



AUXILO FINSERVE PRIVATE LIMITED

FOURTH ANNUAL REPORT

2019-20

BOARD OF DIRECTORS

Shri. Manish Chokhani (DIN:00204011)
Independent Director - Chairman

Shri. Vivek Saraogi (DIN:00221419)
Non-Executive Director

Shri. Akash Bhanshali (DIN:00265600)
Non-Executive Director

Shri. Gautam Jain (DIN:00296575)
Non-Executive Director

Shri. Ashwin Jain (DIN:00173983)
Non - Executive Director

Shri. Neeraj Saxena (DIN:07951705)
Managing Director & CEO

CORPORATE IDENTITY NUMBER
U65990MH2016PTC286516

**CHIEF EXECUTIVE OFFICER &
MANAGING DIRECTOR**
Shri. Neeraj Saxena

CHIEF FINANCIAL OFFICER
Shri. Raghavendra Prabhu

COMPANY SECRETARY
Ms. Deepika Thakur Chauhan

CORPORATE AND REGISTERED OFFICE ADDRESS

Auxilo Finserve Private Limited
LG, B - 13 and 14, Art Guild House,
Phoenix Market City, LBS Marg, Kurla West,
Mumbai - 400070, Maharashtra
Telephone: 022 62463333
Fax: 022 62463334

REGISTRAR & 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

BANKERS

ICICI Bank Limited
AU Small Finance Bank Limited
Bank of Baroda
Axis Bank Limited

STATUTORY AUDITORS

Price Waterhouse Chartered Accountants LLP
252, Veer Savarkar Marg, Shivaji Park, Dadar
(West), Mumbai - 400028

Telephone: 022 6689 1000

DEBENTURE TRUSTEE

Beacon Trusteeship Limited
4C & D, Siddhivinayak Chambers,
Gandhi Nagar, Opp MIG Cricket Club
Bandra East, Mumbai - 400051

Telephone:022-26558759

BOARD'S REPORT

Dear Members,

Your Directors take pleasure in presenting the fourth Annual Report on the business and operations of the Company along with the audited accounts for the Financial Year ended March 31, 2020.

REVIEW OF OPERATIONS - FINANCIAL SUMMARY

Your directors take pleasure in informing you that the fiscal 2019-20 marks itself as the first year of achieving profitability for your company. Incidentally, it is also the first year of reaching the asset size of Rupees Five Hundred Crores, thus, being categorized as a Systemically Important Non-Banking Financial Company in terms of the Reserve Bank of India directives, consequently being subject to dynamic nature of regulations.

Your Company, owing to its business model of being a "Shadow Bank" has continued to focus on a limited line of products and defined customer segment to create a niche for itself. The customized product offerings, thorough comprehension of the target customer segment, using digital media, ensuring last mile delivery to the customers have helped the company capture a decent market share.

The fiscal 2019-20 experienced, the wake of general wave of fear relating to the liquidity crisis that arose in the previous year. The economy in the year under review witnessed collapse and certain debt defaults by some of the major Non-Banking Financial Companies (NBFC) of the country causing the banks cut down their NBFC exposures thus exacerbating the funding positions of the NBFCs. This created a vicious cycle where the lending by and to NBFCs went down affecting money supply to multiple sectors. Providing financing and credit is important to keep the money supply liquid and the economy humming, thus the banking regulator through the year took several steps to ensure that banks lend the NBFCs.

With this brief background your directors would like to thank you for the equity investments provided during the year under review and brief you on the major operational highlights and summarized financial results of your company for the financial year ended 31st March, 2020.

Operational highlights

Particulars	FY 2018-19	FY 2019-20
Education Loans	Rs. 174 Crores	Rs. 179 Crores
Number of students added during the Financial Year	978	855
Loans to Educational institutes	Rs. 87 Crores	Rs. 88 Crores
Number of School Trusts/Societies (secured)	82	61

Summarized financial results are as under:

Particulars	March 31, 2019	March 31, 2020
Gross Income	24,81,07,041	58,84,93,848
Profit Before Depreciation and Tax	(3,93,89,020)	10,80,78,668
Depreciation	61,52,394	90,52,405
Profit Before Tax	(4,55,41,414)	9,90,26,263
Provision for Tax	-	(3,37,202)
Profit / (Loss) after tax	(4,55,41,414)	9,93,63,465
Less: Transfer to Reserve as per Section 45-IC of the Reserve Bank of India Act, 1934	-	1,98,72,693
Balance carried to Balance Sheet	(4,55,41,414)	7,94,90,772

DIVIDEND AND RESERVES

Your Directors do not recommend dividend for the financial year under review and the funds would be utilized for the company's growth

PROFIT TO BE CARRIED FORWARD TO RESERVES

Your Directors propose to transfer Rs 1,98,72,693 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 31st March, 2020.

CAPITAL ADEQUACY RATIO

The Company's Capital Adequacy Ratio (CAR) stood at 73.95% as on 31st March, 2020, of which Tier I capital was 73.49% and Tier II Capital was 0.46%. As per regulatory norms, the minimum requirement for the CAR and Tier I capital as 31st March, 2020 are 15% and 10% respectively.

BOARD OF DIRECTORS

Meetings of the Board: The Board of Directors of your Company met five times during the financial year under review.

Independent Directors: All the Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013, the same have been taken on record by the Board of Directors. As the Company is a Private Limited Company, the retirement by rotation of directors is not applicable.

During the year under review Shri. Sanjay Asher Independent Director of the Company who was appointed on 8th September, 2017 resigned from the directorship of your company on 22nd January, 2020. Shri. C Ilango has been appointed as an Additional Director of the Company on 29th May, 2020 under the category of Independent Director. Shri C Ilango's appointment as an Independent Director of the company will be proposed for a period of five years at the ensuing Annual General Meeting of the company. There are no pecuniary transactions between the Directors and the Company except the sitting fees being paid to the Independent Directors for attending the meetings of the Board and its Committee(s).

Committees of the Board: Your Company is a private limited company and was not required to have Committees of the Board until January, 2020 when the Company's asset size reached Rs. 500 Crores to become a Systemically Important Non-Banking Financial Company. With an objective to achieve highest standard of Corporate Governance your Company has always had Independent Directors on Board making the composition of the Board of Directors versatile to ensure the company makes well thought and informed decisions. Keeping in view the same, the Board also had constituted the Board committees with specific terms of reference to provide an expert view and to recommend the same to the Board.

There are three Sub-Committees of the Board consisting of the Board members themselves

1. The Audit Committee
2. The Nomination and Remuneration Committee and
3. The Executive Committee.

During the year under review two new committees have been constituted

1. The Asset Liability Management Committee (ALCO) on 19th April, 2019 and
2. The Risk Management Committee with effect from 17th October, 2019.

Audit Committee: Shri. Sanjay Asher, Shri. Manish Chokhani and Shri. Gautam Jain were the members of the Audit Committee. Shri. Sanjay Asher was the Chairman of the Committee until 22nd January, 2020. The Audit Committee met four times during the financial year under review and all the members were present in all meetings except Shri. Manish Chokhani who could not attend one of the four meetings of Audit Committee due to preoccupation. The Board had accepted all the recommendations of the Audit Committee.

On 29th May, 2020, the Audit Committee has been reconstituted with Shri. C Ilango as the Chairman and Shri. Manish Chokhani and Shri. Gautam Jain being the other two members of the Committee.

Nomination and Remuneration Committee: The members of the Nomination and Remuneration Committee (NRC) were Shri. Sanjay Asher, Shri. Vivek Saraogi, Shri. Manish Chokhani and Shri. Gautam Jain. Shri. Sanjay Asher, Independent Director was the Chairman of the Company until his resignation on 22nd January, 2020. The NRC met once during the financial year under review and all the members except Shri. Vivek Saraogi were present in the meeting. The Board had accepted all the recommendations of NRC.

On 29th May, 2020, the NRC has been reconstituted with Shri. Manish Chokhani as the Chairman and Shri. C Ilango, Shri. Vivek Saraogi and Shri. Gautam Jain being the other two members of the Committee.

Executive Committee: Shri. Gautam Jain, Non-Executive Director and Shri. Neeraj Saxena, Managing Director and Chief Executive Officer of the Company are the members of the Executive Committee. Shri. Gautam Jain is the Chairman of the Committee. The Executive committee met fifteen times during the financial year under review and all the members were present at all meetings. The Board had accepted all the recommendation of Executive committee.

Asset Liability Management Committee: Shri. Gautam Jain, Director, Shri. Neeraj Saxena, Managing Director & Chief Executive Officer, Shri. Raghavendra Prabhu, Chief Financial Officer, Ms. Namita Raja, Head – Credit and Operations are the members of the Asset Liability Management Committee. Shri. Gautam Jain is the Chairman of the Committee. The Asset Liability Management Committee met three times during the financial year under review and all the members were present at all meetings. The Board had accepted all the recommendation of Asset Liability Committee. The constitution of the Asset Liability Management Committee was changed with the adoption of the policy on Liquidity Risk Management Framework on 22nd January, 2020 by the Board. The Constitution of the committee now is the Managing Director & Chief Executive Officer (MD & CEO), Chief Financial Officer and Head Credit and Operations of the Company, with MD and CEO being the Chairman of the Committee.

Risk Management Committee: Shri. Manish Chokhani- Independent Director, Shri. Neeraj Saxena, Chief Executive Officer, Ms. Namita Raja, Head – Credit and Operations, Shri. Raghavendra Prabhu, Chief Financial Officer & Shri. Goutham KS, Head – Information Technology of the Company are the members of the Risk Management Committee. Shri. Manish Chokhani is the Chairman of the Committee. The Risk Management Committee met once during the financial year under review and all the members were present at the meeting. The Board had accepted all the recommendation of Risk Management Committee.

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 the 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.

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 is <https://www.auxilo.com/corporate-governance>

The Company has a Board approved Risk Management Policy.

CHANGES IN KEY MANAGERIAL PERSONNEL

There was no change in the Key Managerial Personnel during the year under review.

DEPOSITS

The Company has not accepted any deposits, within the meaning of Section 73 of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014. Hence there are no deposits unpaid or unclaimed at the end of the year.

STATUTORY AUDITORS

M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration No. 012754N/N500016) were appointed as the Statutory Auditor of the Company for a period of 5 years on 30th September, 2017 at the Annual General Meeting held on 30th September, 2017. M/s. Price Waterhouse Chartered Accountants LLP continues to be the Statutory Auditor of the company.

SHARE CAPITAL

During the year under review your Company's Authorized Share Capital increased from Rs. 233,00,00,000/- (Rupees Two Hundred and Thirty Three Crores) to Rs. 20,08,00,00,000/- (Rupees Two Thousand and Eight Crores). The Paid up Share Capital of the company as at 31st March, 2020 stood at Rs. 344,14,21,530/- (Rupees Three Forty Four Crores Fourteen Lakh Twenty One thousand Five Hundred and Thirty only).

Increase in the paid up capital - During the year under review, the company raised Equity capital by way of rights issue of 15,00,00,000 Equity shares at face value of Rs. 10/- each, an offer aggregating to Rs.150,00,00,000 (Rupees One Hundred Fifty Crores) to the then existing shareholders of the Company. At the time of issue Shri. Akash Bhanshali, M/s Elme Advisors LLP & M/s Balrampur Chini Mills Limited were the equity shareholders of the company.

4,40,62,153 Equity Shares at Rs. 15 (Rs. 10 being the face value and Rs. 5 the Premium) were issued and allotted by way of Preferential Allotment to M/s Elme Advisors LLP, M/s Balrampur Chini Mills Limited and M/s ICICI Bank Limited. The equity shareholding of ICICI Bank Limited is 9.90% as on 31st March, 2020.

The total paid up Equity Capital of the Company therefore stands at Rs. 344,06,21,530/- (Rupees Three Forty Four Crores Six Lakhs Twenty On thousand Five) as on 31st March, 2020. The Paid up Preference share capital of the Company has remained unchanged at Rs. 800,000/- (Rupees Eight Lakhs Only).

Shri. Akash Bhanshali one of the company's Promoter Shareholder transferred the equity shareholding of 0.5% to M/s Elme Advisors LLP on 25th February, 2020.

DEBENTURES

During the year under review your company issued and allotted 2,500 (Two Thousand Five Hundred) rated, unsecured, senior, redeemable, taxable, transferable, unlisted, non-convertible debentures, each having a face value of INR 1,00,000 (Indian Rupees One Lakh) and aggregating to a face value of INR 25,00,00,000 (Indian Rupees Twenty Five Crore) to Unifi AIF.

CREDIT RATING

During the financial year 2019-20, CARE Limited assigned the following credit ratings to the borrowings of the Company:

Facilities	Amount (Rupees in Crores)	Rating
Long Term Bank Facilities	400	CARE A-; Stable [Single A Minus; outlook; Stable]
Non-Convertible Debentures	100	CARE A-; Stable [Single A Minus; outlook; Stable]

EMPLOYEE STOCK OPTIONS

The Company has only one 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.

Below mentioned are the details of Employee Stock Option Plan, 2017:

- Options granted: 103,05,000
- Options vested: NIL

3. Options exercised: Nil
4. Options lapsed: 7,40,000 (Forms part of the pool)
5. Total number of shares arising as a result of exercise of option during the financial year: Nil
6. 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
7. Variation of terms of option: - The terms of options have not been varied
8. Money realised by exercise of options: No options have been exercised during the year under review
9. Total number of options in force: 95,65,000

Employee wise details of options granted during the year under review

i. Key Managerial Personnel:

Sr. No	Key Managerial Personnel	No. of options granted
NIL		

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 the financial year under review

Sr. No	Name of the Employee	No. of options granted
1.	Shri. Kamaljeet Singh Mehandiratta	1,50,000
2.	Shri. Tapas Chatterjee	25,000
3.	Shri. P. Kalyan Chakravarthi	25,000
4.	Shri. Srikanth K.	25,000

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 - **NIL**

EXTRACT OF THE ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9, as required under Section 92 of the Companies Act, 2013, is included in this Report as Annexure – A and forms an integral part of this Report.

The annual return of the company has been placed on the website of the company. The following is web link for the same: <https://www.auxilo.com/corporate-governance>

COMPANIES WHICH HAVE BECOME OR CEASED TO BECOME SUBSIDIARIES/JOINT VENTURE/ASSOCIATE COMPANY

M/s Balrampur Chini Mills Limited's (BCML) investment being to the tune of 45.05% equity shareholding in your company, your Company continues to be the associate company of BCML by virtue of BCML having the significant influence on your company in terms of the provisions of the Companies Act, 2013.

Your company is the associate company of M/s Elme Advisors LLP (Elme) by virtue of Elme 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

The Company has not made any loans, guarantee or investments under the Section 186 of the Companies Act, 2013, during the financial year 2019-20.

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 2019-20.

EXPLANATION OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE OR DISCLAIMERS MADE:

AUDITORS' REPORT - There were no qualifications, reservations or adverse remarks or disclaimers made by the Statutory Auditors of the company in their audit report. There is no Fraud reported by auditors under sub-section (12) of section 143 of the Companies Act, 2013.

However, the Auditors have made a statement about the delay in making the payment of Provident Fund (PF) in one case. PF of a new employee could not be deposited with the authorities at the time of transition of employee's PF amount from previous employer to the Company, due to the employee's withdrawal of PF.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company maintains adequate internal control systems commensurate with the nature of business, size and complexity of its operations. The Company has well-established processes, guidelines and procedures to augment the internal controls. This, coupled with adequate internal information systems ensures proper information flow for the decision-making process. The internal control system is designed to ensure maintenance of proper accounting controls, monitoring of operations, protection and conservation of assets and compliances with applicable laws and regulations. These controls ensure that financial and other records are reliable for preparing financial statements and other information.

The Board has constituted a Risk Management Committee which periodically reviews all the business, operational and other risks as defined under the Board approved risk management policy and ensures that corrective measures are taken. The Committee is responsible to recommend improvement in effectiveness of risk management, control and governance process of the company, if necessary, keeping in mind the Company's requirements, growth prospects and ever evolving business environment. This system facilitates timely detection and plugging of anomalies, if any, by various business functions.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has established 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 2019-20, 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.

GOING CONCERN ASSESSMENT

The Company's annual accounts have been prepared on a going concern basis. Despite the liquidity crisis and the COVID 19 pandemic, your Company has sufficient liquidity and has been able to honour all its obligations. The cash flow position in the Financial Year 2020-21, on the assumption of no business during the year, as estimated to be, is such that it can comfortably tide over any disruptions caused. Even if the cash inflows are stressed at seventy five percent of the original cash flows the Company does have sufficient cash balance. The Company is also in the process to garner more liability relationships with all the possible avenues such as private sector and public sector banks and the response has been quite positive owing to company's fundamentals, investor strength and its credit rating. The Company has a diversified mix of sources of funding and your company is optimistic to get resources at competitive costs.

Due to the pandemic there is a sense of caution, low sentiment and low economic activity, which may lead to a drop in business plan for Financial Year 2020-21 as compared to what it was originally envisaged. However the business is expected to gradually move to normalcy. The management will continue to closely monitor the material changes in the macro-economic factors impacting the operations of the Company. The outlook of the Company for the year ahead after COVID pandemic is to drive profitable growth, robust quality assets and continue to focus on its primary products that is Education Loan and Education Institution Loan to meet the changing customer needs and will leverage technology to deliver better customer experience.

With this, the estimated minimal impact of COVID19 your Directors assure you that the Going concern assumption is validated as your Company will be continuing its operations for the foreseeable future and it has neither the intention, nor the necessity of shutting down or reducing the scale of its operations.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has been employing women employees in various cadres within its office. The Company has in place a policy against Sexual Harassment 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. There was no complaint received from any employee during the financial year 2019-20 and hence no complaint is outstanding as on 31.03.2020 for redressal.

There was no change in nature of business of your company during the financial Year 2019-20.

There have been no material changes or commitment between the end of the financial year of the company to which financial statement relates and the date of the report.

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

The Internal Financial Controls with reference to financial statements as designed for ensuring orderly and efficient conduct of the company's business are adequate.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and 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.

Conservation of Energy	: Not applicable
Technology Absorption	: Not applicable
Foreign Exchange Earnings	: Nil
Foreign Exchange Outgo	: Nil

Your Company's website address is <https://www.auxilo.com/index>

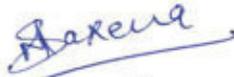
ACKNOWLEDGEMENTS

Your Directors wishes to place on record the appreciation to cooperation received from all the stakeholders. The Board of Directors appreciates the commendable service of the employees at all levels.

For and on behalf of the Board of Directors

Place: Mumbai
Date: June 8, 2020


Shri. Manish Chokhani
Chairman


Shri. Neeraj Saxena
Managing Director and CEO



e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	34,062,153	-	34,062,153	9.90%	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	75,000,000	-	75,000,000	50%	155,000,000	-	155,000,000	45.05%	4.95%
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders Holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	75,000,000	-	75,000,000	50%	155,000,000	-	155,000,000	45.05%	4.95%
Total Public Shareholding (B)=(B)(1)+(B)(2)	75,000,000	-	75,000,000	50%	189,062,153	-	189,062,153	54.95%	4.95%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	150,000,000	-	150,000,000	100%	344,062,153	-	344,062,153	100%	-

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	M/s. Elme Advisors LLP	74,250,000	49.5%	-	155,000,000	45.05%	-	4.45%
2	Shri. Akash Bhanshali	7,50,000	0.5%	-	-	-	-	0.5%

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Name of Shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	M/s. Elme Advisors LLP						
	At the beginning of the year	-	-	74,250,000	49.5%	74,250,000	49.5%
	Increase / Decrease in Shareholding during the year	09/04/2019	Rights Issue	37,125,000	49.5%	111,375,000	49.5%
		12/09/2019	Rights Issue	37,125,000	49.5%	148,500,000	49.5%
		25/02/2020	Transfer from Shri. Akash Bhanshali	1,500,000	0.5	150,000,000	50%
		26/03/2020	Preferential allotment	5,000,000	45.05%	155,000,000	45.05%
	At the end of the year	31/03/2020		15,50,00,000	45.05%	155,000,000	45.05%
2	Shri. Akash Bhanshali						
	At the beginning of the year	-	-	750,000	0.5%	750,000	0.5%
	Increase / Decrease in	09/04/2019	Rights Issue	3,75,000	0.5%	11,25,000	0.5%

	Shareholding during the year						
		12/09/2019	Rights Issue	3,75,000	0.5%	15,00,000	0.5%
		25/02/2020	Transfer to Elme Advisors LLP	(15,00,000)	0.5%	-	-
	At the end of the year	31/03/2020		-	-	-	-

(iv). Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	Name of Shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Top 10 Shareholders						
1	M/s. Balrampur Chini Mills Limited						
	At the beginning of the year	-	-	750,00,000	50%	75,000,000	50%
	Increase / Decrease in Shareholding during the year	09/04/2019	Rights Issue	37,500,000	50%	112,500,000	50%
		12/09/2019	Rights Issue	37,500,000	50%	150,000,000	50%
		26/03/2020	Preferential Allotment	50,00,000	45.05%	155,000,000	45.05%
	At the end of the year	31/03/2020		15,50,00,000	45.05%	155,000,000	45.05%
2	M/s ICICI Bank Limited						
	At the beginning of the year	-	-	-	-	-	-
	Increase / Decrease in Shareholding during the year	26/03/2020	Preferential Allotment	34,062,153	9.90%	34,062,153	9.90%
	At the end of the year	31/03/2020		34,062,153	9.90%	34,062,153	9.90%

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of Shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Directors and KMP						
1	Shri. Akash Bhanshali						
	At the beginning of the year	-	-	750,000	0.5%	750,000	0.5%
	Increase / Decrease in Shareholding during the year	09/04/2019	Rights Issue	375,000	0.5%	1,125,000	0.5%
		12/09/2019	Rights Issue	375,000	0.5%	1,500,000	0.5%
		25/02/2020	Transfer to Elme Advisors LLP	(1,500,000)	0.5%	-	-
	At the end of the year	31/03/2020		-	-	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	50,00,00,000	90,00,00,000	-	1,40,00,00,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	21,43,750	23,62,500	-	45,06,250
Total (i+ii+iii)	50,21,43,750	90,23,62,500	-	1,40,45,06,250
Change in Indebtedness during the financial year				
• Addition	1,90,00,00,000	75,00,00,000	-	2,65,00,00,000
• Reduction	32,97,34,849	1,40,00,00,000	-	1,72,97,34,849
Net Change	1,57,02,65,151	-65,00,00,000	-	92,02,65,151
Indebtedness at the end of the financial year				
i) Principal Amount	2,07,02,65,151	25,00,00,000	-	2,32,02,65,151
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	26,63,320	69,159	-	27,32,479
Total (i+ii+iii)	2,07,29,28,471	25,00,69,159	-	2,32,29,97,630

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager	Total
		Shri. Neeraj Saxena - Managing Director & CEO	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Rs. 1,12,78,740	Rs. 1,12,78,740
	(b) Value of perquisites u/s 17(2) Income tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option*	40,00,000 (Granted in the FY 2017-18)	40,00,000
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit		
	- others, specify		
5	Others, please specify	-	-
	Total (A)	Rs.1,12,78,740	Rs. 1,12,78,740
	Ceiling as per the Act	-	-

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of the Director		Total Amount
		Shri. Sanjay Asher - Independent Director	Shri. Manish Chokhani - Independent Director	
1	Independent Directors			
	• Commission	-	-	-
	• Others, please specify	-	-	-

	• Fee for attending board / committee Meetings	Rs 3,20,000/-	Rs. 2,80,000	Rs. 6,00,000
	Total (1)	Rs 3,20,000/-	Rs.2,80,000	Rs. 6,00,000
2	Other Non-Executive Directors			
	• Fee for attending board / committee Meetings	-	-	-
	• Commission	-	-	-
	• Others, please specify	-	-	-
	Total (2)			
	Total (B)=(1+2)			
	Total Managerial Remuneration	Rs 3,20,000/-	Rs. 2,80,000/-	Rs. 6,00,000/-
	Overall Ceiling as per the Act			

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD:

Sr. No.	Particulars of Remuneration				
		CEO	Company Secretary	CFO	Total
			Ms. Deepika Thakur Chauhan	Shri. Raghavendra Prabhu	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	Rs. 23,79,460	Rs. 67,49,492	Rs. 91,28,952
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-
2	Stock Option *	-	150,000 (granted in the FY 2017-18)	6,00,000 (granted in the FY 2018-19)	750,000
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit				

	- others, specify				
5	Others, please specify	-	-	-	-
	Total	-	Rs. 23,79,460	Rs. 67,49,492	Rs. 91,28,952

*Stock options indicated under VI A and C were not granted during the Financial year 2019-20

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Place: Mumbai
Date: June 8, 2020

For and on behalf of the Board of Directors

Chokhani

Shri. Manish Chokhani
Chairman

Saxena

Shri. Neeraj Saxena
Managing Director and CEO



MANAGEMENT DISCUSSION AND ANALYSIS

PREAMBLE

Auxilo Finserve Private Limited "Auxilo" was formed on October 4, 2016 and was earlier known as Stellenyak General Finance Private Limited. Auxilo has been granted the Certificate of Registration by Reserve Bank of India to carry on the business of NBFC (Non Deposit) on May 3, 2017. The Company commenced its operations in October 2017.

Auxilo is a pro-education NBFC poised on serving the financing gaps in the Indian education sector, with its focus on students and scaling the education infrastructure through innovative financial solution delivery. Our endeavour is to create a brand which is trusted and respected in education finance space.

INDIAN ECONOMY AND NBFC INDUSTRY

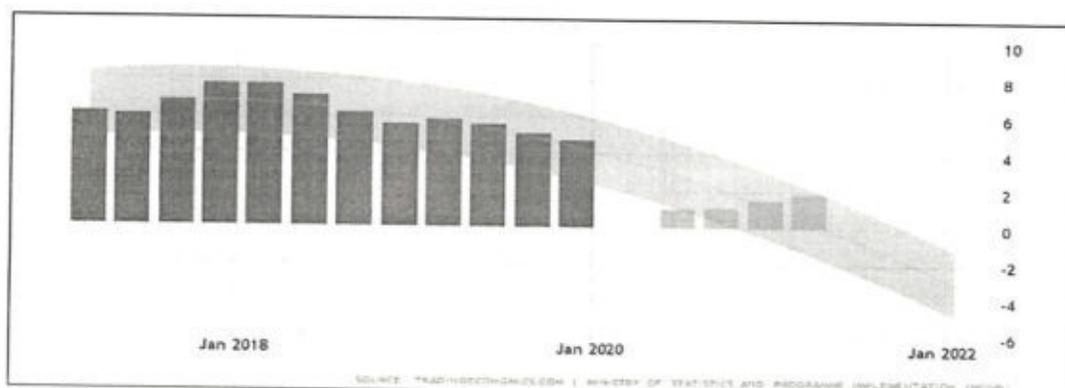
The FY 2019-20 turned out to be an eventful year for the Indian economy and more so for the financial services sector.

GDP growth for FY19-20 was expected to be around ~6.5%-7%. However, the actual growth rate that was reported by the end of FY19-20 was around ~4.7%. This reported GDP was the lowest in six and a half years, due to subdued expansion in agriculture, manufacturing, and government expenditure.

Non-banking financial companies (NBFCs) in India hold a significantly large portfolio. Their smooth functioning is essential for the penetration and expansion of credit across segments resulting in development of the Indian economy.

The GDP slowdown in the economy has put NBFC's at the epicentre of this crisis. It started with few leading finance companies defaulting on payments to its lenders. Since then NBFCs have been found to be constantly facing problems with managing their liquidity positions owing to multiple factors such as increase in borrowing costs, asset -liability mismatches, repricing risks, nature of assets and reluctance of lenders/investors though towards the 3rd quarter of FY 19-20 liquidity scenario for NBFC's started improving. Further, the outbreak of COVID -19 during the quarter ended 31 March 2020 there has been a considerable slowdown in economic activities across the globe with most countries initiating lockdown to contain the pandemic.

CRISIL Research has stated that the current coronavirus pandemic could lead to a four per cent permanent loss to real Indian gross domestic product (GDP) and said that more fiscal stimulus will be required. "Base case GDP growth expected at 1.8 per cent for fiscal 2021. Risks tilted towards the downside scenario of zero GDP growth," CRISIL Research said if the lockdown is extended.¹



This triggered stress in the system and exposed Indian financial market to the financial risks in relation to the non-banking financial companies (NBFCs). Credit flow to the sector may further decline, leading to liquidity crunch scenarios once again. Risk aversion, tight liquidity conditions and decelerated global and domestic economy have been the key characteristics since the beginning of FY 19-20 and it seems to continue in FY 20-21 as well due to the ongoing pandemic.

The Government of India and RBI has introduced various economic and fiscal stimulus measures to tide over the COVID-19 crisis. Announcements amongst other things includes establishment of a credit facility worth INR 30,000 crore for NBFCs/housing finance companies (HFCs)/microfinance institutions (MFIs), along with a partial credit guarantee scheme (in addition to the one announced in December 2019) worth INR 45,000 crore for NBFCs.

The Reserve Bank of India as a part of its measures to support and boost the economy has vide its notifications titled "COVID-19 Regulatory Package" announced various liquidity relief measures in its notification dated 27 March 2020 and 17 April 2020 such as Reduction of policy repo rate and CRR, RBI will also conduct auctions of TLTRO (Targeted Long Term Repo Operations) of up to three-year tenor of appropriate sizes, Liquidity coverage ratio for banks reduced from 100% to 80% likely to release liquidity. These liquidity measures are supposed to inject liquidity of INR 4.74 lakh crore (~USD 63 billion) to the system, though its effectiveness is still to be seen.

Further directed all Banks, NBFCs and other financial institutions to grant moratorium of three months on the payment of all instalments and/or interest as applicable to all eligible borrowers and excluded moratorium period from the 90 Day NPA norm for asset downgrade. This moratorium was further extended by another 3 months from June 1, 2020 to August 31, 2020 vide RBI circular dated 23 May 2020.

Considering the balance sheet size and importance of NBFCs to the Indian economy, the regulatory authority has decided that it is vital that NBFCs be made more resilient, well-regulated and properly governed in terms of liquidity risk vis-à-vis management of their assets and liabilities.

EDUCATION SECTOR & FINANCING NEEDS

India is evolving to become a knowledge-based economy, wherein human capital with specialized skills is its major strength.

With India having the largest population in the world of about ~500 million in the age bracket of 5-24 years³, presents large number of opportunities in education space supported by strong cultural affinity towards educating the next generation. The increase in demand across all levels of education is driving expansion of education infrastructure across semi-urban and rural centres. Similarly, India has around 3.7⁴ crore students who are pursuing higher education in over 950⁴ universities and 49,000⁴ institutes. Unlike the past, where there was a mismatch between demand and supply of management institutes, today there is an ample supply of such institutes.

With the increasing need for qualified professionals, higher education has now become a necessity. However, quality education is expensive not only abroad but also in India, making many students to increasingly depend on education loans to fulfil their desire for quality education.

Also, there is a need to improve and create more education infrastructure to cater to the requirements of Primary education of the Indian students. K-12 (or Kindergarten to 12th grade) represents the largest segment within the education space. The target population of this segment is 3-17 Years, representing ~25% of the total population. There are more than ~1.5 million schools that cater to ~300 million students. There is a need for financing in K-12 segment to improve the quality of the existing infrastructure and create more.

OPPORTUNITIES AND THREATS

Gross Enrolment Ratio (GER) measures enrolment as percentage of a specific age-group of the population. The Higher Education GER (18-23 age group) in India for the year 2018-19 is 26.3². This is an increase over the previous year and is in line with the increasing trend over the years.

While higher education GER in India is on an increasing trend, it stills lags when compared with other countries (Asia – China (51), South Korea (94), Malaysia (45), Indonesia (36), Iran (70) etc. Globally, USA's higher education GER is 88, UK's is 60, Germany is at 70 and Canada's is 69 etc.). Hence the demand for higher education is expected to increase with the need for more skilled professionals.

Further, there is a huge unfulfilled demand for education loans in India. Parents and students continue to utilize their own sources to pay for cost of education. Out of 3.6 crore students pursuing higher-education, only a handful of students have access to education loans. As per a recent RBI report, As per RBI, education loans outstanding under priority sector in India stands at ₹ 51,906⁵ crore in March 2020 as compared to ₹ 53,950² crore in March 2019.

In developed countries like USA where the population is around 25% of India's, education loans outstanding is high. As per a report published by Federal Reserve Bank of New York in February 2019, education loans outstanding stands at around ₹115 lakh crore on May 2020⁶ (\$1.54 trillion Converted at 1\$= ₹75). This indicates a much higher penetration as compared to that in India.

This indicates relatively low market penetration. Hence there is huge potential to finance the Higher Education Sector.

There are ~15.2⁷ lakh schools in the country, out of which more than ~3lakh⁸ are private and un-aided. There is a requirement to improve existing infrastructure of schools in tier-2, tier-3 cities and rural areas of the country. Also, considering the Indian demographics and growing GER of Primary and Secondary education, lot of new infrastructure needs to be created to cater to the needs of Indian population. This results in need for financing and NBFC's play an important role in reaching the last mile to create or better this education infrastructure.

Though, as a lender in the education loans sector, the biggest threat the Company faces is the macroeconomic environment in India and abroad. Vast geographical reach and corresponding distribution capabilities of banks is another threat.

AUXILO RISKS AND CONCERNS

We have a robust risk management framework in place to identify, measure, monitor and manage the critical risks we face. The framework, including policies and procedures, is regularly reviewed and enhanced in response to changes in the external environment and business processes.

The key risks are: -

Risk	Description	Mitigation
Liquidity Risk	Liquidity risk is the risk of being unable to raise funds from the market at optimal costs to meet operational and debt servicing requirements.	The Asset and Liabilities Committee (ALCO) meets regularly to review the liquidity position based on future cash flows. The Company also maintains adequate liquid assets and reserves and has access to funding to hedge against unexpected requirements.

Interest Rate Risk	Fluctuations in interest rates could adversely affect borrowing costs, interest income and net interest margins	Policies and quantifiable limits are in place that involve assessment of various types of risks and modifications in assets and liabilities to manage such risks.
Operational Risk	It arises when the flow of and controls over the operations of the company are lacking, which has adverse impact on the continuity of business, reputation and profitability of the company.	Company has robust and controlled operational processes. It also has a robust IT security framework.
Credit Risk	It is a risk of default or non-repayment of loan by a borrower which involves monetary loss to the company, both in terms of principal and interest.	The stringent credit appraisal system and post-disbursement monitoring ensures high quality of loan assets with minimum probability of default. We have a robust credit appraisal system and efficient monitoring in place.
Business Risk	Being a NBFC, Auxilo is exposed to various external risks which have direct bearing on the sustainability and profitability of the Company. Foremost amongst them are Industry Risk and Competition Risk. The volatile macro-economic conditions and changes in sector attitude in various economic segments cause ups and downs in the business, and result in loan asset impairment.	We have a dedicated team to continuously judge the trends in the economy and various industrial sectors. With increasing competition in the financial markets, the business growth of the Company is now subject to its ability to face competition. Keeping in with trends and practices in the market we have developed tailor-made products to deepen market penetration. Equipped with an enthusiastic sales force, range of products, continuous efforts to improve TAT and customer friendly culture, the Company is efficiently withstanding competition.
Regulatory Risk	It is the risk of change in laws and regulations materially impacting the business.	All the applicable periodic guidelines issued by the RBI are fully adhered to and complied with by the Company. The Company has put in place robust systems and processes to ensure compliance with all the applicable regulations to earn the trust and goodwill of its stakeholders.

CREDIT RATING

Auxilo has been awarded a credit rating of A-/stable from CARE for its long term bank facilities. This rating by CARE reaffirms the high reputation and trust Auxilo has earned for its sound financial management and ability to meet financial obligations.

FINANCIAL REVIEW

The following table presents Company's abridged financials for the financial year 2019-20, including revenues, expenses and profits.

Abridged Statement of Profit and Loss:

Particulars	₹ in crs	
	Year ended 31 March, 2020	Year ended 31 March, 2019
Revenue from operations	56.33	18.01
Other income	2.52	6.79
Total revenue	58.85	24.81
<i>Expenses:</i>		
Employee benefits expense	16.10	12.88
Finance costs	17.21	3.99
Depreciation and amortisation expense	0.91	0.61
Other expenses	14.74	11.88
Total expenses	48.95	29.36
Profit before tax	9.90	(4.55)
Tax expense	-0.03	-
Profit for the year	9.94	(4.55)

Key Ratios:

Key Indicators	2019-20	2018-19
PBT/Total Income	16.8%	-18.4%
PBT/Total Assets	1.6%	-1.6%
RONW (Avg. Net Worth)	4.0%	-4.5%
Debt/ Equity	0.6	1.0
Capital Adequacy	73.95%	50.00%
Tier I Capital	73.49%	49.60%
Tier II Capital	0.46%	0.40%

As planned, the Company has achieved an operational breakeven in the current Financial year.

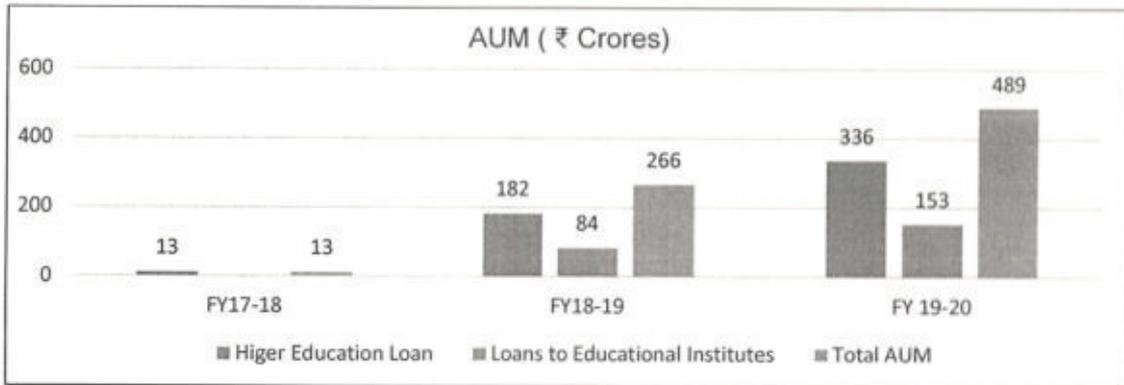
FULFILMENT OF THE RBI'S NORMS AND STANDARDS

Auxilo fulfils and often exceeds norms and standards laid down by the RBI relating to the recognition and provisioning of non-performing assets, capital adequacy, statutory liquidity ratio, etc. The capital to risk-weighted assets ratio of Auxilo is 73.95% which is well above the RBI norm of 15%.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

The Company focuses only on lending to education sector. It has two types of education loans products

- Higher Education Loans /Student Loans
- Loans to Educational Institutes



Higher Education Loan

During the financial year 2019 –20, education loans disbursed by the Company was ₹179 Crores. The Company disbursed education loans to 1,119 students (previous year 1,104 students).

The Company has two types of Education Loans

- I. Secured Education Loans
- II. Unsecured Education Loans.

Of the total customers live as on 31 March 2020, 621 customers were secured (AUM: ₹132 crores) and 1176 were unsecured (AUM: ₹204 crores)

Loans to Educational Institutes

During the financial year 2019 –20, education loans disbursed by the Company was ₹88 Crores. The Company disbursed 94 School Trusts / Societies (previous year 85 students).

All loans to Educational Institutes are fully secured. The AUM as on 31 March 2020 stood at ₹153 crores.

SUMMARY OF FY19-20 (OPERATIONAL HIGHLIGHTS)

The key operational highlights of 2019-20 are:

- Assets Under Management (AUM) rose to ₹489 crores from ₹265 crores in 2018-19, an increase of 84%.
- More than 4200 cases logged in and assessed this financial year and the customer base crossed 1,900 customers.
- No NPA since commencement of operations
- Total income increased to ₹58.85 crores in 2019-20 from ₹24.81 crores in 2018-19.
- The Company achieved Operational breakeven during this financial year
- Opened a new office in May 2019 in Ahmedabad taking the total no of offices to 8 including the head office.
- Increased employee base to 155 as on 31st March, 2020, against 129 as on 31st March, 2019.

INTERNAL CONTROL SYSTEM

Auxilo has adequate and effective controls to provide reasonable assurance on achievement of its operational, compliance and reporting objectives which commensurate with the nature and size of the business. Auxilo ensures that a reasonably effective internal control framework operates throughout the organisation, which provides assurance with regard to safeguarding the assets, reliability of financial and operational information, compliance with applicable statutes, execution of the transactions as per the authorisation and compliance with its internal policies.

The Statutory Auditors have verified the systems and processes and confirmed that the Internal Financial Controls System over financial reporting are adequate and such controls are operating effectively. The Audit committee considers the status of Internal Financial Control to review its adequacy. The Board has constituted a Risk Management Committee which periodically reviews all the business, operational and other risks as defined under the Board approved risk management policy and ensures that corrective measures are taken. The Committee is responsible to recommend improvement in effectiveness of risk management, control and governance process of the company, if necessary, keeping in mind the Company's requirements, growth prospects and ever evolving business environment. This system facilitates timely detection and plugging of anomalies, if any, by various business functions.

Auxilo plans to appoint an internal auditor for the coming financial year to comply with section 138 of the Companies Act, 2013 read with applicable rules and amendments thereto. The Audit Committee will approve an internal audit plan and conduct regular audits based on a risk based audit approach of all the branches/offices of the Company. All significant Internal Audit observations will be reported to the Audit Committee of the Board of Directors of the Company.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

For Auxilo, its people are a very valuable resource. In an increasingly competitive market for talent, Auxilo continues to focus on attracting and retaining right talent. It is committed to provide right opportunities to employees to realise their potential. As on 31 March 2020, Auxilo had 155 full-time employees. The Company added 69 employees in FY19-20. Auxilo's attrition rate for FY19-20 is approximately 19%.

There has been no industrial dispute during the year.

FUTURE OUTLOOK

Since January 2020, The novel coronavirus (COVID-19) pandemic continues to spread rapidly across the globe including India. Various governments have introduced a variety of measures to contain the spread of the virus. The Indian government had announced countrywide lockdown which is continued at present. In this nation-wide lock-down period, though all the services across the nation are suspended (except the specified essential services), some establishments including securities market intermediaries can operate and are exempted from the lock-down.

Despite the liquidity crisis and the pandemic, Auxilo has successfully managed its liquidity balance and honoured all its obligation including committed disbursements during the year through a strategic approach towards liquidity management by way of conserving cash through calibrated disbursement, building corpus by way of securitization, etc. along with using effective cost management techniques.

As there is an ongoing lock-down and even post this there will be a sense of caution, low sentiments and low economic activity, there will be a significant drop in business plan for FY21 as compared to what it had originally envisaged prior to COVID. The final impact of the ongoing global health pandemic is very uncertain and the actual impact may be different than that estimated based on the conditions once lock down ends. Assuming effective measures, Auxilo expects re-opening of businesses gradually by June-July & full normalization by Oct 2020. Though, as this is an unprecedented scenario its need to be seen how it evolves. The management will continue to closely monitor the material changes in the macro-economic factors impacting the operations of the Company.

The outlook of the Company for the year ahead after COVID pandemic is to drive profitable growth, robust quality assets and continue to focus on its primary products i.e. Education Loan and Education Institution Loan to meet the changing customer needs and will leverage technology to deliver better customer experience. Auxilo will continue to emphasize building capabilities in risk & controllership, analytics, underwriting, IT, people and brand to ensure that your Company gives sustainable growth.

CAUTIONARY STATEMENT

Certain statements in the Management Discussion and Analysis describing the Company's objectives, predictions may be "forward-looking statements" within the meaning of applicable laws and regulations. Actual results may vary significantly from the forward-looking statements contained in this document due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India, volatility in interest rates, new regulations and government policies that may impact the Company's business as well as its ability to implement the strategy. The Company does not undertake to update these statements.

For and on behalf of the Board of Directors

Place: Mumbai
Date: June 8, 2020



Shri. Manish Chokhani
Chairman



Shri. Neeraj Saxena
Managing Director and CEO

¹ <https://www.thehindubusinessline.com/economy/covid-19-pandemic-could-lead-to-4-per-cent-loss-of-real-gdp-for-india-crisis-research/article31471055.eco#>

² <https://tradingeconomics.com/india/gdp-growth-annual>

³ <https://www.ibef.org/download/Education-and-Training-March-2020.pdf>

⁴ <http://aishe.nic.in/aishe/viewDocument.action?documentId=262>

⁵ <https://rbidocs.rbi.org.in/rdocs/content/docs/PR2298SD30042020.xls>

⁶ <https://www.newyorkfed.org/microeconomics/hhdc.html>

⁷ https://mhrd.gov.in/sites/upload_files/mhrd/files/statistics-new/ESAG-2018.pdf

⁸ https://mhrd.gov.in/sites/upload_files/mhrd/files/statistics-new/ESAG-2018.pdf

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

To the Members of Auxilo Finserve Private Limited

Report on the audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Auxilo Finserve Private Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, the statement of Profit and Loss and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit and its cash flows for the year then ended.

Basis for opinion

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

Emphasis of Matter paragraph

4. We draw your attention to Note 1.01(iii) to the financial statements, which describes the management's assessment of the impact of the outbreak of Coronavirus (Covid-19) on the business operations of the Company. The Management believes that no adjustments are required in the financial statements as it does not impact the current financial year, however, in view of the various preventive measures taken (such as complete lock-down restrictions by the Government of India, travel restrictions etc.) and highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

Other Information

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

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



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Registered office and Head office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002

Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

To the Members of Auxilo Finserve Private Limited
Report on audit of the Financial Statements
Page 2 of 4

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

Responsibilities of management and those charged with governance for the financial statements

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

Auditors' responsibilities for the audit of the financial statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

To the Members of Auxilo Finserve Private Limited
Report on audit of the Financial Statements
Page 3 of 4

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. 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.
11. 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.

Report on other legal and regulatory requirements

12. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
13. 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 and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act;
 - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;



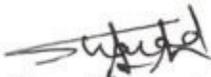
Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

To the Members of Auxilo Finserve Private Limited
Report on audit of the Financial Statements
Page 4 of 4

- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (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;
 - ii. The Company has made provision as at March 31, 2020, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts - Refer notes 6 and 10. The Company did not have any derivative contracts as at March 31, 2020;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2020;
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2020
14. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, reporting under Section 197(16) of the Act is not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016



Sharad Agarwal
Partner
Membership Number: 118522

UDIN: 20118522AAAACC4062

Place: Mumbai
Date: June 10, 2020

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 13(f) of the Independent Auditors' Report of even date to the members of Auxilo Finserve Private Limited on the financial statements for the year ended March 31, 2020

Page 1 of 2

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Auxilo Finserve Private Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act 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 ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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 with reference to financial statements.



Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 13(f) of the Independent Auditors' Report of even date to the members of Auxilo Finserve Private Limited on the financial statements for the year ended March 31, 2020

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Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, 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. Also refer paragraph 4 of the main audit report

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016



Sharad Agarwal
Partner

Membership Number: 118522

UDIN: 20118522AAAACC4062

Place: Mumbai

Date: June 10, 2020

Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 12 of the Independent Auditors' Report of even date to the members of Auxilo Finserve Private Limited on the financial statements as of and for the year ended March 31, 2020

Page 1 of 3

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
(b) The fixed assets 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 deeds of immovable properties, as disclosed in Note 11 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- 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 sub-section (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 not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of 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 generally regular in depositing undisputed statutory dues in respect of provident fund, though there has been a slight delay in a one case, and is regular in depositing undisputed statutory dues, employees' state insurance, income tax, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 35 to the financial statements regarding management's assessment on certain matters relating to provident fund.

Further, for the period March 01, 2020 to March 31, 2020, the company has paid Goods and Service Tax and filed GSTR 3B (after the due date but) within the timelines allowed by Government of India under the Notification No. 31/2020 - Central Tax dated April 03, 2020 on fulfilment of conditions specified therein.

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, service-tax, duty of customs, and duty of excise or value added tax or goods and service tax which have not been deposited on account of any dispute.



Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 12 of the Independent Auditors' Report of even date to the members of Auxilo Finserve Private Limited on the financial statements as of and for the year ended March 31, 2020

Page 2 of 3

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer and further public offer (including debt instruments). In our opinion, and according to the information and explanations given to us, the monies raised by way of term loans have been applied for the purposes for which they were obtained.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company. Also refer paragraph 14 of our main audit report.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has not entered into transactions with related parties under Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has made a preferential allotment of shares during the year under review, in compliance with the requirements of Section 42 of the Act. The amounts raised have been used for the purpose for which funds were raised except as described below:

Nature of securities	Purpose for which funds raised	Total Amount Raised	Amount utilized for the other purpose	Un-utilized balance as at Balance sheet date
Equity Shares	Growth and expansion in accordance with the business plan adopted by the Company.	Rs 660,932,295	Nil	Rs 660,932,295

- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.



Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 12 of the Independent Auditors' Report of even date to the members of Auxilo Finserve Private Limited on the financial statements as of and for the year ended March 31, 2020

Page 3 of 3

- xvi. The Company is required to, and has been registered under Section 45-IA of the Reserve Bank of India Act, 1934 as a Non-Banking Financial Institution.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016



Sharad Agarwal
Partner
Membership Number: 118522

UDIN: 20118522AAAACC4062

Place: Mumbai
Date: June 10, 2020

Auxilo Finserve Private Limited
Balance Sheet as at March 31, 2020

	Note	March 31, 2020 (Rupees)	March 31, 2019 (Rupees)
<u>EQUITY AND LIABILITIES</u>			
Shareholders' Fund			
(a) Share Capital	2	3,441,421,530	1,500,800,000
(b) Reserves and Surplus	3	183,186,612	(136,487,618)
Non-Current Liabilities			
(a) Long Term Borrowings	4	1,642,018,395	318,181,820
(b) Other Long Term Liabilities	5	63,922,296	4,643,617
(c) Long Term Provisions	6	25,906,412	14,500,518
Current Liabilities			
(a) Short Term Borrowings	7	-	900,000,000
(b) Trade Payables	8	-	-
Total outstanding dues of micro and small enterprises, and Total outstanding dues of creditors other than micro and small enterprises		33,569	664,802
(c) Other Current Liabilities	9	785,637,975	235,942,805
(d) Short Term Provisions	10	1,891,983	633,618
TOTAL		6,144,018,772	2,838,879,562
<u>ASSETS</u>			
Non-Current Assets			
(a) Fixed Assets	11		
(i) Property, Plant and Equipments (Tangible Assets)	11A	16,412,847	18,112,106
(ii) Intangible Assets	11B	11,233,185	2,158,888
(iii) Intangible Assets under Development		-	7,600,786
(b) Deferred Tax Assets (Net)	29	6,405,302	-
(c) Long Term Loans and Advances	12	4,551,222,130	2,570,353,355
(d) Other Non Current Assets	13	69,164,506	-
Current Assets			
(a) Trade Receivables	14	7,039,686	21,433,011
(b) Cash and Bank Balances	15	1,228,205,489	103,651,638
(c) Short Term Loans and Advances	16	199,668,240	91,318,345
(d) Other Current Assets-	17	54,667,387	24,251,433
TOTAL		6,144,018,772	2,838,879,562

Significant Accounting Policies

1

The Notes to the Financial Statements form an integral part of the Financial Statements.

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

For Price Waterhouse Chartered Accountants LLP
 Firm Registration No.: 012754N/N500016

For and on behalf of the Board of Directors


 Sharad Agarwal
 Partner
 Membership No. 118522

 
 Manish Chokhani
 Director

 
 Deepika Thakur Chauhan
 Company Secretary

Neeraj Saxena
 MD & CEO

Raghavendra Prabhu
 CFO

Mumbai
 June 10, 2020

Mumbai
 June 8, 2020



Auxilo Finserve Private Limited
Profit and Loss for the year ended March 31, 2020

	Note	Year Ended March 31, 2020 (Rupees)	Year Ended March 31, 2019 (Rupees)
I Revenue			
(a) Revenue From Operations	18	563,315,966	180,182,984
(b) Other Income	19	25,177,882	67,924,057
Total Revenue		588,493,848	248,107,041
II Expenses			
(a) Employee Benefits Expenses	20	160,950,970	128,823,585
(b) Finance Costs	21	172,095,283	39,869,411
(c) Depreciation and Amortisation Expenses	11	9,052,405	6,152,394
(d) Other Expenses	22	147,368,927	118,803,065
Total Expenses		489,467,585	293,648,455
III Profit / (Loss) before Tax (I-II)		99,026,263	(45,541,414)
Tax Expense			
- Current Tax		6,068,100	-
- Deferred Tax Charge / (Credit)		(6,405,302)	-
IV Total Tax Expenses		(337,202)	-
V Profit / (Loss) for the year (III-IV)		99,363,465	(45,541,414)
VI Earnings / (Loss) per Equity Share of INR 10 each	27		
Basic EPS		0.37	(0.35)
Diluted EPS		0.37	(0.35)

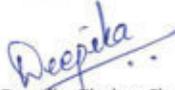
Significant Accounting Policies 1
The Notes to the Financial Statements form an integral part of the Financial Statements.

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

For Price Waterhouse Chartered Accountants LLP
Firm Registration No.: 012754N/N500016

For and on behalf of the Board of Directors


Sharad Agarwal
Partner
Membership No. 118522

 
Manish Chokhani Director Neeraj Saxena MD & CEO
 
Deepika Thakur Chauhan Company Secretary Raghavendra Prabhu CFO

Mumbai
June 10, 2020

Mumbai
June 8, 2020



Auxilo Finserve Private Limited
Cash Flow Statement for the year ended March 31, 2020

	Year Ended March 31, 2020 (Rupees)	Year Ended March 31, 2019 (Rupees)
A.Cash flow from operating activities		
Net Profit / (Loss) before taxation	99,026,263	(45,541,414)
Adjustments for :		
Depreciation / amortisation	9,052,405	6,152,394
Interest Expense	161,242,689	-
Interest Paid	(163,016,460)	-
Profit on Sale of Investments	(10,028,082)	(22,538,128)
Loss on Sale of Fixed Assets	11,193	-
Contingent Provision for Standard Assets	8,320,427	10,148,251
COVID-19 Provision	1,965,503	-
Provision for Retained interest on securitisation	550,589	-
Expense on account of increase in Authorised Share Capital	15,060,500	7,125,000
Provision for Leave Encashment	347,995	588,798
Provision for Lease Equalisation	100,536	100,536
Provision for Gratuity	1,379,208	994,171
Operating (Loss) / Profit before working capital changes	124,012,766	(42,970,392)
Changes in working capital :		
Increase / (decrease) in Other Long Term Liabilities	59,278,679	3,989,641
Increase / (decrease) in Trade Payables	(631,233)	(2,868,733)
Increase / (decrease) in Other Current Liabilities	55,040,365	36,767,365
(Increase) / decrease in Long Term Loans and Advances	(1,976,344,497)	(2,438,312,447)
(Increase) / decrease in Other Non Current Assets	(69,164,506)	-
(Increase) / decrease in Trade Receivables	14,393,325	(21,071,808)
(Increase) / decrease in Short Term Loans and Advances	(108,349,895)	(88,026,486)
(Increase) / decrease in Other Current Assets	(30,415,954)	(16,962,246)
Cash generated from operations	(1,932,180,950)	(2,569,455,106)
Taxes paid	(10,592,377)	(1,213,908)
Net cash generated from operating activities	(1,942,773,327)	(2,570,669,014)
B.Cash flow from Investing Activities		
Purchase of tangible/intangible assets including Capital work-in- progress	(8,863,971)	(12,117,154)
Sale of tangible/intangible assets	26,121	-
Purchase of current investments	(3,900,597,753)	(2,345,000,000)
Redemption of current investments	3,910,625,835	2,367,538,128
Net cash generated from/(used in) investing activities	1,190,232	10,420,974
C.Cash flow from Financing Activities		
Proceeds from Borrowings	2,650,000,000	1,400,000,000
Repayment of Borrowings	(1,979,734,849)	-
Proceeds from issue of Non Convertible Debentures	250,000,000	-
Proceeds from issue of Equity share capital (including securities premium)	2,160,932,295	750,000,000
Expense on account of increase in Authorised Share Capital	(15,060,500)	(7,125,000)
Net cash from financing activities	3,066,136,946	2,142,875,000
Net Increase / (Decrease) in Cash and cash equivalents (A)+(B)+(C)	1,124,553,851	(417,373,040)
Cash and cash equivalents at beginning of the year	103,651,638	521,024,678
Cash and cash equivalents at end of the year	1,228,205,489	103,651,638
Cash and cash equivalents as per Balance Sheet:		
Cash on hand	-	-
Balances with scheduled banks	1,228,205,489	103,651,638
TOTAL	1,228,205,489	103,651,638

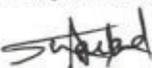
Notes to the statement of cash flow :

1)The above Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard - 3 " Cash Flow Statement " as specified under section 133 of Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules 2014.

2)Figures in bracket indicate cash outflow.

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

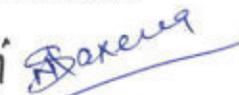
For Price Waterhouse Chartered Accountants LLP
Firm Registration No.: 012754N/N500016

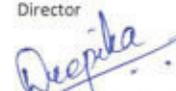

Sharad Agarwal
Partner
Membership No. 118522

Mumbai
June 10, 2020

For and on behalf of the Board of Directors


Manish Chokhani
Director


Neeraj Saxena
MD & CEO


Deepika Thakur Chauhan
Company Secretary


Raghavendra Prabhu
CFD

Mumbai
June 8, 2020



1. SIGNIFICANT ACCOUNTING POLICIES

Corporate Information

Auxilo Finserve Private Limited (the 'Company') is a registered Non Banking Finance Company (NBFC) 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 3, 2017. The Company has become Systemically Important Non Deposit Accepting Non Banking Financial Company on January 31, 2020.

The main object of the Company is to originate, provide loans to students pursuing education and provide Infrastructure or working capital loan to educational institutions. Also Company provide ancillary services in relation to the said business activities.

1.01 Basis of Accounting and Preparation of Financial statements

(i) Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended), specified under section 133 and other relevant provisions of the Companies Act, 2013 and guidelines issued by Reserve Bank of India for Systemically Important Non-Deposit Accepting NBFC.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III (Division I) to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities and other relevant provisions of the Companies Act, 2013 .

(ii) Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the Management of the Company to make estimates and assumptions considered in the reported balances of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

(iii) The novel coronavirus (COVID-19) pandemic continues to spread rapidly across the globe including India. On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. COVID-19 has taken its toll on not just human life, but business and financial markets too, the extent of which is currently indeterminable. In many countries, including India, there has been severe disruption to regular business operations due to lockdowns, disruptions in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures. The Indian government announced a strict lockdown across the country to contain the spread of virus.

The Indian Government, the Reserve Bank of India and other regulators have announced various measures and relaxations acknowledging the current situation to ensure that there is enough liquidity in the hands of market participants and provided moratoriums to the borrowers in terms of their repayments to the financial institutions.

The Company, being a NBFC, the main object of the Company is to originate, provide and service loans to students pursuing education and provide Infrastructure or working capital loan to educational institutions. The Company also provides ancillary services in relation to the said business activity. The Company has made an assessment of its liquidity position applying stress scenarios. The Company believes that it has taken into account all the possible impact of known events arising from COVID-19 pandemic in the preparation of the financial statements. The Company has further assessed the recoverability and carrying value of its assets comprising Loans and advances, Property, Plant and Equipment and Intangible assets as at balance sheet date, and has concluded that there are no material adjustments required in the financial Statements, other than those already considered. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

1.02 Fixed Assets

I. Property, Plant and Equipment (Tangible Assets)

Property, Plant and Equipment (Tangible Assets) are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Subsequent expenditures related to an item of Property, Plant and Equipment are recognized in the carrying amount of the item if the recognition criteria are met.

Items of Property, Plant and Equipment that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements. Any expected loss / write down is recognised immediately in the Statement of Profit and Loss. An item of Property, Plant and Equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on derecognition is recognised in the Statement of Profit and Loss.

Depreciation is provided on a pro-rata basis on the straight-line method over the estimated useful lives of the assets, based on technical evaluation done by management's expert taking into account the nature of the assets, their estimated period of use and the operating conditions. The depreciation charge for each period is recognised in the Statement of Profit and Loss, unless it is included in the carrying amount of any other asset. The useful life, residual value and the depreciation method are reviewed atleast at each financial year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.:

Category of Assets	Useful Life
Furniture and Fixtures	10 years
Computers	6 years
Servers and Networks	3 years
End user devices like Laptops, Desktops etc	Over the lease period
Leasehold Improvements	5 years
Office Equipment	



ii. Intangible Assets:

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss. The estimated useful lives of intangible assets are as follows:

Category of Assets	Useful Life
Software	5 years

iii. Assets costing less than INR 5,000 are fully depreciated over the period of one year from capitalization.

1.04 Revenue recognition

i. Income on Loan Transactions

Interest income is recognized on accrual basis except in case of non-performing assets where it is recognized, upon realization, as per the Master Directions - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 (the "Master Directions") issued by Reserve Bank of India. Overdue/ penal interest is recognized as income on realization. Charges for servicing customer requests is recognized when there is no uncertainty regarding the collection of such revenue.

Processing Fee (net of taxes) accounted for on accrual basis except where the ultimate collection cannot be established with reasonable certainty.

ii. Income from securitisation of loans and receivables

Securitized receivables are derecognized in the balance sheet when they are sold i.e. if they fully meet the true sale criteria (as considered by the Reserve Bank of India). Gains (if any) arising on securitisation of assets are recognised over the tenure of securities issued by Special Purpose Vehicles Trust (SPV).

Company's contractual rights to receive the share of future interest (i.e. interest spread) in the transferred assets from the SPV is capitalised at the present value as Interest Only (I/O) strip with a corresponding liability created for unrealised gains on loan transfer transactions. The excess interest spread on the securitisation transactions are recognised in the Statement of profit and loss only when it is received in cash by the SPV. Losses, if any, are recognised upfront.

Income on retained interest in the assigned asset, if any, is accounted on accrual basis except in case of non-performing assets wherein interest income is recognised on receipt basis as per master directions.

iii. Loan Acquisition Expenses

Loan Acquisition Expenses such as referral payout, credit verification charges, risk containment unit charges, field investigation charges, telephone verification expenses, etc are expensed off upfront.

iv. Income from Current and Long-term Investments

Gain / Loss from sale of units of mutual funds is accounted on the trade date basis.

v. Income on Fixed Deposits

Interest income on Fixed deposits is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

vi. Commission Income

Income from Commission includes commission from the Authorized Dealers on the foreign exchange business, income on sourcing of fixed deposits to customers from the Company's agreements references, fees on any marketing activities; and is recognized in accordance with the terms of the relevant agreements.

1.05 Borrowing costs

Borrowing Cost includes interest and ancillary cost. Ancillary costs incurred for arrangement of borrowings such as processing fees, brokerage and debenture issue expense are amortized over the tenor of the borrowings.

1.06 Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments which includes the investments for Secured Loan as per minimum retention requirements (MRR) as per guidelines issued by Reserve Bank of India. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of long-term investments, such reduction being determined and made for each investment individually. Current investments are carried at lower of cost and fair value determined on an individual investment basis.

Long term investments are stated at cost. Provision is made for diminution, other than temporary, in the value of investments.



1.07 Earning Per Share

The earnings per share has been computed in accordance with Accounting Standards (AS – 20) on, "Earnings Per Share" and is also shown in the Statement of Profit and Loss.

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

The calculation of diluted earnings per share does not assumes conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on earnings per share.

1.08 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, cheques on hand, deposits with banks with original maturities of less than 3 months and current investments readily convertible to known amounts of cash and subject to insignificant risk of change in value.

1.09 Lease

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessors are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

1.10 Segment Reporting

The Company is an NBFC and operates in only one segment namely "Education Loans". 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 & CEO) of the Company has been identified as CODM who assesses the financial performance and position of the company, and makes strategic decisions.

1.11 Income Tax

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. In situations, where the Company has unabsorbed depreciation or carry forward losses under tax laws, all deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

1.12 Employee benefits

i) Provident and other Funds

Provident Fund: Contribution towards provident fund for certain employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

ii) Gratuity and Compensated Absences

The Company has a defined benefit plan namely Gratuity for all eligible employees in accordance with 'the Payment of Gratuity Act 1972'. The liability for the defined benefit plan of Gratuity is determined on the basis of an actuarial valuation by an independent actuary at the year end, which is calculated using Projected Unit Credit Method. Actuarial gains/losses are recognized in the Statement of Profit and Loss in the year in which they arise.

The employees of the Company are entitled to leave as per the leave policy of the Company. The liability in respect of unutilized leave balances is determined on the basis of an actuarial valuation by an independent actuary at the year end, which is calculated using Projected Unit Credit Method. Actuarial gains/losses are recognized in the Statement of Profit and Loss in the year in which they arise.

iii) Employee Stock Options Plans (ESOPs)

Equity settled stock options granted under "Employee Stock Option Plan (ESOP 2017 Plan)" are accounted for as per the accounting treatment prescribed by the Guidance Note on Employee Share-based Payments issued by the Institute of Chartered Accountants of India. The intrinsic value of the option being excess of value of the underlying share as determined by an independent valuer immediately prior to date of grant over its exercise price is recognised as deferred employee compensation with a credit to employee stock option outstanding account. The deferred employee compensation is charged to Statement of Profit and Loss on straight line basis over the vesting period of the option. The options that lapse are reversed by a credit to employee compensation expense, equal to the amortised portion of value of lapsed portion and credit to deferred employee compensation expense equal to the un-amortised portion.



1.13 Impairment of assets

Pursuant to "AS28- Impairment of Asset" specified under section 133 of the Companies Act, 2013 read with Rule 7 under the Companies (Accounting Standards) Rules, 2006 (as amended) for determining impairment in carrying amount of fixed asset, the Company assesses at each Balance Sheet date whether there is an indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

1.14 Provisions and Contingent Liabilities

Provisions are recognised when there is a present obligation as a result of a past event and, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value. Provisions include provisions for standard assets and non-performing assets based on guidelines issued by Reserve Bank of India.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability.

1.15 Transfer to Reserve Fund

As per section 45-IC of the Reserve Bank of India Act, 1934 (the RBI Act), the company is transferring an amount of 20 per cent of its net profit(if any) to a reserve fund before declaring any dividend. Appropriation from this reserve fund is permitted only for the purposes specified by RBI.



2 Share Capital

	March 31, 2020 (Rupees)	March 31, 2019 (Rupees)
Authorised:		
2,000,000,000 (Previous Year: 225,000,000) Equity Shares of INR 10 each	20,000,000,000	2,250,000,000
8,000,000 (Previous Year: 8,000,000) Optionally Convertible Preference Shares of INR 10 each	80,000,000	80,000,000
	20,080,000,000	2,330,000,000
Issued, Subscribed and Paid up		
344,062,153 (Previous Year: 150,000,000) Equity Shares of INR 10 each, fully paid up	3,440,621,530	1,500,000,000
8,000,000 (Previous Year: 8,000,000) Optionally Convertible Preference Shares of INR 10 each, Partly paid up	800,000	800,000
	3,441,421,530	1,500,800,000

(a) Reconciliation of number of shares outstanding at the beginning and at the end of reporting year

	March 31, 2020		March 31, 2019	
	No of shares	Amount (Rupees)	No of shares	Amount (Rupees)
Balance at the beginning of the year				
Equity Shares	150,000,000	1,500,000,000	75,000,000	750,000,000
Optionally Convertible preference shares (partly paid up)	8,000,000	800,000	8,000,000	800,000
Shares Issued during the year				
Equity Shares	194,062,153	1,940,621,530	75,000,000	750,000,000
Optionally Convertible preference shares (partly paid up)	-	-	-	-
Balance at the end of the year				
Equity Shares	344,062,153	3,440,621,530	150,000,000	1,500,000,000
Optionally Convertible preference shares (partly paid up)	8,000,000	800,000	8,000,000	800,000

(b) Rights, preferences and restrictions 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.

The company has three classes of Optionally Convertible preference shares (OCPS) having a face value of INR 10 per share each.

Type of share	No. of Shares	Amount paid up per share	Amount (Rupees)
0.001% Class A OCPS	2,666,667	0.09 Paise	240,000
0.001% Class B OCPS	2,666,667	0.10 Paise	266,667
0.001% Class C OCPS	2,666,666	0.11 Paise	293,333
Total			800,000

- 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.
- 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.
- 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.
- The holder of OCPS will not have any voting rights with respect to the preference share capital represented by the OCPS, except as specifically provided under section 47 (2) of the Companies Act, 2013.
- Conversion: Each OCPS shall be convertible into 1 (one) equity share ("Conversion Ratio") subject to fulfilment of applicable conditions.

(c) List of shareholders holding more than 5% Share capital

	March 31, 2020		March 31, 2019	
	Percentage	Amount (Rupees)	Percentage	Amount (Rupees)
Equity Shares:				
Balrampur Chini Mills Limited	45.05	1,550,000,000	50.00	750,000,000
Elme Advisors LLP (Erstwhile known as Payash Solar Energy Park LLP)	45.05	1,550,000,000	49.50	742,500,000
ICICI Bank Limited	9.9	340,621,530	-	-
Preference Shares:				
Neera] Saxena	100.00	800,000	100.00	800,000



(d) Increase in Authorised Share Capital and Paid up share capital

(i) During the year, the Authorised Share Capital of the Company was increased to INR 20,080,000,000 (Previous year INR 2,330,000,000) divided into INR 20,000,000,000 Equity Share Capital (Previous year INR 2,250,000,000) and INR 80,000,000 Preference Share Capital (Previous Year INR 80,000,000).

(ii) During the year, the Company has issued fully paid up equity shares of Rs. 10 each for cash, the details of such issuance are as follow:

Name of party	Face Value (in Rupees)	Issue Price (in Rupees)	Year ended March 31, 2020	Year ended March 31, 2019
Akash Bhanshali	10	10	750,000	375,000
Elme Advisors LLP	10	10	74,250,000	37,125,000
	10	15	5,000,000	-
Balrampur Chini Mills Ltd	10	10	75,000,000	37,500,000
	10	15	5,000,000	-
ICICI Bank Limited	10	15	34,062,153	-
Total			194,062,153	75,000,000

(e) Shares reserved for issue under options

Refer note 23C for details of shares to be issued under the Employee Stock Option Plan.

3 Reserves and Surplus

	March 31, 2020 (Rupees)	March 31, 2019 (Rupees)
Securities Premium Reserve		
Balance at the beginning of the year	-	-
Add: Premium received on equity shares issued during the year	220,310,765	-
Balance at the end of the year	220,310,765	-
Reserve Fund under section 45-IC of the Reserve Bank of India Act, 1934.		
Balance at the beginning of the year	14,300	14,300
Transferred from Surplus in the Statement of Profit and Loss	19,872,693	-
Balance at the end of the year	19,886,993	14,300
Surplus/(Deficit) in Statement of Profit and Loss		
Balance at the beginning of the year	(136,501,918)	(90,960,504)
Profit / (Loss) for the year	99,363,465	(45,541,414)
Less: Transfer to Reserve Fund under section 45-IC of the Reserve Bank of India Act, 1934.	(19,872,693)	-
Balance at the end of the year	(57,011,146)	(136,501,918)
Total Reserves and Surplus	183,186,612	(136,487,618)

4 Long Term Borrowings

	March 31, 2020 (Rupees)	March 31, 2019 (Rupees)
Secured		
Term loan from banks (Refer note 4a below)	1,350,946,967	318,181,820
Term loan from financial institutions (Refer note 4a below)	112,500,000	-
Unsecured		
Non-Convertible Debentures (Refer note 4b)	178,571,428	-
	1,642,018,395	318,181,820



4a Repayment terms of Term loan from banks and financial institutions

	March 31, 2020 (Rupees)	March 31, 2019 (Rupees)
Repayable within 1 year	606,818,184	181,818,180
Repayable within 1 year to 3 years	986,363,638	318,181,820
Repayable within 3 years and above	477,083,329	-
	2,070,265,151	500,000,000
Rate of interest for above borrowing is ranging from 9.70% to 11% (Previous year: 11%)		
All term loans from banks and financial institutions are secured by a pari pasu charge, by way of hypothecation of present and future receivables		

4b Repayment terms of Non convertible debentures (Unlisted and Unsecured)

	March 31, 2020 (Rupees)	March 31, 2019 (Rupees)
Repayable within 1 year	71,428,572	-
Repayable within 1 year to 3 years	142,857,144	-
Repayable within 3 years and above	35,714,284	-
	250,000,000	-
Rate of interest for above borrowing is ranging from 11.25% to 14.10% (Previous year: 11%)		

5 Other Long Term Liabilities

	March 31, 2020 (Rupees)	March 31, 2019 (Rupees)
Advance received from customers	6,557,589	4,643,617
Unrealised gain on securitisation (Refer note 5a)	57,364,707	-
	63,922,296	4,643,617
5a. Unrealised gain on securitisation comprises of future interest receivable under par structure of securitisation		

6 Long-Term Provisions

	March 31, 2020 (Rupees)	March 31, 2019 (Rupees)
Employee Benefits		
- Gratuity (Refer note 23)	2,899,300	1,525,327
- Compensated Absences	1,273,378	990,741
Provision against Standard Assets	18,047,457	10,237,626
COVID-19 Provision	1,847,563	-
Provision for Retained interest on securitisation	550,589	-
Lease Equalisation Reserve	1,288,125	1,746,824
	25,906,412	14,500,518

7 Short Term Borrowings

	March 31, 2020 (Rupees)	March 31, 2019 (Rupees)
Unsecured		
Inter Corporate Deposits - (Refer note 7a)	-	900,000,000
	-	900,000,000



7a Repayment terms of Inter Corporate Deposits

	March 31, 2020 (Rupees)	March 31, 2019 (Rupees)
10% Inter Corporate Deposit payable by September 21, 2019	-	100,000,000
10% Inter Corporate Deposit payable by September 18, 2019	-	170,000,000
10% Inter Corporate Deposit payable by August 31, 2019	-	90,000,000
10% Inter Corporate Deposit payable by August 20, 2019	-	180,000,000
10% Inter Corporate Deposit payable by July 10, 2019	-	180,000,000
10% Inter Corporate Deposit payable by June 29, 2019	-	180,000,000
	-	900,000,000

8 Trade Payables

	March 31, 2020 (Rupees)	March 31, 2019 (Rupees)
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues of creditors other than micro and small enterprises		
-Creditors for Expenses	33,569	664,802
	33,569	664,802

9 Other Current Liabilities

	March 31, 2020 (Rupees)	March 31, 2019 (Rupees)
Current maturities of Long Term Borrowing		
Secured		
- Term loans from banks (Refer note 4a)	569,318,184	181,818,180
- Term loans from financial institutions (Refer note 4a)	37,500,000	-
Unsecured		
- Non Convertible Debentures (Refer note 4b)	71,428,572	-
Advance received from customers	55,161,636	29,854,365
Amount payable under securitisation transaction	19,844,016	-
Statutory Remittances (Taxes, Contributions to PF, Profession tax etc.)	5,880,967	4,849,842
Interest accrued but not due on:		
- Term loans	2,003,115	2,143,750
- Financial institutions	660,205	-
- Non Convertible Debentures	69,159	-
- Inter Corporate Deposits	-	2,362,500
Other Payables		
- Provision for Fixed Assets	-	75,538
- Provision for Expenses	9,909,501	5,330,087
- Provision for Employee Benefits	13,862,620	9,508,543
	785,637,975	235,942,805

10 Short-Term Provisions

	March 31, 2020 (Rupees)	March 31, 2019 (Rupees)
Employee Benefits		
- Gratuity (Refer note 23)	11,175	5,940
- Compensated Absences	257,475	192,117
Provision against Standard Assets	946,158	435,561
COVID-19 Provision	117,940	-
Lease Equalisation Reserve	559,235	-
	1,891,983	633,618



Auxilio Finserve Private Limited
Notes to the Financial Statements for the year ended March 31, 2020 (continued)

Note 11 : Fixed Assets

As at March 31, 2020

Particulars	GROSS BLOCK (At Cost)				DEPRECIATION / AMORTISATION				NET BOOK VALUE (Amount in Rupees) As at March 31, 2020
	As at April 01, 2019	Additions during the year	Sales during the year	As at March 31, 2020	As at April 01, 2019	For the year	Deduction for the year	As at March 31, 2020	
Property, Plant & Equipments (Tangible Assets)									
Land	-	525,000	-	525,000	-	-	-	-	525,000
Office Equipments	1,676,286	713,595	-	2,389,881	573,450	495,787	-	1,069,237	1,320,644
Computers	14,773,100	3,642,500	43,328	18,372,272	3,690,437	4,537,166	6,014	8,221,589	10,150,683
Furniture and Fixtures	1,754,165	35,850	-	1,790,015	705,763	140,093	-	845,856	944,159
Leasehold Improvements	7,010,019	-	-	7,010,019	2,131,814	1,405,844	-	3,537,658	3,472,361
Total (A)	25,213,570	4,916,945	43,328	30,087,187	7,101,464	6,578,890	6,014	13,674,340	16,412,847
Intangible Assets									
Intangible Assets	3,252,496	11,547,812	-	14,800,308	1,093,608	2,473,515	-	3,567,123	11,233,185
Total (B)	3,252,496	11,547,812	-	14,800,308	1,093,608	2,473,515	-	3,567,123	11,233,185
Total Fixed Assets (A+B)	28,466,066	16,464,757	43,328	44,887,495	8,195,072	9,052,405	6,014	17,241,463	27,646,032

As at March 31, 2019

Particulars	GROSS BLOCK (At Cost)				DEPRECIATION / AMORTISATION				NET BOOK VALUE (Amount in Rupees) As at Mar 31, 2019
	As at April 01, 2018	Additions during the year	Sales during the year	As at Mar 31, 2019	As at April 01, 2018	For the year	Deduction for the year	As at Mar 31, 2019	
Property, Plant & Equipments (Tangible Assets)									
Office Equipments	710,902	965,384	-	1,676,286	93,356	480,094	-	573,450	1,102,836
Computers	7,930,078	6,843,022	-	14,773,100	617,754	3,072,683	-	3,690,437	11,082,663
Furniture and Fixtures	1,603,254	150,911	-	1,754,165	353,115	352,648	-	705,763	1,048,402
Leasehold Improvements	7,010,019	-	-	7,010,019	817,831	1,313,983	-	2,131,814	4,878,205
Total (A)	17,254,253	7,959,317	-	25,213,570	1,882,056	5,219,408	-	7,101,464	18,112,106
Intangible Assets									
Intangible Assets	1,066,198	2,186,298	-	3,252,496	160,622	932,986	-	1,093,608	2,158,888
Total (B)	1,066,198	2,186,298	-	3,252,496	160,622	932,986	-	1,093,608	2,158,888
Total Fixed Assets (A+B)	18,320,451	10,145,615	-	28,466,066	2,042,678	6,152,394	-	8,195,072	20,270,994



12 Long-Term Loans and Advances

	March 31, 2020 (Rupees)	March 31, 2019 (Rupees)
Receivables under Financing Activity (Refer note 12a)		
Secured, considered Good	2,570,087,654	1,501,294,937
Unsecured, considered Good	1,905,188,153	1,058,111,564
Retained interest on securitisation		
Secured, considered Good	15,590,384	-
Unsecured, considered Good	11,939,054	-
Others (unsecured, considered good)		
Security Deposits	8,358,436	6,230,936
Prepaid expenses	26,893,703	3,372,060
Advance Tax and Tax Deducted at Source [(Net of provision of INR 6,068,100 (Previous year Nil)]	5,868,136	1,343,858
Securitised consideration receivable	7,296,610	-
	4,551,222,130	2,570,353,355
12a. Secured loans are secured to the extent of collateral value consisting of immovable property and/or fixed deposits		

13 Other Non Current Assets

	March 31, 2020 (Rupees)	March 31, 2019 (Rupees)
Unsecured, Considered Good		
Fixed Deposit (Refer note 13a)	11,799,799	-
Securitisation deferred consideration receivable (Refer note 13b)	57,364,707	-
	69,164,506	-
13a. Fixed deposit has been earmarked towards credit enhancement towards securitisation transaction (Previous Year: Nil)		
13b. Securitisation deferred consideration receivable comprises of Company's share of future interest strip receivable in case of a par structure securitised deals		

14 Trade Receivables

	March 31, 2020 (Rupees)	March 31, 2019 (Rupees)
Unsecured, considered good		
Outstanding for more than six months	-	-
Other		
Commission Receivable and others	7,039,686	21,433,011
	7,039,686	21,433,011



15 Cash and Bank Balances

	March 31, 2020 (Rupees)	March 31, 2019 (Rupees)
Cash and Cash equivalents		
Cash on Hand	-	-
Bank Balance in		
-Current Account	178,205,489	103,651,638
-Fixed Deposit (with original maturity of less than 3 months)	1,050,000,000	-
	1,228,205,489	103,651,638

16 Short -Term Loans and Advances

	March 31, 2020 (Rupees)	March 31, 2019 (Rupees)
Current maturities of long term receivables under financing activity (Refer note 12a)		
Secured, considered Good	141,867,217	65,414,454
Unsecured, considered Good	57,801,023	25,872,891
Others (unsecured, considered good)		
Security Deposits	-	31,000
	199,668,240	91,318,345

17 Other Current Assets

	March 31, 2020 (Rupees)	March 31, 2019 (Rupees)
Secured, considered good		
Interest accrued and due - Receivables under Financing Activity	431,385	-
Interest accrued but not due - Receivables under Financing Activity	20,555,054	10,366,957
Unsecured, considered good		
Interest accrued but not due - Fixed Deposit	443,914	-
Interest accrued but not due - Fixed Deposit (Refer note 13a)	7,265	-
Interest accrued but not due - Receivables under Financing Activity	14,183,321	7,238,550
GST Receivable (net)	3,933,597	2,335,161
Prepaid expenses	14,206,518	4,190,765
Advances to Vendors	796,333	-
Advances to Employees	110,000	120,000
	54,667,387	24,251,433



18 Revenue From Operations

	Year Ended March 31, 2020 (Rupees)	Year Ended March 31, 2019 (Rupees)
Interest Income on : loans	514,515,993	142,796,040
Securitized assets	5,490,076	-
Other financial services -Processing Fees and other charges	43,309,897	37,386,944
	563,315,966	180,182,984

19 Other Income

	Year Ended March 31, 2020 (Rupees)	Year Ended March 31, 2019 (Rupees)
Interest on Fixed Deposits	516,589	5,357,117
Profit on sale of current investments	10,028,082	22,538,128
Commission and other Income	14,633,211	40,028,812
	25,177,882	67,924,057

20 Employee Benefits Expenses

	Year Ended March 31, 2020 (Rupees)	Year Ended March 31, 2019 (Rupees)
Salaries, Bonus and Allowances	149,650,645	120,498,490
Contribution to Provident Fund and Other Funds (Refer note 23)	6,615,200	5,017,937
Gratuity (Refer note 23)	1,379,208	994,171
Compensated Absences	347,995	588,798
Staff Welfare Expenses	2,957,922	1,724,189
	160,950,970	128,823,585

21 Finance Costs

	Year Ended March 31, 2020 (Rupees)	Year Ended March 31, 2019 (Rupees)
Interest Expenses		
- on Term loans from banks	118,966,683	25,766,250
- on Term loans from Financial institutions	7,853,425	-
- on Inter corporate deposit	30,657,212	12,226,712
- on Non Convertible debentures	3,765,369	-
Others borrowing costs	10,852,594	1,876,449
	172,095,283	39,869,411



22 Other Expenses

	Year Ended March 31, 2020 (Rupees)	Year Ended March 31, 2019 (Rupees)
Advertisement, Publicity and Business promotion	27,254,250	35,931,005
Rent (Refer note 24)	15,953,092	14,072,989
Rates and Taxes (Refer note 22a)	15,588,410	7,512,668
Auditors' remuneration:		
Audit Fees	1,900,000	1,400,000
Out of Pocket Expenses	37,083	43,600
Other Services	400,000	400,000
Goods and Services Tax on above	207,000	162,000
Legal and professional fees	14,099,398	9,803,263
Computer, Communication and Internet Expenses	29,891,313	12,973,878
Repairs and Maintenance	5,548,112	4,391,482
Printing and stationery expenses	1,745,818	2,073,986
Travelling and conveyance	6,164,161	5,330,578
Business Sourcing Expenses	16,274,350	13,126,616
Provision for Standard Assets	8,320,427	10,148,251
COVID-19 Provision (Refer note 22b)	1,965,503	-
Provision for Retained interest on securitisation	550,589	-
Directors Sitting Fees	654,000	784,800
Loss on Sale of Fixed Assets (net)	11,193	-
Other expenses	804,228	647,949
	147,368,927	118,803,065

22a. includes INR 15,060,500 (Previous Year: INR 7,125,000) for stamp duty on account of increase in authorised share capital

22b. COVID-19 provision is created in lines with guidance as per RBI Circular RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 on "COVID19 Regulatory Package - Asset Classification and Provisioning" dated April 17, 2020



23 Employee Benefits Expenses**A) Defined Contribution Plan (Provident Fund and National Pension Scheme)**

Amount of INR 6,615,200 (Previous Year INR 5,017,937) is recognised as expense and included in Employee Benefit Expenses under note 20 in the statement of Profit and Loss.

B) 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 non funded post retirement benefit plans for its employees are given below which is as certified by the actuary.

Particulars	For the Year ended	For the Year ended
	March 31, 2020	March 31, 2019
	Gratuity	
Assumptions		
Rate of Discounting	6.24%	7.64%
Rate of Salary Increase next year	0.00%	5.00%
Rate of Salary Increase post next year	5.00%	5.00%
Rate of Employee Turnover	15.00%	10.00%
Mortality Rate During Employment	Indian Assured Lives Mortality(2006-08) Ult	
Changes in present value of obligations (PVO)		
PVO at the beginning of the year	1,531,267	537,096
Interest cost	116,989	42,162
Current Service Cost (INR)	1,166,321	833,723
Past Service Cost	-	-
Benefits Paid	-	-
Actuarial (Gain) /Loss on obligation (INR)	95,898	118,286
PVO at the end of year (INR)	2,910,475	1,531,267
Changes in fair value of plan assets		
Fair value of Plan Assets at beginning of year	-	-
Expected return on Plan Assets	-	-
Contributions	-	-
Benefits paid	-	-
Actuarial Gain (loss) on plan assets	-	-
Fair value of Plan Assets at end of year	-	-
Actuarial Gain/(Loss) recognized		
Actuarial (Gain) /Loss on obligation for the year	95,898	118,286
Actuarial Gain (loss) on plan assets for the year	-	-
Actuarial Gain/(Loss) recognised in the Statement of Profit and Loss	95,898	118,286
Amounts to be recognized in the balance sheet and statement of profit and loss account		
PVO at end of year (INR)	(2,910,475)	(1,531,267)
Fair value of plan assets at end of year	-	-
Funded status (INR)	-	-
Unrecognized Actuarial Gain/(Loss)	-	-
Unrecognized Past Service costs-non vested benefits	-	-
Net Asset/(Liability) recognized in the balance sheet	(2,910,475)	(1,531,267)



Expense recognized in the statement of profit and loss account		
Current Service Cost (INR)	1,166,321	833,723
Interest cost	116,989	42,162
Past Service Cost	-	-
Unrecognized Past Service costs-non vested benefits	-	-
Expected return on plan assets	-	-
Net Actuarial (Gain)/Loss recognized for the year (INR)	95,898	118,286
Expense recognized in the statement of Profit and Loss	1,379,208	994,171
Movements in the Liability recognized in Balance Sheet		
Opening Net Liability	1,531,267	537,096
Expenses as above (INR)	1,379,208	994,171
Contribution paid	-	-
Closing Net Liability (INR)	2,910,475	1,531,267
Experience adjustments		
Experience adjustments on plan liabilities	248,441	275,225
Experience adjustments on plan assets	-	-

C) Employee Stock Options Plans (ESOPs)

The Company has currently a single Employee Stock Options Plan ('ESOP 2017 Plan') in force. The Plan provides that the employees of the Company are granted an option to acquire equity shares of the Company that vest in a graded manner. Once vested, the options may be exercised within a period of 10 years.

The Company follows the intrinsic value method to account for its stock-based employee compensation plans as per the accounting treatment prescribed by Guidance Note on Employee Share Based Payments issued by the Institute of Chartered Accountants of India. (ICAI). Compensation cost is measured by the excess, if any, of the market price of the underlying stock over the exercise price as determined under the option plan. The fair market value of the underlying shares has been determined based on an independent valuer's report as the Company is not listed on the stock exchanges.

Compensation cost, if any, is amortised over the vesting period. The compensation cost charged to Statement of Profit and Loss is Rs. Nil (Previous Year: Rs. Nil) since the exercise price is equal to the fair value of the equity share as on the date of grant.

The Movement of stock options for ESOP 2017 Plan is as under:

Particulars	March 31, 2020	March 31, 2019
Outstanding at the beginning of the year	9,500,000	8,750,000
Granted during the year	405,000	1,150,000
Forfeited/Expired during the year	(340,000)	(400,000)
Exercised during the year	-	-
Outstanding at the end of the year	9,565,000	9,500,000
Excerciseable at the end of the year	-	-
Weighted Average Exercise price	10.09	10.04

Vesting period	March 31, 2020	March 31, 2019
3 - 4 years from grant date	3,350,000	3,135,000
4 - 5 years from grant date	3,087,000	3,135,000
5 - 6 years from grant date	3,128,000	3,230,000
Total	9,565,000	9,500,000



Fair Value Methodology

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

Particulars	ESOP 2017	ESOP 2017	ESOP 2017	ESOP 2017
Grant Date	April 19, 2019	October 24, 2018	July 25, 2018	January 24, 2018
Share price	10.00	10.00	10.00	10.00
Exercise price	11.48	10.53	10.42	10.00
Risk-free interest rate	7.42%	7.78%	7.78%	7.44%
Expected life of the option	3 years to 5 years	4 years to 6 years	4 years to 6 years	3.5 years to 6 years
Expiry Date (from vesting date)	10 years	10 years	10 years	10 years
Expected volatility	32.20%	32.34%	32.34%	33.50%
Expected dividend yield	0%	0%	0%	0%
Fair Value of Options	3.59 to 4.84	3.99 to 5.03	3.93 to 4.96	3.5 to 4.76

Had the compensation cost for the stock options granted under ESOP 2017 plan been determined based on the fair value approach, the Company's net loss and loss per share would have been as per the pro-forma amounts indicated below:

Particulars	Year Ended March 31, 2020 (Rupees)	Year Ended March 31, 2019 (Rupees)
Net Profit / (Loss) : (as reported)	99,363,465	(45,541,414)
Less: Net Impact of incremental cost under fair value approach	(8,608,476)	(8,387,468)
Net Profit / (Loss) : (pro-forma)	90,754,989	(53,928,882)
Basic Profit / (Loss) per share (as reported) (in INR)	0.37	(0.35)
Basic Profit / (Loss) per share (pro-forma) (in INR)	0.34	(0.42)
Diluted Profit / (Loss) per share (as reported) (in INR)	0.37	(0.35)
Diluted Profit / (Loss) per share (pro-forma) (in INR)	0.34	(0.42)



24 Operating Leases as Lessee

- i. The Company has taken various office premises under operating lease or leave and license agreements. These are generally non-cancellable for a initial lock in period. The Company has paid refundable Interest free Security Deposit of INR 8,358,436 (Previous Year: INR 6,261,936) in respect of certain leases.
- ii. Lease Payments recognized in Statement of Profit and Loss with respect to all operating leases included under Rent is INR 15,953,092 (Previous Year: INR 14,072,989)
- iii. With respect to non-cancellable operating leases, the future minimum lease payments are as follows:

Minimum Lease Payments	March 31, 2020 (Rupees)	March 31, 2019 (Rupees)
Not later than one year	17,426,245	12,521,144
Later than one year but not later than five years	21,252,633	23,416,442
Later than five years	-	-

25 Segment Reporting

The Company operates in only one segment namely "Education Loans" hence there are no separate reportable segments under Accounting Standard 17 'Segment Reporting' specified under section 133 of the Companies Act,2013 read with Rule 7 under the Companies (Accounting Standards) Rules, 2006 (as amended).

26 Micro And Small Enterprises as defined under the MSMED Act,2006

There are no Micro and Small Scale Business Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2020. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act , 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

Particulars	March 31, 2020 (Rupees)	March 31, 2019 (Rupees)
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-

27 Earnings/ (Loss) per share

Particulars	March 31, 2020		March 31, 2019	
	Basic	Diluted	Basic	Diluted
Profit/ (Loss) after tax (Rupees)	99,363,465	99,363,465	(45,541,414)	(45,541,414)
Weighted Average Number of Equity Shares	266,203,761	266,283,980	129,349,316	129,429,316
Earnings/ (Loss) Per Share (Basic and Diluted) (Rupees)	0.3733	0.3731	(0.35)	(0.35)
Nominal value of an Equity Share (Rupees)	10	10	10	10

Since the Company has incurred loss during the previous financial year, Diluted EPS was in previous year same as Basic EPS, as further impact would have been antidilutive.

28 Contingent Liabilities and Commitments

- i) Contingent Liabilities : Credit enhancement provided by the Company for the loans under securitisation arrangements (including cash collaterals) - INR 11,734,389 (Previous Year: NIL)
- ii) Capital Commitments : Estimated value of contracts in capital account remaining to be executed is INR 549,576 (Previous Year: INR 1,281,500)
- iii) Undisbursed commitments in respect of the Education loan agreements amount to INR 665,947,703 (Previous Year: INR 509,107,640). However the Company has unconditional rights under the loan agreements to cancel these commitments at any time.



29 Deferred Tax Assets (Net)

	As at March 31, 2020 (Rupees)	As at March 31, 2019 (Rupees)*
Deferred Tax Liability		
Depreciation	461,273	327,894
	461,273	327,894
Deferred Tax Asset		
Provision for Gratuity	732,566	398,129
Provision for Leave Encashment	385,316	307,543
Contingent provision for standard assets	4,771,693	2,775,029
Covid 19 provision	494,717	-
Lease Equalisation Reserve	464,981	454,174
Amortization of Preliminary Expenses	17,302	35,745
	6,866,575	3,970,620
Deferred Tax Assets (Net)	6,405,302	3,642,726

*During the earlier years the company did not recognise the deferred tax assets in lieu of carried forward taxable losses and unabsorbed tax depreciation.

30 Related Party Disclosures

Entities / Persons having Significant Influence
Balrampur Chini Mills Ltd.
Elme Advisors LLP (Erstwhile known as Payash Solar Energy Park LLP)
Akash Bhanshali

Key Management Personnel
Neeraj Saxena, Managing Director and Chief Executive Officer

ii) Transactions with related parties as mentioned above:

Particulars	Entities / Persons having Significant Influence		Key Management Personnel		Total	
	April 1, 2019 to March 31, 2020 (Rupees)	April 1, 2018 to March 31, 2019 (Rupees)	April 1, 2019 to March 31, 2020 (Rupees)	April 1, 2018 to March 31, 2019 (Rupees)	April 1, 2019 to March 31, 2020 (Rupees)	April 1, 2018 to March 31, 2019 (Rupees)
1. Managerial Remuneration *	-	-	11,278,740	11,278,740	11,278,740	11,278,740
2. Issuance of share capital (incl. Share premium)						
Balrampur Chini Mills Limited	825,000,000	375,000,000	-	-	825,000,000	375,000,000
Elme Advisors LLP (Erstwhile known as Payash Solar Energy Park LLP)	817,500,000	371,250,000	-	-	817,500,000	371,250,000
Akash Bhanshali	7,500,000	3,750,000	-	-	7,500,000	3,750,000

* Incentives / bonus / gratuity are considered on payment basis.

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



32 Disclosure as required under Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

32.1 Capital to Risk Assets Ratio (CRAR)

Particulars	As at March 31, 2020	As at March 31, 2019
(i) CRAR (%)	73.95%	50.00%
(ii) CRAR -Tier I Capital (%)	73.49%	49.60%
(iii) CRAR -Tier II Capital (%)	0.46%	0.40%
(iv) Amount of subordinated debt raised as Tier II capital	-	-
(v) Amount raised by issue of Perpetual Debt Instruments	-	-

32.2 Ratings assigned by credit rating agencies and migration of ratings during the year:

Rating Agency: CARE Ratings Limited (formerly known as Credit Analysis & Research Limited)

Date of Rating	Long Term Bank Facilities	Non Convertible Debentures
August 12, 2019	CARE A-	NA
September 27, 2019	CARE A-	NA
December 16, 2019	CARE A-	NA
February 7, 2020	CARE A-	CARE A-

32.3 Provision and contingencies

Break up of 'Provisions and contingencies' shown under the head expenses in Statement of Profit and Loss	Year ended March 31, 2020 (Rupees)	Year ended March 31, 2019 (Rupees)
Provisions for depreciation on investment	-	-
Provision towards NPA	-	-
Provision made towards tax expenses (net)	6,068,100	-
Other provision and contingencies (with details)		
Provision for employee benefits		
— Compensated absences	347,995	588,798
— Gratuity	1,379,208	994,171
Provision for Retained interest on securitisation	550,589	-
Provision for standard assets including COVID-19 provision	10,285,930	10,148,251



32.4 Concentration of advances, exposures and NPAs:

Particulars	Year ended March 31, 2020 (Rupees)	Year ended March 31, 2019 (Rupees)
Concentration of Advances		
Total Advances to twenty largest borrowers	670,731,012	524,930,514
% of Advances to twenty largest borrowers to Total Advances	14%	20%
Concentration of Exposures [on limit basis or outstanding basis whichever is higher]		
Total Exposure to twenty largest borrowers / customers	688,780,760	524,930,514
% of Exposures to twenty largest borrowers / customers to Total Exposure	15%	20%
Concentration of NPAs		
Total Exposure to top four NPA accounts	-	-

Sector-wise NPAs

Particulars	Year ended March 31, 2020 (Rupees)	Year ended March 31, 2019 (Rupees)
Sector-wise NPAs (% of NPAs / Total Advances in that sector)		
Agriculture & allied activities	-	-
Micro, small and medium enterprises	-	-
Corporate borrowers	-	-
Services	-	-
Unsecured personal loans	-	-
Auto loans	-	-
Other personal loans	-	-
Education loans	-	-
Education Infrastructure loans	-	-

Movement of NPAs

Particulars	Year ended March 31, 2020 (Rupees)	Year ended March 31, 2019 (Rupees)
i) Net NPAs to Net Advances (%)		
	-	-
ii) Movement of NPAs (Gross)		
Opening balance	-	-
Additions during the year	-	-
Reductions during the year	-	-
Closing balance	-	-
iii) Movement of Net NPAs		
Opening balance	-	-
Additions during the year	-	-
Reductions during the year	-	-
Closing balance	-	-
iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
Opening balance	-	-
Provisions made during the year	-	-
(Write-off) / write-back	-	-
Closing balance	-	-

32.5 Disclosure of customer complaints:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
No. of complaints pending at the beginning of the year	-	-
No. of complaints received during the year	56	47
No. of complaints redressed during the year	56	47
No. of complaints pending at the end of the year	-	-



Auxilio Finserve Private Limited
Notes to the Financial Statements for the year ended March 31, 2020 (continued)

32 Disclosure as required under Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016
32.6 Asset Liability Management:

(All amounts in Rupees)

Particulars	Maturity pattern of certain items of assets and liabilities as on March 31, 2020										Total	
	1 day to 7 days	8 day to 14 days	15 days to 30 / 31 days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 Year	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Years		
Assets												
Advances*	498,293	3,640,517	1,805,318	6,154,312	14,996,172	163,717,856	330,040,420	1,471,900,736	1,419,911,943	1,289,807,918	4,702,473,485	
Investments	-	-	-	-	-	-	-	-	-	-	-	
Fixed Deposits	-	450,000,000	500,000,000	-	100,000,000	-	-	-	-	11,734,389	1,061,734,389	
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-	
Liabilities												
Borrowings*	-	-	93,371,212	26,041,667	32,291,667	187,418,832	339,123,378	1,129,220,782	512,797,613	-	2,320,265,151	
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-	
*Excludes interest accrued and due on borrowings INR 2,732,479 and interest accrued but not due on loan receivables under financing activity INR 35,169,760												

(All amounts in Rupees)

Particulars	Maturity pattern of certain items of assets and liabilities as on March 31, 2019										Total
	1 day to 7 days	8 day to 14 days	15 days to 30 / 31 days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 Year	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Years	
Assets											
Advances*	479,518	8,462,576	9,849,883	23,748,926	17,264,337	100,264,728	216,123,289	331,355,693	562,535,504	1,380,609,392	2,650,693,846
Investments	-	-	-	-	-	-	-	-	-	-	-
Fixed Deposits	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-
Liabilities											
Borrowings*	-	-	45,454,545	-	180,000,000	765,454,545	90,909,090	318,181,820	-	-	1,400,000,000
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-
*Excludes interest accrued and due on borrowings INR 4,506,250 and interest accrued but not due on loan receivables under financing activity INR 17,605,507											

Notes:
The above statement includes only certain items of assets and liabilities (as stipulated in prudential norms) and therefore does not reflect the complete asset liability maturity pattern of the Company



32.7 Public disclosure on liquidity risk as on 31st March 2020

(i) Funding Concentration based on significant counterparty (both deposits and borrowings)

Sr	Number of Significant counterparties*	Amount in Rupees	% of Total Deposits	% of Total Liabilities
1	Significant counterparties - Five (5)	2,320,265,151	-	37.8%

*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

(ii) Top 20 large deposits (amount in Rs. crore and % of total deposits) - NIL

(iii) Top 10 borrowings (amount in Rs. crore and % of total borrowings)

Sr	Borrowings	Amount in Rupees	% of Total Borrowings
1	Banks	1,920,265,151	83%
2	Financial Institutions	150,000,000	6%
3	Non Convertible Debentures	250,000,000	11%

(iv) Funding Concentration based on significant instrument/product

Sr	Name of instrument/product	Amount in Rupees	% of Total Liabilities
1	Term Loans	2,070,265,151	34%
2	Non Convertible Debentures	250,000,000	4%

(v) Stock Ratios

Sr	Name of instrument/product	% of Total public funds	% of Total Liab. / Assets
a	Commercial papers	Nil	Nil
b	Non-convertible debentures (original maturity of less than 1 year)	Nil	Nil
c	Other short-term liabilities	Nil	12.8%

(vi) 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.



32.8 The Company has no disclosure to make in respect of the following items as the relevant items are either Nil or Not Applicable

Investments:	<p>Gross Value of Investments Provision for Depreciation on Investments Net Value of Investments Movement of provisions held towards depreciation on investments</p>
Derivatives:	<p>Forward Rate Agreement / Interest Rate Swaps Notional Principal of Swap Agreements Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements Collateral required by the NBFC upon entering into swaps Concentration of credit risk arising from the swaps The fair value of the swap book</p> <p>Exchange Traded Interest Rate Derivatives Notional Principal amount of exchange traded interest rate derivatives undertaken during the year Notional Principal amount of exchange traded interest rate derivatives outstanding as at March 31, 2020 Notional Principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective"</p> <p>Quantitative Disclosures Derivative (Notional Principal Amount) Marked to Market Positions Credit Exposure Unhedged Exposure</p>
Securitisation:	<p>Details of non-performing financial assets purchased No. of accounts purchased during the year Aggregate outstanding</p> <p>Of these, number of accounts restructured during the year Aggregate outstanding</p> <p>Details of non-performing financial assets sold No. of accounts sold Aggregate outstanding Aggregate consideration received</p>
Exposure to Real Estate Sector	<p>Residential Mortgages Commercial Real Estate Investments in Mortgage Backed Securities (MBS) and other securitised exposures</p>



<p>Exposure to Capital Market</p>	<p>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; 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; 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; 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; Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers; 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; Bridge loans to companies against expected equity flows / issues; All exposures to Venture Capital Funds (both registered and unregistered)</p>
<p>Concentration of Deposits</p>	<p>Total Deposits of twenty largest depositors Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC</p>
<p>Other Disclosure</p>	<p>During the year, there are no penalties levied by RBI / other regulators During the year, Company has not postponed revenue recognition on account of pending uncertainties. During the year, Company has not made any draw down of reserves. Company does not have any overseas joint venture / subsidiary. There are no SPVs sponsored by the Company There is no financing of parent company products during the current year and in previous year. The Company has not exceeded single borrower limit and nor has exceeded the group borrower limit. The Company is not registered under any other regulator other than Reserve Bank of India The Company does not have any overseas assets. The Company had no foreign currency exposures or credit exposures in foreign currency at financial year end 31st March 2020 There is no exposure against the intangible securities</p>



32.9 Disclosures relating to Securitisation

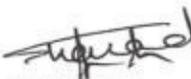
Particulars		As at March 31, 2020	As at March 31, 2019
1	No of SPVs sponsored by the NBFC for securitisation transactions	1	-
2	Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	234,687,780	-
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	27,529,438	-
	a		
	Off balance sheet exposures	-	-
	- First Loss	-	-
	- Others	-	-
	b		
	On Balance sheet exposures	-	-
	- First Loss	-	-
	- Others	27,529,438	-
4	Amount of exposures to securitisation transactions other than MRR	13,540,923	-
	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	11,734,389	-
	- Others*	1,806,534	-
	ii) Exposure to third party securitisations	-	-
	- First Loss	-	-
	- Others	-	-

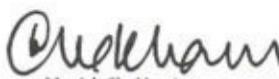
*this does not include the collateralisation of credit enhancing interest only strip and amortisation of securitisation instruments issued.

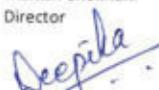
- 33 The Company has elected to exercise the option permitted under Section 115BAA of the income-tax Act, 1961, as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for income tax for the year ended March 31, 2020.
- 34 There is no amount due for payment to the Investor Education and Protection Fund under section 125 of Companies Act, 2013.
- 35 The Company has evaluated the Supreme Court Judgment in case of Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal and the related circular (Circular No. C-1/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In Company's assessment, the above judgement is not likely to have a significant impact and therefore presently no provision has been made in the Financial Statements.
- 36 Disclosures required by paragraph 19 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 are given in Annexure I.
- 37 Previous year's figures have been reclassified/regrouped, wherever necessary, to confirm with current year's classifications.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No.: 012754N/N500016

For and on behalf of the Board of Directors


Sharad Agarwal
Partner
Membership No. 118522


Manish Chokhani
Director


Deepika Thakur Chauhan
Company Secretary


Neeraj Saxena
MD & CEO


Raghavendra Prabhu
CFO

Mumbai
June 10, 2020

Mumbai
June 8, 2020



Schedule to the Balance Sheet of a Non-Deposit Taking Non-Banking Financial Company

(as required in terms of Paragraph 19 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

(All amounts in Rupees lakhs)

		Year ended March 31, 2020	
		Amount outstanding	Amount overdue
Liabilities Side:			
(1)	Loans and advances availed by the non banking financial company inclusive of interest accrued thereon but not paid:		
	(a) Debentures		
	- Secured	-	-
	- Unsecured (other than falling within the meaning of public deposits)	2,500.7	-
	(b) Deferred Credits	-	-
	(c) Term Loans	20,729.3	-
	(d) Inter-Corporate Loans and Borrowing	-	-
	(e) Commercial Paper	-	-
	(f) Public Deposits	-	-
	(g) Other Loans	-	-
Assets Side:			
(2)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:		
	(a) Secured	27,119.5	6.0
	(b) Unsecured	19,629.9	-
(3)	Break up of leased assets and stock on hire and other		
	(i) Lease assets including lease rentals under sundry		
	(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 Asset Finance Company activities:		
	(a) Loans where assets have been repossessed	-	-
	(b) Loans other than (a) above	-	-



Schedule to the Balance Sheet of a Non-Deposit Taking Non-Banking Financial Company

(as required in terms of Paragraph 19 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

(All amounts in Rupees lakhs)

(4)	Break-up of Investments	Year ended March 31, 2020	
		Amount	
	Current Investments:		
	1 Quoted :		
	(i) Shares: (a) Equity		-
	(b) Preference		-
	(ii) Debentures and Bonds		-
	(iii) Units of Mutual Funds		-
	(iv) Government Securities		-
	(v) Others		-
	2 Unquoted :		
	(i) Shares: (a) Equity		-
	(b) Preference		-
	(ii) Debentures and Bonds		-
	(iii) Units of Mutual Funds		-
	(iv) Government Securities		-
	(v) Others		-
	Long Term investments :		
	1 Quoted:		
	(i) Shares: (a) Equity		-
	(b) Preference		-
	(ii) Debentures and Bonds		-
	(iii) Units of Mutual Funds		-
	(iv) Government Securities		-
	(v) Others		-
	2 Unquoted :		
	(i) Shares: (a) Equity		-
	(b) Preference		-
	(ii) Debentures and Bonds		-
	(iii) Units of Mutual Funds		-
	(iv) Government Securities		-
	(v) Others		-



Schedule to the Balance Sheet of a Non-Deposit Taking Non-Banking Financial Company

(as required in terms of Paragraph 19 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

(All amounts in Rupees lakhs)

(5) Borrower group-wise classification of assets financed as in (2) and (3) above:				
Category		Year ended March 31, 2020		
		Amount net of provisions		
		Secured	Unsecured	Total
1	Related Parties			
	(a) Subsidiaries	-	-	-
	(b) Companies in the same group	-	-	-
	(c) Other related parties	-	-	-
2	Other than related parties	27,119.5	19,629.9	46,749.4
	Total	27,119.5	19,629.9	46,749.4

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):			
Category		Year ended March 31, 2020	
		Market value/ break up or fair value or NAV	Book value (Net of provisions)
1	Related Parties		
	(a) Subsidiaries	-	-
	(b) Companies in the same group	-	-
	(c) Other related parties	-	-
2	Other than related parties	-	-
	Total	-	-

(7) Other information		
Particulars		Year ended March 31, 2020
		Amount
(i)	Gross Non-Performing Assets	
	(a) Related Parties	-
	(b) Other than Related Parties	-
(ii)	Net Non-Performing Assets	
	(a) Related Parties	-
	(b) Other than Related Parties	-
(iii)	Assets acquired in satisfaction of debts	-

