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By • Aman Rawat

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Neeraj Saxena, managing director and chief executive officer, Auxilo Finserve

Non-banking financial institution Auxilo Finserve Pvt. Ltd, which snagged [\\$57 million](#) from Tata Capital, Trifecta and Xponentia Capital last year, continued to embark on an upward trajectory with profit likely to double this fiscal, even as it keeps a stringent check on asset quality, it is learnt.

The education loan-focussed company, promoted by Enam Holdings' Akash Bhanshali and the country's second largest sugar maker Balrampur Chini, is likely to clock a revenue of Rs 262 crore (provisional) for the first nine months of FY24. It earned Rs 191 crore in FY23.

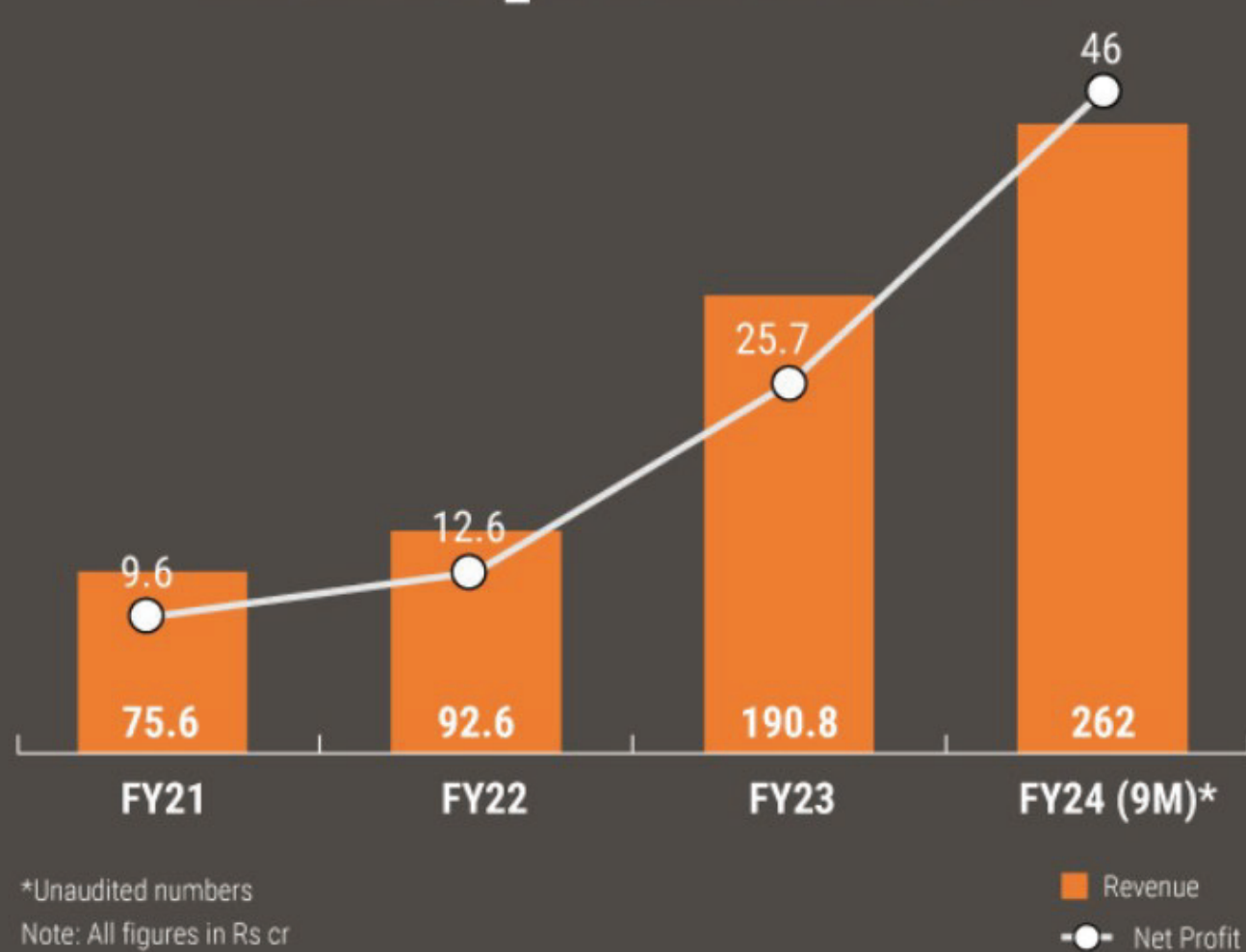
Auxilo seems to be benefitting from comfortable capitalisation levels, management's experience in the education credit business and strong systems.

"In the current financial year, we expect to achieve a total revenue of around Rs 350 crore," said [Neeraj Saxena](#), managing director and chief executive officer of [Auxilo Finserve](#), adding that they are targetting over 75% year-on-year growth in revenue in the coming years too."

As for profitability, Auxilo is on track to double its net profit for the second consecutive fiscal year. After doubling the metric to Rs 26 crore in FY23, Saxena now says that the NBFC will more than double its profit after tax for FY24, in-line with its target.

According to provisional numbers accessed by [VCCircle](#), Auxilo has already clocked a profit for Rs 46 crore for the first nine months of this fiscal.

Auxilo on track to double profit this FY



Infographic: Manu Choudhary

VCCIRCLE

"By maintaining operational efficiencies and enhancing productivity, we expect the trend to continue and deliver healthy returns to our stakeholders," Saxena added.

Founded in 2017, Auxilo offers student loans for education in India and abroad. It also provides financing to educational institutions to improve their infrastructure and meet working capital needs. The Mumbai-headquartered lender also operates branches in Ahmedabad, Bengaluru, Chennai, Delhi, Hyderabad and Pune.

It is planning to expand its business in the education institution loan segment. "We are targetting to provide financial access to over 10,000 schools and education institutes across India over the next five years," said Saxena.

It pits against the likes of Avanse, GyanDhan, Eduvanz and Propelld as well as banks and other large NBFCs such as HDFC Credila in the education loan space.

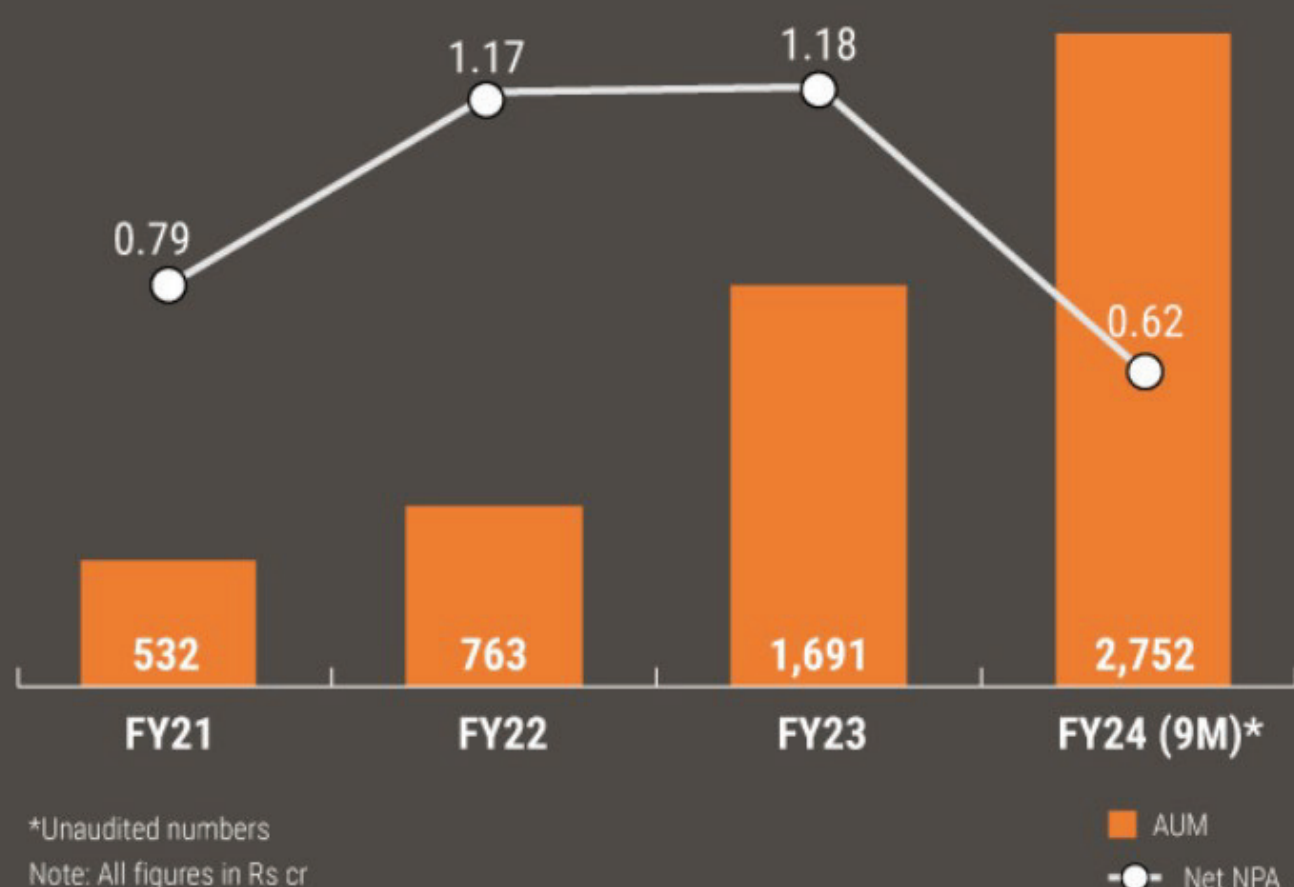
The company is also planning to expand its operations across central, northern, and western states. "This will help us across our EIL business segment and, also, in sourcing leads for our overseas student education segment," Saxena said.

Auxilo's asset quality intact

The NBFC saw a decline in its net non-performing assets (NPA) in the first nine months of FY24 after it had surged to as high as 1.18% as of 31 March 2023. Its net NPA was reduced to 0.62% as of December 2023.

"The company had nil NPAs till December 2020. The stress faced by a few customers was largely due to systemic issues on account of the Covid-19 pandemic. With things back to normalcy, we are seeing improved admissions and fee collections in the school segment," said Saxena.

AUM Rises, NPAs Decline



Infographic: Manu Choudhary

VCCIRCLE

Auxilo's AUM grows sharply

Auxilo's assets under management (AUM) have been experiencing a notable surge as schools and colleges gradually resumed operations following the pandemic. Its AUM grew at 51% CAGR (compound annual growth rate) between FY20-23 and stood at Rs 1,691 crore as of 31 March 2023.

However, it has further increased its AUM by 62.7% in the first nine months of FY23 to Rs 2,752 crore as of 31 December 2023. To be sure, the AUM figure also includes the assets on its co-lending book.

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