
1.	Annual General Meeting	June 28, 2022 through video conferencing deemed to be held at the registered office of the Company	Issuance of Non-Convertible Debentures for an amount not exceeding Rs. 250 Crore

Details of Non- compliance with the requirements of the Companies Act, 2013

Your Company has complied with the requirements of the Companies Act, 2013, including with respect to compliance with accounting and secretarial standards and there being no default in this connection.

Details of Penalties and Strictures

There were no penalties or stricture imposed on the Company by the Reserve Bank or any other statutory authority.

Transfer to Investor Education and Protection Fund (IEPF)

Since there was no amount lying w.r.t. unpaid / unclaimed Dividend and Shares, the provisions of Section 125 of the Companies Act, 2013 and the rules thereunder does not apply. Further, there was no amount due to be transferred to IEPF in respect to secured redeemable Non-Convertible Debentures and interest thereon by the Company.

Management Discussion and Analysis Report

The Management Discussion and Analysis Report forms part of the Annual Report.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Since the Company does not carry any manufacturing activities, particulars to be disclosed with respect to conservation of energy and technology absorption under section 134(3)(m) of the Act read with Companies Accounts Rules, 2014 are not applicable

The information on, foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Companies Act, 2013, read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 is given in herein. Your Company's website address is: https://www.auxilo.com/

Foreign Exchange Earnings: Nil
Foreign Exchange Outgo: Nil

Acknowledgements

Your Directors wish to place on record the appreciation and gratitude for the support extended by the Regulators, Reserve Bank of India, Securities Exchange Board of India, Ministry of Corporate Affairs, Stock Exchange, Bankers, other Lenders and other stakeholders for their continued support and guidance. Board of Directors would also like to take this opportunity to thank the Company's customers, shareholders, debenture holders and the employees to have reposed faith in the Company. Special mention for the employees and business associates for their dedication and commitment, team play and professionalism in maintaining the Company continues to deliver its services.

For and on behalf of the Board of Directors

Mr. Manish Chokhani
Chairman
DIN - 00204011

Mr. Neeraj Saxena
Managing Director and CEO
DIN - 07951705

Place – Mumbai
Date – May 2, 2023

Annexure A – CSR Auxilo’s Edevate Program

ANNEXURE-A

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES OF THE COMPANY

A BRIEF OUTILINE ON CSR POLICY

Your Company's focus is to tie up with implementing agencies that are engaged in deeper and more meaningful projects, such that the Company's corpus for Corporate Social Responsibility activities shall have a higher impact. The Company believes that its job as a responsible corporate citizen is to solve problems and overcome challenges through our services and actions, thereby contributing to advancing and growing the education world. Your Company is committed to creating lasting value for society and has placed strategic focus areas for its Corporate Social Responsibility during this financial year on the advancement of education.

GUIDING PRINCIPLES FOR SELECTING THE ACTIVITIES

Student Potential Upliftment

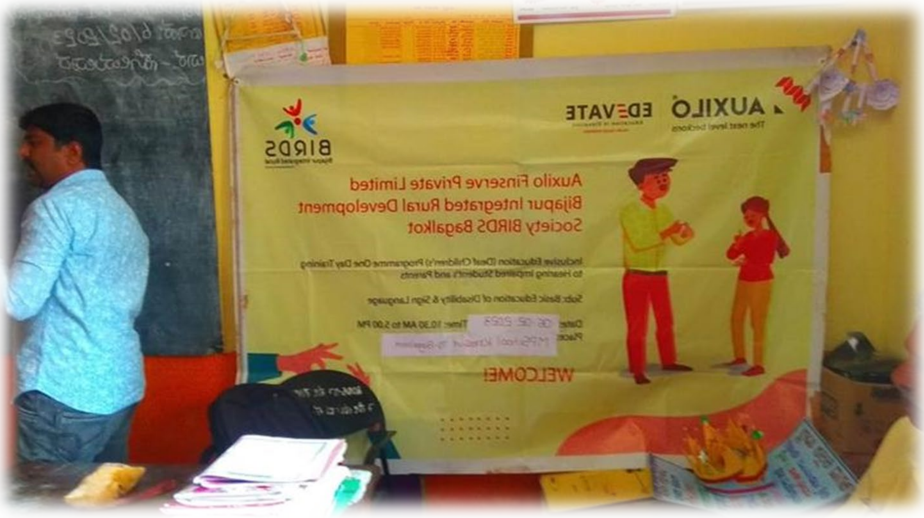
- Underprivileged and Orphan Education Alleviation
- Education programs for Special Kids

Programs directed towards Girl Child EducationBuddy4Study India Foundation

Amidst the COVID-19 outbreak, your Company supported by setting up a Scholarship fund with Buddy4study to provide financial assistance to 20 COVID-19 affected students who had lost their parent (s)/earning member(s) or whose family members had lost their employment (or livelihood) in COVID-19 pandemic.

BIRDS (Bijapur Integrated Rural Development Society)Bijapur Integrated Rural Development Society is a registered Voluntary Organization under Karnataka Societies Registration Act 1960 and committed to integrated rural development since 1989.BIRDS has been working with the vulnerable target group families especially, landless, Scheduled Castes and Scheduled Tribes (SC/STs), small and marginal farmers, women on socio-economic issues and the development of rural poor through diversified developmental activities.

Under this program your Company has funded their School's basic development needs like sanitation, infrastructure, administrative, IT assets etc. of needy schools /NGOs in the country.



Composition of CSR Committee

Sr. No.	Name of Director	Designation/Nature of Directorship	Chairman/ Member	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Manish Chokhani	Independent Director	Chairman	2	2
2	Mr. Neeraj Saxena	Managing Director & CEO	Member	2	2
3	Mr. Gautam Jain	Non-Executive Director	Member	2	2
4	Mr. Deo ShankarTripathi	Independent Director	Member	-	-

*Mr. Deo Shankar Tripathi was appointed as a member of the Committee w.e.f. February 3, 2023.

1. Provide the web-link where the Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company**:** https://www.auxilo.com/policy.

2. Provide the executive summary along with the web-link(s) of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable - Not Applicable.

3.

(a)	Average net profit of the company as per sub-section (5) of section 135	Rs. 12,71,42,068/-
(b)	Two percent of average net profit of the Company as per sub-section (5) of section 135	Rs. 25,42,841/-
(c)	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years	Nil
(d)	Amount required to be set-off for the financial year, if any	Nil
(e)	Total CSR obligation for the financial year [(b)+(c)-(d)]	Rs. 25,42,841/-

4.

(a)	Amount spent on CSR Projects (both ongoing project and other than ongoing project)	Rs. 25,42,841/-
(b)	Amount spent in Administrative Overheads	Nil
(c)	Amount spent on Impact Assessment, if applicable	Not Applicable
(d)	Total amount spent for the financial year ((a) + (b) + (c))	Rs. 25,42,841/-

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
25,42,841 /-	Nil	NA	NA	Nil	NA

(f) Excess amount for set off, if any: Not applicable

Sr. No.	Particulars	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	25,42,841
(ii)	Total amount spent for the Financial Year	25,42,841
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	-

5. Details of Unspent CSR amount for the preceding three financial years: Not applicable

1	2	3	4	5	6		7	8
Sr. No.	Preceding F.Y.	Amount transferred to Unspent CSR Account under Section 135(6) (Rs.)	Balance Amount in unspent CSR Account under sub section (6) of section 135 (in Rs.) spent in the reporting Financial Year (Rs.)	Amount spent in the Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section 5 of section 135, if any		Amount remaining to be spent in Succeeding financial years. (Rs.)	Deficiency, if any
					Amount (in Rs).	Date of transfer		

6. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:** No

7. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):** Not Applicable

NEERAJ SAXENA MANISH CHOKHANI

(Managing Director & CEO)	(Chairman- CSR Committee)
Date: May 2, 2023	Place: Mumbai

Secretarial Report

ANNEXURE-B

FORM MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2023

{Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014}

To,
The Members,
AUXILO FINSERVE PRIVATE LIMITED
Office No. 63, 6th Floor
Kalptaru Square
Kondivita Road,
Andheri East,
Mumbai 400059.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Auxilo Finserve Private Limited** (hereinafter called "the Company"). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct / statutory compliance and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023, complied with the statutory provisions listed here under and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023, according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(during the period under review not applicable to the company)**;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011**(during the period under review not applicable to the company);**

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(during the period under review not applicable to the company)**;

(d) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

(e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients (during the period under review not applicable to the Company);

(f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (during the period under review not applicable to the Company);

(g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (during the period under review not applicable to the Company);

(h) The Securities and Exchange Board of India (Share Based Employees Benefits and Sweat Equity) Regulations, 2021;

(vi) Non-Banking Financial Company – Systematically Important Non- Deposit taking Company (Reserve Bank) Directions, 2016;

(vii) Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016;

(viii) Master Direction – Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016;

(ix) Master Direction - Information Technology Framework for the NBFC Sector;

(x) Master Direction – Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016.

We have examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India;

(ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the period under review the Company has complied with the provisions of Act, Rules, Regulations, Guidelines, Standards, etc.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of the Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices are given to all Directors to schedule the Board / Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance to all the Directors. Meetings held at shorter notice are in compliance with the provisions of the Act and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company had the following specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

a. The Board of Directors of the Company passed a resolution dated September 23, 2022 for issue of 2,32,02,982 equity shares on rights basis. Further, same were allotted on September 30, 2022.
b. The Board of Directors of the Company passed the following resolutions by circulation for allotment of Non-Convertible Debentures ("NCDs"):

Sr. No.	Date of passing circular resolution	Name of Allottee	Type of Securities allotted	No. of NCDs allotted
1	July 21, 2022	A. K. Capital Services Limited	Secured, Rated, Listed, Redeemable Taxable, NCD	500
2	August 18, 2022	A. K. Capital Services Limited	Secured, Rated, Listed, Redeemable Taxable, NCD	350
3	September 22, 2022	A. K. Capital Services Limited	Secured, Rated, Listed, Redeemable Taxable, Principal Protected Market Linked (PP-MLD), NCD	400
		A. K. Capital Finance Limited		100
4	October 03, 2022	Aditya Birla Finance Limited	Secured Rated, Listed, Redeemable, Taxable, NCD	250

c. The Board of Directors of the Company passed a resolution dated May 19, 2022 approving borrowing proposals up to a maximum limit of Rs. 1500 Crore for the Financial Year 2022-23.

d. The Board of Directors of the Company passed a resolution dated May 19, 2022 approving issuance of Non- Convertible Debentures on private placement basis in one or more tranches up to a maximum limit of Rs. 250 Crore and the same was approved by the members of the Company at its Annual General Meeting held on June 28, 2022.

e. The Executive Committee of the Company has passed the resolutions for allotment of ESOPs as follows:

Sr. No.	Date of Resolution	No. of ESOP allotted
1	October 17, 2022	452500
2	February 03, 2023	99000
3	March 28, 2023	400000

f. The Board of Directors of the Company passed a resolution dated March 30, 2023 for a receipt of Call Money of Rs. 9.89 per share towards 26,66,666 0.001% Class C Optionally Convertible (Cumulative Non participatory) Preference Shares (OCPS) aggregating to Rs. 2,63,73,326.74 from Mr. Neeraj Saxena making the Class C OCPS fully paid up and also converted Class C 0.001% Optionally Convertible Preference Shares into Equity Shares.

For Mehta & Mehta,
Company Secretaries
(ICSI Unique Code P1996MH007500)

Atul Mehta
Partner
FCS No: 5782
CP No: 2486

Place: Mumbai
Date: May 02, 2023
UDIN: F005782E000235198

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

ANNEXURE A

To,
The Members,
AUXILO FINSERVE PRIVATE LIMITED
Office No. 63, 6th Floor
Kalptaru Square
Kondivita Road,
Andheri East,
Mumbai 400059.

Our report of even date is to be read along with this letter.

1) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4) Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5) The compliance of the provisions of corporate laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6) As regard the books, papers, forms, reports and returns filed by the Company under the provisions as referred in our Secretarial Audit Report in Form MR-3 the adherence and compliance to the requirements of the said regulations is the responsibility of management. Our examination was limited to checking the execution and timeliness of the filing of various forms, reports, returns and documents that need to be filed by the Company with various authorities under the said regulations. We have not verified the correctness and coverage of the contents of such forms, reports, returns and documents.

7) The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

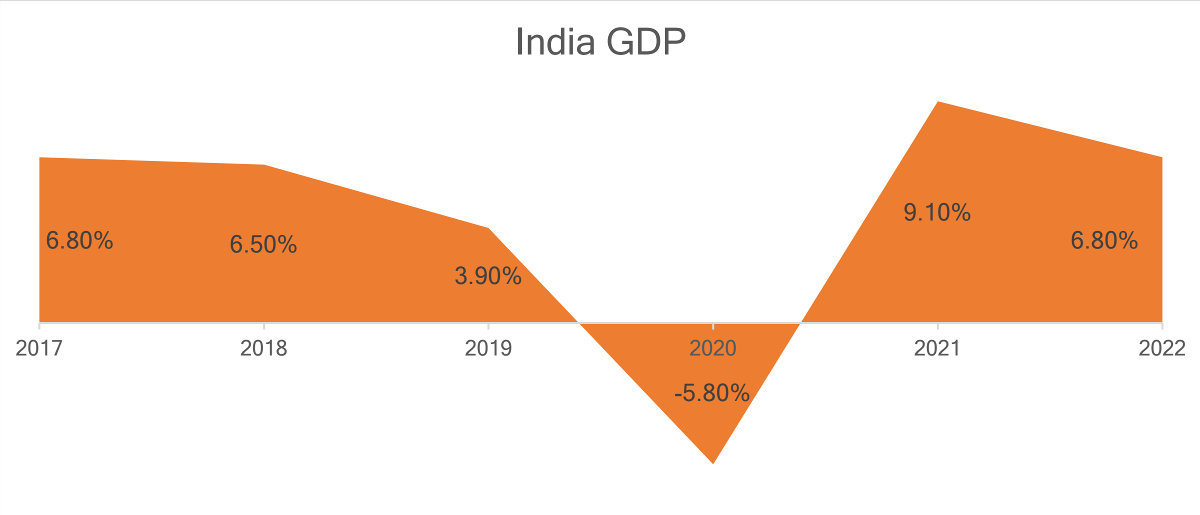
For Mehta &Mehta,
Company Secretaries
(ICSI Unique Code P1996MH007500)

Atul Mehta
Partner
FCS No: 5782
CP No: 2486
Place: Mumbai
Date: May 02, 2023
UDIN: F005782E000235198

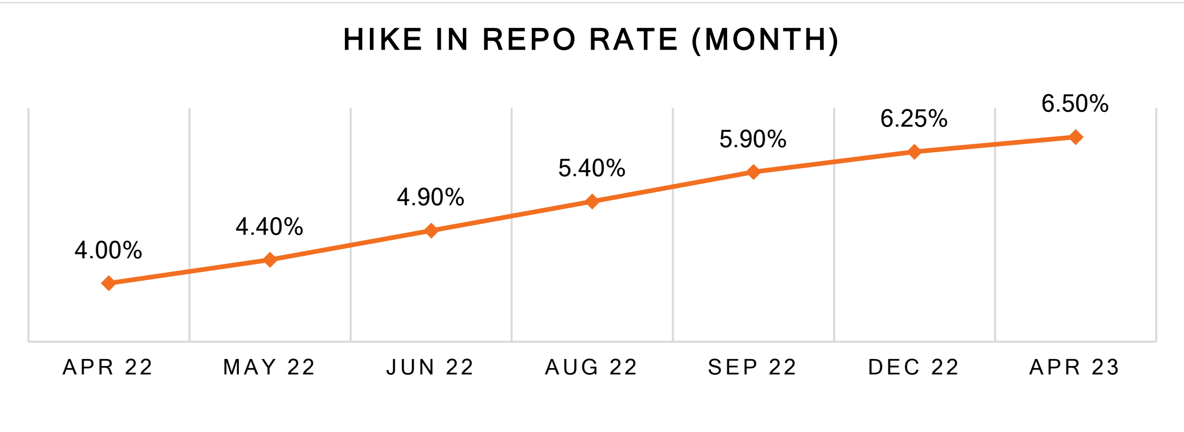
MANAGEMENT DISCUSSION AND ANALYSIS

INDIAN ECONOMY AND OVERVIEW

India continued to witness strong economic growth, retaining its position as the fastest-growing major economy in the world. India's GDP grew 6.8% in 2022 compared to 9.1% in 2021. As per the RBI estimates, it is expected to grow 6.5% during FY23-24. This can be attributed to robust growth in the export of services, strong domestic demand and infrastructure spending by the government. According to data provided by the Reserve Bank of India (RBI), India's services exports soared by a record 26.6% in 2022-23 to US$ 322 billion According to Morgan Stanley Research, India's GDP could double from $3.5 trillion in 2022 to $7.5 trillion by 2031.



However, the ongoing war between Russia and Ukraine has caused supply chain disruptions worldwide. This, coupled with quantitative easing and excess liquidity infused during the pandemic, has led to a spike in global inflation, forcing the central banks to tighten the monetary policy, which has also affected global economic growth. As of March 2022, retail inflation stood at 6.95%, above the comfort limit of 4% set by the RBI. To contain the inflationary pressure, RBI hiked the repo rate from 4% to 6.5% and maintained a 'withdrawal of accommodation' stance.



Foreign Exchange Reserves held by the RBI as on March 31, 2023, were $578.44 billion, which saw a slight dip because of the central bank's intervention to prevent volatility in the rupee that resulted from global headwinds.

In the Union Budget 2023, there was no revision in the fiscal deficit target of 6.4% for FY22-23 set previously and the target for FY 23-24 has been lowered to 5.9% by the government. The government has set 7 priorities in the Budget with a focus on areas like Infrastructure and Investments, Youth Power, Financial Sector and Green growth which is expected to aid the domestic consumption market and provide impetus to growth and employment.

Recently, India surpassed China to become the world's most populous country with 1.4 billion people with a median age of 28.4 years and 52% below 30 years giving it the benefit of a Demographic Dividend with a large young population that can contribute to the country's workforce and productivity. According to a report by Ernst and Young, per capita income is projected to increase six-fold by 2047, resulting in more disposable income thereby increasing overall consumption.

INDUSTRY STRUCTURE AND DEVELOPMENT

India, as a society, has always put a premium on education, knowledge, and its acquisition. This is validated by the fact that spending on education has figured as the single largest expenditure for a middle-class household after food and groceries. With its rapidly expanding middle class, India's private spending on education is set to increase manifold. India's education sector has immense potential for growth and development, driven by various factors such as digitalization, impetus on skill development & vocational education, higher education, and EdTech.

The government's focus on improving the quality of education, increasing access to education, and promoting innovation in the education sector provides an enabling environment for the growth of the education sector in India. In Union Budget 2023, the government announced various initiatives primarily focusing on skill development and imparting training for new age courses under *Pradhan Mantri Kaushal Vikas Yojana (PMKVY) 4.0*.

Overseas Education Market also witnessed robust growth with approximately 7.7 Lakh students going abroad for higher studies in 2022. The USA remains the top choice for students, followed by Canada, UK, and Australia. Tuition fee is increasing consistently and currency depreciation makes it challenging for students to finance studies with their own funds. The ease and availability of finance provided by Banks and specialized NBFCs have further supported the growth in this segment where an increasing number of capable and deserving youths are now able to fulfil their aspiration of studying abroad. The trend of Indian students pursuing higher education abroad is expected to persist.

In recent years, the EdTech industry in India has seen significant growth because of various factors like the increasing adoption of technology in the education sector, the growing demand for online and distance learning, and the rise of affordable smartphones and internet access. One of the key factors driving the growth of the EdTech industry in India is the large population of young people in the country who are looking to acquire new skills and knowledge to succeed in the global job market. The EdTech market in India is projected to grow from $3 billion to $10 billion by 2025.

With a growing number of students opting to pursue education abroad, a strong focus on the EdTech industry and the gradual recovery of education institutions following the impact of the COVID-19 pandemic, the education industry in India is poised for significant expansion. This growth trajectory is bolstered by the increasing disposable income of the population, attributed to the steady rise in per capita income among Indian households.

COMPANY OVERVIEW

Auxilo continues to focus on the core mission to provide financial assistance to the entire Education Ecosystem. During the year, the Company got classified under the "Middle Layer" under Scale Based Regulations prescribed by RBI.

OUR BUSINESS

Within the education financing domain, the Company offers loans under three segments:

A) Student Education Loans: In this segment, the Company provides finance for the higher education needs of the Indian youth. Within this segment, the Company offers financial assistance to students seeking to advance their skillset through higher education in India and Abroad. The Company continues to focus and drive growth from this segment. Out of the total disbursement made in the current year 99% of disbursement were made in this segment.

B) Skill Development Loans: In FY23, the company forayed into skill development loans. The company has partnered with the National Skill Development Corporation (NSDC). Under this segment, the Company gives loans to students of NSDC affiliated training partners to enhance their skill sets and align the same with the evolving demands of the job market domestically and internationally. The company has developed digital technology to onboard customers and process loans.

C) Education Institution Loans: Under this segment, the Company provides finance for the working and growth capital needs of educational institutes in Tier 2 and Tier 3 cities. Considering the impact of COVID in this segment, the Company adopted a slow and cautious approach in the segment. However, the Company expects this segment to strengthen and grow at an improved pace from the next academic year with an increase in student strength and fee collection.

Other Initiatives

The Company focused on the following initiatives during the year:

1. Digitization

The company's digitization objective is 3-fold:

- Transform the customer's journey across the life cycle to improve the overall experience
- Improve productivity of manpower by utilizing digital stack API and standardizing credit assessment
- Create operational efficiencies

This year the company has launched a digital onboarding platform for skill development customers.

The company intends to leverage the same and create a similar IT infrastructure for the Higher education loan segment. This would enable us to further improve efficiencies and serve our customers better by improving TAT & service quality.

2. Data Analytics

Realizing the value of data, the company started the Business Intelligence function with the intent to make the organization data-driven in the truest sense. We invested in human capital and infrastructure to build the foundational Data layer with the capability of meeting organizational needs for automation, reporting, and analytics.

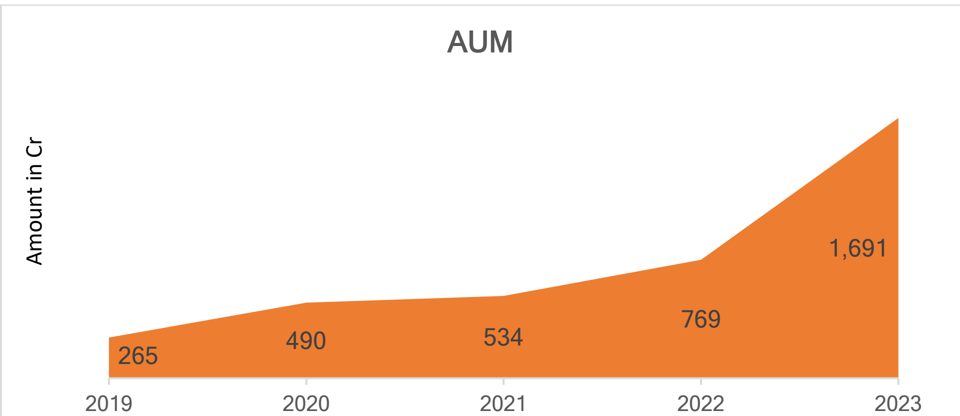
In addition to Data Layer, the company started building on Data Analytics and Data Science practices to increase the efficiency of different functions. Data Analytics is being used at different stages to provide insights on overall portfolio, customers, disbursements, repayment & prepayment trends, etc. which in turn helps to improve business & processes.

Going forward the company would continue to leverage data for data-driven decisions across functions and build newer data products to further reduce both people and process dependencies and streamline end-to-end operational activities.

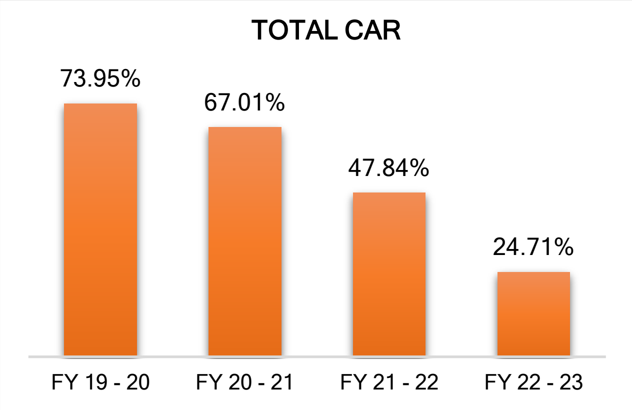
FINANCIAL & OPERATIONAL PERFORMANCE IN FY 2022-23

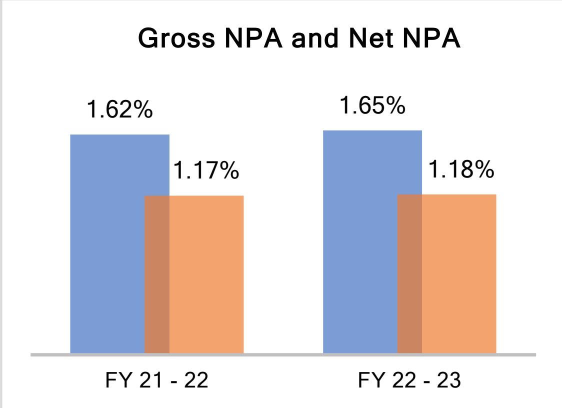
During the year, AUM grew by 119.75% from INR 769.29 crore to INR 1,690.51 crore, primarily driven by the growth in the education loan portfolio. As a result, student education loans contributed approximately 92% of the total AUM as on March 31, 2023.

As on March '23, we had 6,176 retail customers and 118 Corporate customers. In the near term, we plan to leverage our existing branches and undertake further innovations in our digital processes to grow a granular book and ensure healthy portfolio quality.



Gross NPAs recognized as per RBI's prudential norms stood at 1.65% and Net NPAs stood at 1.18% of Advances. The provisioning coverage on NPA stood at 28.88% as on March 31, 2023. The Tier-1 CAR of the Company was 24.39%, whereas the Total CAR was 24.71% as on March 31, 2023.





FINANCIAL PERFORMANCE HIGHLIGHTS

The following table presents Company's abridged financials for the financial year 2022-23

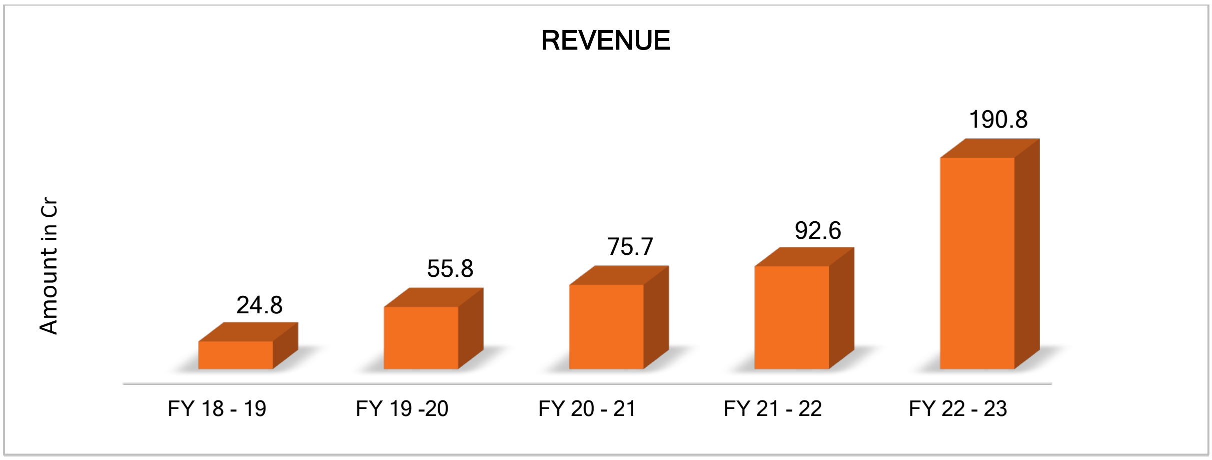
Abridged Statement for Profit & Loss

(Currency: Indian Rupees in lakhs)

Particulars	Year ended 31-Mar-23	Year ended 31-Mar-22
Revenue from operations	178.26	87.19
Other income	12.57	5.43
Total Income	190.83	92.62
Finance costs	95.48	33.13
Net Income	**95.36**	**59.49**
Expenses:		
Employee benefits expense	32.52	25.25
Depreciation and amortization expense	4.35	2.80
Other expenses	19.24	11.11
Impairment on financial instruments	4.55	5.27
Total expenses	**60.66**	**44.44**
Profit before tax	34.70	15.05
Tax expense	8.95	2.48
Profit for the year	**25.75**	**12.57**

1. Total Income

Total revenue for FY23 was INR 190.83 crore compared to INR 92.62 crore in FY22, a growth of 106%. It mostly comes from interest on loans, reflecting the scale-up in the average credit book during the year.



2. Finance Cost

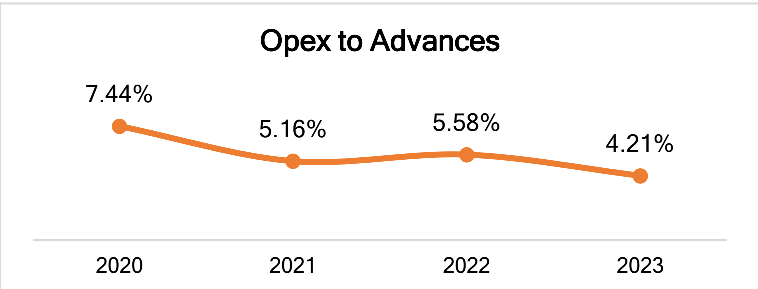
Incremental borrowings of INR 1,209.31 crores availed during the year funded the increase in AUM. This resulted in an increase in finance cost in FY23 to INR 95.48 crore compared to INR 33.13 crore in FY22.

3. Expenses

The total expenses for FY23 were INR 156.13 crore as compared to INR 77.57 in FY22.

Operating Expenses (i.e. Employees and other expenses) for FY23 were INR 51.74 Cr (INR 36.38 Cr in FY22). Employee cost grew from INR 25.25 Cr in FY22 to INR 32.52 Cr in FY23, a growth of 29% primarily on account of additional 67 employees hired during the year taking the total headcount to 263 employees.

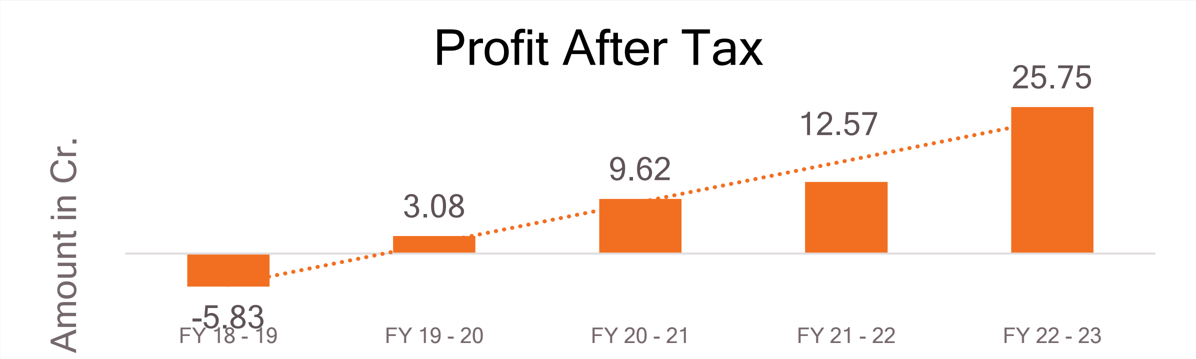
During the year, additional provisioning for Expected Credit Loss (ECL) was INR 4.55 Crore as compared to INR 5.27 Crore in the previous year.



The Opex to Advances ratio reduced from 5.58% in FY22 to 4.21% in FY23 indicating operating leverage as the business scales up.

4. Profitability

Profit After Tax (PAT) stood at INR 25.75 crore with an increase of 105% compared to INR 12.57 crore in FY 22.



BALANCE SHEET

Total assets of the Company showed a growth of 126% in FY23 with an asset size of INR 1,954.10 crore in FY23 as compared to INR 862.78 crore in FY22. The Company has ample liquidity, with the cash and cash equivalent totalling INR 234.10 crore in FY23 compared to INR 84.13 crore in FY22.

Abridged Balance Sheet Statement

(Currency: Indian Rupees in lacks)

Particulars	Year ended 31-Mar-23	Year ended 31-Mar-22
Liabilities & Equity		
Equity share capital	376.27	349.45
Other Equity	82.07	39.59
Net worth	458.34	389.04
a) Debt Securities	297.09	138.66
b) Borrowings	1162.83	318.03
Total Borrowings	**1459.93**	**456.70**
a) Other financial liabilities	31.01	13.99
b) Non-Financial Liabilities	4.82	3.05
Total Use of Funds	**1954.10**	**862.78**
Cash and cash equivalents	234.10	84.13
Bank balances	13.19	6.66
Loans	1676.55	759.87
Other Financial Assets	3.52	1.22
Non-Financial Assets	26.74	10.90
Total	**1954.10**	**862.78**

Total borrowings (including debt securities) of the Company stood at INR 1,459.93 crore in FY23 compared to INR 456.70 crore in FY22. During the year, the Company started banking relationships with several new lenders. The company maintained a healthy mix of term loans, working capital facilities, commercial papers, and NCDs.

ANALYSIS OF SIGNIFICANT CHANGE IN FINANCIAL RATIOS

Ratio	As at March 31, 2023	As at March 31, 2022	Variance	Reason
Debt equity ratio	3.19	1.17	172.65%	Incremental borrowings funded the increase in advances during the year. In FY 22-23, the Company availed incremental borrowing of INR 1,209.31 Cr through bank borrowings, NCD and CP.
Total debts to total assets	0.75	0.53	41.51%	
ROE	6.08	3.30	84.24%	An increase in book size has led to an increase in interest income and profitability.
Net Profit Margin %	18.05%	13.42%	34.47%	The Company's total income grew by 106% whereas the total cost grew by 101% as compared to the previous year.
Gross Stage 3 asset	1.65%	1.62%	1.85%	
Net Stage 3 asset	1.18%	1.17%	0.85%	
CRAR	24.71%	47.84%	(48.35) %	Primarily due to an increase in the AUM of the company to 1,690.51 crore in FY 23 compared to INR 769.29 crore in FY 22.

OPPORTUNITIES AND THREATS

1. Opportunities

Higher Education enrolment in India is still in the nascent stage with Gross Enrolment Ratio (GER) at around 27%. In 2020-21, 4.14 crore students enrolled on Higher Education in India registering a growth of 7.5% from the previous year. The government has set a target of achieving 50% GER by 2035. India's relatively young population provides numerous opportunities for growth in the education sector. As per the KPMG report, India has also become the second largest market for E-learning after the US.

The government is also working on allowing foreign universities to open their campuses in India. This proposal is under consideration and as per the University Grants Commission, final regulations are expected to release in FY23-24.

Further, education financing is becoming more accessible for students wishing to pursue higher education. There is a growing demand for education loans which is visible from the fact that total education loans outstanding in India as on September 2022 were INR 1,09,975 crores out of which NBFCs accounted for INR 20,438 crore. Digitization of the loan process, customized product offerings, and specialized underwriting have helped NBFCs to double their market share in the past few years. As more students opt for higher education, the education financing industry will also grow to fulfil the funding needs of the students.

2. Threats

Since the company is associated with education financing for studies abroad, it faces threats from dynamic immigration laws, work visa permits, geopolitical instability, and changes in other policies. The slowdown in major economies worldwide can result in job losses and layoffs which can impact employment opportunities for students. This could lead to a rise in delinquency levels.

During the past year, interest rates have increased, leading to a rise in borrowing costs. Not passing the rate hikes to customers by other banks and NBFCs can have an adverse effect on the growth and profitability of the industry and the company.

RISK AND CONCERNS

Auxilo has a well-defined risk governance structure that identifies, assesses, and manages risks. Risk management involves making decisions and establishing governance systems that embed and support effective risk processes and building an organizational culture that supports agility. The Company has a Risk Management Committee (RMC) comprising its directors and senior management team members.

Auxilo has adopted various measures to address the existing and potential risks and concerns associated with the business operations:

1. Focus on risk management: The Company has implemented policies and systems to identify, assess, monitor, and manage risks. This helps minimize the impact of potential risks and improve the company's overall performance.
2. Adopt best practices: The Company aims to adopt best practices in governance, compliance, and customer service to enhance its reputation and attract customers and investors.
3. Embrace technology: The Company is focused on leveraging technology to streamline its business operations, reduce costs, and improve customer experience. This, in turn, helps to enhance the efficiency and effectiveness of risk management systems.
4. Build a strong corporate culture: The Company fosters a strong culture emphasizing transparency, integrity, and accountability to build trust with customers, investors, and other stakeholders.
5. Develop a sustainable business model: The Company is developing a sustainable business model that balances growth and risk management. This helps to ensure long-term viability and success.

A robust governance framework ensures that board committees approve risk strategies and delegate credit authorities. Strong underwriting practices and continuous risk monitoring ensure that portfolios stay within acceptable risk levels. Auxilo follows RBI prudential norms for asset classifications and Expected Credit Loss (ECL) model prescribed under Ind AS for provisioning. The Company's Gross NPA was 1.65% and Net NPA was 1.18% as on March 31, 2023. Auxilo's loan portfolio continues to remain healthy and in growth mode.

The Company believes that achieving excellence requires continuous effort and a commitment to ongoing improvement.

INTERNAL CONTROLS

The Company's internal control system is commensurate with the size of its operations and the nature of the business. Independent external auditors carry out the Internal audits along with the Company appointed officials on key business areas to evaluate the adequacy of all internal controls and processes. All significant audit observations and follow up actions thereon are reported to the Audit Committee. The Audit Committee reviews the internal audit reports and the adequacy and effectiveness of internal control.

HUMAN RESOURCES

At Auxilo, employees are the most valuable assets. Employee performance enhancement, well-being, skill development, growth, and engagement remain vital.

The Company has increased its employee base by 34% during the year to support the needs of the growing business as well as expansion into newer products. The Company offers a detailed induction program to all new employees covering organization orientation, understanding of products and processes, and in-person induction for mid to senior managers. The training for induction and statutory modules is imparted through an e-learning platform for coverage and tracking. As of March 31, 2023, the company has 263 employees. Auxilo fosters a culture of productive empowerment to build an outcome-focused organization.

BRAND REACH

Auxilo, in FY23, embarked on a transformative brand strategy, wherein the company transitioned to a brand that students can truly rely on. The company executed multiple campaigns, engaging with student communities, and collaborating with student influencers, both domestically and internationally, who documented their experiences of studying abroad. Additionally, the company concentrated on generating content relevant to students' lives on platforms with active student participation.

Through these activities and enhancements, the company's social media presence achieved an impressive brand reach of over 2 million, establishing the brand as a significant player in the Education financing segment.

OUTLOOK

The outlook of the Company for the year ahead is to drive profitable and sustainable growth, robust quality assets and continue to focus on its primary products, i.e., Education Loans and Education Institution loans, to meet the changing customer needs and will leverage technology to deliver a better customer experience and return to all stakeholders.

AWARDS AND RECOGNITION

During the year the Company's efforts were recognized and the Company was awarded :

- Best Organizations for Women 2023 by the Economic Times
- The Most Promising NBFC to Watch 2022 by Business Connect
- The Best Education Loan Provider by National Awards for Leadership and Excellence

CAUTIONARY STATEMENT

Statements made in this Annual Report may contain certain forward-looking statements, which are tentative, based on various assumptions about Auxilo Finserve Private Limited's present and future business strategies and the environment in which we operate. Due to risks and uncertainties, actual results may differ substantially or materially from those expressed or implied. These risks and uncertainties include the effect of economic and political conditions in India and internationally, new regulations and Government policies that may impact the Company's businesses, and the ability to implement its strategies. The information contained herein is as of the date referenced, and Auxilo Finserve is not obligated to update these statements. Auxilo Finserve Private Limited has obtained all market data and other information from sources believed to be reliable or internal estimates, although its accuracy or completeness cannot be guaranteed. The discussion relating to business-wise financial performance, balance sheet, asset books of Auxilo Finserve, and industry data herein is reclassified/regrouped based on Management estimates and may not directly correspond to published data. In this discussion, for consistency and comparability with prior periods, Balance Sheet size and relevant ratios are calculated based on the principal amount of Borrowings. The numbers have also been rounded off in the interest of easier understanding. All numbers are as per IndAS. The company has adopted IndAS from April 01, 2020, and the amount mentioned in the report for the period before the date of transition is computed using information available and by applying management judgment and estimates relevant to the past. The amount mentioned for the period before the date of transition is unaudited IndAS amounts. All information in this discussion has been prepared solely by the Company and has not been independently verified by anyone else.

INDEPENDENT AUDITOR'S REPORT

To the Members of Auxilo Finserve Private Limited

Report on the Audit of Ind AS Financial Statements

Opinion

We have audited the Ind AS Financial Statements of Auxilo Finserve Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity 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 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, 2023, and its profit 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) specified under section 143(10) of the Companies Act, 2013. 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 Companies Act, 2013 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.

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, 2023. 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.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">(a) Impairment of loan assets as at balance sheet date (expected credit losses)
As described in Note 2.08A, Note 6 and 40.A of the Ind AS Financial Statements</td></tr>
<tr><td>Ind AS 109: Financial Instruments ("Ind AS 109") requires the Company to provide for impairment of its loan assets using the expected credit loss (ECL) approach. 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 this process, a significant degree of judgement has been applied by the management for:
a) Defining Staging of loans (i.e. classification in 'significant increase in credit risk' ("SICR") and 'default' categories);
b) Grouping of borrowers based on homogeneity by using appropriate statistical techniques;
c) Estimation of behavioural life;
d) Estimation of losses for loan products with no / minimal historical default; and
e) Management overlay for macro-economic factors and estimation of their impact on the credit quality.

In the view of such high degree of management's judgement involved in estimation of ECL, it is identified as key audit matter.</td><td>Our audit procedures included the following:
• Evaluated the Company's accounting policies in respect of loans and ECL provisioning against the same
• Evaluated the management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation
• Assessed the criteria and tested sample for staging of loans based on their past-due status and to evaluate compliance with requirement of Ind AS 109.
• Tested the ECL model, including assumptions and underlying computation. Tested the input data used for determining the Probability of default and loss given default rates and agreed the data with the underlying books of account and records.
• Tested the arithmetical accuracy of computation of ECL provision performed by the Company.
• Read and assessed adequacy of the disclosures included in the financial statements in respect of ECL with the requirements of Ind AS 107 Financial Instruments: Disclosure ("Ind AS 107") and Ind AS 109.</td></tr>
<tr><td colspan="2">(b) Information technology ('IT') systems and controls</td></tr>
<tr><td>The financial accounting and reporting systems of the Company are fundamentally reliant on IT systems and IT controls to process significant transaction volumes. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure appropriate financial reporting

Therefore, due to the pervasive nature and 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.</td><td>Our audit procedures, with support from IT specialists, included the following:
• Tested the design and operating effectiveness of IT access controls over the information systems that are critical to financial reporting.
• Tested IT general controls (such as logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorised.
• Tested the Company's periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorisation.
• In addition to the above, we tested the design and operating effectiveness of certain application controls (automated and IT dependent manual controls) that were considered as key internal controls over financial reporting.
• Where deficiencies were identified, we tested compensating controls or performed alternate procedures</td></tr>
</table>

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the Board's Report ("other information"), 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.

In connection with our audit of the Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the 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. Based on the work we have performed, if 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.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("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 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 implementation and maintenance of 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 Ind AS Financial Statement 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:

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements (*Continued*)

- 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system 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 Ind AS 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, 2023 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 of 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 Companies Act, 2013, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

Report on Other Legal and Regulatory Requirements (*Continued*)

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, and the Statement of Cash Flow 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, 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 with reference to these Ind AS Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2";

   (g) 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- Refer note 31 to Ind AS Financial Statements

      ii. The Company did not have any long- term contracts including derivative contracts for which there were any material foreseeable losses;

      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 it's knowledge and belief, as disclosed in the note 45 to the financial statements, during the year 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 person or entity, 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 by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

      (b) The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the note 45 to the financial statements, during the year no funds have been received by the Company from any person or entity, 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.

Report on Other Legal and Regulatory Requirements (*Continued*)

(c) Based on the audit procedures performed 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. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

vi. The Company has not declared or paid any dividend during the year.

For **Nangia & Co. LLP**
Chartered Accountants
FRN No. 002391C/N500069

Jaspreet Singh Bedi
Partner
Membership No.: 601788
UDIN: 23601788BGVLHU7497

Place: Mumbai
Date: May 02, 2023

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

Re: Auxilo Finserve Private Limited ("the Company")

(i) (a)(A) The Company has maintained proper records showing full particulars, including quantitative details and the situation of Property, Plant and Equipment.

(a)(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Property, Plant and Equipment of the Company have been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) The title deed of the immovable property as disclosed in Note 10 to the financial statements, is held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year ended March 31, 2023.

(e) According to information and explanations given to us, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.

(b) As disclosed in note 13 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks are in agreement with the books of accounts of the Company.

(iii) (a) The Company's principal business is to give loans accordingly, Clause 3(iii)(a) of the Order is not applicable to the Company.

(b) Based on our examination and the information and explanations given to us, in respect of the loans, in our opinion, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest.

(c) In respect of loans granted to students pursuing education and provide infrastructure or working capital loan to the educational institutions, the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular except in the following cases:

Name of the Entity / Loan product	**Amount (In Rs Lakhs)**	**Due date**	**Extent of delay (In days)**	**Remarks, if any**
Education loan and Education institution loan	5,989.33	Various due dates	More than one day	-

(d) In respect of the loans/advances in nature of loans, the following amounts are overdue for more than ninety days, and reasonable steps have been taken by the Company for recovery of the overdue amount of principal and interest.

No. of cases	Principal overdue (In Rs Lakhs)	Interest overdue (In Rs Lakhs)	Total Overdue (In Rs Lakhs)	Remarks, If any
43	2,428.41	363.47	2,791.88	-

(e) The Company's principal business is to give loans. Accordingly, the provision of Clause 3(iii)(e) of the Order is not applicable to the Company.

(f) According to information and explanations given to us, 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 to Promoters, related parties as defined in clause 2(76) of Companies Act, 2013.

(iv) The Company has not granted any loans or provided any guarantee or security in connection with any loan taken by parties covered under section 185. Therefore, the provisions of section 185 are not applicable to the Company. The Company is registered as Non- Banking Financial Company with the Reserve Bank of India. Therefore, the provisions of Section 186, except subsection (1) of Section 186, of the Act are not applicable to the Company. Further, the Company has not made any investment to the parties covered under Section 186 of the Companies Act, 2013 and accordingly the provisions of Clause 3(iv) of the said Order in respect of Section 186(1) is not applicable.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) The Company is not in the business of sale of any goods or provision of such services as prescribed. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including goods and services tax, provident fund, employee's state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of statutory dues referred to in sub-clause (a) as at March 31, 2023 which have not been deposited on account of a dispute, are as follows:

Name of the statue	Nature of dues	Amount (Rs. In Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income tax Act, 1961	Demand u/s 156	1.37	AY 2018-2019	Assessing officer (Rectification appeal filled u/s 154 of the Income tax Act, 1961

(viii) According to the information and explanations given to us, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) 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, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

(f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) According to the information and explanations are given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) According to the information and explanations are given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by a secretarial auditor or by us 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) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clauses 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.

(xiii) According to the information and explanations are given to us, transactions with the related parties are in compliance with sections 177 and 188 of the 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) (a) According to the information and explanations are given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence the requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) According to the Information and explanations given to us and audit procedures performed by us, the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

(b) The Company has conducted non-banking financial activities during the year and the Company holds a valid Certificate of Registration from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India. Accordingly, the requirement to report on clause 3(xv)(c) of the Order is not applicable to the Company.

(d) According to the Information and explanations given to us, there is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xv)(d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year respectively.

(xviii) The previous statutory auditors of the Company have resigned during the year and we have taken into consideration the issues, objections or concerns raised by the outgoing auditors.

(xix) On the basis of the financial ratios disclosed in note 40.B to the financial statements, 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 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) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 35 to the financial statements.

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 35 to the financial statements.

(xxi) The Company does not prepare consolidated financial statements, hence the requirement to report on clause 3(xxi) of the Order is not applicable to the Company.

For **Nangia & Co. LLP**
Chartered Accountants
FRN No. 002391C/N500069

Jaspreet Singh Bedi
Partner
Membership No.: 601788
UDIN: 23601788BGVLHU7497

Place: Mumbai
Date: May 02, 2023

"ANNEXURE 2" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF AUXILO FINSERVE 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 Member of
Auxilo Finserve Private Limited

We have audited the internal financial controls over financial reporting of Auxilo Finserve Private Limited ("the Company") as of March 31, 2023 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 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. 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 judgement, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS 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 **Nangia & Co. LLP**
Chartered Accountants
FRN No. 002391C/N500069

Jaspreet Singh Bedi
Partner
Membership No.: 601788
UDIN: 23601788BGVLHU7497

Place: Mumbai
Date: May 02, 2023

Auxilo Finserve Private Limited
Balance Sheet as at March 31, 2023
(Currency : Indian Rupees in lakhs)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
(I) Financial Assets			
(a) Cash and cash equivalents	3	23,409.91	8,413.10
(b) Bank balances other than (a) above	4	1,318.66	665.80
(c) Receivables			
Trade receivables	5	183.80	31.02
(d) Loans	6	1,67,654.93	75,987.28
(e) Other financial assets	7	168.28	90.59
		1,92,735.58	**85,187.79**
(II) Non Financial Assets			
(a) Current tax assets (net)	8	222.90	65.43
(b) Deferred tax assets (net)	9	206.53	305.48
(c) Property, plant and equipment	10	325.81	105.38
(d) Right-of-use assets	10	1,317.57	212.74
(e) Intangible assets under development	11	153.47	123.23
(f) Other Intangible assets	10	163.27	88.33
(g) Other non financial assets	12	284.70	189.62
		2,674.25	**1,090.21**
Total Assets		**1,95,409.83**	**86,278.00**
LIABILITIES AND EQUITY			
LIABILITIES			
(I) Financial Liabilities			
(a) 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		-	-
(b) Debt securities	13	29,709.29	13,866.39
(c) Borrowings (Other than debt securities)	14	1,16,283.41	31,803.39
(d) Lease liabilities	29	1,393.79	231.38
(e) Other financial liabilities	15	1,707.15	1,168.03
		1,49,093.64	**47,069.19**
(II) Non-Financial Liabilities			
(a) Provisions	16	173.44	126.96
(b) Other non-financial liabilities	17	308.90	178.24
		482.34	**305.20**
EQUITY			
(a) Equity share capital	18	37,626.61	34,944.50
(b) Other equity	19	8,207.24	3,959.11
		45,833.85	**38,903.61**
Total Liabilities and Equity		**1,95,409.83**	**86,278.00**
Significant Accounting Policies	2		

The accompanying notes are an integral part of the financial statements.

This is the Balance Sheet referred in our report of even date.

For Nangia & Co LLP
Chartered Accountants
Firm Registration No. 002391C/N500069

Jaspreet Singh Bedi
Partner
Membership No. - 601788

Mumbai
May 02, 2023

For and on behalf of the Board of Directors
Auxilo Finserve Private Limited

Manish Chokhani
Director
DIN - 00204011

Neeraj Saxena
MD & CEO
DIN - 07951705

Harsha Saksena
Chief Financial Officer

Deepika Thakur Chauhan
Company Secretary

Mumbai
May 02, 2023

Auxilo Finserve Private Limited

Statement of Profit and Loss for the year ended March 31, 2023

(Currency : Indian Rupees in lakhs)

	Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
(I)	**Revenue from operations**			
	(a) Interest income	20	16,976.71	8,476.53
	(b) Fee and commission income	21	405.20	103.99
	(c) Net gain on fair value change	22	444.19	138.71
	Total revenue from operations		**17,826.10**	**8,719.23**
(II)	Other income	23	1,257.26	542.70
(III)	**Total income (I + II)**		**19,083.36**	**9,261.93**
(IV)	**Expenses**			
	(a) Finance costs	24	9,547.65	3,313.30
	(b) Impairment on financial instruments	25	455.36	527.16
	(c) Employee benefits expenses	26	3,251.67	2,525.22
	(d) Depreciation, amortization and impairment	10	434.59	280.41
	(e) Others expenses	27	1,924.14	1,111.14
	Total expenses		**15,613.41**	**7,757.23**
(V)	**Profit before tax for the year (III - IV)**		**3,469.95**	**1,504.70**
(VI)	**Tax Expense :**	28		
	(a) Current tax		782.68	431.01
	(b) Short / (Excess) provision for earlier years		9.28	(5.67)
	(c) Deferred tax		103.25	(177.43)
			895.21	**247.91**
(VII)	**Net Profit after tax for the year (V - VI)**		**2,574.74**	**1,256.79**
(VIII)	**Other Comprehensive Income**			
	(a) Items that will not be reclassified to profit and loss			
	(i) Remeasurement gains and (losses) on defined benefit obligations		(17.11)	(18.62)
	(ii) Income tax relating to items that will not be reclassified to profit and loss		4.31	4.69
	Total (a)		(12.80)	(13.93)
	(b) Items that will be reclassified to profit and loss		-	-
	Total (b)		-	-
	Other Comprehensive income (a+b)		**(12.80)**	**(13.93)**
(IX)	**Total Comprehensive Income for the year (VII + VIII)**		**2,561.94**	**1,242.86**
(X)	**Earnings per equity share in Rupees - Not Annualised (Face value INR 10 each)**			
	Basic	30	0.71	0.36
	Diluted	30	0.71	0.36

Significant Accounting Policies 2

The accompanying notes are an integral part of the financial statements.

This is Statement of Profit and Loss referred in our report of even date.

For Nangia & Co LLP
Chartered Accountants
Firm Registration No.: 002391C/N500069

Jaspreet Singh Bedi
Partner
Membership No. - 601788

Mumbai
May 02, 2023

For and on behalf of the Board of Directors
Auxilo Finserve Private Limited

Manish Chokhani
Director
DIN - 00204011

Neeraj Saxena
MD & CEO
DIN - 07951705

Harsha Saksena
Chief Financial Officer

Deepika Thakur Chauhan
Company Secretary

Mumbai
May 02, 2023

Auxilo Finserve Private Limited
Statement of cash flow for the year ended March 31, 2023

(Currency : Indian Rupees in lakhs)

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A	**Cash flow from operating activities**		
	Profit before tax	3,469.95	1,504.70
	Adjustments for		
	Depreciation and amortisation	434.59	280.41
	Interest adjustments lease liabilities	78.41	26.39
	Interest expense	9,322.43	3,232.48
	Interest paid	(8,452.79)	(2,913.47)
	Interest income on loans	(16,795.38)	(8,354.26)
	Interest received	7,444.65	5,982.53
	Impairment on financial assets	455.36	527.16
	Net gain on sale on current investments measured at fair value through profit and loss	(444.19)	(138.71)
	(Profit) / Loss on sale of fixed assets	(1.51)	0.99
	Provision for compensated absences	12.83	11.72
	Provision for gratuity	16.54	23.40
	Interest expense on security deposit	8.44	5.20
	Unwinding of discount on security deposits	(7.97)	(5.76)
	Employees stock option provision	65.31	138.83
	Operating cash flow before working capital changes	**(4,393.33)**	**321.61**
	Add / (less): adjustments for working capital changes		
	(Increase) / decrease in trade receivables	(152.76)	10.18
	Increase in loans	(82,773.39)	(21,155.11)
	Increase in other financial assets	(78.07)	(10.78)
	Increase in other non financial assets	(95.08)	(50.89)
	Increase in other bank balances	(651.86)	(540.74)
	Increase in right-of-use assets	(1,370.26)	(132.12)
	Increase in lease liabilities	1,369.78	126.33
	Increase / (decrease) in ECL on cash and cash equivalents	0.03	(0.25)
	Increase in other financial liabilities	539.12	404.44
	Increase in other non-financial liabilities	130.68	129.64
	Cash used in operations	**(87,475.14)**	**(20,897.69)**
	Income taxes paid (net of refunds received)	(949.43)	(393.22)
	Net cash used in operating activities -A	**(88,424.57)**	**(21,290.91)**
B	**Cash flow from investing activities**		
	Purchase of property, plant and equipment, intangible assets (including asset under development)	(496.09)	(219.39)
	Sale of property, plant and equipment and intangible assets	2.83	1.55
	Purchase of investments	(92,654.83)	(33,125.00)
	Proceeds from sale of investments	93,099.01	33,263.71
	Net cash generated from / (used in) investing activities - B	**(49.08)**	**(79.13)**
C	**Cash flow from financing activities**		
	Proceeds from call money on OCPS	263.73	264.00
	Proceeds from issue of equity shares including securities premium	4,040.47	4.95
	Share issue expenses	(1.21)	-
	Payment towards leases	(285.78)	(188.95)
	Proceeds from issue of debt securities	18,959.14	3,300.00
	Repayment of debt securities	(3,476.49)	(1,537.16)
	Proceeds from borrowings (other than debt securities)	1,01,971.53	23,300.00
	Repayment of borrowings (other than debt securities)	(18,000.90)	(8,254.29)
	Net cash generated from financing activities - C	**1,03,470.49**	**16,888.55**
	Net increase / (Decrease) in cash and cash equivalents (A+B+C)	**14,996.84**	**(4,481.49)**
	Cash and cash equivalent as at the beginning of the year	8,413.17	12,894.66
	Cash and cash equivalent as at the end of the year	23,410.01	8,413.17

Notes:

i) **Reconciliation of cash and cash equivalents as per the statement of cash flow**

Particulars	**March 31, 2023**	**March 31, 2022**
Cash and Cash Equivalents as per above comprise of the following		
- In Current accounts	8,882.16	906.85
- In Fixed deposits	14,527.85	7,506.32
Balances as per statement of cash flow	**23,410.01**	**8,413.17**

Auxilo Finserve Private Limited

Nangia & Co. LLP ★ Chartered Accountants ★

Auxilo Finserve Private Limited
Statement of cash flow for the year ended March 31, 2023

(Currency : Indian Rupees in lakhs)

ii) The above Statement of Cash Flow has been prepared under the indirect method as set out in Indian Accounting Standard - 7 " Statement of Cash flow ".

iii) The cash and cash equivalent as shown in balance sheet is net of impairment allowance of INR 0.10 lakh (Previous year INR 0.07 lakh).

iv) For Net debt reconciliation refer note - 43

Significant Accounting Policies 2
The accompanying notes are an integral part of the financial statements.

This is Statement of Cash Flow referred in our report of even date.

For Nangia & Co LLP
Chartered Accountants
Firm Registration No.: 002391C/N500069

Jaspreet Singh Bedi
Partner
Membership No. - 601788

Mumbai
May 02, 2023

For and on behalf of the Board of Directors
Auxilo Finserve Private Limited

Manish Chokhani
Director
DIN - 00204011

Neeraj Saxena
MD & CEO
DIN - 07951705

Harsha Saksena
Chief Financial Officer

Deepika Thakur Chauhan
Company Secretary

Mumbai
May 02, 2023

Auxilo Finserve Private Limited

NANGIA & CO. LLP CHARTERED ACCOUNTANTS

Auxilo Finserve Private Limited
Statement of changes in equity As at March 31, 2023

(Currency : Indian Rupees in lakhs)

A. Equity Share Capital

Particulars	As at March 31, 2023 Number of Shares	Amount	As at March 31, 2022 Number of Shares	Amount
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	34,94,44,987	34,944.50	34,40,62,153	34,406.22
Add/less: Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting year	**34,94,44,987**	**34,944.50**	**34,40,62,153**	**34,406.22**
Add: Changes in equity share capital during the year	2,68,21,148	2,682.11	53,82,834	538.28
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	**37,62,66,135**	**37,626.61**	**34,94,44,987**	**34,944.50**

B. Other Equity

Particulars	Other Equity: Equity component of compound financial instrument	Reserves and Surplus: Securities premium	Statutory reserve	Employee stock options	Retained Earnings	Total Other Equity
Balance As at March 31,2021	272.27	2,203.11	391.32	513.00	(532.94)	2,846.76
Changes in accouting policy/prior period errors	-	-	-	-	-	-
Restated Balance As at March 31,2021	272.27	2,203.11	391.32	513.00	(532.94)	2,846.76
Profit for the year	-	-	-	-	1,256.79	1,256.79
Other comprehensive income for the year	-	-	-	-	(13.93)	(13.93)
Money called up and paid on OCPS	264.00	-	-	-	-	264.00
Converted to Equity Shares	(533.34)	-	-	-	-	(533.34)
Transfer (from) / to	-	-	248.57	(203.29)	(45.28)	-
Employee share options	-	-	-	138.83	-	138.83
Balance As at March 31, 2022	2.93	2,203.11	639.89	448.54	664.64	3,959.11
Changes in accouting policy/prior period errors	-	-	-	-	-	-
Restated Balance As at March 31, 2022	2.93	2,203.11	639.89	448.54	664.64	3,959.11
Profit for the year	-	-	-	-	2,574.74	2,574.74
Other comprehensive income for the period	-	-	-	-	(12.80)	(12.80)
Money called up and paid on OCPS	263.73	-	-	-	-	263.73
Converted to Equity Shares	(266.66)		-	-	-	(266.66)
Issue of equity shares	-	1,625.02	-	-	-	1,625.02
Share issue expenses	-	(1.21)	-	-	-	(1.21)
Transfer (from) / to	-	-	512.39	(162.32)	(350.07)	-
Employee share options	-	-	-	65.31	-	65.31
Balance As at March 31, 2023	-	3,826.92	1,152.28	351.53	2,876.51	8,207.24

Significant Accounting Policies - Refer Note 2

This is the Statement of changes in equity referred in our report of even date.

For Nangia & Co LLP
Chartered Accountants
Firm Registration No.: 002391C/N500069

Jaspreet Singh Bedi
Partner
Membership No. - 601788

For and on behalf of the Board of Directors
Auxilo Finserve Private Limited

Manish Chokhani
Director
DIN - 00204011

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Harsha Saksena
Chief Financial Officer

Deepika Thakur Chauhan
Company Secretary

Mumbai
May 02, 2023

Mumbai
May 02, 2023

NANGIA & CO. LLP ★ CHARTERED ACCOUNTANTS ★

Auxilo Finserve Private Limited ★

Auxilo Finserve Private Limited

Notes to the financial statements for the year ended March 31, 2023

(Currency : Indian Rupees in lakhs)

1. Corporate Information

Auxilo Finserve Private Limited (the 'Company') is a middle layered NBFC registered with Reserve Bank of India (RBI). The Company has been incorporated on October 04, 2016. The Company received NBFC license from the Reserve Bank of India (RBI) on May 03, 2017.

The main objective of the Company is to originate, provide and service loans to students pursuing education and provide ancillary services in relation to the said business activity and provide infrastructure or working capital loan to educational institutions. The Company's Debenture securities are listed on BSE Limited.

The financial statements of the Company for the year ended March 31, 2023 were approved for issue in accordance with the resolution of the Board of Directors on May 02, 2023.

2 Basis of preparation and summary of significant accounting policies

A Basis of preparation of financial statements

2.01 Statement of compliance with Indian Accounting Standards (Ind AS)

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other related provision of Act. Effective April 01, 2020, the Company had adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards, with April 1, 2019 as the transition date to Ind AS.
The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the financial years presented in the financial statements. These financial statements were authorized for issue by the Company's Board of Directors on May 02, 2023.

2.02 Basis of preparation

The financial statement comprises of statement of financial position as at March 31, 2023, statement of profit and loss, statement of changes in equity and statement of cash flows for the year then ended and related explanatory notes. The Company has prepared these financial statements to comply in all material respects with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.
The Company has assessed its liquidity position and its possible sources of funds. The Board of Directors of the Company are confident of the Company's ability to meet its obligations as and when they arise in the next twelve months from the date of these financial statements. Accordingly, these financial statements have been prepared on a going concern basis.

2.03 Basis of measurement

The financial statements have been prepared on an accrual basis under the historical cost convention as modified by the application of fair value measurements required or allowed by the relevant standards under Ind AS.

Historical cost is generally the amount of cash or cash equivalents paid or the fair value of the consideration given in exchange for goods and services.

The financial statements have been prepared on a historical cost basis except for:
-Certain financial assets and liabilities - measured at fair value
-Defined benefit plans (Employee benefit provisions) – measured at fair value.

2.04 Use of estimates and judgements

The preparation of financial statements in conformity with Ind-AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities (including contingent liabilities) and disclosures as of the date of the financial statements and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from these estimates. Accounting estimates and underlying assumptions are reviewed on an ongoing basis and could change from period to period. Appropriate changes in estimates are recognised in the periods in which the Company becomes aware of the changes in circumstances surrounding the estimates. Any revisions to accounting estimates are recognised prospectively in the period in which the estimate is revised. The estimates and judgements that have significant impact on the carrying amount of assets and liabilities at each balance sheet date are listed here in below under Critical accounting estimates and judgements.

NANGIA & CO. LLP * CHARTERED ACCOUNTANTS

Auxilo Finserve Private Limited

2 *Significant accounting policies (Continued)*

2.05 Critical Accounting Estimates and Judgements

The preparation of the financial statements requires the use of accounting estimates, which, by definition would seldom equal the actual results. Management also needs to exercise judgement and make certain assumptions in applying the Company's accounting policies and preparation of financial statements.

The use of such estimates, judgements and assumptions affect the reported amounts of revenue, expenses, assets and liabilities including the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in the future periods.

Estimates and judgements are continuously evaluated. They are based on historical experience and other factors including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Information about critical judgements in applying accounting policies, as well as estimates and assumptions that have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

A. Measurement of impairment of loans and advances

Judgement is required by management in the estimation of the amount and timing of future cash flows when determining an impairment loss for loans and advances. In estimating these cash flows, the Company makes judgements about the borrower's financial situation and the net realisable value of collateral, if any. These estimates are based on assumptions about a number of factors including forward looking information, and actual results may differ, resulting in future changes to the impairment allowance.

B. Useful lives of property, plant and equipment and intangible assets

The Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period or even earlier in case, circumstances change such that the amount recorded value of an asset may not be recoverable.

C. Fair value of financial instrument

The fair value of financial instrument 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 another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility. For further details about determination of fair value please see Note - 39.

D. Business model assessment

Classification and measurement of financial asset depends upon the results of the solely payment of principal and interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how groups of financial asset are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the asset is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held.

E. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, 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.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation as at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

NANGIA & CO. LLP * CHARTERED ACCOUNTANTS *

Auxilo Finserve Private Limited *

2 *Significant accounting policies (Continued)*

F. Contingent liabilities

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefits is not probable or cannot be reliably measured. Contingent liabilities are disclosed unless the possibility of an outflow of resources embodying economic benefit is remote.

G. Employee Benefits

i) Short-term employee benefits

Short-term employee benefits in respect of salaries and wages, including non-monetary benefits are recognised as an expense at the undiscounted amount in the Statement of profit and loss for the year in which the related service is rendered.

ii) Defined Contribution Plan

The Company's contribution paid/payable during the year towards Provident and other funds is charged to the Statement of profit and loss in the year in which employee renders the related service.

iii) Defined Benefit Plan

The Company has an obligation towards gratuity, a non funded defined benefit plan covering eligible employees. Vesting for gratuity occurs upon completion of five years of service.

Details of the unfunded defined benefit plans for its employees are given in note 37B which is as certified by the actuary using projected unit credit method.

iv) Compensated Absences

The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation using projected unit credit method for the unused entitlement that has accumulated as at the balance sheet date.

H. Effective interest rate

The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments and other fee income/expense that are integral parts of the instrument.

2.06 Presentation of financial statements

The Balance Sheet and the Statement of profit and loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Companies Act, 2013 ("the Act") applicable for Non- Banking Finance Companies ("NBFC") including amendment made by MCA from time to time. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flow". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act including amendments made thereunder, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Ind AS, RBI regulations and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

2.07 Functional and presentation currency

Amounts in the financial statements are presented in Indian Rupees in lakhs rounded off to nearest Rupee as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupee to two decimal places.

2.08 Financial Instruments

Financial assets and financial liabilities are recognised in the balance sheet when the Company becomes a party to the contractual provisions of the instrument. The Company determines the classification of its financial assets and financial liabilities at initial recognition based on its nature and characteristics.

2.08.A Financial assets

i) Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial asset.

The financial assets include investments in mutual funds, trade and other receivables, loans and advances and cash and bank balances.

2 *Significant accounting policies (Continued)*

2.08 *Financial Instruments (Continued)*

ii) Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in the following categories:

- At amortised cost, and
- At fair value through other comprehensive income (FVOCI), and
- At fair value through profit and loss (FVTPL).

Debt instruments at amortised cost

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

- The asset is held within a business model whose objective is to hold the asset for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets at Amortised Cost

Financial assets at amortised cost include loans receivable, and other financial assets that are held with the objective of collecting contractual cash flows. After initial measurement, such 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 effective interest rate (EIR). The effective interest rate (EIR) amortisation is included in interest income in the Statement of Profit and Loss.

Fair value through other comprehensive income (FVOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income ("OCI"), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the Statement of profit and loss and recognised in other gains/(losses) (net). Interest income from these financial assets is included in other income using the effective interest rate (EIR) method.

Fair value through Profit and Loss (FVTPL)

Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit and loss ('FVTPL').

iii) Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period in which the Company changes its business model for managing financial assets.

iv) Impairment

The provision for credit risks, which is recognized in accordance with the expected credit loss (ECL) method specified by Ind AS 109 and in accordance with uniform standards applied, encompasses all financial assets measured at amortised cost. The calculation of the provision for credit risks generally takes into account the exposure at default, the probability of default and the loss given default.

Financial assets are subject to credit risks, which are taken into account by recognising the amount of the expected loss; such allowances are recognised for both financial assets with objective evidence of impairment and non-impaired financial assets.

The general approach is used for financial assets measured at amortised cost on initial recognition. Financial assets are broken down into three stages in the general approach.

Stage 1 consists of financial assets that are being recognised for the first time or that have not demonstrated any significant increase in probability of default since initial recognition. In this stage, the model requires the calculation of an expected credit loss for the next twelve months.

Stage 2 consists of financial assets for which there is a significant increase in credit risk. Financial assets demonstrating objective indications of impairment are allocated to satge-3. In stage 2 and 3 , an expected credit loss is calculated for the entire remaining maturity of the asset.

2 *Significant accounting policies (Continued)*

2.08 *Financial Instruments (Continued)*

In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience that is available without undue cost or effort.
The Company assumes that the credit risk on a financial asset has increased significantly if it is:
1) More than 30 days past due
2) Fall in CIBIL scores more than a certain threshold (Applicable for Education Loans)

The Company considers a financial asset to be in default when :
- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held): or
- the financial asset is 90 days or more past due read along with extant RBI Guidelines .

Both historical information, such as average historical default probabilities for each portfolio, and forward-looking information is used to determine the measurement parameters for calculating the provision for credit risks.

Impairment arises in a number of situations, such as delayed payment over a certain period, the initiation of enforcement measures, the threat of insolvency or over indebtedness, application for or the initiation of insolvency proceedings, or the failure of restructuring measures.

Reviews are regularly carried out to ensure that the allowances are appropriate. Uncollectible loans or receivables that are already subject to a workout process and for which all collateral has been recovered and all further options for recovering the loan or receivable have been exhausted are written off directly. Any valuation allowances previously recognised are utilised. Income subsequently collected in connection with loans or receivables already written off is recognised in statement of profit and loss.

Loans and receivables are reported in the balance sheet at the net off ECL provision. The provision for credit risks relating to off-balance sheet irrevocable credit commitments is recognised as ECL provision and net off from loans.

v) Write - offs

Financial assets are written off either partially or in their entirety when the Company has no reasonable expectations 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. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment of financial instruments in the Statement of profit and loss. However, financial assets that are written off may be subject to enforcement activities to comply with the Company's procedures for recovery of amounts due.

2.08.B Financial liabilities

i) Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities classified at amortised cost, net of directly attributable transaction costs. The financial liabilities include trade and other payables and loans and borrowings etc.

ii) Subsequent measurement

For the purpose of subsequent measurement, financial liabilities are classified as Financial liabilities at amortised cost.

Financial liabilities at amortised cost

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the effective interest rate (EIR) amortisation process.

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 effective interest rate (EIR). The effective interest rate (EIR) amortisation is included as finance costs in the Statement of Profit and Loss.

2.08.C De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primary derecognised when ;
- The rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under as 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset; or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

NANGIA & CO. LLP ★ CHARTERED ACCOUNTANTS ★

Auxilo Finserve Private Limited ★

2 ***Significant accounting policies (Continued)***

2.08 ***Financial Instruments (Continued)***

When the Company has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) an (ii) any cumulative gain or loss that had been recognised in OCI is recognised in Statement of profit and loss.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

2.08.D Offsetting of financial instruments

Financial assets and financial liabilities including derivative instruments are offset and the net amount is reported in the Balance sheet, if there is currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

2.08.E Fair value measurement

The Company's accounting policies and disclosures require the measurement of fair values for financial instruments. The management regularly reviews significant unobservable inputs and valuation adjustments.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques are as follows :

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as price) or indirectly (i.e. derived from prices).

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.08.F Modification of financial assets and financial liabilities

Financial Assets

If the terms of a financial assets are modified, the Company evaluates whether the cash flow of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cashflows that are discounted at the financial asset's original effective interest rate and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in the Statement of profit and loss. Any costs or fees incurred adjust the carrying amount of modified financial asset and are amortised over the remaining term of the modified financial asset. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses, in other cases, it is presented as interest income.

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Auxilo Finserve Private Limited

2 *Significant accounting policies (Continued)*

2.08 *Financial Instruments (Continued)*

Financial liabilities

The Company derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the Statement of profit and loss.

2.09 Share capital

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Incremental costs directly attributable to the issuance of new equity shares are recognized as a deduction from equity, net of any tax effects.

2.10 Cash and Cash equivalents

Cash and cash equivalents consist of cash on hand, balances with bank, deposits with bank (with original maturity of three months or less). For disclousre in the financial statements bank overdrafts which are repayable on demand are included under borrowings.

For the purposes of presentation in the statement of cash flow, cash and cash equivalents include cash on hand and current account balances with banks that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents.

2.11 Property, Plant and Equipment (Tangible assets)

Property, Plant and Equipment ("PPE") are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the part will flow to the Company and its cost can be measured reliably. All other expenses on existing the property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts are charged to the statement of profit and loss for the period during which such expenses are incurred.

Any gain or loss on disposal of an item of property, plant and equipment is recognised within other income in statement of profit and loss on derecognition.

Depreciation

Depreciation on PPE is provided on a straight-line basis to allocate their cost, net of their residual value over the estimated useful life of the respective asset. The Company has estimated the useful lives to depreciate its PPE which is in accordance with those prescribed under Schedule II of the The Companies Act ,2013. The following are the estimates of the useful lives to depreciate its PPE:

Particulars	Estimated useful life by the Company
Office Equipment	5 years
Computer Equipment	
-Desktop/laptop	3 years
-Server Network	6 years
Furniture and Fixtures	10 years
Lease-hold improvements	Over the lease term

Each item of PPE individually costing 5,000/- or less is depreciated over a period of one year. The estimated useful lives, residual values and depreciation method are reviewed at-least at the end of each financial year and are adjusted, wherever appropriate.

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2 *Significant accounting policies (Continued)*

2.12 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use
- Management intends to complete the software and use or sell it
- There is an ability to use or sell the software
- It can be demonstrated how the software will generate probable future economic benefits
- Adequate technical, financial and other resources to complete the development and to use or sell the software are available and
- The expenditure attributable to the software during its development can be reliably measured

Intangible assets under development

Directly attributable costs that are capitalized as a part of software include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

Research expenditure and development expenditure that do not meet the above criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Amortisation of intangible assets

Intangible assets are amortized on a straight line basis over the estimated useful economic life. Intangible assets are amortised as per management's estimate over a period of 5 years or licence period whichever is earlier. Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method are reviewed at least at each financial year end. Costs associated with maintaining software programmes are recognised as an expense as incurred.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

2.13 Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.14 Earnings per share

Basic EPS is calculated by dividing the profit or loss that is attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss that is attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

2.15 Income Taxes

Income tax expense comprises current tax and deferred tax and is recognized in the Statement of profit and loss except to the extent it relates to items directly recognized in equity or in OCI.

Auxilo Finserve Private Limited

2 *Significant accounting policies (Continued)*

2.15 *Income Taxes (Continued)*

Current income tax
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities using the tax rates and tax laws that are enacted or substantively enacted by the balance sheet date and applicable for the period.
Current tax items in correlation to the underlying transaction relating to OCI and equity are recognized in OCI and in equity respectively.

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 on the basis of amounts expected to be paid to the tax authorities.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

Deferred income tax
Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred tax assets are recognized for deductible temporary differences, the carry forward of unused tax credits and any unused tax losses 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.

The carrying amount of deferred tax assets is reviewed at each balance sheet 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 assets to be utilised.

Unrecognised deferred tax assets are re-assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profits 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 balance sheet date.

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

2.16 Leases

The Company recognises leases as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.
Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

• fixed payments (including in-substance fixed payments), less any lease incentives receivable
• variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
• amounts expected to be payable by the Company under residual value guarantees
• the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
• payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Auxilo Finserve Private Limited

2 ***Significant accounting policies (Continued)***

2.16 ***Leases (Continued)***

To determine the incremental borrowing rate, the Company where possible, uses recent third-party financing received as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

Right-of-use assets are measured at cost comprising the following:
- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit and loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and multiprotocol label switching (MPLS) equipment (MPLS VPN).

2.17 Employee Share Based Plan

Share-based compensation benefits are provided to the employees through the Employee Stock Option Scheme, 2017 ("Plan"). The fair value of options determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period with a corresponding credit to share options outstanding reserve, based on the Company's estimate of the shares that will eventually vest and adjusted for the effect of service conditions.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the service conditions. It recognises the impact of the revision to original estimates, if any, in profit and loss, with a corresponding adjustment to equity.

2.18 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). Managing Director cum Chief executive officer (MD and CEO) of the Company has been identified as CODM who assesses the financial performance and position of the Company, and makes strategic decisions.

2.19 Revenue and Expense Recognition

A. Interest income

Interest income is presented in the Statement of profit and loss includes interest on financial assets measured at amortised cost calculated on an effective interest basis. Fee income and expense that are integral to the effective interest rate on a financial asset are included in the effective interest rate computation. The amortization of income and expenses for financial assets under EIR approach is done on a systematic basis that exactly discounts estimated future cash flows of the financial assets through the expected life of the assets.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets. (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated applying the EIR to the amortised cost of the credit-impaired financial asset (i.e. the gross carrying amount less the allowances for ECLs).

B. Commission and fee income

Commissions earned by the Company which are not directly attributable to disbursal of loans are recognised in the Statement of profit and loss as and when incurred.

Fee income is recognised when the Company satisfies the performance obligation, at fair value of the consideration received or receivable based on a five-step model as set out in Ind AS 115.

C. Interest expenses

Interest expense is presented in the Statement of profit and loss includes interest on liabilities measured at amortised cost calculated on an effective interest basis. Fee and borrowing costs that are integral to the effective interest rate on a financial liability are included in the effective interest rate computation. The amortization of expenses for financial liabilities under EIR approach is done on a systematic basis that exactly discounts estimated future cash flows of the financial liabilities through the expected life of the financial liability.

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Auxilo Finserve Private Limited *

2 *Significant accounting policies (Continued)*

D. Borrowing costs

Borrowing costs incurred in connection with the borrowing of funds including the ancillary cost are amortised and accounted as interest expense using the EIR method.

Other borrowing costs are recognised as expense in the period in which they are incurred.

2.20 Standards issued but not yet effective

Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards 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) Amendment Rules, 2023, as below:

(i) 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.

(ii) 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. The Company is evaluating the impact, if any, in its financial statements.

(iii) 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.

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Auxilo Finserve Private Limited ★

Auxilo Finserve Private Limited
Notes to the financial statements for the year ended March 31, 2023

(Currency : Indian Rupees in lakhs)

	Particulars		**As at March 31, 2023**	**As at March 31, 2022**
3.	**Cash and cash equivalents**			
	a) Cash on hand		-	-
	b) Balances with Banks			
	i) in current accounts		8,882.16	906.85
	ii) in deposit accounts having original maturity less than 3 months*		14,527.85	7,506.32
			23,410.01	8,413.17
	Less: Impairment loss allowance		0.10	0.07
		Total	**23,409.91**	**8,413.10**

Note :

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.

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.

* includes interest accrued amounting INR 27.85 lakh (As at March 31, 2022 - INR 6.32 lakh).

4.	**Other Bank balances**			
	Other Bank balances			
	In fixed deposit accounts			
	i) Fixed deposits pledged for bank overdraft facility		534.67	533.55
	ii) Fixed deposits for Securitisation		785.10	132.36
			1,319.77	665.91
	Less: Impairment loss allowance		1.11	0.11
		Total	**1,318.66**	**665.80**

Note: Fixed deposit has been earmarked towards credit enhancement towards securitisation transaction. (Refer note - 47.19.1)

5.	**Trade receivables**			
	Trade receivable considered good - Unsecured		183.82	31.02
			183.82	31.02
	Less: Impairment loss allowance*		0.02	0.00
		Total	**183.80**	**31.02**

* - Less than Rs. 500

5.1 Ageing Schedule of trade receivables outstanding is as follows

As at March 31, 2023

Particulars		**Less than 6 months#**	**Total**
i) Undisputed trade receivables-considered good		183.82	183.82
ii) Undisputed trade receivables-which have significant increase in credit risk		-	-
iii) Undisputed trade receivables-credit impaired		-	-
iv) Disputed trade receivables-considered good		-	-
v) Disputed trade receivables-which have significant increase in credit risk		-	-
vi) Disputed trade receivables-credit impaired		-	-
	Total	**183.82**	**183.82**
Less: Impairment loss allowance		0.02	0.02
	Total	**183.80**	**183.80**

NANGIA & CO. LLP ★ CHARTERED ACCOUNTANTS ★

Auxilo Finserve Private Limited ★

(Currency : Indian Rupees in lakhs)

As at March 31, 2022

Particulars	Less than 6 months#	Total
i) Undisputed trade receivables-considered good	31.02	31.02
ii) Undisputed trade receivables-which have significant increase in credit risk	-	-
iii) Undisputed trade receivables-credit impaired	-	-
iv) Disputed trade receivables-considered good	-	-
v) Disputed trade receivables-which have significant increase in credit risk	-	-
vi) Disputed trade receivables-credit impaired	-	-
Total	**31.02**	**31.02**
Less: Impairment loss allowance*	0.00	0.00
Total	**31.02**	**31.02**

* - Less than INR 500

#There are no trade receivable having ageing more than 6 months as on March 31, 2023 and March 31, 2022.
Note - Above numbers of trade receivable are inclusive of unbilled trade receivable of Rs. 149.86 lakh (As at March 31, 2022 - Rs. 1.89 lakh).

Particulars	As at March 31, 2023	As at March 31, 2022
6. Loans		
At amortised cost		
A. **Product wise Details**		
a) Term loans	1,69,051.31	76,929.44
Total (A) - Gross	1,69,051.31	76,929.44
Less: Impairment loss allowance	1,396.38	942.16
Total (A) - Net	**1,67,654.93**	**75,987.28**
B. **Security wise Details**		
a) Secured considered good*		
i) Secured by tangible assets	28,654.03	31,325.04
ii) Secured by intangible assets	-	-
b) Unsecured	1,40,397.28	45,604.40
Total (B) - Gross	1,69,051.31	76,929.44
Less: Impairment loss allowance	1,396.38	942.16
Total (B) - Net	**1,67,654.93**	**75,987.28**

*Secured loans are secured to the extent of collateral value consisting of immovable property and/or fixed deposits.

Particulars	As at March 31, 2023	As at March 31, 2022
C. **Region wise Details**		
a) Loans in India		
- Public sector	-	-
- Others	1,69,051.31	76,929.44
b) Loans outside India	-	-
Total (C) - Gross	1,69,051.31	76,929.44
Less: Impairment loss allowance	1,396.38	942.16
Total (C) - Net	**1,67,654.93**	**75,987.28**

Note:

6.1 Refer note - 40.A for details of Credit risk, credit risk management, credit quality and reconciliation of impairment loss allowances.
6.2 There are no loans which has been classified as Fair value through profit and loss and / or Fair value through other comprehensive income.

NANGIA & CO. LLP CHARTERED ACCOUNTANTS

Auxilo Finserve Private Limited

Auxilo Finserve Private Limited
Notes to the financial statements for the year ended March 31, 2023

(Currency : Indian Rupees in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
7. Other financial assets		
Unsecured, considered good		
a) Security deposits	167.22	89.61
b) Receivable from employees	1.26	1.09
	168.48	90.70
Less: Impairment loss allowance	0.20	0.11
Total	**168.28**	**90.59**
8. Current tax assets (net)		
Current tax assets (net) Net of provision for income tax INR 1,568.75 lakh (As at March 31, 2022 - INR 776.79 lakh)	222.90	65.43
Total	**222.90**	**65.43**
9. Deferred tax assets (net)		
A. Deferred tax assets / (Deferred tax liabilities)		
a) Effective interest rate (EIR) impact on Borrowings and Loans	226.32	50.02
Total deferred tax liabilities	**226.32**	**50.02**
a) Difference between WDV as per books and tax books	10.49	8.66
b) Employee share-based payments	88.47	112.89
c) Provision for Gratuity	29.25	20.78
d) Provision for Compensated absences	14.40	11.17
e) Unwinding of discount on security deposit and prepaid rent expenses	0.22	0.10
f) Leases	19.18	4.69
g) Impairment loss allowance	270.84	197.21
Total deferred tax assets	**432.85**	**355.50**
Net deferred tax assets	**206.53**	**305.48**

B. For yearly movement in balances of deferred tax assets/(liabilities) refer Note no. - 28.3

Auxilo Finserve Private Limited

NANGIA & CO. LLP ★ CHARTERED ACCOUNTANTS

Auxilo Finserve Private Limited
Notes to the financial statements for the year ended March 31, 2023

(Currency : Indian Rupees in lakhs)

10. Property, plant and equipment, Right-of-use assets & Intangible assets

Particulars	Property, plant and equipment						Right-of-use assets		Other Intangible assets	
	Land* (A)	Computer Hardware (B)	Office Equipment (C)	Furniture and Fixtures (D)	Leasehold Improvements (E)	Total F = (A+B+C+D+E)	Premises	Total	Software	Total
A. Gross carrying amount										
Balance at As at March 31, 2021	5.25	211.26	25.07	17.90	70.10	329.58	518.68	518.68	174.86	174.86
Addition	-	43.59	3.31	0.23	-	47.13	143.82	143.82	49.02	49.02
Disposal	-	15.40	-	-	-	15.40	24.12	24.12	13.86	13.86
Balance at March 31, 2022	5.25	239.45	28.38	18.13	70.10	361.31	638.38	638.38	210.02	210.02
Addition	-	148.94	11.15	30.87	125.96	316.92	1,373.39	1,373.39	148.94	148.94
Disposal	-	26.02	0.35	0.85	70.10	97.32	15.01	15.01	-	-
Balance at March 31, 2023	5.25	362.37	39.18	48.15	125.96	580.91	1,996.76	1,996.76	358.96	358.96
B. Accumulated Depreciation / amortisation										
Balance at March 31, 2021	-	131.46	15.43	9.70	49.40	205.99	274.57	274.57	81.43	81.43
Depreciation / Amortisation expense	-	44.40	4.86	1.25	14.02	64.53	163.49	163.49	52.39	52.39
Disposal	-	14.59	-	-	-	14.59	12.42	12.42	12.13	12.13
Balance at March 31, 2022	-	161.27	20.29	10.95	63.42	255.93	425.64	425.64	121.69	121.69
Depreciation / Amortisation expense	-	68.14	5.21	3.68	18.13	95.16	265.43	265.43	74.00	74.00
Disposal	-	25.25	0.29	0.35	70.10	95.99	11.88	11.88	-	-
Balance at March 31, 2023	-	204.16	25.21	14.28	11.45	255.10	679.19	679.19	195.69	195.69
C. Net carrying amount (A-B)										
As at March 31, 2022	5.25	78.18	8.09	7.18	6.68	105.38	212.74	212.74	88.33	88.33
As at March 31, 2023	5.25	158.21	13.97	33.87	114.51	325.81	1,317.57	1,317.57	163.27	163.27

D. Depreciation and Amortisations for the year

	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Depreciation on property, plant and equipments	95.16	64.53
b) Depreciation on right-of-use assets	265.43	163.49
c) Amortisation of intangible assets	74.00	52.39
Total	434.59	280.41

Note * : Pari passu charge over the immovable property of the Company towards the Listed Non convertible debentures issued under Debenture Trust Deed dated August 27, 2020.
The company had no acquisitions through business combinations. Further, no revaluation (upwards or downwards) has been made.
Title deeds of all immovable properties are held in the name of company.
No proceedings have been initiated or pending against the company for holding any benami property under the Benami Trasnactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

Auxilo Finserve Private Limited

Nangia & Co. LLP * Chartered Accountants

Auxilo Finserve Private Limited
Notes to the financial statements for the year ended March 31, 2023

(Currency : Indian Rupees in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
11. Intangible assets under development		
Softwares	153.47	123.23
Total	**153.47**	**123.23**

Ageing schedule of intangible assets under development is as follows-

Paticulars	As at March 31, 2023 Amount in CWIP for a period of		
	More than 1 year	Less than 1 year	Total
Projects in progress	123.23	30.24	153.47
Projects temporarily suspended	-	-	-
Total	**123.23**	**30.24**	**153.47**

	As at March 31, 2022 Amount in CWIP for a period of		
	More than 1 year	Less than 1 year	Total
Projects in progress	-	123.23	123.23
Projects temporarily suspended	-	-	-
Total	-	**123.23**	**123.23**

Note-There were no intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan.

12. Other non financial assets		
Unsecured, considered good		
a) Prepaid expenses	101.95	66.61
b) Advances to vendors	182.75	73.18
c) Balances with statutory authorities	-	49.83
Total	**284.70**	**189.62**
13 Debt securities		
13.1 At amortised cost (Refer Note 13.3)		
a) Non convertible debentures (listed, secured, fully paid and privately placed)	28,218.66	13,866.39
b) Commercial Paper	1,490.63	-
Total	**29,709.29**	**13,866.39**
13.2		
i) Debt securities in India	29,709.29	13,866.39
ii) Debt securities outside India	-	-
Total	**29,709.29**	**13,866.39**

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(Currency : Indian Rupees in lakhs)

13.3 Terms of repayment of Debt securities

Name of Security	Repayment Terms	Maturity Date	As at March 31, 2023 Outstanding Amount	As at March 31, 2023 Face Value / Redemption value	As at March 31, 2022 Outstanding Amount	As at March 31, 2022 Face Value / Redemption value
A. Listed and Secured Non Convertible Debentures						
10.25% Non Convertible Debentures	Six Equal Half Yearly Installments	June 23, 2023	416.67	1.67	1,250.00	5.00
11.01% Market Linked Debentures	Bullet repayment on maturity	September 16, 2022	-	-	700.00	1.00
11.00% Non Convertible Debentures (Refer Note-iv)	Bullet repayment on maturity	June 01, 2023	1,000.00	10.00	1,000.00	10.00
10.85% Non Convertible Debentures (Refer Note-iv)	Bullet repayment on maturity	June 26, 2023	3,500.00	10.00	3,500.00	10.00
11.00% Non Convertible Debentures (Refer Note-iv)	Bullet repayment on maturity	July 30, 2023	2,500.00	10.00	2,500.00	10.00
9.15% Non Convertible Debentures (RBI Repo Rate + 5.15% Spread)	Bullet repayment on maturity	August 24, 2023	3,300.00	10.00	3,300.00	10.00
11.01% Market Linked Debentures	Bullet repayment on maturity	September 16, 2023	800.00	1.00	800.00	1.00
10.17% Non Convertible Debentures (3 Month T-Bill + 5% Spread)	In four equal instalments	July 21, 2025	5,000.00	1.00	-	-
10.25% Non Convertible Debentures (3 Month T-Bill + 5% Spread)	In five equal instalments	February 18, 2026	3,500.00	1.00	-	-
9.70% Market Linked Debentures	Bullet repayment on maturity	September 22, 2024	5,000.00	1.00	-	-
9.45% Non Convertible Debentures (3 Month T-Bill + Spread)	Eight Equal Quarterly Instalments	October 3, 2024	2,187.50	1.00	-	-
Total Listed and Secured NCD (A)			**27,204.17**		**13,050.00**	
B. Commercial Paper						
8.50% Commercial Paper - unsecured and unlisted	Bullet repayment on maturity	April 28, 2023	1,500.00	5.00	-	-
Total commercial paper (B)			**1,500.00**		-	
Total Debt securities (A + B)			**28,704.17**		**13,050.00**	
Less: Effective interest rate (EIR) impact			(136.29)		(36.94)	
Add: Interest accrued			1,141.41		853.33	
Total			29,709.29		13,866.39	

Note:

i) Non Convertible Debentures are issued at fixed as well as floating coupon rate.

ii) Market Linked Debentures are carrying variable interest rate which is linked to performance of specified indices over the tenure of the debentures. The embedded value of the derivative is negligible and is likely to remain negligible throughout the tenure of debentures. Therefore the market linked debentures have been classified at amortised cost.

iii) All secured Non Convertible Debentures are secured by way of Exclusive charge against loan receivables.

iv) The Listed Non Convertible debentures issued under Debenture Trust Deed dated August 27, 2020 are also secured by pari passu charge over the immovable property of the Company.

v) The company have not used borrowings from bank & financial institutions for other than specific purpose for which it is obtained.

vi) There are no registration or satisfaction of charges pending beyond the statutory period with ROC.

vii) Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with books of accounts.

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Auxilo Finserve Private Limited ★

Auxilo Finserve Private Limited
Notes to the financial statements for the year ended March 31, 2023

(Currency : Indian Rupees in lakhs)

	Particulars	As at March 31, 2023	As at March 31, 2022
14	**Borrowings (Other than debt securities)**		
14.1	**Borrowings at amortised cost**		
I	a) Term Loans (Secured) (Refer Note 14.2 and 14.5)		
	i) from banks	99,283.06	29,150.15
	ii) from others	8,750.94	743.54
	b) Loans repayable on demand from banks (Secured) (Refer Note 14.3 and 14.5)	3,476.32	1,000.00
	c) Borrowings from securitisation / Payable for securitisation (Refer Note 14.4 and 14.5)	4,773.09	909.70
	Total	**1,16,283.41**	**31,803.39**
	Of the Above		
II	i) Borrowings in India	1,16,283.41	31,803.39
	ii) Borrowings outside India	-	-
	Total	**1,16,283.41**	**31,803.39**

14.2 Repayment terms of term loans

	As at March 31, 2023	As at March 31, 2022
Repayable within 1 year	26,297.19	8,482.81
Repayable within 1 year to 3 years	54,878.87	14,419.29
Repayable after 3 years	27,559.29	7,442.32
Total Principal	**1,08,735.35**	**30,344.42**
Add: Interest accrued but not due	197.15	24.70
Add/(less): Effective interest rate (EIR) impact	(898.50)	(475.43)
Total	**1,08,034.00**	**29,893.69**

Interest Rate : Term loans are borrowed at floating rate of interest ranging from 6.00% p.a. to 10.80% p.a.(As at March 31, 2022 - 8.25% to 10.80%)

Security : Security for term loans is exclusive charge against the education loan receivables and/or cash and cash equivalents/investments.

The borrowings have not been guaranteed by directors or others. Also there is no default in repayment of borrowing and interest on bank term loans.

14.3 Loans repayable on demand from banks-Secured

Terms of Repayment

Particulars	Rate of Interest	Repayment Details	As at March 31, 2023	As at March 31, 2022
Working capital demand loans	7.29% to 8.64%	Bullet repayment on maturity	3,476.32	1,000.00
		Total	**3,476.32**	**1,000.00**

Details of security

i) Loans Repayable on Demand are secured against advances

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Auxilo Finserve Private Limited ★

Auxilo Finserve Private Limited
Notes to the financial statements for the year ended March 31, 2023

(Currency : Indian Rupees in lakhs)

14.4 Repayment terms of borrowing from securitisation

	As at March 31, 2023	As at March 31, 2022
Repayable within 1 year	1,592.07	271.81
Repayable within 1 year to 3 years	2,747.35	583.73
Repayable after 3 years	429.46	56.33
Total	**4,768.88**	**911.87**
Add: Interest accrued but not due	24.33	4.16
Add/(less): Effective interest rate (EIR) impact	(20.12)	(6.33)
Total	**4,773.09**	**909.70**
Details of Interest rate and Security		
a. Rate of interest (weighted average)	**8.52%**	**10.75%**
b. Borrowing from securitisation is secured by cash collateral in the form of fixed deposit	762.34	117.34

14.5 Notes:

i) The Company has not used borrowings from bank and financial institutions for other than specific purpose for which it is obtained. However as at end of reporting period the Company has funds of INR 11,051.50 lakhs (As at March 31, 2022 - INR 6,506.32 lakhs) which remains unutilised from the borrowings made at the end of F.Y. 2022-23 and lying as fixed deposits (net of WDCL facilities).

ii) There are no registration or satisfaction of charges pending beyond the statutory period with ROC.

iii) Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with books of accounts.

15. Other financial liabilities

Employee benefits payable	43.17	9.71
Advances received from customers (Refer Note below)	702.49	728.15
Provision for expenses	961.49	430.17
Liability component on account of Preference Shares*	-	0.00
Total	**1,707.15**	**1,168.03**

* - Less than Rs. 500

Note - Advance received from customers includes amounts received towards advance installments and Debt Service Reserve Account (DSRA). Also it includes advances received from other than loan customers.

16. Provisions

Provision for Employee Benefits		
i) Gratuity (Refer Note 37.B)	116.23	82.58
ii) Compensated absences	57.21	44.38
Total	**173.44**	**126.96**

17. Other non-financial liabilities

Income received in advance	174.93	112.01
Statutory dues payable	133.97	66.23
Total	**308.90**	**178.24**

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Auxilo Finserve Private Limited
Notes to the financial statements for the year ended March 31, 2023

(Currency : Indian Rupees in lakhs)

18. Equity share capital

a) Share capital authorised, issued, subscribed and paid up

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
Authorised:				
Equity Shares of INR 10 each	2,00,00,00,000	2,00,000.00	2,00,00,00,000	2,00,000.00
Optionally Convertible Preference Shares of INR 10 each (OCPS)	80,00,000	800.00	80,00,000	800.00
	2,00,80,00,000	**2,00,800.00**	**2,00,80,00,000**	**2,00,800.00**
Issued, Subscribed and fully paid up:				
Equity Shares of INR 10 each	37,62,66,135	37,626.61	34,94,44,987	34,944.50
	37,62,66,135	**37,626.61**	**34,94,44,987**	**34,944.50**

b) Reconciliations of the number of equity shares and share capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
Issued, Subscribed and fully paid up:				
Outstanding at the beginning of year	34,94,44,987	34,944.50	34,40,62,153	34,406.22
Add: Shares issued during year	2,68,21,148	2,682.11	53,82,834	538.28
Outstanding at the end of the year	**37,62,66,135**	**37,626.61**	**34,94,44,987**	**34,944.50**

c) Terms/rights attached to equity shares:

The Company has only one class of equity shares having a par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend, if any proposed 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. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

Balrampur Chini Mills Limited and Elme Advisors LLP shall not Transfer, any of the Securities of the Company held by them to any Person without the prior written consent of ICICI Bank Limited for a period of three years from the date of the allotment of shares to ICICI Bank Limited (the 'closing date') in case such transfer results in (i) their aggregate equity shareholding in the Company going below fifty-one per cent of the paid-up equity share capital of the Company (calculated on a fully diluted basis) or (ii) there is change in the proportion of shareholding inter-se between them as on the closing date.

d) Shareholder holding more than 5% shares as at the end of the year :

Name of Shareholders	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% Holding	No. of shares	% Holding
Equity Shares				
Balrampur Chini Mills Limited	16,52,92,000	43.93%	15,50,00,000	44.36%
Elme Advisors LLP	16,52,92,000	43.93%	15,50,00,000	44.36%
ICICI Bank Limited	3,63,23,820	9.65%	3,40,62,153	9.75%
OCPS				
Neeraj Saxena	-	-	26,66,666	100%

e) Increase in Authorised Share Capital

During the financial year ended March 31, 2023, there was no change in Authorised Share Capital of the Company. (Previous year ended on March 31, 2022 - Nil)

f) Details of shares issued have Face value of INR 10 per share are as follows:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No of shares	Amount	No of shares	Amount
Rights issue	2,32,02,982	2,320.30	-	-
ESOPs	9,51,500	95.15	49,500.00	4.95
Conversion from OCPS into equity shares	26,66,666	266.67	53,33,334.00	533.33
	2,68,21,148.00	**2,682.12**	**53,82,834.00**	**538.28**

NANGIA & CO. LLP CHARTERED ACCOUNTANTS

Auxilo Finserve Private Limited

(Currency : Indian Rupees in lakhs)

18. Equity share capital

g) Details of promoter's equity shareholding:

Promoter's Name- Elme Advisors LLP

Particulars	As at March 31, 2023		As at March 31, 2022	
	No of shares	% of total shares	No of shares	% of total shares
At the beginning of the year	15,50,00,000	44.36%	15,50,00,000	45.05%
Change during the year	1,02,92,000	(0.43%)	-	(0.69%)
At the end of the year	16,52,92,000	43.93%	15,50,00,000	44.36%

Notes :

Change in percentage of total shares held by promoters is due to the increase in total issued equity share capital of the Company.
There were no restatement in the balances of share held at the beginning of the year on account of prior period error.

h) Aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date: Nil

i) Aggregate number and class of share alloted as fully paid up by way of bonus shares during the period of five years immediately preceding the reporting date: Nil

j) Aggregate number and class of shares bought back during the period of five years immediately preceding the reporting date: Nil

k) Dividend Payment

No dividend is paid during the year or recommended by the Board Of Directors for the year ended as on March 31, 2023. (Previous year- Nil)

l) Optionally convertible preference shares

The Company has following Optionally convertible preference shares (OCPS) having a face vale of INR 10 per share.

Type of share	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount
0.001% Class C OCPS (Amount paid up INR 0.11 per share)	-	-	26,66,666	2.93
Total	-	-	26,66,666	2.93

m) Terms of issue of Optionally convertible preference shares

1. The OCPS shall carry cumulative right of dividend at a fixed rate of 0.001% per year and such dividend shall have a priority over any dividend rights of the equity shares of the Company.

2. In the event of winding up of the Company, the holder of OCPS will be entitled to a preferential right of return of the amount paid-up on the OCPS due on the date of winding-up.

3. The OCPS shall be non-participating in the surplus funds and profits, on winding up which may remain after the entire capital has been paid.

4. The holder of OCPS will not have any voting rights, other than as specifically provided under section 47 (2) of the Companies Act, 2013 in respect of Preference Share capital represented by OCPS.

5. Conversion: Each OCPS shall be convertible into 1 (one) equity share ("Conversion Ratio") subject to fulfilment of applicable conditions.

6. All the OCPS shares were converted into equity before March 31, 2023.

n) Details of OCPS are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Face value of OCPS (Rupees per share)	-	10.00
Paid up value of the OCPS	-	2.93
Financial Liability component of the OCPS *	-	0.00
Interest expense over the tenure *	-	0.00
Equity component of the OCPS	-	2.93

* - Less than INR 500 as on March 31, 2023 & March 31, 2022

o) Shares reserved for issue under options

Refer Note 38 for details of shares to be issued under the Employee Stock Option Plan.

Auxilo Finserve Private Limited

CHARTERED ACCOUNTANTS • NANGIA & CO. LLP

Auxilo Finserve Private Limited
Notes to the financial statements for the year ended March 31, 2023

(Currency : Indian Rupees in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
19. Other equity		
a) Securities premium	3,826.92	2,203.11
b) Statutory reserve	1,152.28	639.89
c) Equity component of compound financial instrument	-	2.93
d) Employee stock options	351.53	448.54
e) Retained earnings	2,903.95	679.28
f) Other comprehensive income	(27.44)	(14.64)
Total	**8,207.24**	**3,959.11**

A. Nature and purpose of reserves

a. Securities premium reserve

Securities premium account represents the amount of premium received by the Company on the issuance of shares. The utilisation of the Securities premium is restricted to purposes specified in the Companies Act, 2013.

b. Statutory reserve

Statutory Reserve: As per Section 45-IC of the Reserve Bank of India Act, 1934 ("The RBI Act"), the Company is transferring an amount of 20% of its net profits to a reserve fund before declaring any dividend.

c. Equity component of compound financial instrument

Equity component of compound financial instrument account represents the equity component of an Optionally convertible Preference share which is a compound financial instrument.

d. Employee stock options

Share options outstanding reserve account is used to record the value of equity settled share based payment transactions with the employees under its employee share options payment plan.

e. Retained Earnings

Retained earnings comprises of the Company's undistributed earnings after taxes.

f. Other Comprehensive income

It represents the gain / loss on account of actuarial valuation of defined benefit obligation.

B. Movement in Other equity

Particulars		As at March 31, 2023	As at March 31, 2022
a) Securities premium			
Opening balance		2,203.11	2,203.11
Add : Premium received on issue of equity shares		1,625.02	-
Less: Issuance cost on right issue of equity shares		(1.21)	-
Closing Balance	(a)	**3,826.92**	**2,203.11**
b) Statutory reserve			
Opening balance		639.89	391.32
Add : Transfer from retained earnings*		512.39	248.57
Closing Balance	(b)	**1,152.28**	**639.89**
c) Equity component of Compound financial instrument			
Opening balance		2.93	272.27
Add: Money called up and paid on OCPS		263.73	264.00
Less : Converted to Equity shares		266.66	533.34
Closing Balance	(c)	-	**2.93**
d) Employee stock options			
Opening balance		448.54	513.00
Add : Additions during the year		65.31	138.83
Less: Trf to retained earnings		(162.32)	(203.29)
Closing Balance	(d)	**351.53**	**448.54**
e) Retained Earnings			
Opening balance		679.28	(532.23)
Add: Profit for the year		2,574.74	1,256.79
Add: Trf from Employee stock options		162.32	203.29
Amount available for appropriation		**3,416.34**	**927.85**
Appropriations:			
Transfer to statutory reserve*		512.39	248.57
Closing Balance	(e)	**2,903.95**	**679.28**
f) Other comprehensive income			
Opening balance		(14.64)	(0.71)
Add: Remeasurement gains and (losses) on defined benefit obligations		(12.80)	(13.93)
Closing Balance	(f)	**(27.44)**	**(14.64)**
	(a+b+c+d+e+f)	**8,207.24**	**3,959.11**

* - Computed as 20% of profit for the year.

CHARTERED ACCOUNTANTS * NANGIA & CO. LLP *

Auxilo Finserve Private Limited *

(Currency : Indian Rupees in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
20. Interest income		
a) On financial assets measured at amortised cost		
Interest income on loans	16,795.38	8,354.26
Interest Income on Fixed deposits	181.33	122.27
Total	**16,976.71**	**8,476.53**
21. Fee and commission income		
Service income	142.87	79.02
Commission income	262.33	24.97
Total	**405.20**	**103.99**
Revenue from contract with Customers		
Set out below is the revenue from contracts with customers and reconciliation to Statement of profit and loss.		
Type of Services		
Fees and commission income	405.20	103.99
Total Revenue from contract with Customers	**405.20**	**103.99**
Geographical Markets		
India	405.20	103.99
Outside India	-	-
Total Revenue from contract with Customers	**405.20**	**103.99**
Timing of revenue recognition		
Services transferred at a point in time	405.20	103.99
Services transferred over time	-	-
Total Revenue from contract with Customers	**405.20**	**103.99**
Contract Balance		
Trade Receivables	183.82	31.02

No revenue from transactions with a single external customer amounted to 10 percent or more of the Company's total revenue in year ended March 31, 2023 and March 31, 2022.

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
22. Net gain on fair value change		
On trading portfolio		
Investments at Fair value through profit and loss (FVTPL)		
Profit on sale of liquid mutual funds	444.19	138.71
Total	**444.19**	**138.71**
Fair value changes:		
Realised	444.19	138.71
Unrealised	-	-
Total	**444.19**	**138.71**
23. Other income		
Fee income and other charges	1,249.50	527.55
Unwinding of discount on security deposits	7.97	5.76
Net gain or (loss) on foreign currency transaction	(0.61)	(0.37)
Miscellaneous income	0.40	9.76
Total	**1,257.26**	**542.70**

Auxilo Finserve Private Limited
Notes to the financial statements for the year ended March 31, 2023

(Currency : Indian Rupees in lakhs)

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
24.	**Finance costs**		
	On Financial liabilities measured at amortised cost		
	a) Interest on borrowings (other than debt securities)	6,889.24	1,860.86
	b) Interest on debt securities	2,433.19	1,371.62
	c) Interest - lease liabilities	78.41	26.39
	d) Other interest expense	8.44	5.20
	e) Other Borrowing costs	138.37	49.23
	Total	**9,547.65**	**3,313.30**
25.	**Impairment on financial instruments**		
	Impairment loss allowance (Refer Note - 40.A.vi)		
	i) On Financial assets measured at amortised cost		
	a) Loans	454.22	525.92
	b) Fixed deposits	1.03	(0.23)
	c) Others	0.11	(0.02)
	ii) Write off of loans	-	1.49
	Total	**455.36**	**527.16**
26.	**Employee benefits expenses**		
	a) Salaries, bonus and allowances	2,940.40	2,221.12
	b) Contribution to provident fund and other funds	112.52	85.90
	c) Gratuity expense (Refer Note - 37)	16.54	18.71
	d) Compensated absences (Refer Note - 37)	12.83	11.72
	e) Share based payments to employees (Refer Note - 38)	65.31	138.82
	f) Staff welfare	104.07	48.95
	Total	**3,251.67**	**2,525.22**
27.	**Others expenses**		
	a) Advertisement and publicity	102.49	80.32
	b) Auditor's fees and expenses (Refer note below)	38.36	36.51
	c) Business sourcing expenses	392.84	83.29
	d) Communication cost /IT expenses	607.58	504.94
	e) Directors fees, allowances	11.77	9.59
	f) Expenditure towards corporate social responsibility (Refer note 35)	25.43	12.58
	g) Legal and professional fees	372.68	222.96
	h) Loss / (Profit) on sale of fixed assets (net)	(1.51)	2.23
	i) Printing and stationery	40.62	16.23
	j) Rates, duties and taxes	6.47	4.32
	k) Rent (net of discount concession received)	88.35	28.56
	l) Repairs and maintenance	101.44	64.61
	m) Travelling and conveyance	132.19	42.51
	n) Miscellaneous expenses	5.43	2.49
		1,924.14	**1,111.14**
27.1	**Auditors' fees and expenses**		
	Payments to auditor		
	a) Audit fees	24.50	23.43
	b) Internal control over financial reporting fees	2.00	2.00
	c) Certification	6.00	6.00
	d) Other services	2.00	2.00
	e) Out of pocket expenses	0.69	0.06
	f) GST on above	3.17	3.02
	Total	**38.36**	**36.51**

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(Currency : Indian Rupees in lakhs)

28. Disclosure pursuant to Ind AS 12 "Income Taxes"

28.1 Major components of tax expense/(income):

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
I. Profit and Loss section		
(i) Current income tax:		
Current income tax expense	782.68	431.01
Tax expense in respect of earlier years	9.28	(5.67)
(ii) Deferred tax:		
Tax expense on origination and reversal of temporary differences	103.25	(177.43)
Income tax expense reported in Profit and Loss (i + ii)	**895.21**	**247.91**
II. Other Comprehensive Income (OCI) section:		
Income tax expense / (gain) relating to items that will not be reclassified to profit and loss	(4.31)	(4.69)
Income tax expense reported in the OCI section	**(4.31)**	**(4.69)**

28.2 Reconciliation of tax expense and the accounting profit

The Company has elected to exercise the option permitted under Section 115BAA of the income-tax Act, 1961, as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for income tax for the year ended March 31, 2023 and March 31, 2022.

A reconciliation of income tax provision to the amount computed by applying statutory income tax rate to the income before taxes is summarised

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Profit before tax	3,469.95	1,504.70
(b) Corporate tax rate as per Income tax Act, 1961	25.17%	25.17%
(c) Tax on Accounting profit (c) = (a) * (b)	873.32	378.70
(d) Tax impact due to		
(i) Adjustment of deferred tax and current tax of prior periods	9.28	(134.44)
(ii) CSR expenses	6.40	3.17
(iii) Other amounts	0.07	0.48
Total effect of tax adjustments [(i) to (iv)]	**15.75**	**(130.79)**
(e) **Income tax expense reported in Profit and Loss**	884.76	243.22
(f) Income tax expense reported in the OCI section	4.31	4.69
(g) **Total Income tax expnese (e+f)**	**889.07**	**247.91**
(h) **Effective tax rate (h)=(g)/(a)**	**25.50%**	**16.16%**

NANGIA & CO. LLP CHARTERED ACCOUNTANTS

Auxilo Finserve Private Limited

(Currency : Indian Rupees in lakhs)

28.3 Movement in deferred taxes

(A) Movement in deferred tax balances for the period ended March 31, 2023

Particulars	As at March 31, 2022	Recognised in profit and loss & OCI	(Charged)/ Credited to Equity*	As at March 31, 2023
Deferred tax asset/ (liabilities)				
i) Effective interest rate (EIR) impact on Borrowings and Loans	(50.02)	(176.30)	-	(226.32)
ii) Depreciation and amortisation	8.66	1.83	-	10.49
iii) Employee share-based payments	112.89	(22.59)	(1.83)	88.47
iv) Impairment loss allowance	197.21	73.63	-	270.84
v) Provision for Gratuity	20.78	8.47	-	29.25
vi) Provision for Compensated absences	11.17	3.23	-	14.40
vii) Unwinding of discount on security deposit and prepaid rent	0.10	0.12	-	0.22
viil) Leases	4.69	14.49	-	19.18
Total	**305.48**	**(97.12)**	**(1.83)**	**206.53**

(B) Movement in deferred tax balances for the year ended March 31, 2022

Particulars	As at March 31, 2022	Recognised in profit and loss & OCI	(Charged)/ Credited to Equity*	As at March 31, 2022
Deferred tax asset/ (liabilities)				
i) Effective interest rate (EIR) impact on Borrowings and Loans	11.56	(61.58)	-	(50.02)
ii) Depreciation and amortisation	3.25	5.41	-	8.66
iii) Employee share-based payments	-	112.89	-	112.89
iv) Impairment loss allowance	87.48	109.73	-	197.21
v) Provision for Gratuity	11.39	9.39	-	20.78
vi) Provision for Compensated absences	8.22	2.95	-	11.17
vii) Unwinding of discount on security deposit and prepaid rent	0.24	(0.14)	-	0.10
viii) Leases	5.91	(1.22)	-	4.69
Total	**128.05**	**177.43**	**-**	**305.48**

* Deferred tax impact on optionally convertible preference shares are considered to be immaterial.

(C) Amounts recognised in respect of current tax / deferred tax directly in equity:

Particulars	As at March 31, 2023	As at March 31, 2022
Amounts recognised in respect of current tax / deferred tax directly in equity	-	-

28.4 Tax losses

Unused tax losses for which no deferred tax asset has been recognised	-	-

NANGIA & CO. LLP * CHARTERED ACCOUNTANTS *

Auxilo Finserve Private Limited *

(Currency : Indian Rupees in lakhs)

29. Leases

The Company has leases for office building and network assets, with the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The Company recognises right-of-use assets (ROU) and lease liabilities for leases i.e. these leases are on the balance sheet. Lease liabilities are measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate.

(i) Amount recognised in balance sheet	As at March 31, 2023	As at March 31, 2022
a) Right-of-use assets	1,317.57	212.74
b) Lease Liabilities	1,393.79	231.38

(ii) Amount recognised in Statement of Profit and Loss	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Depreciation charge of right-of-use assets (included in Depreciation note - 10)	265.43	163.49
(b) Interest expense (included in finance costs)	78.41	26.39
(c) Expense relating to short-term leases	30.57	-
Total	**374.41**	**189.88**
Additions to Right of use assets	1,373.39	143.82

(iii) The total cash outflow for leases for the year:	For the year ended March 31, 2023	For the year ended March 31, 2022
The total cash outflow of leases	285.78	188.95

30. Earning per Share

	For the year ended March 31, 2023	For the year ended March 31, 2022
Basic earning per share		
a) Profit after tax attributable to equity shareholders for Basic EPS	2,574.74	1,256.79
b) Weighted average no. of equity shares outstanding during the year for Basic EPS	3,613.19	3,465.68
c) Nominal value of equity shares (INR per share)	10.00	10.00
d) Basic earnings per share (EPS) (INR per share)	0.71	0.36
Diluted earning per share		
e) Profit after tax attributable to equity shareholders for Diluted EPS	2,574.74	1,256.79
f) Weighted average no. of potential equity shares on account of employee stock options	31.16	38.28
g) Weighted average no. of equity shares outstanding during the year for diluted EPS (b+f)	3,644.35	3,503.96
h) Nominal value of equity shares (INR per share)	10.00	10.00
i) Diluted earnings per share (EPS) (INR per share)	0.71	0.36

Basic EPS is calculated by dividing the profit for the period attributable to equity holders by the weighted average number of equity share outstanding during the year.

Diluted EPS is calculated by dividing the profit for the period attributable to equity holders by the weighted average number of equity share outstanding during the period adjusted for the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential equity share into equity share.

NANGIA & CO. LLP * CHARTERED ACCOUNTANTS

Auxilo Finserve Private Limited

(Currency : Indian Rupees in lakhs)

31. Commitments and contingencies

Particulars	As at March 31, 2023	As at March 31, 2022
A. Contingent liabilities		
i) Credit enhancement provided by the Company for the loans under securitisation arrangements (including cash collaterals)	762.34	117.34
ii) Demand of income tax FY 2017-18 (AY 2018-19) #	1.37	2.05
B. Capital commitments		
i) Estimated amount of contracts remaining to be executed on capital account and not provided for	17.04	15.21
ii) Undisbursed commitments in respect of the Education loan agreements *	31,609.41	11,277.05

 # Demand of Income Tax FY 2017-18 (AY 2018-19)
The Company has filed rectification appeal u/s 154 of the Income Tax Act,1961 in respect of demand received. Based on assessment made, the management is in the view that the likelihood of matter being decided against the company is remote.

* The Company has unconditional rights under the loan agreements to cancel these commitments at any time.

C. Company does not have any litigations which are pending against the company as of March 31, 2023. (Previous year - Nil)

32. The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/ accounting standards for material foreseeable losses on such long term contracts has been made in the books of accounts.

33. Trade payables disclosures

a) Dues to Micro, Small Enterprises

Disclosure pertaining to Micro and Small Enterprises is as under - The details of amounts outstanding together with interest paid /payable to Micro and Small enterprises based on information available with the Company is as under:

	As at March 31, 2023	As at March 31, 2022
i) Amounts outstanding but not due as at March 31,	-	-
ii) Amounts due but unpaid as at March 31,	-	-
iii) Amounts paid after appointed date during the year	-	-
iv) Amount of interest accrued and unpaid as at March 31,	-	-
v) Amount of estimated interest due and payable for the period from March 31, to actual date of payment or Board meeting date (whichever is earlier)	-	-
vi) The amount of further interest remaining due and payable even in the succeeding years	-	-

b) Ageing Schedule of trade payables#
#There are no trade payables as on March 31, 2023 and March 31, 2022 and hence ageing schedule is not applicable.

34. Segment Reporting

Since the Company operates in one segment namely 'Education Loans' and it provides service facilities in India, there are no separate reportable segments as per Ind AS 108, Operating Segments. Thus, the segment revenue, total carrying amount of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge of depreciationand amortisation during the year are all as are reflected in the financial statements as at and for the year ended March 31, 2023. The Company does not have any assets and revenue outside India. Currently, there is no single external customer which contributes an amount of 10% or more than the Company's total revenue.

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Auxilo Finserve Private Limited *

35. Expenditure on Corporate Social Responsibility

a) Gross amount required to be spent by the company during the year is INR 25.43 lakh (previous year-INR 12.36 lakh). The Board has approved a spent of INR 25.43 Lakh through its meeting held dated August 02, 2022.

b) The details of amounts spent towards corporate social responsibility are as under:

	For the year ended March 31, 2023	For the year ended March 31, 2022
(i) Constrution/ acquition of any asset		
Amount required to be spent by the company during the year	-	-
Amount of expenditure incurred-related parties	-	-
Amount of expenditure incurred-other than related parties	-	-
Amount of expenditure incurred-Ongoing projects	-	-
Amount of expenditure incurred-Other than Ongoing projects	-	-
Excess at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall	Not applicable	Not applicable
(ii) On purpose other than (i) above		
Amount required to be spent by the company during the year	25.43	12.36
Amount of expenditure incurred-related parties	-	-
Amount of expenditure incurred-other than related parties	25.43	12.58
Amount of expenditure incurred-Ongoing projects	-	-
Amount of expenditure incurred-Other than Ongoing projects	25.43	12.58
Excess at the end of the year	-	0.22
Total of previous years shortfall	-	-
Reason for shortfall	Not applicable	Not applicable

During the current year and the previous year, the Company incurred Corporate Social Responsibilities expenditure towards education for deaf children and scholarship program which included activities like organize mass awareness programme, capacity development training, organize World Deaf Day Mela / workshops etc. and to provide financial assistance by way of educational scholarship to covid affected students who have lost their parents or whose family members have lost their employement.

There were no unspent Corporate Social Responsibilities expenditure during FY 2022-23. (Previous year-Nil)

Details of excess CSR expenditure under section 135(5) of the Act-

(Currency : Indian Rupees in lakhs)

Balance excess spent as at April 01, 2022	Amount required to be spent during the year	Amount spent during the year	Balance excess spent as at March 31, 2023
-	25.43	25.43	-

Balance excess spent as at April 01, 2021	Amount required to be spent during the year	Amount spent during the year	Balance excess spent as at March 31, 2022
-	12.36	12.58	(0.22)

The company do not intends to carry forward excess amount spent of FY 2022-23 to subsequent financial years and accordingly no assets are created for excess amount spent.

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(Currency : Indian Rupees in lakhs)

36. Related Party Disclosure

As per the requirement of Ind AS 24, on related party disclosures, the name of the related parties with the description of the relationship and transactions between the reporting enterprise and its related parties, as identified by the management are as follows :

36.1 List of related parties

A. Entities / Persons having Significant Influence

Balrampur Chini Mills Ltd.
Elme Advisors LLP

B. Key management personnel (KMP)

Neeraj Saxena, Managing Director and Chief Executive Officer
Akash Bhanshali, Director
Manish Chokhani, Director
Gautam Jain, Director
Ashwin Jain, Director
Chinnathambi Ilango, Director
Vivek Saraogi, Director
Deo Shankar Tripathi, Director (w.e.f. February 03, 2023)

36.2 Transactions with Related parties during the year

No.	Nature of Transaction	Name of Party	Year Ended March 31, 2023	Year Ended March 31, 2022
1	**Issue of equity shares** (incl. securities premium)	Balrampur Chini Mills Limited	1,749.64	-
		Elme Advisors LLP	1,749.64	-
		Neeraj Saxena ^	326.86	533.33
2	**Managerial Remuneration***			
	Short-term employee benefits	Neeraj Saxena	376.79	376.79
	Employee Stock Option#	Neeraj Saxena	14.39	26.79
3	**Sitting Fees**	Manish Chokhani	5.40	4.60
		Chinnathambi Ilango	4.60	4.20
		Deo Shankar Tripathi	0.80	-

^ includes conversion of OCPS to Equity shares. The Company received INR 263.73 lakh 264.00 lakh towards the partly paid OCPS during the current year and previous year respectively

* Incentives / bonus / gratuity are considered on payment basis and inclusive of variable pay

additionally the key management personnel holds nil (previous year INR 26.67 lakh) OCPS. OCPS are accounted in accordance with *Ind AS 102 Share based payments* amounting to INR 15.63 lakh (previous year INR 43.54 lakh).

4 Outstanding towards transactions disclosed above:

No.	Nature of Transaction	Name of Party	Year Ended March 31, 2023	Year Ended March 31, 2022
	Sitting Fees	Manish Chokhani	0.40	-
		Chinnathambi Ilango	0.40	-
		Deo Shankar Tripathi	0.40	-

NANGIA & CO. LLP CHARTERED ACCOUNTANTS

Auxilo Finserve Private Limited

Auxilo Finserve Private Limited
Notes to the financial statements for the year ended March 31, 2023
(Currency : Indian Rupees in lakhs)

37. Employee benefits - Disclosure pursuant to Ind AS 19 'Employee Benefits'

A. Defined contribution plans

The Company makes Provident fund 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 has recognised the following amounts in the statement of profit and loss towards contribution to defined contribution plans which are included under contribution to provident and other funds:

	Year Ended March 31, 2023	Year Ended March 31, 2022
Provident fund	112.52	85.90

B. Defined Benefit Plan

I The Company has an obligation towards gratuity, a non funded defined benefit plan covering eligible employees. Vesting for gratuity occurs upon completion of five years of service. Details of the unfunded post retirement benefit plans for its employees are given below which is as certified by the actuary.

Gratuity Disclosure Statement as Per Indian Accounting Standard 19 (Ind AS 19) as below.

a) Changes in Present Value of Defined Benefit Obligation

	Year Ended March 31, 2023	Year Ended March 31, 2022
Present Value of Benefit Obligation at the Beginning of the year	**82.58**	**45.25**
Current Service Cost	23.86	15.97
Interest Expense	5.29	2.74
Settlement Cost (Credit)/Cost	(12.61)	-
Total Amount Recognised in Statement of Profit and Loss	**16.54**	**18.71**
Actuarial (Gain)/loss from change in demographic assumptions	(4.31)	(0.02)
Actuarial (Gain)/loss from change in financial assumptions	13.24	2.65
Experience (gains)/losses	8.18	15.99
Total Amount Recognised in Other Comprehensive Income	**17.11**	**18.62**
Present Value of Benefit Obligation at the End of the year	**116.23**	**82.58**
Change in plan assets:		
Fair value of plan assets, beginning of the year	-	-
Expected return on Plan Assets	-	-
Contributions	-	-
Benefits paid	-	-
Actuarial Gain (loss) on plan assets	-	-
Fair value of plan assets, end of the year	-	-

b) Amount recognized in the balance sheet consists of:

	As at March 31, 2023	As at March 31, 2022
Present value of defined benefit obligation	116.23	82.58
Fair value of plan assets	-	-
Net liability	**116.23**	**82.58**

c) The amounts recognised in the Statement of Profit and Loss are as follows:

		Year Ended March 31, 2023	Year Ended March 31, 2022
Service Cost			
Current service cost		23.86	15.97
Past service cost		(12.61)	-
Total Service cost	(i)	**11.25**	**15.97**
Net interest cost			
Interest expense on DBO		5.29	2.74
Interest expense / (income) on plan assets		-	-
Total Interest cost	(ii)	**5.29**	**2.74**
Defined benefit cost included in Statement of Profit and Loss	(iii) - (i + ii)	**16.54**	**18.71**
Total remeasurement in other comprehensive income (OCI)	(iv)	17.11	18.62
Total Defined benefit cost included in Statement of Profit and loss and OCI	(v) = (iii + iv)	33.65	37.33

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Auxilo Finserve Private Limited ★

Auxilo Finserve Private Limited
Notes to the financial statements for the year ended March 31, 2023
(Currency : Indian Rupees in lakhs)

d) The principal assumptions used in determining gratuity obligations for the Company's plans are shown below

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans and post retirement medical benefits at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

	As at March 31, 2023	As at March 31, 2022
Discount rate	7.29%	6.41%
Rate of Salary Increase next year	10.00%	5.00%
Rate of Salary Increase post next year	10.00%	5.00%
Rate of employee turnover	25.00%	15.00%
Mortality rate during employment	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2012-14) Urban

e) The major categories of plan assets are as follows:

	As at March 31, 2023	As at March 31, 2022
i) Insurer managed funds	-	-
ii) Cash	-	-

f) Impact on defined benefit obligation - Sensitivity Analysis

	Year Ended March 31,			
	2023	2023	2022	2022
Increase by 100 basis points	% Rate	Amount	% Rate	Amount
i) Impact of change in discount rate	8.29%	(3.73)	7.41%	(4.00)
ii) Impact of change in salary growth rate	11.00%	3.55	6.00%	4.26
iii) Impact of change in employee attrition rate	26.00%	(1.11)	16.00%	(0.37)
Decrease by 100 basis points				
i) Impact of change in discount rate	6.29%	4.02	5.41%	4.42
ii) Impact of change in salary growth rate	9.00%	(3.41)	4.00%	(4.02)
iii) Impact of change in employee attrition rate	24.00%	1.15	14.00%	0.35

The sensitivity analysis has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.
The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.
Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

g) Maturity

The defined benefit obligations shall mature after year end as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
i) 1st Following Year	21.41	8.03
ii) 2nd Following Year	19.83	10.48
iii) 3rd Following Year	17.94	10.57
iv) 4th Following Year	16.29	10.15
v) 5th Following Year	15.29	9.83
vi) Sum of Years 6 to 10	44.73	37.21
vii) Sum of Years 11 and above	19.24	35.10

The weighted average duration of the defined benefit obligation is 5 years (previous year - 6 years).

h) Risk Exposure

Gratuity is a defined benefit plan and Company is exposed to the Following Risks:
Interest rate risk: A fall in the discount rate which is linked to the Government Security Rate will increase the present value of the liability requiring higher provision.
Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.
Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Company has to manage pay-out based on pay as you go basis from own funds.
Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any

II Accumulated Compensated Absences

The Company provides for accumulated compensated absences as at the balance sheet date on the basis of actuarial valuation. The Company recognised INR 12.83 Lakhs (previous year INR 11.72 Lakhs) for compensated absences in the statement of Profit and loss.

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Auxilo Finserve Private Limited
Notes to the financial statements for the year ended March 31, 2023

(Currency : Indian Rupees in lakhs)

38. Share based payment arrangement (Employee Stock Option Plan)

38.01 The Company's Employee Stock Option Scheme 2017 (ESOP 2017) represents an equity settled option scheme that the Company has issued to its employees. The Plan provides that the Company's employees are granted an option to acquire equity shares of the Company that vest in a graded manner that are subject to satisfaction of the vesting conditions like continuous service, performance conditions. Once vested, the options may be exercised within a period of 10 years.

The fair value of the options at grant date is determined using Black Scholes Model which takes into account the exercise price, the term of the option, the share price at the grant date and expected price volatility of the underlying shares, the expected dividend yield and the risk free interest rate for the term of the options. The compensation costs, if any, is amortised on a straight line basis.

During the year, the Company granted stock options to employees under the ESOP 2017 Plan where the exercise price was linked to the fair value of shares on the date of the grant.

38.02 Movements in the number of share options outstanding under the ESOP Scheme 2017 is set out below:

	As at March 31, 2023		As at March 31, 2022	
	Number of Options	Weighted average exercise price	Number of Options	Weighted average exercise price
Options outstanding at the beginning of the year*	1,42,22,166	11.09	1,72,35,000	10.21
Granted	8,50,500	15.24	24,90,000	15.00
Exercised	(36,18,166)	10.02	(53,82,834)	10.00
Forfeited/ Cancelled/ Lapsed/ Expired	(12,40,500)	11.75	(1,20,000)	13.68
Options outstanding at the end of the year	**1,02,14,000**	**11.74**	**1,42,22,166**	**11.09**
Options exercisable at the end of the year/ period	41,36,000	10.02	26,40,000	10.00

* This includes OCPS which has been accounted as per Ind AS 102

38.03 Vesting period

Number of Options	**As at March 31, 2023**	**As at March 31, 2022**
3 - 4 years from grant date	42,73,900	48,19,400
4 - 5 years from grant date	33,57,600	38,13,600
5 - 6 years from grant date	25,31,500	55,38,166
6 - 7 years from grant date	51,000	51,000
Total	**1,02,14,000**	**1,42,22,166**

Weighted average contractual life of options remaining outstanding at end of year is 4.40 years (Previous year 4.61 years).

38.04 Fair value options

The fair value of options have been estimated as on the date of the grant using "Black Scholes" model. The key assumptions used in the model for calculating the fair value as on the date of grant are as follows:

Grant Date	ESOP 2017
Share price	10
Exercise price	Fair value on date of grant*
Risk-free interest rate	5.81% to 7.78%
Expected life of the option	3 years to 6 years
Expiry Date (from vesting date)	10 years
Expected volatility	32.20% to 50.28%
Expected dividend yield	0.00%
Fair Value of Options	2.94 to 8.97

The expected life of the share option is based on the management's current expectations and not necessarily indicative of exercise pattern that may occur. The volatility of the options is based on the historical volatility of listed comparable companies.

* In some cases during the previous years the exercise price was higher than the fair value.

38.05 Expenses recognised in statement of profit and loss

	For the period ended March 31, 2023	For the period ended March 31, 2022
ESOP expenses/Share based payments recognised in profit and loss	65.31	138.82

CHARTERED ACCOUNTANTS * NANGIA & CO. LLP

Auxilo Finserve Private Limited

Auxilo Finserve Private Limited
Notes to the financial statements for the year ended March 31, 2023

(Currency : Indian Rupees in lakhs)

39. Fair Value Measurement

The fair value is the amount at which financial instruments could be sold on fair terms as of the reporting date. Where market prices (e.g. for marketable securities) were available, we have used these prices without modification for measuring fair value. If no market prices were available, the fair values for loans/receivables and liabilities were calculated by discounting using a maturity-matched discount rate appropriate to the risk.

39.A Classification of financial assets and financial liabilities:

The following table shows the carrying amounts and fair values of Financial assets and Financial liabilities which are classified as Amortised Cost, Fair value through Profit and Loss (FVTPL) and Fair value through other comprehensive income (FVTOCI).

39.A.1 As at March 31, 2023

	At Amortised cost	FVTPL	FVTOCI	Total carrying Value	Total Fair value
Financial Assets					
1 Cash and cash equivalents	23,409.91	-	-	23,409.91	23,409.91
2 Other Bank balances	1,318.66	-	-	1,318.66	1,318.66
3 Trade receivables	183.80	-	-	183.80	183.80
4 Loans	1,67,654.93	-	-	1,67,654.93	1,67,654.93
5 Other financial assets	168.28	-	-	168.28	168.28
Total	**1,92,735.58**	**-**	**-**	**1,92,735.58**	**1,92,735.58**
Financial Liabilities					
1 Debt securities (Listed)	29,709.29	-	-	29,709.29	29,744.67
2 Borrowings (other than debt securities)	1,16,283.41	-	-	1,16,283.41	1,16,322.09
3 Lease liabilities	1,393.79	-	-	1,393.79	1,393.79
4 Other financial liabilities	1,707.15	-	-	1,707.15	1,707.15
Total	**1,49,093.64**	**-**	**-**	**1,49,093.64**	**1,49,167.70**

39.A.2 As at March 31, 2022

	At Amortised cost	FVTPL	FVTOCI	Total carrying Value	Total Fair value
Financial Assets					
1 Cash and cash equivalents	8,413.10	-	-	8,413.10	8,413.10
2 Other Bank balances	665.80	-	-	665.80	665.80
3 Trade receivables	31.02	-	-	31.02	31.02
4 Loans	75,987.28	-	-	75,987.28	75,987.28
5 Other financial assets	90.59			90.59	90.59
Total	**85,187.79**	**-**	**-**	**85,187.79**	**85,187.79**
Financial Liabilities					
1 Debt securities (Listed)	13,866.39	-	-	13,866.39	14,065.99
2 Borrowings (other than debt securities)	31,803.39	-	-	31,803.39	31,836.91
3 Lease liabilities	231.38	-	-	231.38	231.38
4 Other financial liabilities	1,168.03	-	-	1,168.03	1,168.03
Total	**47,069.19**	**-**	**-**	**47,069.19**	**47,302.31**

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Auxilo Finserve Private Limited *

Auxilo Finserve Private Limited
Notes to the financial statements for the year ended March 31, 2023
(Currency : Indian Rupees in lakhs)

39. *Fair Value Measurement (Continued)*

39.B Fair value hierarchy of financial instruments

The fair value of financial instruments are classified into three categories i.e. Level 1, 2 or 3 depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements).

Level 1: Financial instruments measured using quoted prices and that are traded in active market are categorized under level 1. The Company has no financial instruments which are categorized as level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using observable market data and not the entity specific estimates. The listed Non Convertible debentures are classified as debt securities have been categorized as level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The instruments are valued based on quoted prices for the similar instruments but for which significant observables adjustments are required to reflect the difference between the instruments. Loans and Unlisted Non Convertible debentures have been included in level 3 category.

39.B.1 Financial instruments valued at carrying value:

The respective carrying values of certain on-balance sheet financial instruments approximated their fair value. These financial instruments include cash in hand and bank balances, trade receivables, trade payables, overdraft facility payable on demand certain other assets and liabilities that are considered financial instruments. Carrying values were assumed to approximate fair values for these financial instruments as they are short-term in nature and their recorded amounts approximate fair values or are receivable or payable on demand.

39.B.2 Valuation techniques used to determine fair value:

The Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The Board / Audit Committee has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The Company uses the following hierarchy for determining and disclosing the fair value of financial assets by valuation technique:

i) Investments in Mutual Funds

The fair values of investments in mutual funds is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

ii) Loans

The fair values of the Company's Loan are calculated based on a discounted cash flow model. The discount factor used for fair valuation is derived using a combination of interpolated risk-free interest rates and credit-spreads of the Company as on valuation date. Input data used to carry out the fair valuation covers portfolio data and expected future cashflows for each product in the portfolio. All Loans are at floating rate as per the agreement with the customers.

iii) Borrowings and Debt Securities - (other than Market linked debt securities)

The fair values of the Company's borrowings (including debt securities) are calculated based on a discounted cash flow model. The discount factor used for fair valuation is derived using a combination of interpolated risk-free interest rates and credit-spreads of the Company as on valuation date. Input data used to carry out the fair valuation covers portfolio data and expected future cashflows for each product in the portfolio.

39.B.3 Transfers between Levels

There are no transfers between Level 1, 2 and 3 since there are no financial instruments at fair value under the category.

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Auxilo Finserve Private Limited ★

Auxilo Finserve Private Limited
Notes to the financial statements for the year ended March 31, 2023

(Currency : Indian Rupees in lakhs)

39. ***Fair Value Measurement (Continued)***

39.B.4 Fair values of financial assets and financial liabilities not measured at fair value, including their levels in the fair value hierarchy, are presented below. It also includes the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Fair Value							
	As at March 31, 2023				As at March 31, 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Cash and cash equivalents	-	-	23,409.91	23,409.91	-	-	8,413.10	8,413.10
Other Bank balances	-	-	1,318.66	1,318.66	-	-	665.80	665.80
Trade receivables	-	-	183.80	183.80	-	-	31.02	31.02
Loans	-	-	1,67,654.93	1,67,654.93	-	-	75,987.28	75,987.28
Other financial assets	-	-	168.28	168.28	-	-	90.59	90.59
Total	-	-	**1,92,735.58**	**1,92,735.58**	-	-	**85,187.79**	**85,187.79**
Financial Liabilities								
Debt securities (Unlisted)	-	-	1,490.63	1,490.63	-	-	-	-
Debt securities (Listed)	-	-	28,254.04	28,254.04	-	-	14,065.99	14,065.99
Borrowings (other than debt securities)	-	-	1,16,322.09	1,16,322.09	-	-	31,836.91	31,836.91
Lease liabilities	-	-	1,393.79	1,393.79	-	-	231.38	231.38
Other financial liabilities	-	-	1,707.15	1,707.15	-	-	1,168.03	1,168.03
Total	-	-	**1,49,167.70**	**1,49,167.70**	-	-	**47,302.31**	**47,302.31**

Auxilo Finserve Private Limited
Notes to the financial statements for the year ended March 31, 2023

(Currency : Indian Rupees in lakhs)

40. Financial Risk Management

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. The Company's senior management oversees the management of these risks and the appropriate financial risk governance framework for the Company. The Company's objective is to minimize any adverse effects of these risks on its financial performance.

Risk management framework
Risk Management policy outlines the approach and mechanisms of risk management in the Company, including identification, reporting and measurement of risk in various activities undertaken by the Company. The general objective of risk management is to support business units by ensuring risks are timely identified and adequately considered in decision-making, and are viewed in conjunction with the earnings.

The audit committee oversees how the management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

The Risk Management committee of Board exercises supervisory power in connection with the risk management of the company, monitoring of the exposures, reviewing adequacy of risk management process, reviewing internal control systems, ensuring compliance with the statutory/regulatory framework of the risk management process.

40.A Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk comprises of direct risk of default and risk of deterioration of creditworthiness. It mainly arises from loan receivables from financing activities, cash and cash equivalents (excluding cash on hand), bank deposits and other financial assets. The Company has no significant concentration of credit risk, as the credit exposure is spread over a large number of customers.

40.A.i Credit risk management

Credit risk for loan receivables is managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. Further, a major portion of exposure is secured by way of property and fixed deposits.
The impairment for financial assets are based on assumptions about risk of default and expected loss rates. These assumptions and estimates are assessed by the Company at every reporting date.
Financial assets are written off when there is no reasonable expectation of recovery, however, the Company continues to attempt to recover the receivables.

40.A.ii Collateral and other credit enhancements

The Company employs a range of tools to reduce credit risk. The Company seeks collateral coverage, assignment of contract proceeds and other forms of protection to secure lending and minimize credit risks wherever possible. The Company's borrowing agreements also include legally enforceable netting arrangements for loans and deposits enabling the Company to consolidate the customer's various accounts with the Company and either transfer credit balances to cover any outstanding borrowings or freeze the credit balances until the customer settles their outstanding obligations to the Company.

Collateral held varies, but may include:
- Fixed Deposits
- Residential and commercial real estate property
- Land

The Company's policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant

40.A.iii Other Financial Assets

Credit Risk on cash and cash equivalents and Bank deposits is generally low as the said deposits have been made with the banks having good reputation, good past records and high quality credit rating and also reviews their credit worthiness on an on-going basis. The risk of deterioration of credit worthiness of the lessor in the case of security deposits is assumed to be insignificant.

(Currency : Indian Rupees in lakhs)

40. *Financial Risk Management (Continued)*

40.A.iv Financial Asset Received as Collaterals

Company has received financial assets as collaterals that it is permitted to adjust in the absence of default. The details of the financial assets received as collaterals are as follows:

	As at March 31, 2023	As at March 31, 2022
Fair value of financial assets accepted as collateral against the loans that the Company is permitted to adjust in the absence of default	1,288.56	892.42
above comprising of :		
- Advance from customers	702.49	728.15
- Fixed deposit held as collateral	586.07	164.27

40.A.v Offsetting financial assets and labilities

The following table presents the recognised financial instruments that are offset and other similar agreements but are not offset.

The column 'maximum exposure' shows the impact on the Company's balance sheet if all set-off rights are exercised.

Particulars	Effect of offsetting on the balance sheet				
	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Netting potential not recognised on the balance sheet - Financial collateral *	Maximum exposure
As at March 31, 2023					
Financial Assets					
Loans	1,69,051.31	-	1,69,051.31	1,288.56	1,67,762.75
Bank balances other than cash and cash equivalents	1,319.77	-	1,319.77	762.34	557.43
Financial liabilities					
Borrowings	1,16,283.41	-	1,16,283.41	762.34	1,15,521.07
Other Financial Liabilities	1,707.15	-	1,707.15	702.49	1,004.66
As at March 31, 2022					
Financial Assets					
Loans	76,929.44	-	76,929.44	892.42	76,037.02
Bank balances other than cash and cash equivalents	665.91	-	665.91	117.34	548.57
Financial liabilities					
Borrowings	31,803.39	-	31,803.39	117.34	31,686.05
Other Financial Liabilities	1,168.03		1,168.03	728.15	439.88

* - Company obtains financial collateral from its borrowers towards loans advanced and has provided financial assets as collaterals for its borrowings.

40.A.vi Impairment of financial assets

Credit risk is the risk of loss resulting from the decline in credit quality or the failure of a borrower, counterparty, third party or issuer to honour its financial or contractual obligations. Credit risk mainly arises from Auxilo's lending activity which can be classified mainly into the following lines of business:

- Loans to students (B2C)
- Loans to educational institutions (B2B)

Credit risk also arises from concentration of risks. Concentration of risk, within credit risk, is the risk associated with having a credit exposure concentrated within a specific client, industry, region or other category.

a) Credit quality analysis and credit exposure

The Company's credit risk team assesses the credit worthiness of each borrower in the B2C segment based on their CIBIL scores and on the number of days past due. In the B2B segment, credit worthiness is based on the number of days past due.

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Auxilo Finserve Private Limited *

Auxilo Finserve Private Limited
Notes to the financial statements for the year ended March 31, 2023

(Currency : Indian Rupees in lakhs)

40. ***Financial Risk Management (Continued)***
40.A *Credit Risk (Continued)*

b) Credit quality of Loans

The following tables set out information about the credit quality of loans to the B2C and B2B segments. The amounts in table below represent the maximum credit exposure of the financial assets.

Credit quality of Loans

Particulars		As at March 31, 2023				As at March 31, 2022			
		Stage I	**Stage II**	**Stage III**	**Total**	**Stage I**	**Stage II**	**Stage III**	**Total**
B2C - Cibil Score Range									
Above 650		1,62,978.34	1,415.47	20.07	1,64,413.88	64,245.85	193.44	37.17	64,476.46
Upto 650		5,521.96	1,199.07	149.93	6,870.96	1,193.07	363.67	52.53	1,609.27
Gross exposure	**(A)**	**1,68,500.30**	**2,614.54**	**170.00**	**1,71,284.84**	**65,438.92**	**557.11**	**89.70**	**66,085.73**
Less: ECL	**(B)**	112.05	36.95	97.97	246.97	51.23	31.99	42.16	125.38
Net exposure	**(C) = (A - B)**	**1,68,388.25**	**2,577.59**	**72.03**	**1,71,037.87**	**65,387.69**	**525.12**	**47.54**	**65,960.35**
B2B - Weighted Buckets (Based on DPD)									
1 to 5		6,633.01	-	-	6,633.01	7,726.80	877.47	-	8,604.27
More than 5		2,540.08	1,869.38	-	4,409.46	2,824.57	4,013.25	-	6,837.82
Non performing asset		-	-	2,621.88	2,621.88	-	-	1,162.51	1,162.51
Gross exposure	**(D)**	**9,173.09**	**1,869.38**	**2,621.88**	**13,664.35**	**10,551.37**	**4,890.72**	**1,162.51**	**16,604.60**
Less: ECL	**(E)**	195.37	245.78	708.26	1,149.41	96.24	414.33	306.22	816.79
Net exposure	**(F) = (D - E)**	**8,977.72**	**1,623.60**	**1,913.62**	**12,514.94**	**10,455.13**	**4,476.39**	**856.29**	**15,787.81**
Total Gross exposure	**(G) = (A + D)**	1,77,673.39	4,483.92	2,791.88	1,84,949.19	75,990.29	5,447.83	1,252.21	82,690.33
Less: ECL	**(H) = (B + E)**	307.42	282.73	806.23	1,396.38	147.47	446.32	348.38	942.17
Net exposure	**(I) = (G - H)**	**1,77,365.97**	**4,201.19**	**1,985.65**	**1,83,552.81**	**75,842.82**	**5,001.51**	**903.83**	**81,748.16**

Loans (Refer note 6)	1,61,929.82	4,329.61	2,791.88	1,69,051.31	70,312.44	5,370.00	1,247.00	76,929.44
Committed lines of credit*	15,743.58	154.30	-	15,897.88	5,677.87	77.83	5.21	5,760.91
Total Gross Exposure	**1,77,673.40**	**4,483.91**	**2,791.88**	**1,84,949.19**	**75,990.31**	**5,447.83**	**1,252.21**	**82,690.35**
Gross carrying amount								
Loans and advances carried at amortised cost								
Loans to students (B2C)	1,52,930.99	2,472.33	170.00	1,55,573.32	59,937.79	544.60	87.19	60,569.58
Loans to educational institutions (B2B)	8,998.83	1,857.28	2,621.88	13,477.99	10,374.64	4,825.39	1,159.81	16,359.84
Total	**1,61,929.82**	**4,329.61**	**2,791.88**	**1,69,051.31**	**70,312.43**	**5,369.99**	**1,247.00**	**76,929.42**
Expected credit loss								
Loans and advances carried at amortised cost								
Loans to students (B2C)	112.05	36.95	97.97	246.97	51.23	31.99	42.16	125.38
Loans to educational institutions (B2B)	195.37	245.78	708.26	1,149.41	96.24	414.33	306.22	816.79
Total	**307.42**	**282.73**	**806.23**	**1,396.38**	**147.47**	**446.32**	**348.38**	**942.17**
Net carrying amount								
Loans and advances carried at amortised cost								
Loans to students (B2C)	1,52,818.94	2,435.38	72.03	1,55,326.35	59,886.56	512.61	45.03	60,444.20
Loans to educational institutions (B2B)	8,803.46	1,611.50	1,913.62	12,328.58	10,278.40	4,411.06	853.59	15,543.05
Total	**1,61,622.40**	**4,046.88**	**1,985.65**	**1,67,654.93**	**70,164.96**	**4,923.67**	**898.62**	**75,987.25**

**Committed lines of credit represents the expected conversion of the sanctioned lines*

Auxilo Finserve Private Limited

Notes to the financial statements for the year ended March 31, 2023

(Currency : Indian Rupees in lakhs)

40. ***Financial Risk Management (Continued)***

40.A ***Credit Risk (Continued)***

c) Reconciliation of changes in gross carrying amount and corresponding ECL allowances for loans and advances to corporate and retail customers:

The following disclosure provides stage wise reconciliation of the Company's gross carrying amount and ECL allowances for loans and advances to corporates and retail customers. The transfers of financial assets represents the impact of stage transfers upon the gross carrying amount and associated allowance for ECL. The net remeasurement of ECL arising from stage transfers represents the increase or decrease due to these transfers.

The 'New assets originated /repayments received (net)' represent the gross carrying amount and associated allowance ECL impact from transactions within the Company's lending portfolio.

d) An analysis of changes in the gross carrying amount as follows:

Particulars	As at March 31, 2023					As at March 31, 2022				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount opening balance	**70,312.44**	**5,370.00**	**1,247.01**	-	**76,929.45**	**52,138.58**	**563.49**	**701.75**	-	**53,403.82**
New / increase of credit exposure during the year	1,06,072.12	1,631.76	230.44	-	**1,07,934.32**	35,163.98	440.85	126.86	-	**35,731.69**
Assets derecognised or repaid (excluding write offs)	(15,359.13)	(360.00)	(93.31)	-	**(15,812.44)**	(12,156.17)	(37.28)	(5.60)	-	**(12,199.05)**
Transfer to Stage 1	1,941.40	(1,941.40)	-	-	-	503.92	(455.22)	(48.70)	-	**(0.00)**
Transfer to Stage 2	(1,018.73)	1,067.57	(48.84)	-	**(0.00)**	(4,891.50)	4,891.50	-	-	-
Transfer to Stage 3	(18.28)	(1,438.31)	1,456.59	-	-	(446.37)	(33.34)	479.71	-	**(0.00)**
Changes to Contractual Cash Flows due to modification not resulting into derecognition	-	-	-	-	-	-	-	-	-	-
Amounts written off	-	-	-	-	-	-	-	(7.01)	-	**(7.01)**
Gross carrying amount closing balance	**1,61,929.82**	**4,329.62**	**2,791.89**	-	1,69,051.33	**70,312.44**	**5,370.00**	**1,247.01**	-	**76,929.45**

e) Reconciliation of ECL balance is given below

Particulars	As at March 31, 2023					As at March 31, 2022				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
ECL Allowance - Opening Balance	147.48	446.30	348.38	-	**942.16**	82.27	52.56	281.42	-	**416.25**
New / increase of credit exposure during the year	19.40	31.85	311.23	-	**362.48**	57.06	366.26	71.01	-	**494.33**
Assets derecognised or repaid (excluding write offs)	(31.69)	(5.90)	-	-	**(37.59)**	(3.19)	(0.03)	-	-	**(3.22)**
Transfer to Stage 1	174.22	(174.22)	-	-	-	61.81	(44.57)	(17.24)	-	**0.00**
Transfer to Stage 2	(4.95)	14.72	(9.77)	-	-	(22.14)	22.14	-	-	-
Transfer to Stage 3	(0.02)	(131.51)	131.53	-	-	(4.84)	(3.33)	8.17	-	-
Impact on year end ECL of Exposures transferred between Stages during the year and reversal of ECL on account of recovery	2.99	101.48	24.87	-	**129.34**	(23.49)	53.27	9.58	-	**39.36**
Amounts written off	-	-	-	-	-	-	-	(4.56)	-	**(4.56)**
					-					-
ECL Allowance - Closing Balance	**307.43**	**282.72**	**806.24**	-	**1,396.39**	**147.48**	**446.30**	**348.38**	-	**942.16**

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(Currency : Indian Rupees in lakhs)

40. *Financial Risk Management (Continued)*
40.A *Credit Risk (Continued)*

f) Cash and cash equivalents

	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents	23,409.91	8,413.10

The Company maintains its Cash and cash equivalents and Bank deposits with banks having low credit risk as per the bank's external credit ratings and also reviews their credit-worthiness on an on-going basis. The Company has provided for expected credit losses on its exposure on balances with banks and fixed deposits.

g) Collateral held

The Company generally accepts bank deposits and real estate as collaterals in the case of secured loans. The Company's exposure between secured and unsecured is as follows:

Particulars	Principal type of collateral held	As at March 31, 2023	As at March 31, 2022
Loans to students (B2C)	Property and Fixed deposits	9.78%	24.71%
Loans to educational institutions (B2B)	Property	100.00%	100.00%

h) Inputs, assumptions, techniques used for estimating impairment
The Company has applied a three-stage approach to measure expected credit losses (ECL) on debt instruments accounted for at amortised cost and FVOCI. Assets migrate through following three stages based on the changes in credit quality since initial recognition:

Stage 1: 12- months ECL: For exposures where there is no significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12- months is recognized.

Stage 2: Lifetime ECL, not credit-impaired: For credit exposures where there has been a significant increase in credit risk since initial recognition but are not credit-impaired, a lifetime ECL is recognized.

Stage 3: Lifetime ECL, credit-impaired: Financial assets are assessed as credit impaired upon occurrence of one or more events that have a detrimental impact on the estimated future cash flows of that asset. For financial assets that have become credit-impaired, a lifetime ECL is recognized and interest revenue is calculated by applying the effective interest rate to the amortised cost.

Determining Significant Increase in Credit Risk (SICR)

To determine if the risk of default of a financial instrument has increased significantly since initial recognition, the current risk of default at the reporting date compared with the risk of default at initial recognition. Assessment of whether there has been a significant increase in credit risk required at each reporting date.
All restructured facilities (where restructuring is done on account of decrease in credit worthiness) shall be classified as stage 2 for a minimum period of 12 months from the date of restructuring.

Stage 1
As soon as a financial instrument originates or purchased, it is categorized as Stage 1. This is applicable across all the loan facilities and bank balances.

Stage 2
In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience that is available without undue cost or effort.
The Company assumes that the credit risk on a financial asset has increased significantly if it is:
1) More than 30 days past due
2) Fall in CIBIL scores more than a certain threshold as specified in its policy (Applicable for Education Loans)

Stage 3
Stage 2 to Stage 3: Facilities in which any installment or partial installment is outstanding for a period of more than 90 days read with extended RBI guidelines.

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Auxilo Finserve Private Limited *

(Currency : Indian Rupees in lakhs)

40. ***Financial Risk Management (Continued)***
40.A ***Credit Risk (Continued)***

Balances with banks:
Following is the staging criteria for investments:
(i) For facilities with rating grade AAA to B, three notch downgrades (without modifiers) shall be taken as stage 2
(ii) Any financial instrument with rating grade CCC or below classified as Stage 2 at origination.

Assessment of reduction in Credit Risk -
An asset can move into and out of the lifetime expected credit losses category (Stage 2 and 3) based on a predefined pattern obtained from the historical default rates or delinquency status of account across various internal rating grades, products or sectors.

Transitioning from Stage 2 to Stage 1:
Credit exposures transition back from stage 2 to stage 1 when the credit quality of the credit facility shows significant improvement. Primarily, when factors that previously triggered an exposure moving to Stage 2 no longer meet, such exposures move back to Stage 1 and a 12-month ECL measured instead of Lifetime ECL.

For EL portfolio
In any subsequent reporting quarters, if the scores improve by at least 50% of the fall in the CIBIL scores(i.e. the score basis which the customer was moved to Stage 2) the customer will be upgraded back to Stage 1.

Transitioning from Stage 3 to Stage 2/Stage 1:
A Customer's loan account that has moved to stage 3 (i.e. more than 90 days DPD) and the customer subsequently pays as under:
1) Partial payment of overdue is paid to customer: Customer's loan account will be in stage 3 till the customer clears off the entire overdue in its account.
2) Full amount of overdue is made by the customer: Customer's loan account will be moved from stage 3 to stage 2 on payment made to them. The account shall be upgraded to stage 1 if there is zero DPD in the account for a continuous period of 3 months.
For Customer's loan account that move from Stage 1 to stage 2(i.e. regular over dues more than 30 days but where DPD has never crossed 90 days) and subsequently customer pays the overdue amount the loan account will be upgraded to stage 1 immediately.

The key inputs into the measurement of ECL are the term structure of the following variables:
- Probability of defaults (PDs)
- Loss given default (LGD)
- Exposure at default (EAD) i.e. the total expected exposure in the event of a default.

Probability of default
The Probability of Default (PD) defines the probability that the borrower will default on its obligations in the future. Ind AS 109 requires the use of separate PDs for:
1. Stage 1, i.e., 12-month duration
2. Stage 2, i.e., Lifetime but not credit impaired
3. Stage 3, i.e., Lifetime and credit impaired

Loss Given Default (LGD)

The company has assessed the LGD based on the performance of the portfolio. LGD represents recovery from default assets. For Students loans and Education Institution loans which are secured by financial and property related collaterals, LGD is calculated based on the value of respective collaterals. Minimum LGD of 20% is applied for these loans.
Financial collateral like fixed deposits is liquid collateral in nature, so the value of collateral is equivalent to fair value for purpose of computation of LGD.

In case collateral being property, the fair value of collateral is determined based on the distressed value/realizable value of the property. The difference between the market value of collateral and the distressed value/realizable value of the property is considered as haircut and the same is applied on the market value of collateral to arrive at fair value of collateral.

Unsecured portfolio: In case of loan portfolios with no collateral (unsecured), LGD of 65% is applied.

Auxilo Finserve Private Limited

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(Currency : Indian Rupees in lakhs)

40. *Financial Risk Management (Continued)*

40.A *Credit Risk (Continued)*

The Company measures the amount of ECL on a financial instrument in a way that reflects an unbiased and probability-weighted amount. The Company considers its historical loss experience and adjusts the same for current observable data. The key inputs into the measurement of ECL are the probability of default, loss given default and exposure at default. These parameters are derived from the Company's internally developed statistical models and other historical data. In addition, the Company uses reasonable and supportable information on future economic conditions including macroeconomic factors such as gross domestic product, Consumer price Index, and unemployment rate. Since incorporating these forward looking information increases the judgment as to how the changes in these macroeconomic factor will affect ECL, the methodology and assumptions are reviewed regularly. The following table presents the key macroeconomic indicators used for the purposes of measurement of ECL in the periods presented.

i) Macro economic indicator	**As at March 31, 2023**	**As at March 31, 2022**
GDP growth	6.60%	8.75%
CPI-India	6.24%	5.66%
CPI-USA	7.12%	5.43%
Unemployment-USA	3.69%	4.90%

j) ECL Sensitivity to change in PD rates due to change in Macro economic Factors

Macro economic factors	**March 31, 2023**	
	improved by 10%	**worsen by 10%**
GDP growth	(2.01)	1.90
CPI-India	(0.68)	0.80
CPI-USA	(4.96)	5.76
Unemployment-USA	(1.81)	1.93

Macro economic factors	**March 31, 2022**	
	improved by 10%	**worsen by 10%**
GDP growth	(10.75)	12.44
CPI-India	(2.35)	2.62
CPI-USA	(4.57)	4.06
Unemployment-USA	(4.36)	4.99

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Auxilo Finserve Private Limited *

Auxilo Finserve Private Limited
Notes to the financial statements for the year ended March 31, 2023

(Currency : Indian Rupees in lakhs)

40. ***Financial Risk Management (Continued)***

40.B Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages liquidity risk by maintaining adequate cash and bank balances. In addition to own funds, borrowings from banks and corporates are considered as important sources of funds to finance lending to customers. The Company continuously monitors forecast and actual cash flows by matching the maturity profiles of financial assets and liabilities.

The below table analyses the Company's financial liabilities and financial assets into relevant maturity groupings based on the remaining period as at the reporting date to the contractual maturity date.

As at March 31, 2023

Particulars	Total	Contractual cash flows							
		Up to 1 month	Over 1 month to 2 months	Over 2 months to 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	3 - 5 years	More than 5 years
Financial liabilities									
Debt securities	29,709.29	1,862.52	-	5,298.56	7,346.49	2,575.00	12,626.72	-	-
Borrowings (other than debt securities)	1,16,283.41	1,584.73	1,996.43	2,652.24	10,045.24	14,643.68	57,447.09	23,585.07	4,328.93
Lease Liabilities	1,393.79	20.05	20.24	20.38	62.32	130.85	570.28	535.06	34.61
Other financial liabilities	1,707.15	-	43.17	180.00	781.49	-	-	-	702.49
Total	**1,49,093.64**	**3,467.30**	**2,059.84**	**8,151.18**	**18,235.54**	**17,349.53**	**70,644.09**	**24,120.13**	**5,066.03**

Particulars	Total	Contractual cash flows							
		Up to 1 month	Over 1 month to 2 months	Over 2 months to 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	3 - 5 years	More than 5 years
Financial assets									
Cash and cash equivalents	23,409.91	23,409.91	-	-	-	-	-	-	-
Bank balance other than cash and cash equivalents above	1,318.66	503.85	-	26.28	4.09	-	139.68	-	644.76
Trade receivables	183.80	183.80	-	-	-	-	-	-	-
Loans	1,67,654.93	1,907.90	1,904.79	1,899.02	5,683.31	11,377.73	52,476.76	60,964.37	31,441.05
Other Financial Assets	168.28	-	1.06	-	-	-	26.61	125.19	15.42
Total	**1,92,735.58**	**26,005.46**	**1,905.85**	**1,925.30**	**5,687.40**	**11,377.73**	**52,643.05**	**61,089.56**	**32,101.23**

Auxilo Finserve Private Limited
Notes to the financial statements for the year ended March 31, 2023

(Currency : Indian Rupees in lakhs)

40. ***Financial Risk Management (Continued)***
(B) ***Liquidity risk (continued)***

As at March 31, 2022

Particulars	Total	Contractual cash flows							
		Up to 1 month	Over 1 month to 2 months	Over 2 months to 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	3 - 5 years	More than 5 years
Financial liabilities									
Debt securities	13,866.39	9.78	-	798.56	993.41	416.67	11,647.98	-	-
Borrowings (other than debt securities)	31,803.39	1,630.31	512.71	1,037.64	2,186.23	4,387.74	14,996.56	5,397.04	1,655.16
Lease Liabilities	231.37	15.00	14.66	14.79	25.16	36.11	28.48	38.68	58.49
Other financial liabilities	1,168.03	-	9.71	-	430.17	-	-	-	728.15
Total	**47,069.18**	**1,655.09**	**537.08**	**1,850.99**	**3,634.97**	**4,840.52**	**26,673.02**	**5,435.72**	**2,441.80**
Financial assets									
Cash and cash equivalents	8,413.10	8,413.10	-	-	-	-	-	-	-
Bank balance other than cash and cash equivalents above	665.80	503.85	-	26.73	2.97	-	-	132.25	-
Trade receivables	31.02	31.02	-	-	-	-	-	-	-
Loans	75,987.28	918.93	921.20	923.98	2,821.32	5,783.09	24,608.85	27,572.17	12,437.74
Other financial assets	90.59	1.35	0.98	-	34.03	32.41	8.72	-	13.10
Total	**85,187.80**	**9,868.25**	**922.18**	**950.71**	**2,858.32**	**5,815.50**	**24,617.57**	**27,704.42**	**12,450.84**

Note- For financial liabilities undiscounted cash flows have been provided

40.C Market risk

Market risk is the risk that changes in market prices and is exposed to risks such as
a) Currency risk
b) Prepayment risk
c) Interest rate risk
which will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a) Currency risk

The Company's' operating currency is Indian Rupees (INR) only and not exposed to foreign currency risk.

b) Prepayment Risk

Prepayment risk is the risk that the Company will incur a financial loss because its customers and counterparties repay or request repayment earlier than expected particularly in case of fixed rate loans when interest rates fall.

Most of the financial assets are at floating rates of interest, however there are financial liabilities which are having fixed interest rates. The Company is exposed to prepayment risk in term of fixed interest rate liability. Please refer to interest rate risk section for prepayment risk on account of fixed rate liabilities.

(Currency : Indian Rupees in lakhs)

40. *Financial Risk Management (Continued)*

c) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the fair value or cash flows of the financial assets and financial liabilities. Normally, the Company's business is exposed to interest rate risk as a result of mismatches or gaps in the amounts of assets and liabilities and off-balance-sheet instruments that mature or reprice in a given period. In order to manage/mitigate interest rate risk, the Company has defined Interest Rate Sensitive Gap tolerance limits for each time bucket which is approved by the Board. Further, the Company undertakes Net Interest Income (NII) analysis to assess the impact of changes in interest rate on the earnings of the Company. The Interest Rate Sensitivity (IRS) gaps are monitored by ALCO on monthly basis.

The table below details the exposure of the Company to interest rate risk

	As at March 31, 2023	As at March 31, 2022
Fixed rate instruments		
Financial Assets	25,082.08	9,200.80
Financial Liabilities	(14,975.69)	(3,804.65)
Floating rate instruments		
Financial Assets	1,69,051.31	76,929.44
Financial Liabilities	(1,34,117.95)	(43,264.54)

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	For the period ended March 31, 2023	For the period ended March 31, 2022
Cash Flow Sensitivity (Variable rate instruments (net))		
Decrease by 100 bps:	(349.33)	(336.65)
Increase by 100 bps:	349.33	336.65

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

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Auxilo Finserve Private Limited ★

Auxilo Finserve Private Limited
Notes to the financial statements for the year ended March 31, 2023

(Currency : Indian Rupees in lakhs)

41 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.

	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
I	**Assets**						
A.	**Financial assets**						
a)	Cash and cash equivalents	23,409.91	-	23,409.91	8,413.10	-	8,413.10
b)	Other Bank balances	534.22	784.44	1,318.66	533.55	132.25	665.80
c)	Trade receivables	183.80	-	183.80	31.02	-	31.02
d)	Loans	22,772.75	1,44,882.18	1,67,654.93	11,368.52	64,618.76	75,987.28
e)	Other financial assets	1.06	167.22	168.28	68.77	21.82	90.59
B.	**Non-financial assets**						
a)	Current tax assets (net)	-	222.90	222.90	-	65.43	65.43
b)	Deferred tax assets (Net)	-	206.53	206.53	-	305.48	305.48
c)	Property, plant and equipment	-	325.81	325.81	-	105.38	105.38
d)	Right of use asset	314.19	1,003.38	1,317.57	100.38	112.36	212.74
e)	Intangible assets under development	-	153.47	153.47	-	123.23	123.23
f)	Other intangible assets	-	163.27	163.27	-	88.33	88.33
g)	Other non-financial assets	239.48	45.22	284.70	180.91	8.71	189.62
	Total Assets	**47,455.41**	**1,47,954.42**	**1,95,409.83**	**20,696.25**	**65,581.75**	**86,278.00**
II	**Liabilities**						
A.	**Financial liabilities**						
a)	Debt securities	17,082.57	12,626.72	29,709.29	2,218.41	11,647.98	13,866.39
b)	Borrowings (other than debt securities)	30,922.32	85,361.09	1,16,283.41	9,754.63	22,048.76	31,803.39
c)	Lease liabilities	253.84	1,139.95	1,393.79	105.72	125.66	231.38
d)	Other financial liabilities	1,004.66	702.49	1,707.15	439.88	728.15	1,168.03
B.	**Non-financial Liabilities**						
a)	Provisions	34.83	138.61	173.44	15.56	111.40	126.96
b)	Other non-financial liabilities	133.97	174.93	308.90	66.23	112.01	178.24
	Total Liabilities	**49,432.19**	**1,00,143.79**	**1,49,575.98**	**12,600.43**	**34,773.96**	**47,374.39**

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Auxilo Finserve Private Limited *

(Currency : Indian Rupees in lakhs)

42. Capital Management

The primary objectives of the capital management policy is to ensure that the Company continuously complies with capital requirements required by regulator, 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 fund growth or comply with regulatory capital requirement, Company depends on internal accrual or may raise additional capital. Company may adjust the amount of dividend payment to shareholders, return capital to shareholders.

No changes have been made to the objectives, policies and processes from the previous years, however the same is constantly reviewed by the Board.

For Capital-to-Risk Weighted Assets (CRAR) as required by Regulator- Refer Note 47.1

43. Net debt reconciliation

a) This section sets out the change in the liabilities or movement in net debt during the year arising from financing activities i.e. receipt / repayment of debts, other borrowing and related finance cost.

	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents	23,410.01	8,413.17
Bank balances other than cash and cash equivalents (including interest receivable)	1,319.77	665.91
Debt securities (including interest accrued)	29,709.29	13,866.39
Borrowings other than debt securities (including interest accrued)	1,16,283.41	31,803.39
Net Debt	1,21,262.92	36,590.70

b) **Movement in Net Debt during the year**

	Financial Assets		Liabilities from financing activities		Total
	Cash and cash equivalents	Bank balances other than cash and	Debt securities	Borrowings other than debt securities	
Net debt as at March 31, 2022	**8,413.17**	**665.91**	**13,866.39**	**31,803.39**	**36,590.70**
Cashflows inflows	1,02,101.64	653.86	18,959.14	1,01,971.53	**18,175.17**
Cashflows outflows	87,109.49	-	3,476.49	18,000.90	**(65,632.10)**
Interest expense	-	-	2,433.19	6,889.24	**9,322.43**
Interest paid during the year	-	-	2,072.94	6,379.85	**8,452.79**
Net debt as at March 31, 2023	**23,405.32**	**1,319.77**	**29,709.29**	**1,16,283.41**	**1,21,267.61**
Net debt as at March 31, 2021	**12,894.66**	**125.15**	**11,933.40**	**16,608.82**	**15,522.41**
Cashflows inflows	16,143.51	540.76	3,300.00	23,300.00	**9,915.73**
Cashflows outflows	20,625.00		1,537.16	8,254.29	**(10,833.55)**
Interest expense			1,371.62	1,860.86	**3,232.48**
Interest paid during the year			1,201.48	1,712.00	**2,913.48**
Net debt as at March 31, 2022	**8,413.17**	**665.91**	**13,866.39**	**31,803.39**	**36,590.70**

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Auxilo Finserve Private Limited *

(Currency : Indian Rupees in lakhs)

44. Transfer of Financial Assets

Transferred financial assets that are not derecognised in their entirety - Securitisation

The Company has transferred a pool of loan receivables backed by underlying assets by entering into securitisation transactions with the Special Purpose Vehicle Trusts (SPV Trust) for consideration received in cash at the inception of the transaction.

The Company, being Originator of these loan receivables, also acts as Servicer with a responsibility of collection of receivables from its borrowers and depositing the same in Collection and Pay out Account maintained by the SPV Trust for making scheduled pay outs to the investors in Pass Through Certificates (PTCs) issued by the SPV Trust. These securitisation transactions also requires the Company to provide for first loss credit enhancement in various forms, such as cash collateral, over collateral of Pool principal and excess interest spread (EIS) as credit support in the event of shortfall in collections from underlying loan contracts. By virtue of existence of credit enhancement, the Company is exposed to credit risk, being the expected losses that will be incurred on the transferred loan receivables to the extent of the credit enhancement provided.

In view of the above, the Company has retained substantially all the risks and rewards of ownership of the financial asset and thereby does not meet the derecognition criteria as set out in Ind-AS 109. Consideration received in this transaction is presented as 'Borrowing under Securitisation' under Note 14.

The following table 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:

Particulars	As at March 31, 2023	As at March 31, 2022
Assignment / PTC		
Carrying amount of transferred assets measured at amortised cost	5,691.29	1,222.85
Carrying amount of associated liabilities (Debt securities - measured at amortised cost)*	4,773.09	909.70
Fair value of assets	5,691.29	1,222.85
Fair value of associated liabilities	4,780.73	943.22
Net position at Fair Value	910.56	279.63

* inclusive of EIR impact

45. Utilisation of funds

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 person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

46. Events after reporting date

There have been no major events which will cause changes to any numbers reported in the financial statements.

NANGIA & CO. LLP * CHARTERED ACCOUNTANTS

Auxilo Finserve Private Limited

(Currency : Indian Rupees in lakhs)

47. Regulatory disclosures - RBI

The following additional information is disclosed in the terms of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 as amended.

The additional disclosure notes required by the Reserve Bank of India (RBI) are prepared under Indian Accounting Standards (Ind AS) issued by Ministry of Corporate Affairs (MCA), unless otherwise stated.

47.1 Ratios

	As at March 31, 2023	As at March 31, 2022
CRAR (%)	24.71%	47.84%
CRAR - Tier I capital (%)	24.39%	47.11%
CRAR - Tier II Capital (%)	0.32%	0.73%
Liquidity Coverage Ratio*	Not Applicable	Not Applicable

*The Company is not required provide disclosure of Liquidity Coverage Ratio (LCR) as per RBI circular RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019 since the aforesaid circular is applicable on the NBFCs with asset size of Rs. 5,000 crore. The company is not falling within the given criteria and hence disclosure of LCR is not made.

47.2 Investments

The Company has Nil investments as on March 31, 2023 and March 31, 2022.

47.3 Derivatives

The Company has not entered into any forward rate agreements, interest rate swaps, exchange traded interest rate derivatives.

47.4 Asset liability management

(A) Maturity pattern of certain items of assets and liabilities As at March 31, 2023

A.i

	Assets			
	Loans	Investments	Fixed Deposits	Foreign Currency Assets
1 day to 7 days	421.57	-	7,025.05	-
8 day to 14 days	547.57	-	-	-
15 day to 30/31 days (One month)	938.76	-	8,006.55	-
Over One months to 2 months	1,904.79	-	-	-
Over 2 months up to 3 months	1,899.02	-	26.28	-
Over 3 months to 6 months	5,683.31	-	4.09	-
Over 6 months to 1 year	11,377.73	-	-	-
Over 1 year to 3 years	52,476.76	-	139.68	-
Over 3 years to 5 years	60,964.37	-	-	-
Over 5 years	31,441.05	-	644.76	-
	1,67,654.93	-	15,846.41	-

A.ii

	Liabilities		
	Borrowings and Debt Securities	Deposits #	Foreign Currency Liabilities
1 day to 7 days	547.46	-	-
8 day to 14 days	176.31	-	-
15 day to 30/31 days (One month)	2,723.48	-	-
Over One months to 2 months	1,996.43	-	-
Over 2 months up to 3 months	7,950.80	-	-
Over 3 months to 6 months	17,391.73	-	-
Over 6 months to 1 year	17,218.68	-	-
Over 1 year to 3 years	70,073.81	-	-
Over 3 years to 5 years	23,585.07	-	-
Over 5 years	4,328.93	-	-
	1,45,992.70	-	-

NANGIA & CO. LLP * CHARTERED ACCOUNTANTS

Auxilo Finserve Private Limited

(Currency : Indian Rupees in lakhs)

47. Regulatory disclosures - RBI

(B) Maturity pattern of certain items of assets and liabilities As at March 31, 2022

B.i

	Assets			
	Loans	**Investments**	**Fixed Deposits**	**Foreign Currency Assets**
1 day to 7 days	168.39	-	3,009.73	-
8 day to 14 days	302.18	-	-	-
15 day to 30/31 days (One month)	448.37	-	5,000.37	-
Over One months to 2 months	921.20	-	-	-
Over 2 months up to 3 months	923.98	-	26.73	-
Over 3 months to 6 months	2,821.32	-	2.97	-
Over 6 months to 1 year	5,783.09	-	-	-
Over 1 year to 3 years	24,608.85	-	-	-
Over 3 years to 5 years	27,572.17	-	132.25	-
Over 5 years	12,437.74	-	-	-
	75,987.28	**-**	**8,172.05**	**-**

B.ii

	Liabilities		
	Borrowings and Debt Securities	**Deposits#**	**Foreign Currency Liabilities**
1 day to 7 days	1,000.00	-	-
8 day to 14 days	20.83	-	-
15 day to 30/31 days (One month)	619.26	-	-
Over One months to 2 months	512.71	-	-
Over 2 months up to 3 months	1,836.20	-	-
Over 3 months to 6 months	3,179.64	-	-
Over 6 months to 1 year	4,804.41	-	-
Over 1 year to 3 years	26,644.54	-	-
Over 3 years to 5 years	5,397.04	-	-
Over 5 years	1,655.16	-	-
	45,669.78	**-**	**-**

This pertains to inter corporate deposits

47.5 Exposures

Exposure to real estate sector	**As at March 31, 2023**	**As at March 31, 2022**
a) Direct exposure		
Residential mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented:(Individual housing loans up to INR15 lakhs may be shown separately)	29,536.40	32,195.37
Commercial real estate -		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure includes non-fund based (NFB) limits.	-	-
Investments in mortgage backed securities (MBS) and other securitised exposures -		
- Residential	-	-
- Commercial Real Estate	-	-
b) Indirect exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-
c) Others	-	-
	29,536.40	**32,195.37**

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Auxilo Finserve Private Limited

47. Regulatory disclosures - RBI

Note:

In line with RBI Circular dated September 9, 2009 on Classification of Exposure as Commercial Real Estate (CRE) by Banks, an exposure would be classified as 'CRE' only if the repayment of loan is dependent on the cash flows generated from real estate asset (e.g., rentals/sales proceeds). However, the primary source of repayments in case of Education Institution Loans are the cash flows generated from business operations of such institutions (e.g. Tuition Fees / School Fees etc.) and not from rentals / sale proceeds.
Hence, such exposures shall not be categorised as 'CRE' and accordingly relevant disclosure for FY 2022-23 & FY 2021-22 is being reflected and reported as 'NIL'

Exposure to capital market	**As at March 31, 2023**	**As at March 31, 2022**
a) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	-	-
b) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	-	-
c) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security.	-	-
d) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances.	-	-
e) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers.	-	-
f) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
g) bridge loans to companies against expected equity flows / issues	-	-
h) all exposures to Venture Capital Funds (both registered and unregistered)	-	-
i) others (not covered above)	-	-
	-	-

47.6 Details of financing of parent Company products:

Details of financing of parent Company products: Nil (Previous year : Nil)

47.7 Details of single borrower limit and borrower group limit exceeded by the Company:

During the year ended March 31, 2023 and March 31, 2022 the Company's credit exposure to single borrowers and group borrowers were within the limits prescribed by the RBI.

47.8 Unsecured advances

The portfolio of Company include unsecured loans. Details of loans are provided in Note 6.
During the year, the Company has not given any advance against collateral of rights, licenses, authority, etc. (Previous year : Nil).

47.9 Registration obtained from other financial sector regulators

The Company is registered with following other financial sector regulators (Financial regulators as described by Ministry of Finance):
i) Ministry of Corporate Affairs
ii) Securities and Exchange Board of India (SEBI)

47.10 During the current year the Company has paid penalties/delay charges of INR 0.26 lakhs to GST authorities towards disallowance of GST Input credit.

During the previous year the Company has paid penalties of INR 0.55 lakhs for non disclosure of nature and extent of security as per regulation 54(2) along with Audited Financial Results.

47.11 Related party transactions

All material transactions with related parties are reflected in Note - 36

47.12 Details of transaction with non executive directors - Rs. Nil (Previous year - Rs. Nil)
Non-Executive Directors have no pecuniary relationship with the Company, except receiving sitting fees for the meetings attended.

NANGIA & CO. LLP ★ CHARTERED ACCOUNTANTS ★

Auxilo Finserve Private Limited ★

Auxilo Finserve Private Limited
Notes to the financial statements for the year ended March 31, 2023

(Currency : Indian Rupees in lakhs)

47. Regulatory disclosures - RBI

47.13 Provisions and contingencies

	As at March 31, 2023	As at March 31, 2022
Breakup of provisions and contingencies shown under the head other expenses in the Statement of Profit and loss		
Provision towards Stage 3	457.85	66.96
Provision made towards tax expenses	890.90	243.22
Provision for Stage 1/Stage 2 Assets including restructured and others	(2.49)	458.71
Provision for Stage 1 other financial assets	1.14	(0.25)
Other Provision and Contingencies *	94.68	169.25
***Other provisions and contingencies**		
Provision for gratuity expense	16.54	18.71
Provision for compensated absences	12.83	11.72
Provision for ESOP	65.31	138.82
Total	**94.68**	**169.25**

47.14 Draw down from reserves

During the current year the Company has not drawn from any reserve. (Previous year : Nil)

47.15 Concentration of deposits, advances, exposures and NPA assets

	As at March 31, 2023	As at March 31, 2022
A. Concentration of advances		
Total Advances to twenty largest borrowers	6,704.20	7,567.96
% of Advances to twenty largest borrowers to Total Advances	3.97%	9.84%
B. Concentration of exposures		
Total Exposures to twenty largest borrowers / Customers	6,737.07	7,640.46
% of Exposures to twenty largest borrowers / Customers to Total Advances	3.99%	9.93%
C. Concentration of NPA Advances		
Total Exposures to top Four NPA Assets	1,676.99	1,079.62

D. Sector-wise NPA Assets

	% of NPA assets to Total Advances in that sector	
Sectors	**As at March 31, 2023**	**As at March 31, 2022**
Agriculture and allied activities	0.00%	0.00%
MSME	0.00%	0.00%
Corporate borrowers	0.00%	0.00%
Services	0.00%	0.00%
Unsecured loans - Bill discounting	0.00%	0.00%
Auto loans	0.00%	0.00%
Other loans*	1.65%	1.62%

* Computed basis the Gross carrying amount of advances

E. Concentration of deposits

The Company is a Non Deposit Accepting Systemically Important NBFC. Accordingly, the Company has not accepted any deposits during the current and previous year. Also there are no outstanding deposits from earlier years (Previous Year : Nil).

NANGIA & CO. LLP CHARTERED ACCOUNTANTS

Auxilo Finserve Private Limited

(Currency : Indian Rupees in lakhs)

47. Regulatory disclosures - RBI

47.16 Movement in non-performing assets (NPAs)

The following table sets forth, for the periods indicated, the details of movement of Stage 3 assets net of provision (Also refer note 6.b)

	As at March 31, 2023	As at March 31, 2022
(i) Net NPAs* to net advances (%)	1.18%	1.17%
* Computed basis the Gross carrying amount of advances		
(ii) Movement of NPAs (gross)		
(a) Opening balance	1,247.01	701.75
(b) Additions during the year	1,593.71	600.97
(c) Reductions during the year	(48.84)	(55.71)
(d) Closing balance	**2,791.88**	**1,247.01**
(iii) Movement of net NPAs		
(a) Opening balance	898.63	420.33
(b) Additions during the year	1,126.09	512.21
(c) Reductions during the year	(39.07)	(33.91)
(d) Closing balance	**1,985.65**	**898.63**
(iv) Movement of provisions for NPAs (excluding provision on standard assets)		
(a) Opening Balance	348.39	281.42
(b) Additions during the year	467.62	88.77
(c) Write off/ write back of excess provision	(9.77)	(21.80)
(d) Closing balance	**806.24**	**348.39**

47.17 Customer complaints

		For the year ended March 31, 2023	For the year ended March 31, 2022
i)	No. of complaints pending at the beginning of the year	0	0
ii)	No. of complaints received during the year	70	21
iii)	No. of complaints redressed during the year	70	21
iv)	No. of complaints pending at the end of the year	0	0

47.18 Rating assigned by credit rating agencies and migrations of ratings during the year
Instrument Rating:

CRISIL:

Long Term debt instruments and long-term bank facilities: CRISIL A/Stable (Previous year rating CRISIL A/Stable)
Long Term debt instruments and Non-Convertible Debentures: CRISIL A/Stable (Previous year rating CRISIL A/Stable)
Short term debt instruments and short-term bank facilities: CRISIL A1 (Previous year rating CRISIL A1)
Market linked debentures : CRISIL PPMLD A/Stable (Previous year rating - N/A)
Commercial Paper : CRISIL A1 (Previous year rating CRISIL A1)

CARE:

Long Term debt instruments and long-term bank facilities: CARE A; Stable (Previous year rating CARE A; Stable)
Long Term debt instruments and Non-Convertible Debentures: CARE A; Stable (Previous year rating CARE A; Stable)
Market linked debentures: CARE PP- MLD A; Stable (Previous year rating CARE PP- MLD A; Stable)

NARGIA & CO. LLP CHARTERED ACCOUNTANTS

Auxilo Finserve Private Limited

Auxilo Finserve Private Limited
Notes to the financial statements for the year ended March 31, 2023

(Currency : Indian Rupees in lakhs)

47. ***Regulatory disclosures - RBI (Continued)***

47.19 Disclosures relating to assignment and securitisation

47.19.1 The Company has not entered into any securitisation transactions during the current year. (Previous year : Refer note below)

No.		As at March 31, 2023	As at March 31, 2022
1	No of SPVs sponsored by the NBFC for securitisation transactions	2	1
2	Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	6,127.66	1,432.78
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of	-	-
	(a) Off-Balance Sheet exposures		
	First loss	-	-
	Others	-	-
	(b) On-Balance Sheet exposures		
	First loss	762.34	117.34
	Others	723.35	293.36
4	Amount of exposures to securitisation transactions other than MRR	-	-
	(a) Off-Balance Sheet exposures		
	(i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	(ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
	(b) On-Balance Sheet exposures		
	(i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	(ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-

47.19.2 Outstanding amount of assigned assets as per books of the Special Purpose Vehicle sponsored

The Company has not entered into any assignment transactions during the current year. (Previous year : Nil).

47.19.3 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 during the year ended March 31, 2023 and March 31, 2022.

47.20 Details of non-performing financial assets purchased / sold by the Company

The Company has neither purchased nor sold non performing assets during the year ended March 31, 2023 and March 31, 2022.

(Currency : Indian Rupees in lakhs)

47. *Regulatory disclosures - RBI (Continued)*

47.21 Comparison of Regulatory Provision for NPA and Impairment Provision as per Ind AS
As at March 31, 2023

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
Performing						
Standard	Stage-1	1,61,929.82	307.43	1,61,622.39	710.50	(403.07)
	Stage-2	4,329.62	282.72	4,046.90	18.00	264.72
Sub total		**1,66,259.44**	**590.15**	**1,65,669.29**	**728.50**	**(138.35)**
Non Performing Assets (NPA)						
Substandard	Stage-3	1,786.55	389.17	1,397.38	179.94	209.23
Doubtful						
up to 1 year	Stage-3	207.79	64.05	143.74	41.74	22.31
1 to 3 Years	Stage-3	797.55	353.02	444.53	240.98	112.04
More than 3 years	Stage-3	-	-	-	-	-
Sub total for Doubtful		**1,005.34**	**417.07**	**588.27**	**282.72**	**134.35**
Loss	Stage-3	-	-	-	-	-
Subtotal for NPA		**2,791.89**	**806.24**	**1,985.65**	**462.66**	**343.58**
Other items	Stage-1	-	-	-	-	-
Other items	Stage-2	-	-	-	-	-
Other items	Stage-3	-	-	-	-	-
Total	**Stage-1**	**1,61,929.82**	**307.43**	**1,61,622.39**	**710.50**	**(403.07)**
	Stage-2	**4,329.62**	**282.72**	**4,046.90**	**18.00**	**264.72**
	Stage-3	**2,791.89**	**806.24**	**1,985.65**	**462.66**	**343.58**
	Total	**1,69,051.33**	**1,396.39**	**1,67,654.94**	**1,191.16**	**205.23**

As at March 31, 2022

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
Performing						
Standard	Stage-1	70,312.44	147.47	70,164.97	304.56	(157.09)
	Stage-2	5,370.00	446.30	4,923.70	166.95	279.35
Sub total		**75,682.44**	**593.77**	**75,088.67**	**471.51**	**122.26**
Non Performing Assets (NPA)						
Substandard	Stage-3	518.60	123.27	395.33	52.70	70.57
Doubtful						
up to 1 year	Stage-3	728.41	225.11	503.30	146.91	78.20
1 to 3 Years	Stage-3	-	-	-	-	-
More than 3 years	Stage-3	-	-	-	-	-
Sub total for Doubtful		**728.41**	**225.11**	**503.30**	**146.91**	**78.20**
Loss	Stage-3	-	-	-	-	-
Subtotal for NPA		**1,247.01**	**348.38**	**898.63**	**199.61**	**148.77**
Other items	Stage-1	-	-	-	-	-
Other items	Stage-2	-	-	-	-	-
Other items	Stage-3	-	-	-	-	-
Total	**Stage-1**	**70,312.44**	**147.47**	**70,164.97**	**304.56**	**(157.09)**
	Stage-2	**5,370.00**	**446.30**	**4,923.70**	**166.95**	**279.35**
	Stage-3	**1,247.01**	**348.38**	**898.63**	**199.61**	**148.77**
	Total	**76,929.45**	**942.15**	**75,987.30**	**671.12**	**271.03**

NANGIA & CO. LLP ★ CHARTERED ACCOUNTANTS ★

Auxilo Finserve Private Limited ★

Auxilo Finserve Private Limited
Notes to the financial statements for the year ended March 31, 2023
(Currency : Indian Rupees in lakhs)

47.22 Disclosure of Restructured Accounts
(as required by RBI guidelines under reference DNBS. CO. PD. No. 367 / 03.10.01 / 2013-14 dated January 23, 2014)

Sl No	Type of Restructuring → Asset Classification → Details ↓		Standard	Sub Standard	Doubtful / Loss	Total
1	Restructured Accounts as on April 1 of the Financial Year (opening figures)	No. of borrowers	23	1	-	24
		Amount outstanding	1,455.65	37.17	-	1,492.82
		Provision thereon	151.05	11.23	-	162.28
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-
		Amount outstanding*	-	-	-	-
		Provision thereon	-	-	-	-
3	Recovery	No. of borrowers	-	-	-	-
		Amount outstanding	-	-	-	-
		Provision thereon	-	-	-	-
4	Upgradations to restructured standard category during the Financial Year	No. of borrowers	-	-	-	-
		Amount outstanding	-	-	-	-
		Provision thereon	-	-	-	-
5	Restructured standard advances which cease to attract higher provisioning and / or additional risk	No. of borrowers	(23)	-	-	(23)
		Amount outstanding	(1,455.65)	-	-	(1,455.65)
		Provision thereon	(151.05)	-	-	(151.05)
6	Down gradations of restructured accounts during the Financial Year	No. of borrowers	-	(1)	1	-
		Amount outstanding	-	(37.17)	41.52	4.35
		Provision thereon	-	(11.23)	15.59	4.36
7	Write-offs of restructured accounts during the Financial Year	No. of borrowers	-	-	-	-
		Amount outstanding	-	-	-	-
		Provision thereon	-	-	-	-
8	Restructured Accounts as on March 31 of the Financial Year (closing figures)	No. of borrowers	-	-	1	1
		Amount outstanding	-	-	41.52	41.52
		Provision thereon	-	-	15.59	15.59

* Outstanding as on March 31, 2023

One time restructuring

Details of resolution plan implemented under the Resolution Framework for COVID-19 related Stress as per RBI circular (RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21) dated August 6, 2020 are given below.

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at September 30, 2022 (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at March 31, 2023
Personal Loans	379.84	-	-	41.36	374.39
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	379.84	-	-	41.36	374.39

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

NANGIA & CO. LLP ★ CHARTERED ACCOUNTANTS ★

Auxilo Finserve Private Limited ★

Auxilo Finserve Private Limited
Notes to the financial statements for the year ended March 31, 2023

(Currency : Indian Rupees in lakhs)

47. *Regulatory disclosures - RBI (Continued)*

47.23 Disclosure on liquidity risk under RBI circular no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies from March 31, 2020 onwards

47.23.a Funding Concentration based on significant counterparty (borrowings, debt securities)

Particulars	As at March 31, 2023	As at March 31, 2022
No. of Significant Counterparties*	26	17
Amount (INR in lakh)#	1,31,230.79	45,669.78
Percentage of funding concentration to total deposits	-	-
Percentage of funding concentration to total liabilities^	87.74%	96.40%

47.23.b Top 20 large deposits

Not applicable

47.23.c Top 10 Borrowings

Particulars		As at March 31, 2023	As at March 31, 2022
Total amount of top 10 borrowings (INR in lakh)#	Banks	87,243.48	36,424.41
Percentage of amount of top 10 borrowings to total borrowings	Banks	59.76%	79.76%

47.23.d Funding concentration based on significant instrument / product:**

		As at March 31, 2023		As at March 31, 2022	
	Particulars	Amount	% of Total liabilities ^	Amount	% of Total liabilities ^
a)	Term loan	1,08,034.00	72.23%	29,893.69	63.10%
b)	Working capital demand loan	3,476.32	2.32%	1,000.00	2.11%
c)	Non convertible debentures	28,218.66	18.87%	13,866.39	29.27%
d)	Securitisation payables	4,773.09	3.19%	909.70	1.92%
e)	Commercial paper	1,490.63	1.00%	-	-

*Significant counterparty is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's total liabilities.

**significant instrument / product is defined as a single instrument / product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC-NDSI's total liabilities.

^ Total Liabilities represents total liabilities as per balance sheet less total equity

All the above numbers are excluding notional Ind AS adjustments for previous year.

47.23.e Stock Ratios:

	Particulars	As at March 31, 2023	As at March 31, 2022
i)	Commercial Papers to Total Liabilities	1.00%	Nil
ii)	Commercial Papers to Total Assets	0.76%	Nil
iii)	Commercial Papers to Public funds	Nil	Nil
iv)	NCD(Original Maturity < 1yrs.) to Total Liabilities	Nil	Nil
v)	NCD(Original Maturity < 1yrs.) to Total Assets	Nil	Nil
vi)	NCD(Original Maturity < 1yrs.) to Public funds	Nil	Nil
vii)	Other Short Term Liabilities to Total Liabilities ##	32.94%	26.42%
viii)	Other Short Term Liabilities to Total Assets ##	25.21%	14.51%
ix)	Other Short Term Liabilities to Public funds ##	Nil	Nil

Other short term liabilities include all the financial liabilities maturing within next 12 months.

47.23.f Institutional set-up for liquidity risk management:

The Company's Board of Directors assume the overall responsibility for management of liquidity risk.

Risk Management Committee ('RMC') shall have overall responsibility of evaluating liquidity risks faced by the entity and will act as per mandate of the Board in managing the liquidity risk and adherence to this framework through itself and the various sub-committees reporting into it.

Asset Liability Committee ('ALCO') reports into the RMC which in turn is supported by Asset Liability Management Support Group in managing the overall liquidity risk of the Company.

NANGIA & CO. LLP CHARTERED ACCOUNTANTS

Auxilo Finserve Private Limited

Auxilo Finserve Private Limited

Notes to the financial statements for the year ended March 31, 2023

(Currency : Indian Rupees in lakhs)

47. ***Regulatory disclosures - RBI (Continued)***

47.24 Disclosure applicable in accordance with the RBI cicular no. RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23:

47.24.a Sectoral exposure

	As at March 31, 2023			As at March 31, 2022		
	Total Exposure*	Gross NPAs	% of Gross NPAs to total exposure in that sector	Total Exposure*	Gross NPAs	% of Gross NPAs to total exposure in that sector
Education industry	2,00,660.72	2,791.88	1.39%	88,206.49	897.37	1.02%

*includes on balance sheet and off-balance sheet exposure

47.24.b Related Party Disclosure

All the relevant transactions with related parties in accordance with Ind AS 24 are reflected in Note - 36

Additional Key Management Personnel in addition to Ind AS, as mentioned in the circular, which is required to be disclosed as per the notification:

Harsha Saksena, Chief Finance Officer

Deepika Thakur Chauhan, Company Secretary (ceased to be the company secretary w.e.f. April 07, 2022, reappointed w.e.f. September 05, 2022)

No.	Nature of Transaction	Name of Party	As at March 31, 2023	As at March 31, 2022
1	**Remuneration:**			
	a Short-term employee benefits	Harsha Saksena	90.91	98.56
		Deepika Thakur Chauhan	20.01	25.72
	b Employee Stock Option	Harsha Saksena	27.54	27.54
		Deepika Thakur Chauhan	1.32	0.99
2	**Issue of equity shares** (incl. securities premium)	Deepika Thakur Chauhan	0.55	4.95

47.24.c Disclosure of complaints

I Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

S. No.	Particulars	As at March 31, 2023	As at March 31, 2022
	Complaints received by the NBFC from its customers		
1	Number of complaints pending at beginning of the year	0	0
2	Number of complaints received during the year	70	21
3	Number of complaints disposed during the year	70	21
	3.1 Of which, number of complaints rejected by the NBFC	0	0
4	Number of complaints pending at the end of the year	0	0
	Maintainable complaints received by the NBFC from Office of Ombudsman		
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman	5	1
5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	3	1
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman *	2	0
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	0	0
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0

**includes complaint resolved through facilitation by office of Ombudsman*

II 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
	As at March 31, 2023				
Service Related	0	41	241.67%	0	0
Finance Related	0	12	300.00%	0	0
Behavior Related	0	2	100.00%	0	0
Mis- selling	0	2	0.00%	0	0
Refund Related	0	8	700.00%	0	0
Others	0	5	150.00%	0	0
Total	0	70	233.33%	0	0
	As at March 31, 2022				
Service Related	0	12	(64.71)%	0	0
Finance Related	0	3	(50.00)%	0	0
Behavior Related	0	1	-	0	0
Mis- selling	0	2	2.00	0	0
Refund Related	0	1	(50.00)%	0	0
Others	0	2	(33.33)%	0	0
Total	0	21	(58.82)%	0	0

NANGIA & CO. LLP ★ CHARTERED ACCOUNTANTS ★

Auxilo Finserve Private Limited ★

(Currency : Indian Rupees in lakhs)

47. ***Regulatory disclosures - RBI (Continued)***

47.24.d Breach of covenant

There are no instances of breach of covenants for loan availed or debt securities issued.

47.25 Overseas assets

The Company did not have any Joint Ventures and Subsidiaries abroad as at March 31, 2023 (March 31, 2022: Nil)

47.26 Reporting of Frauds

The Company has not reported any fraud during the current year (Previous year : Nil)

48. Wilful Defaulter

The company has not been declared as willful defaulter by any bank or financial institution or other lender.

49. Relationship with struck off Companies

The company not had any transaction with companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

50. Undisclosed Income

There are no transactions which are 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.

51. Details of Crypto Currency or Virtual Currency

There are no trading or investment in Crypto currency or Virtual Currency during the financial year by the Company.

52. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/ interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

53. Previous year figures have been regrouped / reclassified to make them comparable with current reporting period.

As per our report of even date attached.

For Nangia & Co LLP
Chartered Accountants
Firm Registration No.: 002391C/N500069

Jaspreet Singh Bedi
Partner
Membership No. - 601788

Mumbai
May 02, 2023

For and on behalf of the Board of Directors
Auxilo Finserve Private Limited

Manish Chokhani
Director
DIN - 00204011

Neeraj Saxena
MD & CEO
DIN - 07951705

Harsha Saksena
Chief Financial Officer

Deepika Thakur Chauhan
Company Secretary

Mumbai
May 02, 2023

NANGIA & CO. LLP CHARTERED ACCOUNTANTS

Auxilo Finserve Private Limited

Auxilo Finserve Private Limited
Notes to the financial statements for the year ended March 31, 2023

(Currency : Indian Rupees in lakhs)

Annexure -I

Schedule to the Balance Sheet of "Auxilo Finserve Private Limited" (as required in terms of paragraph 19 of Systemically Important Non-Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016

Particulars	**As at March 31, 2023**			**As at March 31, 2022**		
Liabilities side :	**Amount outstanding**	**Amount overdue**	**Total**	**Amount outstanding**	**Amount overdue**	**Total**
1) Loans and advances availed by the non- banking financial company inclusive of interest accrued thereon but not paid:						
(a) Debentures : Secured	28,218.66	-	28,218.66	13,866.39	-	13,866.39
: Unsecured	-	-	-	-	-	-
(other than falling within the meaning of public deposits)						
(b) Deferred credits	-	-	-	-	-	-
(c) Term loans	1,08,034.00	-	1,08,034.00	29,893.69	-	29,893.69
(d) Inter-corporate loans and borrowing	-	-	-	-	-	-
(e) Commercial paper	1,490.63	-	1,490.63	-	-	-
(f) Public deposits	-	-	-	-	-	-
(h) Other loans (Borrowings)	8,249.41	-	8,249.41	1,909.70	-	1,909.70
2) Break-up of (1) (f) above [Outstanding public deposits inclusive of interest accrued thereon but not paid]						
(a) In the form of Unsecured debentures	-	-	-	-	-	-
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-	-	-
(b) Other public deposits	-	-	-	-	-	-
Assets side :						
3) Break-up of loans and advances including bills receivables [other than those included in (4) below]						
(a) Secured	28,654.03	-	28,654.03	31,325.04	-	31,325.04
(b) Unsecured	1,40,397.28	-	1,40,397.28	45,604.40	-	45,604.40
4) Break up of Leased assets and stock on hire and other assets counting towards AFC activities						
(i) Lease assets including lease rentals under sundry debtors:						
(a) Financial lease	-	-	-	-	-	-
(b) Operating lease	-	-	-	-	-	-
(ii) Stock 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	-	-	-	-	-	-
5) 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 (please specify)	-	-	-	-	-	-
2. Unquoted						
(i) Shares : (a) Equity	-	-	-	-	-	-
(b) Preference	-	-	-	-	-	-
(ii) Debentures and bonds	-	-	-	-	-	-
(iii) Units of mutual funds	-	-	-	-	-	-
(iv) Government securities	-	-	-	-	-	-
(v) Others (please specify)	-	-	-	-	-	-

Auxilo Finserve Private Limited
Notes to the financial statements for the year ended March 31, 2023

(Currency : Indian Rupees in lakhs)

Annexure -I

Schedule to the Balance Sheet of "Auxilo Finserve Private Limited" (as required in terms of paragraph 19 of Systemically Important Non-Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016

Particulars	As at March 31, 2023			As at March 31, 2022		
	Amount outstanding	Amount overdue	Total	Amount outstanding	Amount overdue	Total
Long term investments :						
1. Quoted						
(i) Shares : (a) Equity	-	-	-	-	-	-
(b) Preference	-	-	-	-	-	-
(ii) Debentures and bonds	-	-	-	-	-	-
(iii) Units of mutual funds	-	-	-	-	-	-
(iv) Government securities	-	-	-	-	-	-
(v) Others (please specify)	-	-	-	-	-	-
2. Unquoted						
(i) Shares : (a) Equity	-	-	-	-	-	-
(b) Preference	-	-	-	-	-	-
(ii) Debentures and bonds	-	-	-	-	-	-
(iii) Units of mutual funds	-	-	-	-	-	-
(iv) Government securities	-	-	-	-	-	-
(v) Others (please specify)	-	-	-	-	-	-

6) Borrower group-wise classification of assets financed as in (3) and (4) above:	Amount net of provision (Refer note 6)			Amount net of provision (Refer note 6)		
Category	**Secured**	**Unsecured**	**Total**	**Secured**	**Unsecured**	**Total**
1. Related Parties						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties	28,654.03	1,40,397.28	1,69,051.31	31,325.04	45,604.40	76,929.44
Total	**28,654.03**	**1,40,397.28**	**1,69,051.31**	**31,325.04**	**45,604.40**	**76,929.44**

7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)						
Category	**Market Value / Break up or fair value or NAV**	**Book Value (Net of provisions)**	**Total**	**Market Value / Break up or fair value or NAV**	**Book Value (Net of provisions)**	**Total**
1. Related Parties						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties	-	-	-	-	-	-
Total	-	-	-	-	-	-

8) Other Information

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
(i) Gross non- performing assets		
(a) Related parties	-	
(b) Other than related parties	2,791.88	1,247.01
(ii) Net non- performing assets		
(a) Related parties		
(b) Other than related parties	1,985.65	898.63
(iii) Assets acquired in satisfaction of debt		

Auxilo Finserve Private Limited