

No. \_\_\_\_\_

Addressed to: \_\_\_\_\_

## PLACEMENT MEMORANDUM



### **AUXILO FINSERVE PRIVATE LIMITED (“Issuer” / “Company”)**

A private limited company incorporated under the Companies Act, 2013

**CIN:** U65990MH2016PTC286516

**Date of Incorporation:** October 4, 2016

**Registered Office:** Office No.63, 6<sup>th</sup> Floor, Kalpataru Square, Kondivita Road, Andheri East, Mumbai 400059

**Telephone No.:** 022 6246 3333

**Website:** <http://www.auxilo.com/>

**Placement Memorandum for issue of Debentures on a private placement basis**



**Dated: February 15, 2024**


**Issue of 5,000 (Five Thousand) Secured, Rated, Listed, Redeemable, Taxable, Non-convertible Debentures of face value of Rs. 1,00,000/- (Rupees One Lakh only) each, Rs. 50,00,00,000/- (Rupees Fifty Crores only) with an option to retain additional subscription / green shoe option of up to Rs. 25,00,00,000/- (Rupees Twenty Five Crores only), aggregating up to Rs. 75,00,00,000/- (Rupees Seventy Five Crores Only) on a private placement basis (collectively the “Issue”).**

### **PART A: DISCLOSURES AS PER SEBI DEBT LISTING REGULATIONS:**

Please see below the disclosures as required under the terms of the SEBI Debt Listing Regulations (as defined below):

S.no	Particulars	Relevant Disclosure
1.	<b>Corporate Identity Number of the Issuer</b>	U65990MH2016PTC286516
2.	<b>Permanent Account Number of the Issuer</b>	AAXCS7051B
3.	<b>Date and place of Incorporation of the Issuer</b>	October 4, 2016
4.	<b>Latest registration / identification number issued by any regulatory authority which regulates the Issuer (in this case Reserve Bank of India)</b>	N-13.02186
5.	<b>Registered Office address of the Issuer</b>	Office No.63, 6 <sup>th</sup> Floor, Kalpataru Square, Kondivita Road, Andheri East, Mumbai 400059.
6.	<b>Corporate Office address of the Issuer</b>	Office No.63, 6 <sup>th</sup> Floor, Kalpataru Square, Kondivita Road, Andheri East, Mumbai 400059.
7.	<b>Telephone No of the Issuer</b>	022 6246 3333
8.	<b>Details of Compliance officer of the Issuer</b>	Name: Mr. Sameer Dalvi Contact Details: +91 9819916890 Telephone Number: 022 6246 3329 Email address: <a href="mailto:sameer.dalvi@auxilo.com">sameer.dalvi@auxilo.com</a>

9.	<b>Details of Company Secretary of the Issuer</b>	Name: Ms. Deepika Thakur Chauhan Contact Details: +91 8879736615 Telephone Number: 022 022 6246 3349 Email address: <a href="mailto:deepika.chauhan@auxilo.com">deepika.chauhan@auxilo.com</a>
10.	<b>Details of Chief Financial Officer of the Issuer</b>	Name: Mr. Harsha Saksena Telephone Number: +91 9892949996 Email address: <a href="mailto:harsha.saksena@auxilo.com">harsha.saksena@auxilo.com</a>
11.	<b>Details of Promoters of the Issuer</b>	Name: M/s. Elme Advisors LLP Telephone Number: 022 49490792 Email address: <a href="mailto:ashwin@payash.com">ashwin@payash.com</a>  Name: Mr. Akash Bhanshali Telephone Number: 022 49490792 Email address: <a href="mailto:akash@enam.com">akash@enam.com</a>
12.	<b>Website address of the Issuer</b>	<a href="http://www.auxilo.com/">http://www.auxilo.com/</a>
13.	<b>Email address of the Issuer</b>	<a href="mailto:treasury@auxilo.com">treasury@auxilo.com</a>
14.	<b>Details of debenture trustee for the Issue</b>	Name: Catalyst Trusteeship Limited Address: Windsor, 6th Floor, office No. 604, C.S.T Road, Kalina, Santacruz (East), Mumbai-400098 Logo:  Email address: <a href="mailto:compliancectl-mumbai@ctltrustee.com">compliancectl-mumbai@ctltrustee.com</a> Telephone Number: 022- 49220502 Contact Person: Mr. Umesh Salvi
15.	<b>Details of credit rating agency for the Issue</b>	Name: CARE Ratings Limited Address: 4 <sup>th</sup> Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), GTB Nagar, Lalbaug, Sion East, Mumbai Logo:  Telephone Number: +91 - 80-4662 5538 Email address: <a href="mailto:tony.mathew@careedge.in">tony.mathew@careedge.in</a> Contact person: Mr. Tony Mathew
16.	<b>Details of the Arranger for the Issue</b>	Not Applicable
17.	<b>Date of Placement Memorandum</b>	February 15, 2024
18.	<b>Type of Placement Memorandum</b>	This Placement Memorandum is being issued in relation to the private placement basis of Debentures (which are being issued under the terms hereof in a single series).
19.	<b>The nature, number, price and amount of securities offered and issue size (base issue or green shoe), as may be applicable</b>	Issue of 5,000 (Five Thousand) Secured, Rated, Listed, Redeemable, Taxable, Non-convertible Debentures of face value of Rs. 1,00,000/- (Rupees One Lakh only) each, Rs. 50,00,00,000/- (Rupees Fifty Crores only) with an option to retain additional subscription / green shoe option of up to Rs. 25,00,00,000/- (Rupees Twenty Five Crores only), aggregating up to Rs. 75,00,00,000/- (Rupees Seventy Five Crores Only) on a private placement basis (collectively the "Issue").
20.	<b>The aggregate amount proposed to be raised through all the stages of offers of non-convertible</b>	Not applicable.

<b>securities made through the shelf placement memorandum</b>								
21.	<b>Details of Registrar to the Issue</b>	<p>Name: Link Intime India Private Limited Address: C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083 Logo:</p>  <p>Telephone Number: 022 4918 6000 Fax number: 022 49186060 Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a> Email address: <a href="mailto:amit.dabhade@linkintime.co.in">amit.dabhade@linkintime.co.in</a></p>						
22.	<b>Issue Schedule</b>	<p>Date of opening of the Issue: February 20, 2024 Date of closing of the Issue: February 20, 2024 Date of earliest closing of the Issue (if any): N.A.</p> <p>The Issue shall be open for subscription during the banking hours on each day during the period covered by the Issue Schedule.</p>						
23.	<b>Credit Rating of the Issue</b>	<p>The Debentures proposed to be issued by the Issuer have been rated by CARE Ratings Limited (“<b>Rating Agency</b>” / “<b>CARE</b>”) The Rating Agency has vide its letter dated February 13, 2024 and rating rationale dated February 15, 2024 each assigned a rating of “<b>CARE A+ / Stable</b>” (pronounced as “<b>CARE Single A Plus</b>”) with ‘stable’ outlook in respect of the Debentures. The above rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The ratings may be subject to revision or withdrawal at any time by the rating agency and should be evaluated independently of any other ratings. Please refer to <b>Annexure II</b> of this Placement Memorandum for the letter dated February 15, 2024 and rating rationale dated February 15, 2024 from the Rating Agency assigning the credit rating above mentioned.</p> <p><b><u>Existing Standalone Ratings of the Issuer:</u></b></p> <table border="1"> <thead> <tr> <th><b>Rating Agency</b></th> <th><b>Rating</b></th> </tr> </thead> <tbody> <tr> <td>CARE Ratings Limited</td> <td>CARE A+/ Stable</td> </tr> <tr> <td>CRISIL Ratings Limited</td> <td>CRISIL A/Positive</td> </tr> </tbody> </table>	<b>Rating Agency</b>	<b>Rating</b>	CARE Ratings Limited	CARE A+/ Stable	CRISIL Ratings Limited	CRISIL A/Positive
<b>Rating Agency</b>	<b>Rating</b>							
CARE Ratings Limited	CARE A+/ Stable							
CRISIL Ratings Limited	CRISIL A/Positive							
24.	<b>All the ratings obtained for the private placement of Issue</b>	Please refer to S.no 23 above.						
25.	<b>The name(s) of the stock exchanges where the securities are proposed to be listed</b>	The Debentures are proposed to be listed on the wholesale debt market of the BSE Limited / Bombay Stock Exchange (“ <b>BSE</b> ”).						
26.	<b>The details about eligible investors;</b>	<p>The following categories of investors, when specifically approached and have been identified upfront, are eligible to apply for this private placement of the Bonds subject to fulfilling their respective investment norms/rules and compliance with laws applicable to them by submitting all the relevant documents along with the Application Form (“<b>Eligible Investors</b>”):</p> <p>Qualified Institutional Buyers (“<b>QIBs</b>”) means the following</p>						

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		<p>entities:</p> <ol style="list-style-type: none"><li>a) A mutual fund, venture capital fund, Alternative Investment Fund and Foreign Venture Capital Investor registered with SEBI;</li><li>b) Foreign portfolio investor other than individuals, corporate bodies and family offices;</li><li>c) a Public Financial Institution;</li><li>d) a Scheduled Commercial Bank;</li><li>e) a multilateral and bi-lateral development financial institution;</li><li>f) a State Industrial Development Corporation;</li><li>g) An insurance company registered with Insurance Regulatory and Development Authority of India;</li><li>h) A Provident Fund with minimum corpus of Rs.25 Crores</li><li>i) A Pension Fund with minimum corpus of Rs.25 Crores</li><li>j) National Investment Fund set up by resolution No: F.No.2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India;</li><li>k) An insurance fund set up and managed by Army, Navy / Air force of the Union of India;</li><li>l) Insurance funds set up and managed by the Department of Posts, India; and</li><li>m) Systemically important Non- Banking Financial Companies.</li></ol> <p>Any non-QIB including inter-alia resident individual investors, Hindu Undivided Families (excluding minors and NRIs), Partnership Firms and Limited Liability partnership firms, Trusts (including public charitable trusts), association of persons, societies registered under the Applicable Laws in India, companies, bodies corporate etc., who/ which has been authorized by the Issuer, to participate in a particular issue on the EBP platform.</p> <p>The advisor(s)/ arranger(s)/ placement agent(s), broker(s) associated with the Issue and/or their affiliates/ subsidiaries/ associates/ group companies and/or their promoters/ directors/ key managerial personnel/ officers/ employees may subscribe to the Issue as the applicable laws including but not limited to (i) SEBI (Merchant Bankers) Regulations, 1992 and Code of Conduct specified therein; (ii) Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 and Code of Conduct specified therein, as applicable, do not restrict them from subscribing to the Issue.</p> <p>Note: Participation by potential investors in the issue may be subject to statutory and/or regulatory requirements applicable to them in connection with subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that they comply with all regulatory requirements applicable to them, including exchange controls and other requirements. Applicants ought to seek independent legal and regulatory advice in relation to the laws applicable to them.</p>
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27.	<b>Coupon / dividend rate, coupon / dividend payment frequency, redemption date, redemption amount and details of debenture trustee</b>	<p>In respect of the Coupon Rate, the Coupon Payment Frequency, the Redemption Date and Redemption Amount in respect of the Debentures, please refer to Section 5.40 (<i>Issue Details</i>) of this Placement Memorandum.</p> <p>The details of Debenture Trustee are provided under S. No. 14 above.</p>										
28.	<b>Nature and issue size, base issue and green shoe option, if any, shelf or tranche size, each as may be applicable</b>	<p>Issue of 5,000 (Five Thousand) Secured, Rated, Listed, Redeemable, Taxable, Non-convertible Debentures of face value of Rs. 1,00,000/- (Rupees One Lakh only) each, Rs. 50,00,00,000/- (Rupees Fifty Crores only) with an option to retain additional subscription / green shoe option of up to Rs. 25,00,00,000/- (Rupees Twenty Five Crores only), aggregating up to Rs. 75,00,00,000/- (Rupees Seventy Five Crores Only) on a private placement basis (collectively the "Issue").</p>										
29.	<b>Details about underwriting of the issue including the amount undertaken to be underwritten by the underwriters</b>	Not applicable.										
30.	<b>Inclusion of a compliance clause in relation to electronic book mechanism and details pertaining to the uploading the placement memorandum on the Electronic Book Provider Platform, if applicable.</b>	<p>Electronic Book Mechanism and details pertaining to the uploading the Placement Memorandum on the EBP platform.</p> <p>The Issue shall be open for bidding and subscribed to in accordance with the guidelines issued by SEBI and BSE pertaining to the procedure of Electronic Book Mechanism set out in the terms specified by the operational circulars issued by SEBI and the related operational guidelines issued by the concerned Electronic Book Provider, as may be amended, clarified or updated from time to time.</p> <table border="1" data-bbox="743 1267 1469 2007"> <tr> <td data-bbox="743 1267 1034 1301">Mode of Bidding</td> <td data-bbox="1034 1267 1469 1301">Open</td> </tr> <tr> <td data-bbox="743 1301 1034 1335">Manner of Allotment</td> <td data-bbox="1034 1301 1469 1335">Uniform Yield</td> </tr> <tr> <td data-bbox="743 1335 1034 1877">Issue Size</td> <td data-bbox="1034 1335 1469 1877">Issue of 5,000 (Five Thousand) Secured, Rated, Listed, Redeemable, Taxable, Non-convertible Debentures of face value of Rs. 1,00,000/- (Rupees One Lakh only) each, Rs. 50,00,00,000/- (Rupees Fifty Crores only) with an option to retain additional subscription / green shoe option of up to Rs. 25,00,00,000/- (Rupees Twenty Five Crores only), aggregating up to Rs. 75,00,00,000/- (Rupees Seventy Five Crores Only) on a private placement basis (collectively the "Issue").</td> </tr> <tr> <td data-bbox="743 1877 1034 1910">Manner of Settlement</td> <td data-bbox="1034 1877 1469 1910">ICCL</td> </tr> <tr> <td data-bbox="743 1910 1034 2007">Minimum Bid Lot and Multiple of Single Bid</td> <td data-bbox="1034 1910 1469 2007">Rs.100,00,000/- (Rupees One Crore Only) and in multiple of Rs.1,00,000/- (Rupees One lakh</td> </tr> </table>	Mode of Bidding	Open	Manner of Allotment	Uniform Yield	Issue Size	Issue of 5,000 (Five Thousand) Secured, Rated, Listed, Redeemable, Taxable, Non-convertible Debentures of face value of Rs. 1,00,000/- (Rupees One Lakh only) each, Rs. 50,00,00,000/- (Rupees Fifty Crores only) with an option to retain additional subscription / green shoe option of up to Rs. 25,00,00,000/- (Rupees Twenty Five Crores only), aggregating up to Rs. 75,00,00,000/- (Rupees Seventy Five Crores Only) on a private placement basis (collectively the "Issue").	Manner of Settlement	ICCL	Minimum Bid Lot and Multiple of Single Bid	Rs.100,00,000/- (Rupees One Crore Only) and in multiple of Rs.1,00,000/- (Rupees One lakh
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Manner of Settlement	ICCL											
Minimum Bid Lot and Multiple of Single Bid	Rs.100,00,000/- (Rupees One Crore Only) and in multiple of Rs.1,00,000/- (Rupees One lakh											

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		Only)
	Trading Lot size	Rs.1,00,000/- (Rupees One lakh Only)
	Settlement Cycle	T+1
	Bidding Type / Interest Rate Parameter	Fixed Rate

#### Background

This Placement Memorandum is related to the Debentures to be issued by Auxilo Finserve Private Limited (the “**Issuer**” or “**Company**”) on a private placement basis and contains relevant information and disclosures required for the purpose of issuing of the Debentures. The issue of the Debentures comprised in the Issue and described under this Placement Memorandum has been authorised by the Issuer through resolutions passed by the shareholders of the Issuer on June 28, 2023 and the Board of Directors of the Issuer on May 2, 2023 read with the resolution passed by the Borrowing Committee of the Board of Directors of the Issuer on February 12, 2024 and the Memorandum and Articles of Association of the Company. Pursuant to the resolution passed by the Company’s shareholders dated June 28, 2023 in accordance with provisions of the Companies Act, 2013, the Company has been authorised to raise funds, by way of issuance of non-convertible debentures, upon such terms and conditions as the Board may think fit for aggregate amounts not exceeding Rs. 750,00,00,000/- (Rupees Seventy Hundred and Fifty Crores only). The present issue of Debentures in terms of this Placement Memorandum is within the overall powers of the Board as per the above shareholder resolution(s).

This Issue does not form part of non-equity Tier-II / regulatory capital mentioned under Chapter V of the SEBI Debt Listing Regulations and the Issuer hereby confirms that Chapter V of the SEBI Debt Listing Regulations is not applicable to the present Issue. The face value of each Debenture issued on private placement basis under this Issue shall be Rs. 1,00,000/- (Rupees One Lakh only).

#### Issuer’s Absolute Responsibility

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Placement Memorandum contains all information with regard to the Issuer and the Issue which is material in the context of the Issue, that the information contained in the Placement Memorandum is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading.

#### Issue Schedule

Issue Opening Date	February 20, 2024
Issue Closing Date	February 20, 2024
Pay In Date	February 21, 2024
Deemed Date of Allotment	February 21, 2024

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## SECTION 1: DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or requires, the following terms shall have the meanings given below in this Placement Memorandum.

Allot/Allotment/Allotted	The allotment of the Debentures pursuant to this Issue.
Applicable Law	Includes all applicable statutes, enactments or acts of any legislative body in India, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority and any modifications or re-enactments thereof.
Applicant	means a person who has submitted a completed Application Form to the Issuer in relation to the Debentures in accordance with this Placement Memorandum.
Application Form	The form used by the recipient of this Placement Memorandum, to apply for subscription to the Debentures, which is in the form annexed to this Placement Memorandum and marked as <b>Annexure IV</b> .
Application Money	Means the subscription monies paid by the Applicants at the time of submitting the Application Form.
Board / Board of Directors	The Board of Directors of the Issuer.
Business Day	Any day of the week (excluding Sundays and any day which is a public holiday) on which banks are normally open for business in Mumbai, India and “ <b>Business Day</b> ” shall be construed accordingly.
CDSL	Central Depository Services (India) Limited.
CERSAI	shall mean the Central Registry of Securitisation Asset Reconstruction and Security Interest.
Client Loan	Shall mean each loan made by the Company as a lender and “ <b>Client Loans</b> ” shall refer to the aggregate of such loans.
Company/Issuer	Auxilo Finserve Private Limited.
Crore	Ten Million
Debentures/NCDs	Issue of 5,000 (Five Thousand) Secured, Rated, Listed, Redeemable, Taxable, Non-convertible Debentures of face value of Rs. 1,00,000/- (Rupees One Lakh only) each, Rs. 50,00,00,000/- (Rupees Fifty Crores only) with an option to retain additional subscription / green shoe option of up to Rs. 25,00,00,000/- (Rupees Twenty Five Crores only), aggregating up to Rs. 75,00,00,000/- (Rupees Seventy Five Crores Only) on a private placement basis (collectively the “Issue”)
Debenture Holders / Investors	means initially the persons detailed in the Schedule I of Part D of the Debenture Trust Deed who are the subscribers to the Debentures and for the time being holders of the Debentures and thereafter the subsequent Debenture Holder(s), each of whom fulfils the following requirements: -  (i) Persons who are registered as such as the Beneficial Owner(s); and (ii) Persons who are registered as debenture holder(s) in the Register of Debenture Holder(s); (and shall include registered transferees of the Debentures from time to time with the Company and the Depository) and in the event of any inconsistency between sub paragraph (i) and (ii) above, sub paragraph (i) shall prevail.

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Debenture Trustee	Catalyst Trusteeship Limited
Debenture Trustee Agreement	the debenture trustee agreement executed / to be executed by and between the Debenture Trustee and the Company for the purposes of appointment of the Debenture Trustee to act as debenture trustee in connection with the issuance of the Debentures.
Debenture Trust Deed	the debenture trust deed executed/to be executed by and between the Debenture Trustee and the Company <i>inter alia</i> recording the terms and conditions upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer.
Deed of Hypothecation	the unattested deed of hypothecation to be executed by and between the Issuer and the Debenture Trustee, pursuant to which hypothecation over the Hypothecated Assets shall be created by the Issuer in favour of the Debenture Trustee (acting for and on behalf of the Debenture Holders).
Deemed Date of Allotment	February 21, 2024
Demat	Dematerialized securities which are securities that are in electronic form, and not in physical form, with the entries noted by the Depository.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository	A Depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 2018, as amended from time to time.
Depositories	NSDL and CDSL
Depository Participant / DP	A depository participant as defined under the Depositories Act.
Director(s)	Director(s) of the Issuer.
Disclosure Document / Placement Memorandum	This document which sets out the terms and conditions for the issue and offer of the Debentures by the Issuer on a private placement basis and contains the relevant information in this respect.
DP ID	Depository Participant Identification Number.
Due Date	Any date on which any Payments in relation to the Debentures becomes due and payable to the Debenture Holder(s) in accordance with the terms of the Debenture Trust Deed.
EFT	Electronic Fund Transfer
Electronic Book Provider or EBP	Means a recognized stock exchange(s), which pursuant to obtaining approval from SEBI, provides an electronic platform for private placement of securities (“EBP Platform”).
EBP Guidelines	The guidelines issued by SEBI with respect to electronic book mechanism including under the terms of the SEBI circular dated August 10, 2021 (bearing reference number: SEBI/HO/DDHS/P/CIR/2021/613) as updated vide the SEBI circular dated October 10, 2022 (bearing reference number: SEBI/HO/DDHS/ DDHS_Div1/P/CIR/2022/00139), each as may be further updated, amended, modified or replaced from time to time and the operational guidelines issued by the relevant Electronic Book Provider, as may be amended, clarified or updated from time to time.
Eligible Investors	Shall have the meaning specified in S.no 26 of Part A ( <i>Disclosures</i> ) above.
Final Settlement Date	shall mean the date on which the Payments have been irrevocably discharged in full and all the Debentures have been redeemed by the Company in full in accordance with the terms of the Transaction Documents and the Debenture Holder(s) have provided a written

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	confirmation of the same to the Company (with a copy marked to the Debenture Trustee);
Financial Year/ FY	means the financial year of the Company used for the purposes of accounting.
GAAP	Generally Accepted Accounting Principles prescribed by the Institute of Chartered Accountants of India from time to time and consistently applied by the Issuer.
Governmental Authority	The President of India, the Government of India, the Governor and the Government of any State in India, any ministry or department of the same, any municipal or local government authority, any authority or private body exercising powers conferred by applicable law and any court, tribunal or other judicial or quasi-judicial body and shall include, without limitation, a stock exchange and any regulatory body.
Hypothecated Assets	shall have the meaning assigned to such term in the Deed of Hypothecation.
IBC	shall mean the Insolvency and Bankruptcy Code, 2016 and the rules and regulations issued in respect thereof, as the same may be amended, modified and supplemented from time to time.
IND AS	shall mean the Indian generally accepted accounting principles issued under the Companies (Indian Accounting Standards) Rules, 2015, as amended, together with any pronouncements issued under applicable law thereon from time to time and applied on a consistent basis by the Company.
Information Utility	means the National E-Governance Services Limited or any other entity registered as an information utility under the Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017.
Issue	Private Placement of the Debentures.
Issue Closing Date	February 20, 2024
Issue Opening Date	February 20, 2024
Majority Debenture Holders	Debenture Holder(s) holding an aggregate amount representing not less than 51% (Fifty One per cent) of the value of the nominal amount of the Debentures for the time being outstanding.
Material Adverse Effect	shall mean, with respect to any entity, the effect or consequence of an event, circumstance, occurrence or condition including change in credit rating/ outlook/ opinion, change in senior management team, change in the statutory auditor of the Company, other than required by the Applicable Law, change in the members of the Board of Directors' of the Company which has caused, as of any date of determination, or could reasonably be expected to cause a material and adverse effect on: (i) the financial condition, business or operation of the entity which in the opinion of the Debenture Holder is prejudicial to the ability of the entity to perform its obligations under the Transaction Documents; (ii) on the rights or remedies of the Debenture Holders hereunder or under any other Transaction Documents; (iii) the ability of the entity to perform its obligations under the Transaction Documents; or (iv) the legality, validity or enforceability of any of the Transaction Documents
Maturity Date	shall have the meaning assigned to such term under the paragraph on " <i>Redemption Date / Maturity Date</i> " under Section 5.40 ( <i>Issue Details</i> ) of this Placement Memorandum.
N.A.	Not Applicable

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NBFC	Non-banking financial company
NBFC Directions	Shall mean the RBI Master Direction dated September 1, 2016 bearing reference no. DNBR.PD. PD. 008/03.10.119/2016-17 on 'Non-Banking Financial Company –Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016' (as amended, updated or replaced from time to time).
NSDL	National Securities Depository Limited
PAN	Permanent Account Number
Payments	shall mean all payments to be made by the Company in relation to the Issue including payment of principal amount, Coupon, Redemption Amount, Default Interest, remuneration of the Debenture Trustee, and all fees, costs, charges, expenses and other monies.
Private Placement Offer cum Application Letter	The private placement offer cum application letter prepared in compliance with Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and as annexed in Section 10 of this Placement Memorandum.
Promoter	shall have the meaning assigned to such term under Regulation 2(1)(zb) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time.
Promoter Group	shall have the meaning assigned to such term under Section 2(69) of the Act and under Regulation 2 (1)(za) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time.
Rating Agency	CARE Ratings Limited, being a credit rating agency registered with SEBI pursuant to SEBI (Credit Rating Agencies) Regulations 1999, as amended from time to time and having its registered office at 4 <sup>th</sup> Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400022.
RBI	Reserve Bank of India.
Receivables	shall have the meaning assigned to such term in the Deed of Hypothecation.
Record Date	shall mean in relation to any Due Date, closed 5 (Five) calendar days prior to each Due Date or any other payment date by acceleration. In the event the Record date falls on a day which is not a Business Day, the next Business Day will be considered as the Record Date.
Register of Debenture Holders	the register maintained by the Company containing the name(s) of the Debenture Holder(s) in the form and manner as prescribed under the Companies (Management and Administration Rules), 2014, which register shall be maintained at the registered office of the Company.
R&T Agent	Registrar and Transfer Agent to the Issue, in this case being Link Intime India Private Limited.
ROC	Registrar of Companies.
Rs. / INR	Indian National Rupee.
RTGS	Real Time Gross Settlement.
SEBI	Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 (as amended from time to time).
SEBI Debt Listing Regulations	The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, read with the SEBI's circular bearing the reference number SEBI/HO/DDHS/DDHS-

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	RACPOD1/P/CIR/2023/027 dated February 8, 2023 on "Clarification w.r.t. issuance and listing of perpetual debt instruments, perpetual non-cumulative preference shares and similar instruments under Chapter V of the SEBI (Issue and Listing of Non-convertible Securities) Regulations, 2021", and each as may be further updated, amended, modified or replaced from time to time.
Security	The security for the Debentures as specified in Section 5.40 of this Placement Memorandum.
TDS	Tax Deducted at Source.
The Companies Act/ the Act / the Companies Act, 2013	shall mean the Companies Act, 2013, along with the rules and regulations made thereunder and the notifications, circulars and orders issued in relation thereto, as amended from time to time.
Transaction Documents	shall mean the documents executed in relation to the issue of the Debentures and shall include the Placement Memorandum, the Private Placement Offer cum Application Letter, the Trustee Agreement, the Debenture Trust Deed, the Deed of Hypothecation and any other document that may be agreed by the Company and the Debenture Trustee to be designated as a Transaction Document.
WDM	Wholesale Debt Market segment of the BSE
Wilful Defaulter	Shall mean an Issuer who is categorized as a wilful defaulter by any Bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes an issuer whose director or promoter is categorized as such in accordance with Regulation 2(ss) of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time.

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## SECTION 2: NOTICE TO INVESTORS AND DISCLAIMERS

### 2.1 ISSUER'S DISCLAIMER

This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus and should not be construed to be a prospectus or a statement in lieu of a prospectus under the Companies Act. The issue of the Debentures to be listed on the WDM segment of the BSE is being made strictly on a private placement basis. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. This Placement Memorandum does not constitute and shall not be deemed to constitute an offer or invitation to subscribe to the Debentures to the public in general.

As per the applicable provisions, it is not necessary for a copy of this Placement Memorandum to be filed or submitted to the SEBI for its review and/or approval. This Placement Memorandum has been prepared in conformity with the SEBI Debt Listing Regulations as amended from time to time and applicable RBI regulations governing private placements of debentures by NBFCs. This Placement Memorandum has been prepared solely to provide general information about the Issuer to Eligible Investors to whom it is addressed and who are willing and eligible to subscribe to the Debentures. This Placement Memorandum does not purport to contain all the information that any Eligible Investor may require. Further, this Placement Memorandum has been prepared for informational purposes relating to this transaction only and upon the express understanding that it will be used only for the purposes set forth herein.

Neither this Placement Memorandum nor any other information supplied in connection with the Debentures is intended to provide the basis of any credit or other evaluation and any recipient of this Placement Memorandum should not consider such receipt as a recommendation to subscribe to any Debentures. Each potential Investor contemplating subscription to any Debentures should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. Potential investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the appropriate resources to analyze such investment and the suitability of such investment to such potential Investor's particular circumstances.

The Issuer confirms that, as of the date hereof, this Placement Memorandum (including the documents incorporated by reference herein, if any) contains all the information that is material in the context of the Issue and regulatory requirements in relation to the Issue and is accurate in all such material respects. No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Placement Memorandum or in any material made available by the Issuer to any potential Investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer. The Issuer certifies that the disclosures made in this Placement Memorandum and/or the Private Placement Offer cum Application Letter are adequate and in conformity with the SEBI Debt Listing Regulations and the Companies (Prospectus and Allotment of Securities) Rules, 2014. Further, the Issuer accepts no responsibility for statements made otherwise than in the Placement Memorandum or any other material issued by or at the instance of the Issuer and anyone placing reliance on any source of information other than this Placement Memorandum would be doing so at its own risk.

**This Placement Memorandum, the Private Placement Offer cum Application Letter and the respective contents hereof respectively, are restricted only for the intended recipient(s) who have been addressed directly and specifically through a communication by the Issuer and only such recipients are eligible to apply for the Debentures. All Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue.**

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**The contents of this Placement Memorandum and/or the Private Placement Offer cum Application Letter are intended to be used only by those Investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.**

No invitation is being made to any persons other than those to whom Application Forms along with this Placement Memorandum and/or the Private Placement Offer cum Application Letter being issued have been sent. Any application by a person to whom the Placement Memorandum and/or the Private Placement Offer cum Application Letter has not been sent by the Issuer shall be rejected without assigning any reason.

The person who is in receipt of this Placement Memorandum and/or the Private Placement Offer cum Application Letter shall not reproduce or distribute in whole or in part or make any announcement in public or to a third party regarding the contents hereof without the consent of the Issuer. The recipient agrees to keep confidential all information provided (or made available hereafter), including, without limitation, the existence and terms of the Issue, any specific pricing information related to the Issue or the amount or terms of any fees payable to us or other parties in connection with the Issue. This Placement Memorandum and/or the Private Placement Offer cum Application Letter may not be photocopied, reproduced, or distributed to others at any time without the prior written consent of the Issuer. Upon request, the recipients will promptly return all material received from the Issuer (including this Placement Memorandum) without retaining any copies hereof. If any recipient of this Placement Memorandum and/or the Private Placement Offer cum Application Letter decides not to participate in the Issue, that recipient must promptly return this Placement Memorandum and/or the Private Placement Offer cum Application Letter and all reproductions whether in whole or in part and any other information statement, notice, opinion, memorandum, expression or forecast made or supplied at any time in relation thereto or received in connection with the Issue to the Issuer.

The Issuer does not undertake to update the Placement Memorandum and/or the Private Placement Offer cum Application Letter to reflect subsequent events after the date of Placement Memorandum and/or the Private Placement Offer cum Application Letter and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer.

Neither the delivery of this Placement Memorandum and/or the Private Placement Offer cum Application Letter nor any sale of Debentures made hereafter shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof.

This Placement Memorandum and/or the Private Placement Offer cum Application Letter does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the Debentures or the distribution of this Placement Memorandum and/or the Private Placement Offer cum Application Letter in any jurisdiction where such action is required. Persons into whose possession this Placement Memorandum and/or the Private Placement Offer cum Application Letter comes are required to inform themselves of, and to observe, any such restrictions. The Placement Memorandum is made available to potential Investors in the Issue on the strict understanding that it is confidential.

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## **2.2 DISCLAIMER CLAUSE OF STOCK EXCHANGES**

As required, a copy of this Placement Memorandum has been filed with the BSE in terms of the SEBI Debt Listing Regulations. It is to be distinctly understood that submission of this Placement Memorandum to the BSE should not in any way be deemed or construed to mean that this Placement Memorandum has been reviewed, cleared, or approved by the BSE; nor does the BSE in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Placement Memorandum, nor does the BSE warrant that the Issuer's Debentures will be listed or will continue to be listed on the BSE; nor does the BSE take any responsibility for the soundness of the financial and other conditions of the Issuer, its promoters, its management or any scheme or project of the Issuer.

## **2.3 DISCLAIMER CLAUSE OF RBI**

The company is having a valid certificate of registration issued by the Reserve Bank of India under Section 45 IA of the Reserve Bank of India Act, 1934. However, the RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the company or for the correctness of any of the statements or representations made or opinions expressed by the company and for repayment of deposits/ discharge of liability by the company.

## **2.4 DISCLAIMER CLAUSE OF SEBI**

As per the provisions of the SEBI Debt Listing Regulations, it is not stipulated that a copy of this Placement Memorandum has to be filed with or submitted to the SEBI for its review / approval. It is to be distinctly understood that this Placement Memorandum should not in any way be deemed or construed to have been approved or vetted by SEBI and that this Issue is not recommended or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any proposal for which the Debentures issued thereof is proposed to be made or for the correctness of the statements made or opinions expressed in this Placement Memorandum.

## **2.5 DISCLAIMER IN RESPECT OF JURISDICTION**

This Issue is made in India to investors as specified under the paragraph titled "Eligible Investors" of this Placement Memorandum, who shall be/have been identified upfront by the Issuer. This Placement Memorandum and/or the Private Placement Offer cum Application Letter does not constitute an offer to sell or an invitation to subscribe to Debentures offered hereby to any person to whom it is not specifically addressed. Save and except as set out therein, any disputes arising out of this Issue shall be settled by arbitration in accordance with the provisions of the Arbitration and Conciliation Act, 1996 in the manner set out under the Debenture Trust Deed. This Placement Memorandum and/or the Private Placement Offer cum Application Letter does not constitute an offer to sell or an invitation to subscribe to the Debentures herein, in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction.

## **2.6 DISCLAIMER IN RESPECT OF RATING AGENCIES**

Ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. The Rating Agency has based its ratings on information obtained from sources believed by it to be accurate and reliable. The Rating Agency does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by the Rating Agency have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

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## **2.7 ISSUE OF DEBENTURES IN DEMATERIALIZED FORM**

The Debentures will be issued in dematerialised form. The Issuer has made arrangements with the Depositories for the issue of the Debentures in dematerialised form. Investors will have to hold the Debentures in dematerialised form as per the provisions of Depositories Act. The Issuer shall take necessary steps to credit the Debentures allotted to the beneficiary account maintained by the Investor with its depository participant. The Issuer will make the allotment to the Investors on the Deemed Date of Allotment after verification of the Application Form, the accompanying documents and on realisation of the Application Money.

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### SECTION 3: RISK FACTORS

The following are the risks relating to the Company, the Debentures and the market in general envisaged by the management of the Company. Potential Investors should carefully consider all the risk factors stated in this Placement Memorandum and/or the Private Placement Offer cum Application Letter for evaluating the Company and its business and the Debentures before making any investment decision relating to the Debentures. The Company believes that the factors described below represent the principal risks inherent in investing in the Debentures. Potential Investors should also read the detailed information set out elsewhere in this Placement Memorandum and/or the Private Placement Offer cum Application Letter and reach their own views prior to making any investment decision.

#### 3. GENERAL RISKS

##### 3.1 RISKS IN RELATION TO THE NON-CONVERTIBLE SECURITIES:

(a) Repayment is subject to the credit risk of the Issuer.

Potential Investors should be aware that receipt of the principal amount, (i.e. the redemption amount) and any other amounts that may be due in respect of the Debentures is subject to the credit risk of the Issuer. Potential Investors assume the risk that the Issuer will not be able to satisfy their obligations under the Debentures. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Issuer, the payment of sums due on the Debentures may not be made or may be substantially reduced or delayed.

(b) The secondary market for non-convertible securities may be illiquid.

The non-convertible securities may be very illiquid and no secondary market may develop in respect thereof. Even if there is a secondary market for the non-convertible securities, it is not likely to provide significant liquidity. Potential Investors may have to hold the Debentures until redemption to realize any value.

(c) Credit Risk & Rating Downgrade Risk

The Rating Agency has assigned the credit ratings to the Debentures. In the event of deterioration in the financial health of the Issuer, there is a possibility that the rating agency may downgrade the rating of the Debentures. In such cases, potential Investors may incur losses on revaluation of their investment or make provisions towards sub-standard/ non-performing investment as per their usual norms.

(d) Changes in interest rates may affect the price of Debentures.

All securities where a fixed rate of interest is offered, such as this Issue, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the pricing of the Debentures.

(e) Tax Considerations and Legal Considerations:

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Special tax considerations and legal considerations may apply to certain types of investors. Potential Investors are urged to consult with their own financial, legal, tax and other advisors to determine any financial, legal, tax and other implications of this investment.

(f) Accounting Considerations:

Special accounting considerations may apply to certain types of taxpayers. Potential Investors are urged to consult with their own accounting advisors to determine implications of this investment.

(g) Material changes in regulations to which the Issuer is subject could impair the Issuer's ability to meet payment or other obligations.

The Issuer is subject generally to changes in Indian law, as well as to changes in government regulations and policies and accounting principles. Any changes in the regulatory framework could adversely affect the profitability of the Issuer or its future financial performance, by requiring a restructuring of its activities, increasing costs or otherwise.

**3.2 RISKS IN RELATION TO THE SECURITY CREATED IN RELATION TO THE DEBT SECURITIES. FURTHER, ANY RISKS IN RELATION TO MAINTENANCE OF SECURITY COVER OR FULL RECOVERY OF THE SECURITY IN CASE OF ENFORCEMENT**

(a) Security may be insufficient to redeem the Debentures

In the event that the Company is unable to meet its payment and other obligations towards Investors under the terms of the Debentures, the Debenture Trustee may enforce the Security as per the terms of security documents, and other related documents executed in relation to the Debentures. The Debenture Holder(s)' recovery in relation to the Debentures will be subject to (i) the market value of such Security (ii) finding willing buyers for the Security at a price sufficient to repay the Debenture Holder(s)' amounts outstanding under the Debentures. There is a risk that the value realised from the enforcement of the Security may be insufficient to redeem the Debentures.

(b) If secured, any risks in relation to maintenance of security cover or full recovery of the security in case of enforcement

As of date, the Issuer is maintaining the security cover as per the terms of all its existing issuances and as required as per the terms of the respective debenture trust deed(s) and transaction document(s) executed from time to time.

**3.3 REFUSAL IN LISTING OF ANY SECURITY OF THE ISSUER DURING LAST THREE YEARS BY ANY OF THE STOCK EXCHANGES IN INDIA OR ABROAD:**

As of date, the Issuer has not been refused in listing of any security during the last 3 years by any of the stock exchanges in India or abroad and therefore, this would not be applicable.

**3.4 LIMITED OR SPORADIC TRADING OF NON-CONVERTIBLE SECURITIES OF THE ISSUER ON STOCK EXCHANGES:**

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As of date, we are not aware of any limited or sporadic trading of the non-convertible securities of the Issuer on stock exchanges and therefore, this would not be applicable.

**3.5 IN CASE OF OUTSTANDING DEBT INSTRUMENTS OR DEPOSITS OR BORROWINGS, ANY DEFAULT IN COMPLIANCE WITH THE MATERIAL COVENANTS SUCH AS CREATION OF SECURITY AS PER TERMS AGREED, DEFAULT IN PAYMENT OF INTEREST, DEFAULT IN REDEMPTION OR REPAYMENT, NON-CREATION OF DEBENTURE REDEMPTION RESERVE, DEFAULT IN PAYMENT OF PENAL INTEREST WHEREVER APPLICABLE**

As of date, the Issuer has not defaulted in compliance with any material covenants agreed to by the Issuer and therefore, this would not be applicable.

**3.6 RISKS RELATED TO THE BUSINESS OF THE ISSUER**

- (a) *The Issuer provides unsecured loans to the clients and if the Issuer is unable to control the level of non-performing loans (“NPAs”) in the future, or if the Issuer’s loan loss reserves are insufficient to cover future loan losses, the financial condition and results of operations may be materially and adversely affected.*

The Issuer cannot assure that it will be able to effectively control and reduce the level of the NPAs of its Client Loans. The amount of its reported NPAs may increase in the future as a result of growth of Client Loans, and also due to factors beyond its control. If the Issuer is unable to manage its NPAs or adequately recover its loans, the results of its operations will be adversely affected.

As at December 31, 2023, the gross NPA was Rs. 30.28 Crore on a gross portfolio of Rs. 2,752.19 Crore (including managed / securitized portfolio of Rs. 196.93 Crore).

The Issuer cannot assure that the Issuer will be able to effectively control and reduce the level of the impaired loans in its total loan portfolio. The amount of the Issuer’s reported non-performing loans may increase in the future as a result of growth in the total loan portfolio, and also due to factors beyond the Issuer’s control, such as over-extended member credit that we are unaware of. Failure to manage NPAs or effect recoveries will result in operations being adversely affected.

The Issuer’s current loan loss reserves may not be adequate to cover an increase in the amount of NPAs or any future deterioration in the overall credit quality of the Issuer’s total loan portfolio. As a result, if the quality of the Issuer’s total loan portfolio deteriorates the Issuer may be required to increase the loan loss reserves, which will adversely affect the Issuer’s financial condition and results of operations. The Issuer’s members largely belong to low-income segment and, as a result, might be vulnerable if economic conditions worsen or growth rates decelerate in India, or if there are natural disasters such as floods and droughts in areas where the Issuer’s members live. Moreover, there is no precise method for predicting loan and credit losses, and the Issuer cannot assure that the Issuer’s monitoring and risk management procedures will effectively predict such losses or that loan loss reserves will be sufficient to cover actual losses. If the Issuer is unable to control or reduce the level of its NPAs or poor credit quality loans, the Issuer’s financial condition and results of the Issuer’s operations could be materially and adversely affected.

- (b) *Liquidity Risks or risk of asset liability mismatch*

The issuer being an NBFC is always subject to asset liability management risks i.e. the risk of repaying the liabilities on timely basis or risk of not being able to infuse additional

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capital or risk of not being able to raise fresh funds from banks or markets to meet its liabilities. This liquidity risk may arise due to various macro or micro factors which may not be in control of the Company.

- (c) ***Large scale attrition, especially at the senior management level, can make it difficult for the Issuer to manage its business.***

If the Issuer is not able to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain the Issuer's quality and reputation, it will be difficult for the Issuer to manage its business and growth. The Issuer depends on the services of its executive officers and key employees for its continued operations and growth. In particular, the Issuer's senior management has significant experience in the banking and financial services industries. The loss of the services of such personnel or the inability to identify, attract and retain qualified personnel in the future would make it difficult for the Issuer to manage its business and growth and to meet key objectives.

- (d) ***Competition from banks and financial institutions, as well as state-sponsored social programs, may adversely affect our profitability and position in the Indian lending industry***

The Issuer faces most significant competition from other NBFCs and banks in India. Many of the institutions with which Issuer competes have greater assets and better access to, and lower cost of, funding than the issuer. In certain areas, they may also have better name recognition and larger member bases than Issuer. The Issuer anticipates that it may encounter greater competition as they continue expanding the operations in India, which may result in an adverse effect on the business, results of operations and financial condition.

- (e) ***The Issuer is exposed to certain political, regulatory and concentration of risks***

Due to the nature of its operations, the Issuer is exposed to political, regulatory and concentration risks. The Issuer believes a mitigant to this is to expand its geographical reach and may consequently expand its operations other states. If it is not effectively able to manage such operations and expansion, it may lose money invested in such expansion, which could adversely affect its business and results of operations.

Large scale attrition, especially at the senior management level, can make it difficult for the Issuer to manage its business.

If the Issuer is not able to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain the Issuer's quality and reputation, it will be difficult for the Issuer to manage its business and growth. The Issuer depends on the services of its executive officers and key employees for its continued operations and growth. In particular, the Issuer's senior management has significant experience in the microfinance, banking and financial services industries. The loss of any of the Issuer's executive officers, key employees or senior managers could negatively affect its ability to execute its business strategy, including its ability to manage its rapid growth. The Issuer's business is also dependent on its team of personnel who directly manage its relationships with its members. The Issuer's business and profits would suffer adversely if a substantial number of such personnel left the Issuer or became ineffective in servicing its members over a period of time. The Issuer's future success will depend in large part on its ability to identify, attract and retain highly skilled managerial and other personnel. Competition for individuals with such specialized knowledge and experience is intense in this industry, and the Issuer may be unable to attract, motivate, integrate or retain qualified personnel at levels

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of experience that are necessary to maintain its quality and reputation or to sustain or expand its operations. The loss of the services of such personnel or the inability to identify, attract and retain qualified personnel in the future would make it difficult for the Issuer to manage its business and growth and to meet key objectives.

- (f) ***The Issuer's business and results of operations would be adversely affected by strikes, work stoppages or increased wage demands by employees***

The employees are not currently unionized. However, there can be no assurance that they will not unionize in the future. If the employees unionize, it may become difficult to maintain flexible labour policies, and could result in high labour costs, which would adversely affect the Issuer's business and results of operations.

- (g) ***The Issuer's insurance coverage may not adequately protect it against losses. Successful claims that exceed its insurance coverage could harm the Issuer's results of operations and diminish its financial position***

There are various types of risks and losses for which the Issuer does not maintain insurance, such as losses due to business interruption and natural disasters, because they are uninsurable. A successful assertion of such large claims against the Issuer that exceeds its available insurance coverage or results in changes in its insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect the Issuer's business, financial condition and results of operations. Such risks are normally minimized through strong Risk Management practices of the Company.

- (h) ***The economic fallout from the spread of the COVID-19 virus may impact the Issuer's business prospects, financial condition, result of operations and credit risk***

The spread of the COVID-19 virus has affected millions across the globe and the same coupled with measures taken by the governments including lockdowns/ curfew has not only affected day to day lives of people but has also given a hard blow to the supply chain of factories, with trade routes being disturbed and slowing down of the industry, trade, commerce and business activities across all sectors.

The COVID-19 virus pandemic is adversely affecting, and is expected to continue to adversely affect, our operations, business, liquidity and cashflows, and we have experienced and expect to continue to experience unpredictable reductions in demand for certain of our products and services.

However, the extent of negative financial impact cannot be reasonably estimated at this time but a sustained economic slowdown may significantly affect our business, financial condition, liquidity, cashflows and results of operations and the same will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the COVID-19 virus and the actions to contain the COVID-19 virus or treat its impact, among others. Consequently, there may be a negative effect on the Company's ability to service the obligations in relation to the Debentures.

- (i) ***Economic Risk in India:***

The Issuer operates only within India and, accordingly, all of its revenues are derived from the domestic market. As a result, it is highly dependent on prevailing economic conditions in India and its results of operations are significantly affected by factors influencing the

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Indian economy. An uncertain economic situation, in India and globally, could result in a further slowdown in economic growth, investment and consumption. A slowdown in the rate of growth in the Indian economy could result in lower demand for credit and other financial products and services and higher defaults. Any slowdown in the growth or negative growth of sectors where the Issuer has a relatively higher exposure could adversely impact its performance. Any such slowdown could adversely affect its business, prospects, results of operations and financial condition.

### **3.7 ANY OTHER RISK FACTORS**

(a) Legality of Purchase

Potential Investors in the Debentures will be responsible for the lawfulness of the acquisition of the Debentures, whether under the laws of the jurisdiction of their incorporation or the jurisdiction in which they operate or for compliance by that potential Investor with any law, regulation or regulatory policy applicable to it.

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#### **SECTION 4: FINANCIAL STATEMENTS**

The audited financial statements of the Issuer for the year ended March 31, 2023, 31<sup>st</sup> March 2022, March 31, 2021 and unaudited financial statements for quarter ended September 30, 2023 are set out in **Annexure V** hereto.

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## SECTION 5: REGULATORY DISCLOSURES

The Placement Memorandum is prepared in accordance with the provisions of SEBI Debt Listing Regulations and in this section, the Issuer has set out the details required as per Schedule II of the SEBI Debt Listing Regulations.

### 5.1 Documents Submitted to the Exchanges

The following documents have been / shall be submitted to the BSE:

- (a) this Placement Memorandum;
- (b) Memorandum and Articles of Association of the Issuer;
- (c) Copy of the necessary resolution(s) authorizing the borrowings, issuance of the Debentures and list of authorized signatories for the allotment of securities;
- (d) Copy of last 3 (Three) years audited Annual Reports;
- (e) Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- (f) Copy of the resolutions passed by the Board of Directors of the Company at their meeting held on May 2, 2023 read with the resolution passed by the Borrowing Committee of the Board of Directors of the Company dated February 12, 2024 authorising the issuance of the Debentures by the Company;
- (g) Copy of the resolution passed by the shareholders of the Company at the Annual General Meeting held on June 28, 2023 authorizing the issue / offer of non-convertible debentures by the Company;
- (h) An undertaking from the Issuer stating that the necessary documents for the creation of the charge, where applicable, including the Trust Deed would be executed within the time frame prescribed in the relevant regulations/acts/rules etc. and the same would be uploaded on the website of the BSE, where such securities have been proposed to be listed;
- (i) Due diligence certificate issued by the Debenture Trustee as per terms of the SEBI circular dated November 3, 2020;
- (j) Where applicable, an undertaking that permission/consent from the prior creditor for a second or *pari passu* charge being created, in favour of the debenture trustee to the proposed issue has been obtained; and
- (k) Any other particulars or documents that the recognized stock exchange may call for as it deems fit.

### 5.2 Documents Submitted to Debenture Trustee

The following documents have been / shall be submitted to the Debenture Trustee in electronic form (soft copy) on or before the allotment of the Debentures:

- (a) Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures;
- (b) Copy of last 3 (Three) years audited Annual Reports;
- (c) Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- (d) Latest audited / limited review half yearly consolidated (wherever available) and standalone financial information (profit & loss statement, balance sheet and cash flow statement) and auditor qualifications, if any;
- (e) An undertaking to the effect that the Issuer would, until the redemption of the debt securities, submit the details mentioned in point (d) above to the Debenture Trustee within the timelines as mentioned in the Simplified Listing Agreement issued by SEBI vide circular No. SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009/ Uniform Listing Agreement as prescribed in SEBI's circular no. CFD/CMD/6/2015 dated October 13, 2015


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as amended from time to time, for furnishing / publishing its half yearly/ annual results. Further, the Issuer shall within 180 (One Hundred and Eighty) days from the end of the financial year, submit a copy of the latest annual report to the Debenture Trustee and the Debenture Trustee shall be obliged to share the details submitted under this clause with all 'Qualified Institutional Buyers' (QIBs) and other existing debenture-holders within 2 (Two) working days of their specific request.




### 5.3 Details of Promoters of the Issuer:

S.no	Details of Promoter	Description	Description
1.	Name of promoter	Mr. Akash Bhanshali	M/s. Elme Advisors LLP
2.	Date of Birth	06/09/1973	26/02/2010
3.	Age	50	-
4.	Personal Addresses	12 Laxmi Villas, 1 <sup>st</sup> Floor, 87 Nepean Sea Road, Malabar Hill, Mumbai – 400006	17 / 19, 2 <sup>nd</sup> Floor, Khatau Building, 44 Bank Street, Fort, Mumbai 400001
5.	Education Qualifications	<b>Chartered Accountant</b>	--
6.	Experience in the business or employment	24 years	--
7.	positions/posts held in the past by the promoter	Mr. Akash Bhanshali heads the proprietary investments activity at Enam Holdings Pvt Ltd with over 25 years of a track record of investing in Indian Capital Markets	--
8.	directorships held by the promoter	<ul style="list-style-type: none"> <li>- Enam Holdings Private Limited</li> <li>- Profitex Shares &amp; Securities Private Limited</li> <li>- Fortuity Investments Private Limited</li> <li>- Amity Solar Power Park Private Limited</li> <li>- Samvibhag Trusteeship Private Limited</li> </ul>	-
9.	Other ventures of the promoter	<ul style="list-style-type: none"> <li>- Elme Advisors LLP ((Designated Partner)</li> <li>- Aadi Financial Advisors LLP (Designated Partner)</li> <li>- Gyanmay Investment Advisors LLP (Partner)</li> <li>- Sapientia Holdings LLP (Designated Partner)</li> <li>- Khas Advisory LLP (Designated Partner)</li> </ul>	
10.	Special achievements	--	--
11.	Business and financial activities of the promoter	Mr. Bhanshali leads the principal investments unit of Enam Holdings Pvt Ltd.	--

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12.	Photograph		--
13.	Permanent Accountant Number	AADPB5433H	AALFP4726D
14.	Aadhar Number	396524928051	-
15.	Passport Number	Z3606591	-

#### 5.4 Details of specific entities in relation to the Issue:

S.no	Particulars	Details
1.	Debenture Trustee to the Issue	<p>Name: Catalyst Trusteeship Limited Logo: </p> <p>Address: Windsor, 06th Floor Office No. 604, C.S.T Road, Kalina, Santacruz (East) Mumbai -400098 Website: <a href="http://www.catalysttrustee.com">www.catalysttrustee.com</a> Email address: <a href="mailto:compliancectl-mumbai@ctltrustee.com">compliancectl-mumbai@ctltrustee.com</a> Telephone Number: 022- 49220502 Contact Person: Mr. Umesh Salvi</p>
2.	Credit Rating Agency for the Issue	<p>Name: CARE Ratings Limited Address: 4<sup>th</sup> Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), GTB Nagar, Lalbaug, Sion East, Mumbai</p> <p>Logo: </p> <p>Telephone Number: +91 - 80-4662 5538 Email address: <a href="mailto:tony.mathew@careedge.in">tony.mathew@careedge.in</a> Contact person: Mr. Tony Mathew</p>
3.	Registrar to the Issue	<p><b>Name:</b> Link Intime India Private Limited Logo: </p> <p>Address: C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083 Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a> Email address: <a href="mailto:amit.dabhade@linkintime.co.in">amit.dabhade@linkintime.co.in</a> Telephone Number: 4918 6000 Contact Person: Mr. Amit Dabhade</p>
4.	Statutory Auditors	Name: Nangia & Co LLP

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		<p>Logo:</p> <p><b>NANGIA &amp; CO LLP</b></p> <p>Address: Unit No. 1101, 11th Floor, B Wing, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai -400013</p> <p>Website: <a href="http://www.nangia.com">www.nangia.com</a></p> <p>Email address: <a href="mailto:info@nangia.com">info@nangia.com</a></p> <p>Telephone Number: 022 6173 7000</p> <p>Contact Person: Ms. Ayushi Bafna</p>
5.	Guarantor (if applicable)	<p>Name: N.A.</p> <p>Logo: N.A.</p> <p>Address: N.A.</p> <p>Website: N.A.</p> <p>Email address: N.A.</p> <p>Telephone Number: N.A.</p> <p>Contact Person: N.A.</p>
6.	Arrangers, if any	Not Applicable

**5.5 About the Issuer: A brief summary of business / activities of the Issuer and its subsidiaries with the details of branches or units if any and its line of business containing at least the following information:**

**(a) Overview of the business of the Issuer**

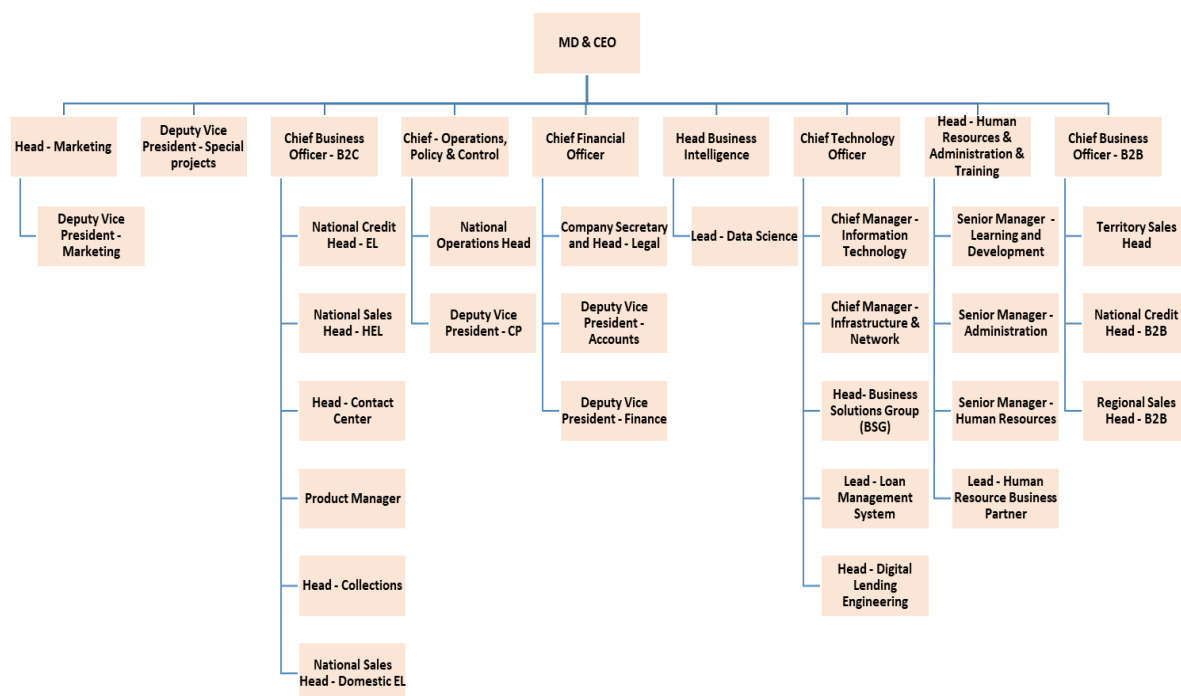
Auxilo Finserve Private Limited (Auxilo) is a pro-education NBFC poised on serving the financing gaps in the Indian education sector, with its focus on the core mission to provide financial assistance to the entire Education Ecosystem and scaling the education infrastructure through innovative financial solution delivery. Auxilo's endeavor is to create a brand which is trusted and respected in education space.

Auxilo's Business Model can be broadly divided in to three segments:

- a) Student Education Loans (B2C) : Aims to provides finance for the higher education needs of the Indian youth and offers financial assistance to students seeking to advance their skillset through higher education in India and Abroad.
- b) Skill Development Loans: The company has partnered with the National Skill Development Corporation (NSDC) and aims to provide lfinance to students of NSDC affiliated training partners to enhance their skill sets and align the same with the evolving demands of the job market domestically and internationally.
- c) Education Institution Loans (B2B): Aims to provides finance for the working and growth capital needs of educational institutes in Tier 2 and Tier 3 cities.

**(b) Corporate Structure of the Issuer:**

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- (c) **Project cost and means of financing, in case of funding of new projects –**  
NIL

**5.6 Key Operational and Financial Parameters on a consolidated and standalone basis:**

Rs in Crores

Particulars	March 31, 2021	March 31, 2022	March 31, 2023	September 30, 2023
	Ind AS	Ind AS	Ind AS	Ind AS
<b>Balance Sheet</b>				
Net Fixed assets	3.68	3.18	16.43	14.85
Current assets	212.59	205.96	471.41	581.41
Non-current assets	453.26	653.64	1,466.25	2,079.80
<b>Total assets</b>	<b>669.53</b>	<b>862.78</b>	<b>1,954.10</b>	<b>2,676.06</b>
<b>Non-Current Liabilities</b>				
(including maturities of long-term borrowings and short-term borrowings)	217.17	336.97	979.88	1,320.23
Financial (borrowings, trade payables, and other financial liabilities)	7.28	8.54	18.42	9.98
Provisions	0.72	1.11	1.39	1.99
Deferred tax liabilities (net)				
Other non-current liabilities	0.14	1.12	1.75	7.25
<b>Current Liabilities</b>				
(including maturities of long-term borrowings)	68.25	119.73	480.05	553.26

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Particulars	March 31, 2021	March 31, 2022	March 31, 2023	September 30, 2023
	Ind AS	Ind AS	Ind AS	Ind AS
Financial (borrowings, trade payables, and other financial liabilities)	3.04	5.46	12.59	3.26
Provisions	0.06	0.16	0.35	11.53
Current tax liabilities (net)				
Other current liabilities	0.35	0.66	1.34	1.43
<b>Equity (equity and other equity)</b>	372.53	389.04	458.34	767.13
<b>Total equity and liabilities</b>	<b>669.53</b>	<b>862.78</b>	<b>1,954.10</b>	<b>2,676.06</b>
<b>Profit and Loss</b>				
Total revenue				
From operations	75.10	87.19	178.26	162.44
Other income	0.59	5.43	12.57	5.26
Total Expenses	62.50	77.57	156.13	127.48
Total comprehensive income	9.62	12.43	25.62	30.04
Profit / loss *	13.19	15.05	34.70	40.22
Other comprehensive income	0.00	-0.14	-0.13	-
Profit / loss after tax	9.62	12.57	25.75	30.04
Earnings per equity share:				
(a) basic; and	0.28	0.36	0.71	0.80
(b) diluted	0.28	0.36	0.71	0.73
Continuing operations**	0.28	0.36	0.71	0.73
Discontinued operations	-	-	-	-
Total Continuing and discontinued operations**	0.28	0.36	0.71	0.73
<b>Cash Flow</b>				
Net cash generated from operating activities	-22.89	-212.91	-884.25	-725.45
Net cash used in / generated from investing activities	0.61	-0.79	-0.49	2.77
Net cash used in financing activities	28.36	168.89	1,034.70	691.24
Cash and cash equivalents at the beginning of the period	122.87	128.95	84.13	234.10
Balance as per statement of cash flows	128.95	84.13	234.10	202.67
<b>Additional Information</b>				
Net worth #	370.95	385.32	455.25	765.31
Cash and Cash Equivalents	128.95	84.13	234.10	202.67
Current Investments	-	-	-	-
Assets Under Management	534.04	769.29	1,690.51	2,377.82
Total Debts to Total assets	0.43	0.53	0.75	0.70
Debt Service Coverage Ratios	NA	NA	NA	NA
Interest Income	73.60	84.77	169.77	138.24

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Particulars	March 31, 2021	March 31, 2022	March 31, 2023	September 30, 2023
	Ind AS	Ind AS	Ind AS	Ind AS
Interest Expense	32.64	33.13	95.48	88.75
Interest service coverage ratio	1.51	1.70	1.46	1.53
Provisioning & Write-offs	0.79	5.27	4.55	4.60
Bad debts to Account receivable ratio	NA	NA	NA	NA
Gross NPA (%)	1.31%	1.62%	1.65%	1.36%
Net NPA (%)	0.79%	1.17%	1.18%	0.84%
Tier I Capital Adequacy Ratio (%)	66.27%	47.11%	24.39%	28.70%
Tier II Capital Adequacy Ratio (%)	0.74%	0.73%	0.32%	0.23%

Note :

Company has prepared the financial statements on the basis of Indian Accounting Standards (Ind AS) as required by the Companies Act, 2013 from 1<sup>st</sup> April 2020 onwards.

\* Amount mentioned here represent Profit / loss before tax

\*\* Amount mentioned here represent earnings per equity share (basic and diluted) from continuing operations

# Networth = Total Equity – Deffered Tax – Prepaid Expenses

#### 5.7 Debt: Equity Ratio of the Company:

Before the Issue	2.14
After the Issue	2.22

**The amount of corporate guarantee issued by the Issuer along with details of the counterparty (viz. name and nature of the counterparty - - subsidiary, Joint Venture entity, group company etc) on behalf of whom it has been issued: NIL**

#### 5.8 Details of any other contingent liabilities of the Issuer based on the last audited financial statements including amount and nature of liability:

Rs in Crores

	Particulars	As at	As at	As at
		March 31, 2021 IND AS	March 31, 2022 IND AS	March 31, 2023 IND AS
<b>A.</b>	<b>Contingent liabilities</b>			
i)	Credit enhancement provided by the Company for the loans under securitisation arrangements (including cash collaterals)	1.17	1.17	7.62
ii)	Demand of income tax FY 2017-18 (AY 2018-19) #	0.02	0.02	0.01

# The Company has filed rectification appeal u/s 154 of the Income Tax Act,1961 in respect of demand received. Based on assessment made, the management is in the view that the likelihood of matter being decided against the company is remote.

#### 5.9 A brief history of Issuer since its incorporation giving details of its following activities:

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

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Share Capital	Amount (in Crores)
<b>Authorised Share Capital</b>	
Equity Shares of INR 10 each	1,650.00
Preference Shares of INR 10 each	358.00
<b>TOTAL</b>	<b>2,008.00</b>
<b>Issued, Subscribed and Paid- up Share Capital</b>	
Equity Shares of INR 10 each	376.99
Preference Shares of INR 10 each	113.13
<b>TOTAL</b>	<b>490.12</b>

- (b) **Changes in its capital structure as on last quarter end i.e., December 31, 2023 and for the last three years:**

Changes in its capital structure as on last quarter end	Change in Authorised Share Capital (Equity and Preference) (Rs.)		Particulars
	Existing	Revised	
<b>Date of Change (AGM/ EGM)</b>			<b>Change in capital (Rs.)</b>
07.02.2020	6,08,00,00,000	20,08,00,00,000*	14,00,00,00,000

\* The existing Authorised Share Capital was divided into 200,00,00,000 Equity Shares of Rs. 10/- each and 80,00,000 Optionally Convertible Preference Shares of Rs. 10/-each which was reclassified into 165,00,00,000 Equity Shares of Rs. 10/- each and 35,80,00,000 Preference Shares of Rs. 10/- each vide Special Resolution passed at the Extra-ordinary General Meeting of the Company held on 22<sup>nd</sup> June, 2023.

- (c) **Equity Share Capital History of the Company, for the last three years:**

Date of Allotment	No. of Equity Shares	Face Value (in Rs)	Issue Price (in Rs)	Consideration (Cash, other than cash etc.)	Nature of Allotment	Cumulative Paid Up Capital			Remarks
						No. of Equity Shares	Equity Share Capital (in Rs)	Equity Share Premium (Rs)	
27.04.2021	26,66,667	10	10	Consideration other than Cash	Conversion of Preference shares to Equity	34,67,28,820	3,46,72,88,200	-	
28.03.2022	26,66,667	10	10	Consideration other than Cash	Conversion of Preference shares to Equity	34,93,95,487	3,49,39,54,870		
31.03.2022	49,500	10	10	Cash	Other ESOP	34,94,44,987	3,49,44,49,870	-	
30.09.2022	2,32,02,982	10	17	Cash	Right issue	37,26,47,969	3,72,64,79,690	38,27,31,639	

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Date of Allotment	No. of Equity Shares	Face Value (in Rs)	Issue Price (in Rs)	Consideration (Cash, other than cash etc.)	Nature of Allotment	Cumulative Paid Up Capital			Remarks
						No. of Equity Shares	Equity Share Capital (in Rs)	Equity Share Premium (Rs)	
17.10.2022	3,63,000	10	10	Cash	Other ESOP	37,30,10,969	37,30,10,9690		
17.10.2022	49,500	10	10.45	Cash	Other ESOP	37,30,60,469	37,30,60,4690	38,27,53,914	
17.10.2022	40,000	10	11.48	Cash	Other ESOP	37,31,00,469	37,31,00,4690	38,28,13,114	
03.02.2023	99,000	10	10	Cash	Other ESOP	37,31,99,469	3,73,19,94,690	–	
28.03.2023	4,00,000	10	10	Cash	ESOP	37,35,99,469	3,73,59,94,690	–	
30.03.2023	26,66,666	10	10	Cash	OCPS Conversion	37,62,66,135	3,76,26,61,350	–	
19.07.2023	15	10	41.53	Cash	Private Placement	37,62,66,150	3,76,26,61,500	38,28,13,587	
20.12.2023	25,000	10	41.53	Cash	Private Placement	37,62,91,150	3,76,29,11,500	38,36,01,837	
21.12.2023	7,00,000	10	10	Cash	ESOP	37,69,91,150	3,76,99,11,500	38,36,01,837	

(d) **CCPS History of the company, for the last three year:**

Date of Allotment	No. of CCPS	Face Value (in Rs)	Issue Price (in Rs)	Consideration (Cash, other than cash etc.)	Nature of allotment	Cumulative paid up capital			Remarks
						No. of CCPS	CCPS (in Rs)	CCPS Premium (in Rs)	
19.07.2023	6,86,25,074	10	41.53	Cash	Private Placement	6,86,25,074	68,62,50,740	2,16,37,48,583.22	
20.12.23	4,45,09,071	10	41.53	Cash	Private Placement	11,31,34,145	1,13,13,41,450	3,56,71,19,591.85	

**5.10 Details of any Acquisition or Amalgamation with any entity in the last 1 (one) year:**

Type of Event	Date of Announcement	Date of Completion	Details
NIL	NIL	NIL	NIL

**5.11 Details of any Reorganization or Reconstruction in the last 1 (one) year:**

Type of Event	Date of Announcement	Date of Completion	Details
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	Announcement		
NIL	NIL	NIL	NIL

**5.12 Details of the shareholding of the Company as on the latest quarter end, i.e., December 31, 2023, as per the format specified under the listing regulations:-**

**(a) Shareholding pattern of the Company as on last quarter end, i.e. December 31, 2023**

Sr No	Name of Shareholders	Total No. of Shares	No. of shares in demat form	Total Shareholding as a % of total no of shares
	<b>Equity Shares</b>			
1	M/s Elme Advisors LLP	16,52,92,000	16,52,92,000	33.72%
2	M/s Balrampur Chini Mills Limited	16,52,92,000	16,52,92,000	33.72%
3	M/s ICICI Bank Limited	3,63,23,820	3,63,23,820	7.41%
4	Mr. Neeraj Saxena	83,54,078	83,54,078	1.71%
5	Tata Capital Growth Fund II	10	10	0.00%
6	Trifecta Leaders Fund – I	5	5	0.00%
7	Xponentia Opportunities Fund-II	25,000	25,000	0.01%
8	Others	17,04,237	17,04,237	0.35%
	<b>Total (A)</b>	<b>37,69,91,150</b>	<b>37,69,91,150</b>	
	<b>Series A Compulsary Convertible Preference Shares</b>			
1	Tata Capital Growth Fund II	5,17,69,795	5,17,69,795	10.56%
2	Trifecta Leaders Fund – I	2,55,23,712	2,55,23,712	5.21%
3	M/s ICICI Bank Limited	93,78,762	93,78,762	1.91%
4	Xponentia Opportunities Fund-II	2,64,61,876	2,64,61,876	5.40%
	<b>Total (B)</b>	<b>11,31,34,145</b>	<b>11,31,34,145</b>	
	<b>Total (A+B)</b>	<b>49,01,25,295</b>	<b>49,01,25,295</b>	<b>100.00%</b>

**Total Paid Up Capital is Rs. 4,90,12,52,950/-**

*Notes: Details of shares pledged or encumbered by the promoters (if any): Nil*

**(b) List of top 10 holders of equity & CCPs shares of the Company as on the latest quarter end, i.e. December 31, 2023:**

Sr. No.	Name of the Shareholder	Total Number of shares	Type of Shares	Total Shareholding as (%) of total number of shares.	Number of shares held in Demat Form
1	M/s Elme Advisors LLP	16,52,92,000	Equity	33.72%	16,52,92,000
2	M/s Balrampur Chini Mills Limited	16,52,92,000	Equity	33.72%	16,52,92,000
3	Tata Capital Growth Fund II	5,17,69,805	Equity & CCPs	10.56%	5,17,69,805
4	M/s ICICI Bank Limited	4,57,02,582	Equity & CCPs	9.32%	4,57,02,582
5	Xponentia Opportunities Fund-II	2,64,86,876	Equity & CCPs	5.40%	2,64,86,876

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Sr. No.	Name of the Shareholder	Total Number of shares	Type of Shares	Total Shareholding as (%) of total number of shares.	Number of shares held in Demat Form
6	Trifecta Leaders Fund – I	2,55,23,717	Equity & CCPs	5.21%	2,55,23,717
7	Mr. Neeraj Saxena	83,54,078	Equity	1.70%	83,54,078
8	Others (ESOP)	17,04,237	Equity	0.35%	17,04,237
	<b>Total</b>	<b>49,01,25,295</b>		<b>100%</b>	<b>49,01,25,295</b>

### 5.13 Following details regarding the directors of the Company\*:

#### (a) Details of the current directors of the Company:

This table sets out the details regarding the Company's Board of Directors as on date of the Placement Memorandum:

S. No.	Name of the Directors	Designation	Age	Address	DIN	Date of appointment	Details of other directorship	Whether willful defaulter (Yes/No)
1	Mr. Neeraj Saxena	Managing Director & CEO	47	D-2108, Oberoi Splendor, Jogeshwari Vikhroli Link Road, Opp Majas Depot, Jogeshwari East, Mumbai 400060	07951705	03-02-2023	-	No
2	Mr. Akash Bhanshali	Director	50	12, Laxmi Vilas, Nepean Sea Road, Malabar Hill, Mumbai 400006	00265600	02-01-2018	<ul style="list-style-type: none"> <li>- Enam Holdings Private Limited</li> <li>- Elme Advisors LLP</li> <li>- Aadi Financial Advisors LLP</li> <li>- Gyanmay Investment Advisors Llp</li> <li>- Sapientia Holdings LLP</li> <li>- Khas Advisory Llp</li> <li>- -Profitex Shares &amp; Securities Private Limited</li> <li>- Fortuity Investments Private Limited</li> <li>- Amity Solar Power Park</li> </ul>	No

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S. No.	Name of the Directors	Designation	Age	Address	DIN	Date of appointment	Details of other directorship	Whether willful defaulter (Yes/No)
							Private Limited - Samvibhag Trusteeship Private Limited	
3	Mr. Vivek Saraogi	Director	57	7, Lower Rawdon Street, Kolkata 700020, West Bengal	00221419	20-04-2018	- Balrampur Chini Mills Ltd - Novel Suppliers Pvt Ltd - Vm Vinimay Private Limited - Neoworth Commercial Pvt Ltd	No
4	Mr. Manish Chokhani	Independent Director	57	161, Silver Arch, 66 L Jagmohandas Marg, Nr. Petit Hall Compound, Nepeansea Road, Malabar H, Mumbai, Maharashtra 400006	00204011	08-10-2022	- Shoppers Stop Limited - Sears Securities And Investments Private Limited - Laxmi Organic Industries Limited - Quadrillion Capital Private Limited - Westlife Foodworld Limited - LandMark Cars Limited - Welspun Corp Ltd	No
5	Mr. Gautam Jain	Director	53	91, 9 <sup>TH</sup> Floor silver arch, 66 Nepean sea road, Petit hall compound Malabar hill, Mumbai-400006	00296575	04-10-2016	- Profitex Shares & Securities Private Limited - Liberty General Insurance Ltd - Amity Solar Power Park P. Ltd - Desh Apnayan Sahayog Foundation - Real Trustee Advisory Pvt Ltd - Perihelion General Finance Private Limited - Samvibhag Trusteeship P. Ltd - Aadi Financial Advisors Llp	No

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S. No.	Name of the Directors	Designation	Age	Address	DIN	Date of appointment	Details of other directorship	Whether willful defaulter (Yes/No)
							<ul style="list-style-type: none"> <li>- Gyanmayinvestm ent Advisors Llp</li> <li>- Apollo Medicals Private Limited</li> <li>- ACEFOUR Accessories Pvt Ltd</li> </ul>	
6	Mr. Ashwin Jain	Director	55	B-3-246, Kasturi Plaza, Manpada Rd, Dombivali(E) Thane, Maharashtra 421201	00173983	4-10-2016	<ul style="list-style-type: none"> <li>- Parag Plastics Industries Private Limited</li> <li>- Shreenath Investment Co Ltd</li> <li>- Profitex Shares &amp; Securities Private Limited</li> <li>- Asami Farmer Finance P. Ltd</li> <li>- Enam Infrastructure Fund Management Company Pvt Ltd</li> <li>- Va Friendship Solar Park Private Limited</li> <li>- Perihelion General Finance Private Limited</li> <li>- Payash securities pvt ltd</li> <li>- Aryashree multimedia pvt ltd</li> <li>- Real Trustee Advisory Company Private Limited</li> </ul>	No
7	Mr. Chinnathambi Ilango	Independent Director	67	175, KPC Nagar, Vellakovil - 638111	03498879	29-05-2020	<ul style="list-style-type: none"> <li>- Kadaieshwar Homefin Private Limited</li> <li>- Star Housing Finance Limited</li> </ul>	No
8	Mr Deo Shankar Tripathi	Independent Director	70	2202, Tower 7 Emerald Isle, Saki Vihar Road powai L & T Business park, Powai	07153794	03-02-2023	<ul style="list-style-type: none"> <li>- Aadhar housing Finance Limited</li> <li>- Fort Finance Limited</li> <li>- Aadhar sales and serves private</li> </ul>	No

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S. No.	Name of the Directors	Designation	Age	Address	DIN	Date of appointment	Details of other directorship	Whether willful defaulter (Yes/No)
				Mumbai-400072			Limited	
9	Mr Akhil Awasthi	Nominee Director	57	B902, Lodha Bellissimo, N.M. Joshi Marg, lower Parel, Mumbai 400012	00148350	19.07.2023	- Access CFO Consultants Pvt Ltd	No
10	Ms. Lavanya Ashok	Nominee Director	41	1002A Raheja Atlantis Apartments, GK Marg, Lower Parel, Mumbai, 400013	03453279	20.12.2023	- Sterne India Private Limited	No
11	Mr. Perumal R Srinivasan	Nominee Director	58	25A, Belvedere Court, Sane Guruji Marg, Mahalaxmi, Jacob Circle, Mumbai-400011	00365025	20.12.2023	- FSTC Flying School Private Limited - Respo Financial Capital Private Limited - Easy Platform Services Private Limited - Flight Simulation Technique Centre Private Limited - Altigreen Propulsion Labs Private limited - Easy Home Finance Limited - Xponentia Feeder Fund 1 limited	No

\*Company to disclose name of the current directors who are appearing in the RBI defaulter list and/or ECGC default list, if any: NIL

(b) **Details of change in directors since last three years:**

Name	Designation	DIN	Date of Appointment	Date of Cessation, if applicable	Date of resignation, if applicable	Remarks
Mr Manish Chokhani	Independent Director	00204011	-	30.09.2022	-	End of tenure
Mr Manish Chokhani	Additional Director	00204011	08.10.2022	-	-	Appointment

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Name	Designation	DIN	Date of Appointment	Date of Cessation, if applicable	Date of resignation, if applicable	Remarks
Mr Neeraj Saxen	Managing Director	07951705	-	02.01.2023	-	End of tenure
Mr Neeraj Saxena	Managing Director	07951705	03.02.2023	-	-	Appointment
Mr Deo Shankar Tripathi	Additional Director	07153794	03.02.2023	-	-	Appointment
Mr Manish Chokhani	Independent Director	00204011	28.06.2023	-	-	Change in Designation from Additional Director to Director
Mr Deo Shankar Tripathi	Independent Director	07153794	28.06.2023	-	-	Change in Designation from Additional Director to Director
Mr Akhil Awasthi	Additional Director	00148350	19.07.2023	-	-	Appointment
Mr Akhil Awasthi	Nominee Director	00148350	19.07.2023	-	-	Change in Designation from Additional Director to Director
Ms. Lavanya Ashok	Additional Director	03453279	20.12.2023	-	-	Appointment
Ms. Lavanya Ashok	Nominee Director	03453279	20.12.2023	-	-	Change in Designation from Additional Director to Director
Mr. Perumal R Srinivasan	Additional Director	00365025	20.12.2023	-	-	Appointment
Mr. Perumal R Srinivasan	Nominee Director	00365025	20.12.2023	-	-	Change in Designation from Additional Director to Director

**5.14 Following details regarding the auditors of the Company:**

(a) **Details of the auditor of the Company:**

Name of the Auditor	Address	Auditor since	Remark
Nangia & Co LLP	Unit No. 1101, 11th Floor, B Wing, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013	28 <sup>th</sup> June 2022	Partner: Jaspreet Singh Bedi

(b) **Details of change in auditors since last three years:**

Name of the Auditor	Address	Date of Appointment	Date of cessation, if applicable	Date of resignation, if applicable	Remarks
Price Waterho	252, Veer Savarkar	30.09.2017	28.06.2022	-	For Period of 5 Years

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Name of the Auditor	Address	Date of Appointment	Date of cessation, if applicable	Date of resignation, if applicable	Remarks
use Chartered Accountants LLP	Marg, Shivaji Park, Dadar (West), Mumbai - 400028				
Nangia & Co LLP	Unit No. 1101, 11th Floor, B Wing, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013	28.06.2022	-	-	-

**5.15 Details of the following liabilities of the Company, as at the latest quarter end i.e. December 31, 2023:**

(a) **Details of Secured Loan Facilities:**

Rs in Crores

Name of Lender	Type of Facility	Amount Sanctioned	Principal Amount Outstanding	Repayment Date / Schedule	Security
Aditya Birla Finance Limited	Term Loan	25.00	18.75	Repayable in 12 quarterly instalments	Exclusive charge on specific/identified loan receivables to the extent of 1.20 times of the loan outstanding
AU Small Finance Bank	Term Loan	30.00	16.67	Repayable in 36 equal monthly instalments	Exclusive charge on specific/identified loan receivables to the extent of 1.15 times of the loan outstanding
AU Small Finance Bank	Term Loan	25.00	19.05	Repayable in 42 equal monthly instalments	Exclusive charge on specific/identified loan receivables to the extent of 1.15 times of the loan outstanding

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<b>Name of Lender</b>	<b>Type of Facility</b>	<b>Amount Sanctioned</b>	<b>Principal Amount Outstanding</b>	<b>Repayment Date / Schedule</b>	<b>Security</b>
AU Small Finance Bank	Term Loan	35.00	34.17	Repayable in 42 equal monthly instalments	Exclusive charge on specific/identified loan receivables to the extent of 1.15 times of the loan outstanding
Axis Bank	Term Loan	30.00	27.50	Repayable in 12 quarterly instalments	Exclusive charge on specific/identified loan receivables to the extent of 1.20 times of the loan outstanding
Bajaj Finance Ltd	Term Loan	25.00	21.87	Repayable in 48 equal monthly instalments	Exclusive charge on specific/identified loan receivables to the extent of 1.15 times of the loan outstanding
Bandhan Bank	Term Loan	14.90	8.28	Repayable in 9 quarterly instalments, starting after moratorium of 3 months	Exclusive charge on specific/identified loan receivables to the extent of 1.15 times of the loan outstanding
Bank of Baroda	Term Loan	100.00	13.30	Repayable in 60 equal monthly instalments	Exclusive charge on specific/identified loan receivables to the extent of 1.25 times of the loan outstanding
Bank of Baroda	Term Loan	75.00	63.73	Repayable in 60 equal monthly instalments	Exclusive charge on specific/identified loan receivables to the extent of 1.15 times of the loan outstanding
Bank of Maharashtra	Term Loan	25.00	23.96	Repayable in 24 quarterly instalments, starting after moratorium period of 12 months	Exclusive charge on specific/identified loan receivables to the extent of 1.15 times of the loan outstanding

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<b>Name of Lender</b>	<b>Type of Facility</b>	<b>Amount Sanctioned</b>	<b>Principal Amount Outstanding</b>	<b>Repayment Date / Schedule</b>	<b>Security</b>
Canara Bank	Term Loan	60.00	60.00	Repayable in 20 quarterly instalments, starting after moratorium period of 24 months	Exclusive charge on specific/identified loan receivables to the extent of 1.15 times of the loan outstanding
Canara Bank	Term Loan	100.00	100.00	Repayable in 26 equal quarterly instalments, starting after moratorium period of 6 months	Exclusive charge on specific/identified loan receivables to the extent of 1.20 times of the loan outstanding
CSB Bank	Term Loan	20.00	10.91	Repayable in 20 quarterly instalments starting after moratorium period of 12 months	Exclusive charge on specific/identified loan receivables to the extent of 1.25 times of the loan outstanding
CSB Bank	Term Loan	15.00	12.74	Repayable in 20 equal quarterly instalments	Exclusive charge on specific/identified loan receivables to the extent of 1.25 times of the loan outstanding
DCB Bank	Term Loan	20.00	18.57	Repayable in 14 equal quarterly instalments, starting after moratorium period of 6 months	Exclusive charge on specific/identified loan receivables to the extent of 1.20 times of the loan outstanding
Federal Bank	Term Loan	10.00	5.63	Repayable in 16 quarterly instalments	Exclusive charge on specific/identified loan receivables to the extent of 1.20 times of the loan outstanding

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<b>Name of Lender</b>	<b>Type of Facility</b>	<b>Amount Sanctioned</b>	<b>Principal Amount Outstanding</b>	<b>Repayment Date / Schedule</b>	<b>Security</b>
Federal Bank	Term Loan	15.00	9.38	Repayable in 16 quarterly instalments	Exclusive charge on specific/identified loan receivables to the extent of 1.20 times of the loan outstanding
Federal Bank	Term Loan	25.00	21.88	Repayable in 16 quarterly instalments	Exclusive charge on specific/identified loan receivables to the extent of 1.20 times of the loan outstanding
HDFC Bank	Term Loan	30.00	13.83	Repayable in 48 monthly instalments	Exclusive charge on specific/identified loan receivables to the extent of 1.25 times of the loan outstanding
HDFC Bank	Term Loan	20.00	15.64	Repayable in 48 monthly instalments	Exclusive charge on specific/identified loan receivables to the extent of 1.25 times of the loan outstanding
HDFC Bank	Term Loan	75.00	75.00	Repayable in 48 monthly instalments	Exclusive charge on specific/identified loan receivables to the extent of 1.2 times of the loan outstanding
Hero Fincorp	Term Loan	30.00	19.50	Repayable in 48 monthly instalments	Exclusive charge on specific/identified loan receivables to the extent of 1.10 times of the loan outstanding
Hinduja Leyland Finance	Term Loan	35.00	33.20	Repayable in 48 monthly instalments	Exclusive charge on specific/identified loan receivables to the extent of 1.10 times of the loan outstanding

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<b>Name of Lender</b>	<b>Type of Facility</b>	<b>Amount Sanctioned</b>	<b>Principal Amount Outstanding</b>	<b>Repayment Date / Schedule</b>	<b>Security</b>
ICICI Bank	Term Loan	75.00	1.56	Repayable in 16 quarterly instalments	Exclusive charge on specific/identified loan receivables to the extent of 1.25 times of the loan outstanding
ICICI Bank	Term Loan	35.00	26.92	Repayable in 13 quarterly instalments, starting after moratorium of 9 months	Exclusive charge on specific/identified loan receivables to the extent of 1.15 times of the loan outstanding
ICICI Bank	Term Loan	30.00	22.00	Repayable in 15 quarterly instalments, starting after moratorium of 3 months	Exclusive charge on specific/identified loan receivables to the extent of 1.15 times of the loan outstanding
ICICI Bank	Term Loan	30.00	26.00	Repayable in 15 quarterly instalments, starting after moratorium of 3 months	Exclusive charge on specific/identified loan receivables to the extent of 1.15 times of the loan outstanding
ICICI Bank	Term Loan	75.00	75.00	Repayable in 15 quarterly instalments, starting after moratorium of 3 months	Exclusive charge on specific/identified loan receivables to the extent of 1.15 times of the loan outstanding
IDFC First Bank	Term Loan	10.00	5.33	Repayable in 45 monthly instalments, starting after moratorium of 9 months	Exclusive charge on specific/identified loan receivables to the extent of 1.25 times of the loan outstanding
IDFC First Bank	Term Loan	35.00	23.33	Repayable in 45 monthly instalments, starting after moratorium of 9 months	Exclusive charge on specific/identified loan receivables to the extent of 1.25 times of the loan outstanding

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<b>Name of Lender</b>	<b>Type of Facility</b>	<b>Amount Sanctioned</b>	<b>Principal Amount Outstanding</b>	<b>Repayment Date / Schedule</b>	<b>Security</b>
IDFC First Bank	Term Loan	25.00	18.33	Repayable in 45 monthly instalments, starting after moratorium of 9 months	Exclusive charge on specific/identified loan receivables to the extent of 1.25 times of the loan outstanding
IDFC First Bank	Term Loan	133.00	133.00	Repayable in 54 monthly instalments, starting after moratorium of 6 months	Exclusive charge on specific/identified loan receivables to the extent of 1.25 times of the loan outstanding
Indian Bank	Term Loan	50.00	49.97	Repayable in 20 quarterly instalments, starting after moratorium of 24 months	Exclusive charge on specific/identified loan receivables to the extent of 1.10 times of the loan outstanding
Karnataka Bank	Term Loan	25.00	25.00	Repayable in 16 quarterly instalments, starting after moratorium of 12 months	Exclusive charge on specific/identified loan receivables to the extent of 1.20 times of the loan outstanding
Kotak Bank	Term Loan	30.00	20.00	Repayable in 12 quarterly instalments	Exclusive charge on specific/identified loan receivables to the extent of 1.15 times of the loan outstanding
Kotak Bank	Term Loan	50.00	44.78	Repayable in 48 monthly instalments	Exclusive charge on specific/identified loan receivables to the extent of 1.15 times of the loan outstanding
Nabsamruddhi Finance	Term Loan	15.00	13.49	Repayable in 42 monthly instalments, starting after moratorium of 6 months	Exclusive charge on specific/identified loan receivables to the extent of 1.10 times of the loan outstanding

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<b>Name of Lender</b>	<b>Type of Facility</b>	<b>Amount Sanctioned</b>	<b>Principal Amount Outstanding</b>	<b>Repayment Date / Schedule</b>	<b>Security</b>
Nabsamruddhi Finance	Term Loan	40.00	37.38	Repayable in 39 monthly instalments, starting after moratorium of 3 months	Exclusive charge on specific/identified loan receivables to the extent of 1.10 times of the loan outstanding
Punjab & Sind Bank	Term Loan	40.00	39.97	Repayable in 24 quarterly instalments, starting after moratorium of 12 months	Exclusive charge on specific/identified loan receivables to the extent of 1.11 times of the loan outstanding
RBL Bank	Term Loan	30.00	22.50	Repayable in 12 quarterly instalments	Exclusive charge on specific/identified loan receivables to the extent of 1.15 times of the loan outstanding
RBL Bank	Term Loan	20.00	16.67	Repayable in 12 quarterly instalments	Exclusive charge on specific/identified loan receivables to the extent of 1.15 times of the loan outstanding
SBM Bank	Term Loan	20.00	13.75	Repayable in 48 monthly instalments	Exclusive charge on specific/identified loan receivables to the extent of 1.20 times of the loan outstanding
Shivalik Bank	Term Loan	10.00	8.88	Repayable in 18 quarterly instalments, starting after moratorium of 6 months	Exclusive charge on specific/identified loan receivables to the extent of 1.10 times of the loan outstanding
South Indian Bank	Term Loan	15.00	11.25	Repayable in 20 quarterly instalments	Exclusive charge on specific/identified loan receivables to the extent of 1.25 times of the loan outstanding

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<b>Name of Lender</b>	<b>Type of Facility</b>	<b>Amount Sanctioned</b>	<b>Principal Amount Outstanding</b>	<b>Repayment Date / Schedule</b>	<b>Security</b>
State Bank of India	Term Loan	75.00	75.00	Repayable in 20 quarterly instalments	Exclusive charge on specific/identified loan receivables to the extent of 1.25 times of the loan outstanding
State Bank of India	Term Loan	150.00	150.00	Repayable in 20 quarterly instalments	Exclusive charge on specific/identified loan receivables to the extent of 1.25 times of the loan outstanding
Suryoday Small Finance Bank	Term Loan	35.00	30.62	Repayable in 16 quarterly instalments	Exclusive charge on specific/identified loan receivables to the extent of 1.15 times of the loan outstanding
Ujjivan Small Finance Bank	Term Loan	20.00	13.75	Repayable in 48 monthly instalments	Exclusive charge on specific/identified loan receivables to the extent of 1.10 times of the loan outstanding
Ujjivan Small Finance Bank	Term Loan	25.00	23.44	Repayable in 16 quarterly instalments	Exclusive charge on specific/identified loan receivables to the extent of 1.10 times of the loan outstanding
Union Bank of India	Term Loan	100.00	59.99	Repayable in 20 quarterly instalments	Exclusive charge on specific/identified loan receivables to the extent of 1.25 times of the loan outstanding
Utkarsh Small Finance Bank	Term Loan	30.00	16.67	Repayable in 36 monthly instalments	Exclusive charge on specific/identified loan receivables to the extent of 1.10 times of the loan outstanding

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<b>Name of Lender</b>	<b>Type of Facility</b>	<b>Amount Sanctioned</b>	<b>Principal Amount Outstanding</b>	<b>Repayment Date / Schedule</b>	<b>Security</b>
Utkarsh Small Finance Bank	Term Loan	22.50	22.50	Repayable in 48 monthly instalments	Exclusive charge on specific/identified loan receivables to the extent of 1.15 times of the loan outstanding
Yes Bank	Term Loan	25.00	13.13	Repayable in 48 monthly instalments	Exclusive charge on specific/identified loan receivables to the extent of 1.25 times of the loan outstanding
Yes Bank	Term Loan	35.00	15.80	Repayable in 48 monthly instalments	Exclusive charge on specific/identified loan receivables to the extent of 1.25 times of the loan outstanding
IndusInd Bank	Short Term Loan	35.00	35.00	On Maturity	Exclusive charge on specific/identified loan receivables to the extent of 1.25 times of the loan outstanding
NSDC	Short Term Loan	9.90	4.95	On Maturity	Exclusive charge on specific/identified loan receivables to the extent of 1.10 times of the loan outstanding
Axis Bank	CC	1.00	-	On Demand	Exclusive charge on specific/identified loan receivables to the extent of 1.20 times of the loan outstanding
Bandhan Bank	CC	0.10	-	On Demand	Exclusive charge on specific/identified loan receivables to the extent of 1.15 times of the loan outstanding

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Name of Lender	Type of Facility	Amount Sanctioned	Principal Amount Outstanding	Repayment Date / Schedule	Security
Federal Bank	CC	2.00	-	On Demand	Exclusive charge on specific/identified loan receivables to the extent of 1.20 times of the loan outstanding
IDFC First Bank	CC	5.00	4.94	On Demand	Exclusive charge on specific/identified loan receivables to the extent of 1.15 times of the loan outstanding
AU Small Finance Bank	OD	0.09	-	On Demand	FD Backed OD
Bajaj Finance Ltd	OD	47.50	47.50	On Demand	FD Backed OD
Bank of Baroda	OD	0.01	-	On Demand	FD Backed OD
ICICI Bank	OD	4.94	1.78	On Demand	FD Backed OD
<b>Total</b>		<b>2,255.94</b>	<b>1,793.75</b>		

(b) **Details of Outstanding Unsecured Loan Facilities: NIL**

Name of Lender	Type of Facility	Amount Sanctioned	Principal Amount Outstanding	Repayment Date / Schedule
NIL	NIL	NIL	NIL	NIL

(c) **Details of Outstanding Non-Convertible Securities:**

**Rs in Crores**

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Series of Non-Convertible Securities	Tenor / Period of Maturity	Coupon	Issue Amount	Amount O/s	Date of allotment	Redemption Date / Schedule	Credit Rating	Secured / Unsecured	Security
INE605 Y07114	24 Months	Floating	50.00	50.00	September 22, 2022	September 22, 2024	CRISIL A (Positive)	Secured	Exclusive Charge on Book Debts / Receivables with a security cover of 1.05 times to be maintained on the Outstanding Amounts.
INE605 Y07122	24 Months	Floating	25.00	12.50	October 03, 2022	October 03, 2024	CRISIL A (Positive)	Secured	Exclusive Charge on Book Debts/ Receivables with a security cover of 1.20 times to be maintained on the Outstanding Amounts.
INE605 Y07130	36 Months	Fixed	75.00	75.00	November 29, 2023	November 29, 2026	CARE A+, Stable	Secured	Exclusive Charge on Book Debts/ Receivables with a security cover of 1 times to be maintained on the Outstanding Amounts.
INE605 Y07148	36 Months	Fixed	25.00	25.00	December 19, 2023	December 18, 2026	CARE A+, Stable	Secured	Exclusive Charge on Book Debts/ Receivables with a security cover of 1 times to be maintained on the Outstanding Amounts.

**5.16 List of top 10 holders of non-convertible Debentures in terms of value (in cumulative basis)**

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Name of holders of Non-convertible Debentures	Amount (Rs in Crores)	% of total NCDs outstanding
A K CAPITAL FINANCE LIMITED	56.59	34.82%
ADITYA BIRLA FINANCE LIMITED	12.50	7.69%
THAKUR FININVEST PVT. LTD.	10.00	6.15%
DEZERV SECURITIES PRIVATE LIMITED	8.36	5.14%
MEERA RAMDAS CHANDAVARKAR	5.79	3.56%
TULA ENGINEERING PRIVATE LIMITED	5.00	3.08%
RAJIV VADILAL SHAH	4.00	2.46%
SANJEEV V SHAH	4.00	2.46%
NOMITA R CHANDAVARKAR	2.73	1.68%
MANGALA ASHOK CHANDAVARKAR	2.40	1.48%

**5.17 Details of outstanding Commercial Paper as at the end of the last quarter i.e. December 31, 2023 in the following format:**

Sr. No.	ISIN of Commercial Paper	Maturity Date	Amount outstanding (Rs. in Crores)
1	INE605Y14037	07-03-2024	25.00

**5.18 Details of rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares):**

Rs in Crores

Name of Party (in case of facility) / Name of Instrument	Type of facility / Instrument	Amount sanctioned / issued	Principal Amount outstanding	Date of Repayment / Schedule	Credit Rating	Secured / Unsecured	Securitized
Vivriti Blaine 02 2020	Securitization - PTCs	20.54	1.30	Monthly	CARE AA-(SO)	-	-
EL FIN 012023	Securitization - PTCs	67.37	29.20	Monthly	CRISIL AA+(SO)	-	-
EL FIN 012024	Securitization - PTCs	31.85	25.74	Monthly	CARE AA-(SO)	-	-
EL FIN 022024	Securitization - PTCs	35.48	29.02	Monthly	CARE AA-(SO)	-	-

**5.19 Details of any outstanding borrowing taken / debt securities issued for consideration other than cash. This information shall be disclosed whether such borrowing / debt securities have been taken / issued: (i) in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option or not**

NIL

**5.20 Where the Issuer is a non-banking finance company or housing finance company, the following disclosures on Asset Liability Management (ALM) shall be provided for the latest audited financials:**

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**A. Details with regard to lending done out of the issue proceeds of earlier issuances of debt securities (during the last three years) (whether public issue or private placement) by NBFC including details regarding the following**

**(a) Lending Policy: Should contain overview of origination, risk management, monitoring and collections:**

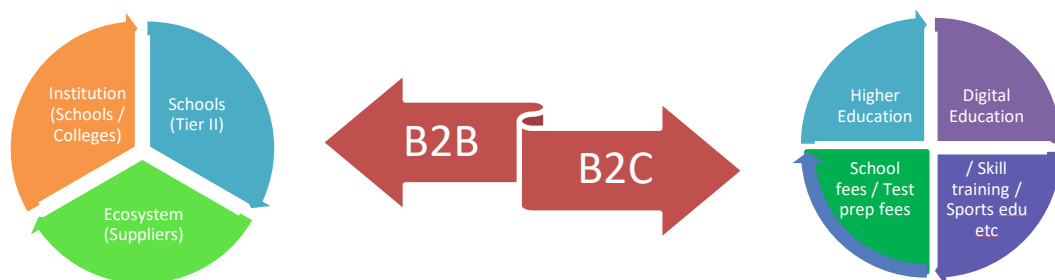
**A. Business segments and strategy**

Countries prosper when built on a strong base of education. India today faces a problem of quality education. We believe that basic quality education should not be a matter of choice; it should be a right.

Providing easy access of capital to students, schools and colleges is a stepping stone in improving quality of education. Our prime motive is to improve

- ✓ Skills at the student level
- ✓ Quality of education for better career prospects

**Our Business Model could be broadly divided in to two segments:**



❖ **B2C - Retail Lending:**

- **Student Funding:** Aims to serve aspiring students across segments for their Graduate or Post Graduate study in India or Overseas.
- **Fees (Higher education/Skill/etc) Funding:** This will facilitate aspiring parents to provide better education to their children. The philosophy behind the product offering is that quality education has a direct correlation with the career of the student

❖ **B2B - Education Institution Loan:**

- **Institutional Loans:** To improve the quality of education at schools and colleges we would provide loans ranging from INR 25 Lakh to INR 15 Crore

These loans are focused towards helping school and colleges towards building or improving the existing infrastructure and also for working capital needs.

Auxilo envisages to cater to the financing requirements of the complete education ecosystem, thus having better efficiencies and control and take a leadership position in this space.

**Sourcing strategy:**

Our business strategy is to activate multiple business sourcing channels like Education Consultants, Education Institutes, Student programs and through digital channels.

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**Tie up with Education Consultants** - Majority of the business is sourced either through its tie-up with the Education Consultants (EC's). Auxilo has tied up with majority of the top EC's of the country and has been fairly successful in getting meaningful share of business from them.

**On Line Marketing /** - Online Marketing that is carried out on various web platforms. EC's can provide bulk business to Auxilo as they inform the students about Auxilo's capabilities to service unique needs of each customer.

**Digital leads** -Auxilo has invested strongly in building its online presence through multiple platforms like Facebook, Blogs, SEOs, Web advertising etc, as the target customer segment for Auxilo is young tech savvy students. This has helped Auxilo in generating a significant portion of its business through this channel.

**Branch Network** -Auxilo currently operates through its 7 branches – Mumbai, Pune, Delhi, Hyderabad, Bangalore, Chennai and Ahmedabad. Apart from existing 7 locations, the company is going to have branches in all metro's / mini-metro's within next 18-24 months. The Company will follow hub & spoke approach, where it will deploy resources in ancillary towns to its branch offices as per the business requirement.

## **B. Credit Risk:**

### **B2C segment:**

Loan proposals are assessed keeping the focus primarily on the past academics of the student, entrance test scores and future employability.

Future employability of the student is determined on the following parameters:

- Academic background / Entrance Test scores of the student
- Rank / Reputation of the academic institute
- Country and City of the institute
- Student specific attributes (if any) getting evident from the Personal Discussions (e.g. Occupation of the parents, extra-curricular activities of the student, special achievements of the students etc.)
- The type of course and country chosen by the student for further studies

The repayment capability is assessed for repayment by the co borrower during course period and then repayment post course completion by the student based on his assessed future employability.

Based on repayment capability and product offering following repayment options are offered:

- a. Equated Monthly Installment (EMI)** – EMI is traditional repayment option wherein the loan repayment starts from the first month of loan disbursement.
- b. Simple Interest (SI)** – In this option, Loan Simple Interest re-payment starts from the first month of loan disbursement till the end of course tenure and post course completion, actual EMI is charged.
- c. Partial Interest (PI)** – This repayment option is offered to only those students who have excellent past academics but are unable to serve even simple interest based on current financial

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strength of the co-borrower. In this option, customer is asked to pay only part of the interest due for the month during course period. Unpaid interest is added to principal and post course completion; actual EMI is charged.

Additionally, following verifications are also carried out on the applicant / co-applicants internally or through a third party agency:

- a. Present Residence Address Verification
- b. Permanent Residence Address Verification
- c. Telephone Verification Both Office & Residence
- d. Employment Verification
- e. Immovable Collateral Verification
- f. Collateral Valuation
- g. Tele Personal Discussion
- h. Reference Check
- i. Cost of Education
- j. Enrolment Verification
- k. CIBIL Check
- l. RCU

In every case, we insist parents or blood relatives to be part of loan structure as co-borrower / guarantor. In case, property is offered as collateral security, the owner of the property is compulsorily included in the loan structure as co-borrower.

### **Collateral Security**

The type of collateral acceptable would be at the sole discretion of the loan appraiser or decision maker based on the risks analysed, identified and involved in a loan application. The location of the collateral should be as per approved locations list.

### **Following types of collateral securities are accepted:**

- Residential Flat
- Residential House
- Non-Agricultural Land
- Commercial Property
- Fixed Deposits Assigned to Auxilo Finserve Pvt. Ltd.
- Life Insurance Policies.
- NSC/NSS/KVP

As our product segments deepen to cover domestic school fees, vocational, skills training courses etc similar credit appraisal models will be used to assess loan eligibility.

### **B2B segment:**

All loans in this segment are secured. The loan assessment is done based on assessed cash flows of the institution. As part of credit assessment process, detailed personal discussion is done with the Trustees / Manager in the visit to the institutions. Loans in B2B segment are structured loans depending on merits of each case.

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<b>Loan Qualification Criteria</b>	
Number of Students	Minimum 300 Students
Business Vintage	Minimum 3 years
Primary Security	Mortgage on Immovable Property (Residential or Commercial)
Ownership	Private trust / Trustee / Society Member's or Relatives Property

**Collection Setup:**

Auxilo has three collections cycles for its loans: 5th, 10th and 15th of every month. On collection cycle dates, the monthly collection file is being send to Banks for collection. HO Operations team manages the collections centrally. Monthly collection is through NACH mandate only.

Since the process of NACH mandate activation generally takes more than 15 days and if the instalment falls due in the meantime, the same is collected via Post Dates Cheque (PDC) until the NACH mandate is active.

The customer gets an Instalment reminder through SMS or/and email 3 days prior to cycle date.

**(b) Classification of Loans given to associate or entities related to Board, Senior management, promoters, etc.:**

Not applicable

**(c) Classification of loans according to type of loans, denomination of loan outstanding by loan to value, sectors, denomination of loans outstanding by ticket size, geographical classification of borrowers, maturity profile etc.:**

Please refer to paragraph (J) below of this table below.

**(d) Aggregated exposure to the top 20 borrowers with respect to the concentration of advances, exposures to be disclosed in the manner as prescribed by RBI in its stipulations on Corporate Governance for NBFCs or HFCs, from time to time;**

Rs in Crores

Sr. No.	Name of the Borrower	Total Sanctioned Amount	Disbursed Loan Amount	Principal Outstanding Amount
1	Anandsagar Charitable Trust	6.01	6.01	5.49
2	NR Educational and Charitable Trust	7.50	7.50	5.25
3	Mangalam Educational and Charitable Trust	5.09	5.09	4.39
4	Swami Vivekanand Pratishthan Trust	6.00	5.96	4.16
5	Chaitanya Bahuuddeshiya Shikshan Prasarak Mandal	4.02	4.02	4.04
6	Rajaram Educational Trust	4.38	4.37	3.45
7	Sri Thiruvalluvar Kalvi Arakkattalai	4.46	4.41	3.37
8	Narayanasamy Educational Trust	8.53	7.60	3.06
9	R K Education Trust	3.03	3.03	2.99
10	Yashwant Shaikshanik Krida va Sanskrutik Sanstha	3.22	3.22	2.70

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11	Abhirami Shankar	3.05	3.05	2.52
12	ST STEPHENS TRUST	3.49	3.47	2.45
13	Sentraya Perumal Educational Trust	3.08	3.08	2.36
14	SADANA EDUCATIONAL TRUST	3.85	3.78	2.32
15	Gurudev Educational and Charitable Trust	2.92	2.92	2.30
16	St Marys Trust	3.16	3.16	2.29
17	Kamalammal Educational Charitable Trust	2.94	2.94	2.28
18	ARUNODAYA EDUCATION SOCIETY	2.84	2.84	2.15
19	SURESH MEMORIAL EDUCATIONAL SOCIETY	2.73	2.73	2.11
20	Kanagambal Educational and Charitable Trust	2.13	2.13	2.04

**(e) Details of loans, overdue and classified as non-performing assets (NPA) in accordance with RBI stipulations:**

Please refer to paragraph (K) of this table below.

**B. Details of borrowings made by NBFC**

**(a) A portfolio summary with regard to industries/ sectors to which borrowings have been made;**

Please refer to paragraph (J) in this table below including sub-paragraph (c) therein.

**(b) NPA exposures of the Issuer for the last three financial years (both gross and net exposures) and provisioning made for the same as per the last audited financial statements of the Issuer:**

**Movement in non-performing assets (NPAs)**

The following table sets forth, for the years indicated, the details of movement of Stage 3 assets net of provision

Sr. No.	Particulars	Rs in Crores		
		As at March 31, 2021	As at March 31, 2022	As at March 31, 2023
(i)	<b>Net NPAs* to net advances (%)</b>	<b>0.79%</b>	<b>1.17%</b>	<b>1.18%</b>
	* Computed basis the Gross carrying amount of advances			
(ii)	<b>Movement of NPAs (gross)</b>			
(a)	Opening balance	-	7.02	12.47
(b)	Additions during the year	7.02	6.01	15.94
(c)	Reductions during the year	-	(0.56)	(0.49)
(d)	<b>Closing balance</b>	<b>7.02</b>	<b>12.47</b>	<b>27.92</b>
(iii)	<b>Movement of net NPAs</b>			
(a)	Opening balance	-	4.20	8.99
(b)	Additions during the year	4.20	5.12	11.26
(c)	Reductions during the year	-	(0.34)	(0.39)
(d)	<b>Closing balance</b>	<b>4.20</b>	<b>8.99</b>	<b>19.86</b>

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<b>(iv) Movement of provisions for NPAs (excluding provision on standard assets)</b>			
(a) Opening Balance	-	2.81	3.48
(b) Additions during the year	2.81	0.89	4.68
(c) Write off/ write back of excess provision	-	(0.22)	(0.10)
(d) <b>Closing balance</b>	<b>2.81</b>	<b>3.48</b>	<b>8.06</b>

**(c) Quantum and percentage of secured vis-à-vis unsecured borrowings made:**

Please refer to sub-paragraph (a) of paragraph (J) in this table below.

**C. Details of change in shareholding**

Any change in promoters' holdings during the last financial year beyond the threshold, as prescribed by RBI: Not Applicable

**D. Disclosure of Assets under management**

**(a) Segment wise breakup:** Please refer to sub-paragraph (c) of paragraph (J) in this table below.

**(b) Type of Loans:** Please refer to sub-paragraph (a) of paragraph (J) in this table below.

**E. Details of borrowers**

**(a) Geographical location wise:** Please refer to sub-paragraph (e) of paragraph (J) in this table below.

**F. Details of Gross NPA**

**(a) Segment wise:** Please refer to sub-paragraph (c) of paragraph (K) in this table below.

**G. Details of Assets and Liabilities**

**(a) Residual maturity profile wise into several bucket:** Please refer to paragraph (L) in this table below.

**H. Additional details of loans made by housing finance company:**

Given that the Issuer is not a housing finance company, this is not applicable.

**I. Disclosure of latest ALM statements to stock exchange**

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NIS-ALM2 based on Provisional IndAS financials											
Name of the NBFC: AUXILIO FINSERVE PRIVATE LIMITED											
Statement of Structural Liquidity as on: 31-12-2023											
Amount in Rs. Crores	1 to 7 days	8 to 14 days	15 days to 1 mth	1 mth to 2 mths	2 Mths to 3 Mths	3 Mths to 6 Mths	6 Mths to 1 Yr	1 Yr to 3 Yrs	3 to 5 Yrs	Over 5 Yrs	
<b>A. Outflows</b>											
1. Capital											490.13
a) Equity and perpetual preference shares											490.13
b) Non-perpetual preference shares											
2. Reserves & surplus											474.96
a) Grants, donations & benefactions											
4. Bonds & debentures (unsecured portion indicated separately)											
L Non Convertible Debentures - Secured - Banks											
E. Non Convertible Debentures - Secured - FIs	3.13					3.13	56.25	100.00			
5. ICDs											
6. Borrowings											
a) Short Term borrowings											
L Short Term Loan							4.95				
E. CP - Other					24.59						
LL Bank overdraft	54.22										
W. WCDL								34.85			
b) Long Term borrowings											
L. banks	5.18	0.21	17.52	23.57	78.30	99.58	193.24	729.56	333.90	89.51	
LL FIs	1.27		1.80	3.12	10.54	11.57	23.48	86.62	5.74		
LE Others		1.13	0.12	1.29	1.38	4.54	20.19	42.30	24.55		
7. Current Liabilities & provisions:											
a) Sundry creditors											
b) Expenses payable (Statutory dues)		2.13									2.30
c) Advance Income received											5.39
d) Interest payable on bonds/ICDs	0.10			0.67			4.23				
e) Provisions (other than for NPAs)				0.16		12.68	1.70				2.34
8. Contingent Liabilities											
b) Loan commitments pending disbursement (outflows)	5.25	0.42	3.29	7.09	5.69	110.73	52.32	381.31	0.98	0.09	
9. Others			0.22	0.22	0.22	0.68	1.42	6.14	3.01	0.14	
<b>A. Total Outflows (A)</b>	<b>69.18</b>	<b>3.90</b>	<b>20.93</b>	<b>36.12</b>	<b>120.32</b>	<b>242.85</b>	<b>582.40</b>	<b>1245.79</b>	<b>368.16</b>	<b>1044.85</b>	
<b>B. Cumulative Outflows</b>	<b>69.18</b>	<b>73.06</b>	<b>94.01</b>	<b>130.13</b>	<b>250.45</b>	<b>493.30</b>	<b>875.70</b>	<b>2121.40</b>	<b>2489.64</b>	<b>3534.49</b>	
<b>C. INFLOWS</b>											
1. Cash											
2. Remittance in transit											
3. Balances with banks											
a) Current account	37.22										
b) Deposit /short-term deposits	172.78	75.22	10.06		25.06	6.74	2.54	1.39		6.45	
4. Investments (net of provisions)	20.04										
5. Advances (performing)											
b) Term loans (only rupee loans)	6.68	8.24	14.29	29.24	29.23	87.74	180.28	860.03	1,015.68	418.51	
6. Non-performing loans (net of provisions and ECGC claims received) (under various categories enumerated in Appendix f)									4.11	12.56	
a) Sub-standard assets										4.11	4.01
b) Doubtful / Loss assets											8.55
7. Inflows from assets on lease			0.28	0.28	0.28	0.79	1.49	5.54	2.12	0.09	
8. Fixed assets (excluding assets on lease)											8.90
9. Other assets:											
i) Interest and other income receivable	0.06	0.06	0.72	0.28	0.26	4.69	0.43	8.37	6.59	0.17	
ii) Others											
10. Lines of credit committed by other institutions (inflows)	8.00		140.00	40.00							
11. Bills rediscounted (inflow)											
12. Inflows on account of forward exchange contracts, dollar/rupee swaps (sell/buy)											
13. Others										0.79	
<b>C. TOTAL INFLOWS (C)</b>	<b>244.78</b>	<b>81.52</b>	<b>185.33</b>	<b>69.76</b>	<b>58.26</b>	<b>99.96</b>	<b>184.74</b>	<b>876.12</b>	<b>1,028.50</b>	<b>446.58</b>	
<b>D. Mismatch (C - A)</b>	<b>175.60</b>	<b>79.83</b>	<b>144.37</b>	<b>33.64</b>	<b>-62.27</b>	<b>-142.90</b>	<b>-197.66</b>	<b>-369.66</b>	<b>-660.35</b>	<b>-598.27</b>	
<b>E. Mismatch as % to outflows (D as % to A)</b>	<b>25.4%</b>	<b>20.44%</b>	<b>68.9%</b>	<b>93%</b>	<b>-52%</b>	<b>-59%</b>	<b>-52%</b>	<b>-30%</b>	<b>17.9%</b>	<b>-57%</b>	
<b>F. Cumulative Mismatch</b>	<b>175.60</b>	<b>255.23</b>	<b>399.61</b>	<b>433.25</b>	<b>370.98</b>	<b>228.09</b>	<b>30.43</b>	<b>-339.23</b>	<b>321.11</b>	<b>-277.18</b>	
<b>G. Cumulative Mismatch as % to Cumulative Outflows (F as % to B)</b>	<b>25.4%</b>	<b>34.9%</b>	<b>42.5%</b>	<b>33.3%</b>	<b>14.8%</b>	<b>4.6%</b>	<b>3%</b>	<b>-16%</b>	<b>13%</b>	<b>-8%</b>	

## J. Classification of loans according to

(a) Type of Loans: Details of types of loans

Sl. No.	Types of loans	Rs. crore
1	Secured	281.68
2	Unsecured	2,470.51
	Total assets under management (AUM)^	2,752.19

\*Information required at borrower level (and not by loan account as customer may have multiple loan accounts); ^Issuer is also required to disclose off balance sheet items;

(b) Denomination of loans outstanding by loan-to-value: Details of LTV

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	Sl. No.	LTV (at the time of origination)	Percentage of AUM
	1	UPTO 40%	2.73%
	2	40%-50%	1.36%
	3	50%-60%	1.03%
	4	60%-70%	1.24%
	5	70%-80%	0.50%
	6	80%-90%	0.68%
	7	>90%	2.70%
	8	Unsecured	89.77%
		<b>Total</b>	<b>100%</b>
<b>(c) Sector Exposure</b>	<u>Details of sectoral exposure</u>		
	Sl. No.	Segment-wise break-up of AUM	Percentage of AUM
	<b>1</b>	<b>Retail</b>	
	A	Mortgages (home loans and loans against property)	-
	B	Gold loans	-
	C	Vehicle finance	-
	D	MFI	-
	E	MSME	-
	F	Capital market funding (loans against shares, margin funding)	-
	G	Student Higher Education Loan	<b>95.80%</b>
	<b>2</b>	<b>Wholesale</b>	
	A	Infrastructure	-
	B	Real estate (including builder loans)	-
	C	Promoter funding	-
	D	Any other sector (as applicable)	-
	E	Others (Education Institution Loan)	<b>4.20%</b>
		<b>Total</b>	<b>100%</b>
<b>(d) Denomination of loans outstanding by ticket size*:</b>	<u>Details of outstanding loans category wise</u>		
	Sl. No.	Ticket size (at the time of origination)	Percentage of AUM
	1	Upto Rs. 5 Lacs	0.13%
	2	Rs. 5 - 15 Lacs	2.90%
	3	Rs. 15 - 30 Lacs	43.45%
	4	Rs. 30 - 50 Lacs	43.21%
	5	Rs. 50 Lacs - 1 Cr	7.23%
	6	Rs. 1 - 2 Cr	1.13%
	7	Above Rs. 2Cr	1.95%
		<b>Total</b>	<b>100.00%</b>
<i>* Information required at the borrower level (and not by loan account as a customer may have multiple loan accounts);</i>			
<b>(e) Geographical classification of borrowers:</b>	<u>Top 5 states borrower wise</u>		
	Sl. No.	Top 5 states	Percentage of AUM
	1	Telangana	38.59%
	2	Maharashtra	25.40%
	3	Tamil Nadu	12.04%
	4	Delhi	9.24%
	5	Gujarat	8.17%
	<b>Total</b>	<b>93.44%</b>	

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**K. Details of loans, overdue and classified as non-performing assets (NPA) in accordance with RBI stipulations**

(a) Movement of Gross NPA	Movement of gross NPA *		Rs. Crore
	Opening gross NPA		27.92
	- Additions during the period		6.96
	- Reductions during the period		-4.60
	Closing balance of gross NPA		30.28
<i>*Please indicate the gross NPA recognition policy (Day's Past Due)</i>			
(b) Movement of provisions for NPA	Movement of provisions for NPA		Rs. Crore
	Opening balance		8.06
	- Provisions made during the period		6.68
	- Write-off/ write-back of excess provisions		-1.13
	Closing balance		13.61
(c) Segment wise gross NPA	Sl. No.	Segment-wise gross NPA	Gross NPA (%)
	<b>1</b>	<b>Retail</b>	<b>0.08%</b>
	A	Mortgages (home loans and loans against property)	0
	B	Gold loans	0
	C	Vehicle finance	0
	D	MFI	0
	E	MSME	0
	F	Others (Capital market funding (loans against shares, margin funding))	0
	G	Student Higher Education Loan	0.08%
	<b>2</b>	<b>Wholesale</b>	<b>1.05%</b>
	A	Infrastructure	0
	B	Real estate (including builder loans)	0
	C	Promoter funding	0
	D	Any other sector (as applicable)	0
	E	Other (Education Institution Loan)	1.05%
	<b>Total</b>	<b>1.13%</b>	

**L. Residual maturity profile of assets and liabilities (in line with the RBI format):**

Residual maturity profile of assets and liabilities	Rs in Crores									
	Category	Up to 30 / 31 days	>1 mont hs – 2 mont hs	>2 mont hs – 3 mont hs	>3 mont hs – 6 mont hs	>6 mont hs – 1 year	>1 years – 3 years	>3 years – 5 years	> 5 years	Total
Deposit	-	-	-	-	-	-	-	-	-	-
Advances	29.21	29.24	29.23	87.74	180.28	860.03	1,019.79	431.06	2,666.60	
Investments	278.07	-	25.06	6.74	2.54	1.39	-	6.45	320.24	
Borrowings	84.58	27.97	114.41	118.77	322.72	958.34	364.19	69.51	2,060.49	
FCA*	-	-	-	-	-	-	-	-	-	
FCL*	-	-	-	-	-	-	-	-	-	

*\*FCA – Foreign Currency Assets; FCL – Foreign Currency Liabilities;*

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**5.21 Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Issuer, in the past 3 years including the current financial year:**

NIL

**5.22 Details of Promoters of the Company:**

**(a) Details of Promoter Holding in Company as on latest quarter end, i.e. December 31, 2023:**

S. No	Name of Shareholders  (Date of Incorporation, Business Activity, Address and PAN Number)	Total No. of Equity shares	No. of shares held in Demat form	Total Shareholding as % of total no. of equity shares	No of shares Pledged	% of shares pledged with respect to shares owned
1	M/s. Elme Advisors LLP  <b>Date of Incorporation:</b> 26/02/2010 <b>Business Activity:</b> Investment Company <b>Address:</b> 17 / 19, 2 <sup>nd</sup> Floor, Khatau Building, 44 Bank Street, Fort, Mumbai 400001 <b>PAN:</b> AALFP4726D	16,52,92,000	16,52,92,000	33.72	Nil	NA

**5.23 A columnar representation of the audited financial statements (i.e. Profit & Loss statement, Balance Sheet and Cash Flow statement) both on a standalone and consolidated basis for a period of three completed years which shall not be more than six months old from the date of the draft offer document or offer document or issue opening date, as applicable**

The above financial statements shall be accompanied with the Auditor's Report along with the requisite schedules, footnotes, summary etc.

**Standalone audited financial statements for last 3 years & unaudited financials for period ended September 30, 2023 of the Issuer:**

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

## Balance Sheet

Rs in Crores

Particulars	As at March 31, 2021	As at March 31, 2022	As at March 31, 2023	As at September 30, 2023
<b>ASSETS</b>				
<b>(I) Financial Assets</b>				
(a) Cash and cash equivalents	128.94	84.13	234.10	202.67
(b) Bank balances other than cash and cash equivalents	1.25	6.66	13.19	69.88
(c) Trade receivables	0.41	0.31	1.84	2.24
(d) Loans	529.88	759.87	1,676.55	2,359.29
(e) Other financial assets	0.79	0.91	1.68	11.64
	<b>661.27</b>	<b>851.88</b>	<b>1,927.36</b>	<b>2,645.71</b>
<b>(II) Non Financial Assets</b>				
(a) Current tax assets (net)	0.98	0.65	2.23	4.70
(b) Deferred tax assets (net)	1.28	3.05	2.07	0.81
(c) Property, plant and equipment	1.24	1.05	3.26	3.25
(d) Right-of-use assets	2.44	2.13	13.18	11.60
(e) Intangible assets under development	-	1.23	1.53	3.26
(f) Intangible assets	0.93	0.88	1.63	1.24
(g) Other non financial assets	1.39	1.90	2.85	5.49
	<b>8.25</b>	<b>10.90</b>	<b>26.74</b>	<b>30.35</b>
<b>Total Assets</b>	<b>669.53</b>	<b>862.78</b>	<b>1,954.10</b>	<b>2,676.06</b>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>(I) Financial Liabilities</b>				
(a) Trade payables				0.53
(b) Debt securities	119.33	138.66	297.09	155.48
(c) Borrowings (Other than debt securities)	166.09	318.03	1,162.83	1,718.01
(d) Lease liabilities	2.68	2.31	13.94	12.71
(e) Other financial liabilities	7.64	11.68	17.07	17.10
	<b>295.73</b>	<b>470.69</b>	<b>1,490.94</b>	<b>1,903.83</b>
<b>(II) Non-Financial Liabilities</b>				
(a) Provisions	0.78	1.27	1.73	2.33
(b) Other non-financial liabilities	0.49	1.78	3.09	2.77
	<b>1.27</b>	<b>3.05</b>	<b>4.82</b>	<b>5.10</b>
<b>EQUITY</b>				
(a) Equity share capital	344.06	349.45	376.27	376.27
(b) Instruments entirely equity in nature				68.63
(c) Other equity	28.47	39.59	82.07	322.24
	<b>372.53</b>	<b>389.04</b>	<b>458.34</b>	<b>767.13</b>
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and Equity</b>	<b>669.53</b>	<b>862.78</b>	<b>1,954.10</b>	<b>2,676.06</b>

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### Profit and Loss Statement

<b>Rs in Crores</b>				
<b>Particulars</b>	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2023</b>	<b>For the period ended September 30, 2023</b>
<b>(I) Revenue from operations</b>				
(a) Interest income	73.60	84.77	169.77	138.24
(b) Fee and commission income	0.33	1.04	4.05	9.15
(c) Net gain on fair value change	1.17	1.39	4.44	5.14
(d) Net gain on derecognition of financial instruments under amortised cost category	-	-	-	9.91
<b>Total revenue from operations</b>	<b>75.10</b>	<b>87.19</b>	<b>178.26</b>	<b>162.44</b>
<b>(II) Other income</b>	<b>0.59</b>	<b>5.43</b>	<b>12.57</b>	<b>5.26</b>
<b>Total income</b>	<b>75.69</b>	<b>92.62</b>	<b>190.83</b>	<b>167.71</b>
<b>(III) Expenses</b>				
(a) Finance costs	32.64	33.13	95.48	88.75
(b) Impairment on financial assets	0.79	5.27	4.55	4.60
(c) Employee benefits expenses	19.13	25.25	32.52	19.48
(d) Depreciation and amortization	2.67	2.80	4.35	2.62
(e) Others expenses	7.27	11.11	19.24	12.04
<b>Total expenses</b>	<b>62.50</b>	<b>77.57</b>	<b>156.13</b>	<b>127.48</b>
<b>(IV) Profit before tax for the year (I + II - III)</b>	<b>13.19</b>	<b>15.05</b>	<b>34.70</b>	<b>40.22</b>
<b>(V) Tax Expense :</b>				
(a) Current tax	3.31	4.31	7.83	8.93
(b) Short / (Excess) provision for earlier years	-0.35	-0.06	0.09	-
(c) Deferred tax	0.62	-1.77	1.03	1.26
	3.57	2.48	8.95	10.19
<b>(VI) Net profit after tax for the year (IV - V)</b>	<b>9.62</b>	<b>12.57</b>	<b>25.75</b>	<b>30.04</b>
<b>(VII) Other Comprehensive Income</b>				
(a) Items that will not be reclassified to profit and loss				
(i) Remeasurement gains and (losses) on defined benefit obligations	0.00	-0.19	-0.17	-

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Particulars	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2023	For the period ended September 30, 2023
(ii) Income tax relating to items that will not be reclassified to profit and loss	-0.00	0.05	0.04	-
<b>Total (a)</b>	<b>0.00</b>	<b>-0.14</b>	<b>-0.13</b>	<b>-</b>
(b) Items that will be reclassified to profit and loss	-	-	-	-
<b>Total (b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Comprehensive income (a+b)</b>	<b>0.00</b>	<b>-0.14</b>	<b>-0.13</b>	<b>-</b>
<b>(VIII) Total Comprehensive Income for the year (VI + VII)</b>	<b>9.62</b>	<b>12.43</b>	<b>25.62</b>	<b>30.04</b>
<b>(IX) Earnings per equity share in Rupees - Not Annualised (Face value INR 10 each)</b>				-
Basic	0.28	0.36	0.71	0.80
Diluted	0.28	0.36	0.71	0.73

### Cash Flow Statement

Rs in Crores

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2023	For the period ended September 30, 2023
<b>A Cash flow from operating activities</b>				
Profit before tax	13.19	15.05	34.70	40.22
<b>Adjustments for</b>				
Depreciation and amortisation	2.67	2.80	4.35	2.62
Interest adjustments lease liabilities	0.28	0.26	0.78	0.57
Interest Expense	31.79	32.32	93.22	87.30
Interest Paid	-23.06	-29.13	-84.53	-88.30
Interest income on loans	-	-83.54	-167.95	-135.00
Interest received	-	59.83	74.45	41.84
Impairment on financial assets	0.79	5.27	4.55	4.60
Net gain on sale on current investments measured at fair value through profit and loss	-1.17	-1.39	-4.44	-5.14
(Profit) / Loss on sale of fixed assets	-	0.01	-0.02	-
Provision for Compensated	0.17	0.12	0.13	0.30

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Particulars	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2023	For the period ended September 30, 2023
absences				
Provision for Gratuity	0.16	0.23	0.17	0.30
Interest expense on security deposit	0.05	0.05	0.08	0.05
Unwinding of discount on security deposits	-0.04	-0.06	-0.08	-0.04
Employees stock option provision	1.41	1.39	0.65	0.30
<b>Operating cash flow before working capital changes</b>	<b>26.25</b>	<b>3.22</b>	<b>-43.93</b>	<b>-50.39</b>
<i>Add / (Less): Adjustments for working capital changes</i>				
(Increase)/ Decrease in Trade Receivables	0.29	0.10	-1.53	-0.40
(Increase)/ Decrease in Loans	-44.08	-211.55	-827.73	-594.20
(Increase)/ Decrease in Other Financial Assets	-0.10	-0.11	-0.78	-9.96
(Increase)/ Decrease in Other non financial assets	-0.38	-0.51	-0.95	-2.64
(Increase)/ Decrease in Other Bank balances	-0.07	-5.41	-6.52	-56.67
(Increase)/ Decrease in Right-of-use assets	-0.84	-1.32	-13.70	-
Increase/ (Decrease) in Lease Liabilities	0.72	1.26	13.70	-0.02
Increase/ (Decrease) in Payables	-0.00	-	-	0.53
Increase/ (Decrease) in ECL on Cash and cash equivalents	-0.00	-0.00	0.00	-0.00
Increase/ (Decrease) in Other financial liabilities	-0.91	4.04	5.39	0.03
Increase/ (Decrease) in Other non-financial liabilities	-0.42	1.30	1.31	-0.32
<b>Cash used in operations</b>	<b>-19.54</b>	<b>-208.98</b>	<b>-874.75</b>	<b>-714.04</b>
Income taxes paid (Net of Refunds Received)	-3.34	-3.93	-9.49	-11.40
<b>Net cash used in operating activities -A</b>	<b>-22.89</b>	<b>-212.91</b>	<b>-884.25</b>	<b>-725.45</b>
<b>B Cash flow from investing activities</b>				
Purchase of property, plant and equipment, intangible assets (including asset under development)	-0.56	-2.19	-4.96	-2.36

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Particulars	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2023	For the period ended September 30, 2023
Sale of property, plant and equipment and intangible assets	-	0.02	0.03	-
Purchase of investments	-145.25	-331.25	-926.55	-966.00
Proceeds from sale of investments	146.42	332.64	930.99	971.14
<b>Net cash generated from / (used in) investing activities - B</b>	<b>0.61</b>	<b>-0.79</b>	<b>-0.49</b>	<b>2.77</b>
<b>C Cash flow from financing activities</b>				
Proceeds from call money on OCPS	2.64	2.64	2.64	-
Proceeds from issue of equity shares including securities premium	-	0.05	40.40	285.00
Share issue expenses	-	-	-0.01	-6.55
Payment towards leases	-1.62	-1.89	-2.86	-1.78
Proceeds from issue of debt securities	116.28	33.00	189.59	-
Repayment of debt securities	-29.17	-15.37	-34.76	-136.42
Proceeds from borrowings (other than Debt securities)	19.70	233.00	1,019.72	832.96
Repayment of borrowings (other than Debt securities)	-79.48	-82.54	-180.01	-281.97
<b>Net cash generated from financing activities - C</b>	<b>28.36</b>	<b>168.89</b>	<b>1,034.70</b>	<b>691.24</b>
<b>Net increase / (Decrease) in cash and cash equivalents (A+B+C)</b>	<b>6.08</b>	<b>-44.81</b>	<b>149.97</b>	<b>-31.43</b>
Cash and cash equivalent as at the beginning of the year	122.87	128.95	84.13	234.10
Cash and cash equivalent as at the end of the year	128.95	84.13	234.10	202.67

**Note : Company has prepared the financial statements on the basis of Indian Accounting Standards (Ind AS) as required by the Companies Act, 2013 from 1<sup>st</sup> April 2020**

Given that the Issuer does not have any subsidiaries consolidated financial statements are not available. The Auditor's Reports along with the requisite schedules, footnotes, summary etc has been attached under **Annexure X** to this Placement Memorandum.

**5.24 Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the**

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**Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event etc.) at the time of Issue which may affect the Issue or the investor's decision to invest / continue to invest in the debt securities.**

The Issuer hereby declares that there has been no material event, development or change on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event etc.) at the time of issue, which may affect the Issue or the Investor's decision to invest/ continue to invest in the debt securities of the Issuer.

**5.25 Any litigation or legal action pending or taken by a Government Department or a statutory body during the last three years immediately preceding the year of the issue of prospectus against the promoter of the Company;**

Nil

**5.26 Details of default and non-payment of statutory dues**

Nil

**5.27 Details of pending litigation involving the issuer, promoter, director, subsidiaries, group companies or any other person, whose outcome could have material adverse effect on the financial position of the issuer, which may affect the issue or the investor's decision to invest / continue to invest in the debt securities and/ or non-convertible redeemable preference shares.**

Nil

**5.28 Details of acts of material frauds committed against the issuer in the last three years, if any, and if so, the action taken by the issuer.**

Nil

**5.29 Details of pending proceedings initiated against the issuer for economic offences:**

Nil

**5.30 The name(s) of the debentures trustee(s) shall be mentioned with statement to the effect that debenture trustee(s) has given its consent for appointment along with copy of the consent letter from the debenture trustee.**

The Debenture Trustee of the proposed Debentures is Catalyst Trusteeship Limited. Catalyst Trusteeship Limited has given its written consent for its appointment as debenture trustee to the Issue and inclusion of its name in the form and context in which it appears in this Placement Memorandum and in all the subsequent periodical communications sent to the Debenture Holders. The consent letter from Debenture Trustee is provided in **Annexure III** of this Placement Memorandum.

**5.31 Details of credit rating along with reference to the rating letter issued (not older than one month on the date of opening of the issue) by the rating agencies in relation to the issue.**

The Rating Agency has assigned a rating of "CARE A+ / Stable" (pronounced as "CARE Single A Plus") with 'stable' outlook to the Debentures. Instruments with this rating are

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considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk. The rating letter from the Rating Agency and the rating rationale from the Rating Agency is provided in **Annexure II** of this Placement Memorandum.

The Issuer hereby declares the aforesaid credit rating obtained by it in relation to the Debentures shall be valid on the date of Issue and on the date of listing of Debentures.

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

Not applicable.

**5.33 Disclosure of Cash flow with date of interest/dividend/ redemption payment as per day count convention**

- (a) The day count convention for dates on which the payments in relation to the non-convertible securities which need to be made: Actual / Actual. Please also refer to the column on “*Business Day Convention*” under Section 5.40 (*Issue Details*) of this Placement Memorandum;
- (b) Procedure and time schedule for allotment and issue of securities: Please refer to the column on “*Issue Timing*” under Section 5.40 (*Issue Details*) of this Placement Memorandum; and
- (c) Cash flows emanating from the non-convertible securities shall be mentioned in the Placement Memorandum, by way of an illustration: The cashflows emanating from the Debentures, by way of an illustration, are set out under **Annexure VI** (*Illustration of Bond Cashflows*) of this Placement Memorandum.

**5.34 Name(s) of the stock exchange(s) where the non-convertible securities are proposed to be listed and the details of their in-principle approval for listing obtained from these stock exchange(s):**

The Debentures are proposed to be listed on the WDM segment of the BSE. The Issuer shall comply with the requirements of the listing agreement for debt securities to the extent applicable to it on a continuous basis.

The Issuer has obtained the in-principle approval for the listing of the Debentures from BSE and the same is annexed in **Annexure IX** hereto. The Issuer shall also be creating the recovery expense fund as per the applicable SEBI regulations with BSE.

**5.35 Other details:**

- (a) **Creation of Debenture Redemption Reserve (“DRR”) – relevant legislations and applicability:**

As per Section 71 of the Act, any company that intends to issue debentures must create a DRR to which adequate amounts shall be credited out of the profits of the company until the redemption of the debentures. However, under the Companies (Issuance of Share Capital and Debentures) Rules, 2014, non-banking financial companies are exempt from

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this requirement in respect of privately placed debentures. Pursuant to this exemption, the Company does not intend to create any reserve funds for the redemption of the Debentures.

(b) **Issue / instrument specific regulations - relevant details (Companies Act, Reserve Bank of India guidelines etc.):**

The Issue of Debentures shall be in conformity with the applicable provisions of the Companies Act including the relevant notified rules thereunder, the SEBI Debt Listing Regulations, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) and the applicable RBI guidelines.

(c) **Default in payment:** Please refer to the column on “Default Interest Rate” under Section 5.40 (*Issue Details*) of this Placement Memorandum and Section 5.40 (*Issue Details- Consequences of Event of Default*) of the Placement Memorandum, setting out the consequences pursuant to any default in payment of Debentures.

(d) **Delay in listing:** Please refer to the column on “*Listing (name of stock Exchange(s) where it will be listed and timeline for listing)*” under Section 5.40 (*Issue Details*) of this Placement Memorandum, setting out the consequences pursuant to any delay in listing of Debentures

(e) **Delay in allotment of securities:** Any delay in allotment of securities from 2 (Two) Business Days from the Deemed Date of Allotment shall be an “Event of Default” under the terms of the Transaction Documents and the consequences set out under Section 5.40 (*Issue Details - Consequences of Event of Default*) of the Placement Memorandum shall trigger.

(f) **Issue details:** Please refer to Section 5.40 (*Issue Details*) of this Placement Memorandum

(g) **Application process:**

The application process for the Issue is as provided in SECTION 8: of this Placement Memorandum.

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

All disclosures under Form No. PAS-4 of Companies (Prospectus and Allotment of Securities), Rules, 2014 have been set out in **Section 10**.

(i) **Project details: gestation period of the project; extent of progress made in the project; deadlines for completion of the project; the summary of the project appraisal report (if any), schedule of implementation of the project:**

Not applicable

**5.36 A statement containing particulars of the dates of, and parties to all material contracts, agreements:**

The following contracts, not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than 2 (Two) years before the date of this Placement Memorandum, which are or may be deemed material, have been entered into by the Company.

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The contracts and documents referred to hereunder are material to the Issue, may be inspected at the Registered Office of the Company between 10.00 am to 4.00 pm on working days.

S. No.	Nature of Contract
1	Certified true copy of the Memorandum & Articles of Association of the Issuer.
2	Board Resolution dated May 2, 2023 read with the resolution passed by the Borrowing Committee of the Board of Directors dated February 12, 2024 authorizing the issue of Debentures offered under the terms of this Disclosure Document.
3	Shareholder Resolution dated June 28, 2023 authorizing the issue of non-convertible debentures by the Company.
4	Copies of Annual Reports of the Company for the last three financial years.
5	Credit rating letter issued by the Rating Agency dated February 13, 2024 and rating rationale from the Rating Agency dated February 15, 2024.
6	Letter from Catalyst Trusteeship Limited dated February 13, 2024 giving its consent to act as Debenture Trustee.
7	Letter for Register and Transfer Agent.
8	Certified true copy of the certificate of incorporation of the Company.
9	Certified true copy of the tripartite agreement between the Company, the Registrar & Transfer Agent and NSDL and CDSL.
10	Copy of application made to BSE for grant of in-principle approval for listing of Debentures.

### 5.37 Details of Debt Securities Sought to be Issued

Under the purview of the current document, the Issuer intends to raise an amount of Rs. 50,00,00,000/- (Rupees Fifty Crores only) with an option to retain additional subscription / green shoe option of up to Rs. 25,00,00,000/- (Rupees Twenty Five Crores only), aggregating up to Rs. 75,00,00,000/- (Rupees Seventy Five Crores Only) by issuance of Secured Rated Listed Redeemable Taxable Non-Convertible Debentures, for cash, at par, in dematerialised form on a private placement basis.

For further details of the Debentures, please refer to the terms and conditions of the debentures set out in Section 5.40 (*Issue Details*) of this Placement Memorandum.

### 5.38 Issue Size

The aggregate issue size for the Debentures is of up to Rs. 50,00,00,000/- (Rupees Fifty Crores only) with an option to retain additional subscription / green shoe option of up to Rs. 25,00,00,000/- (Rupees Twenty Five Crores only), aggregating up to Rs. 75,00,00,000/- (Rupees Seventy Five Crores Only) in dematerialised form on a private placement basis.

### 5.39 Utilization of the Issue Proceeds

The proceeds shall be used for the purpose as set out in the column of “*Details of the utilization of the Proceeds*” under Section 5.40 (*Issue Details*) of this Placement Memorandum.

The Issuer undertakes that the proceeds of this Issue shall be utilized for the deployment of funds on its own balance sheet and not to facilitate resource requests of its group entities/parent company /associates.

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#### 5.40 Issue Details

Security Name (Name of the non-convertible securities which includes (Coupon/dividend, Issuer Name and maturity year) e.g. 8.70% XXX 2015.	<b>9.90% Auxilo Finserve Private Limited 2027</b>
Issuer / Company	<b>Auxilo Finserve Private Limited (“Company/AFPL/Issuer”)</b>
Type of Instrument	Secured Rated, Listed, Redeemable, Taxable, Non-Convertible Debentures (“NCDs” / “Debentures”)
Nature of Instrument (Secured or Unsecured)	Secured
Seniority (Senior or Subordinated)	Senior
Mode of Issue	Private placement
Promoter & Promoter Group	Promoter/ Promoter group shall have the meaning as defined under Companies Act, 2013 and the SEBI Regulations.
Series	NCD202324003
Eligible Investors	<p>The following categories of investors, when specifically approached and have been identified upfront, are eligible to apply for this private placement of the Bonds subject to fulfilling their respective investment norms/rules and compliance with laws applicable to them by submitting all the relevant documents along with the Application Form (“<b>Eligible Investors</b>”):</p> <p>1. Qualified Institutional Buyers (“<b>QIBs</b>”) means the following entities:</p> <ul style="list-style-type: none"> <li>n) A mutual fund, venture capital fund, Alternative Investment Fund and Foreign Venture Capital Investor registered with SEBI;</li> <li>o) Foreign portfolio investor other than individuals, corporate bodies and family offices;</li> <li>p) a Public Financial Institution;</li> <li>q) a Scheduled Commercial Bank;</li> <li>r) a multilateral and bi-lateral development financial institution;</li> <li>s) a State Industrial Development Corporation;</li> <li>t) An insurance company registered with Insurance Regulatory and Development Authority of India;</li> <li>u) A Provident Fund with minimum corpus of Rs.25 Crores</li> <li>v) A Pension Fund with minimum corpus of Rs.25 Crores</li> <li>w) National Investment Fund set up by resolution No: F.No.2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India;</li> <li>x) An insurance fund set up and managed by Army, Navy / Air force of the Union of India;</li> <li>y) Insurance funds set up and managed by the Department of Posts, India; and</li> <li>z) Systemically important Non- Banking Financial Companies.</li> </ul>

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	<p>Any non-QIB including <i>inter-alia</i> resident individual investors, Hindu Undivided Families (excluding minors and NRIs), Partnership Firms and Limited Liability partnership firms, Trusts (including public charitable trusts), association of persons, societies registered under the Applicable Laws in India, companies, bodies corporate etc., who/ which has been authorized by the Issuer, to participate in a particular issue on the EBP platform.</p> <p>The advisor(s)/ arranger(s)/ placement agent(s), broker(s) associated with the Issue and/or their affiliates/ subsidiaries/ associates/ group companies and/or their promoters/ directors/ key managerial personnel/ officers/ employees may subscribe to the Issue as the applicable laws including but not limited to (i) SEBI (Merchant Bankers) Regulations, 1992 and Code of Conduct specified therein; (ii) Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 and Code of Conduct specified therein, as applicable, do not restrict them from subscribing to the Issue.</p> <p>Note: Participation by potential investors in the issue may be subject to statutory and/or regulatory requirements applicable to them in connection with subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that they comply with all regulatory requirements applicable to them, including exchange controls and other requirements. Applicants ought to seek independent legal and regulatory advice in relation to the laws applicable to them.</p>
<p>Listing (including name of stock Exchange(s) where it will be listed and timeline for listing)</p>	<ol style="list-style-type: none"> <li>a. The NCDs are proposed to be listed on the WDM of the BSE Limited (BSE). The NCDs shall be listed within 3 (Three) working days from the Issue Closure Date (“Listing Period”).</li> <li>b. The Issuer shall ensure that the Debentures continue to be listed on the wholesale debt market segment of the BSE.</li> <li>c. In the event there is any delay in listing of the Debentures beyond the Listing Period, the Issuer will: <ol style="list-style-type: none"> <li>(i) pay to the Debenture Holders, a penal interest of 1% (One Percent) p.a. over the applicable Coupon Rate from the Deemed Date of Allotment until the listing of the Debentures is completed; and</li> <li>(ii) be permitted to utilize the issue proceeds of its 2 (two) subsequent privately placed issuances of securities only after receiving final listing approval from the stock exchange(s).</li> </ol> </li> </ol>
<p>Rating of the Instrument (Rating)</p>	<p>“CARE A+/Stable” (Pronounced as “CARE Single A Plus” Outlook: Stable) by CARE Ratings Limited</p> <p>The Issuer/Investor(s) reserves the right to obtain an additional credit rating from any SEBI registered Credit Rating Agency for full or part of the Issue size, as it may deem fit, which shall be at least equivalent to the prevailing credit rating to the issue.</p>

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Credit Rating Agency	CARE Ratings Limited
Objects of the Issue / Purpose for which there is requirement of funds	<p>The amount equivalent up to 60% (Sixty Percent) of the monies received shall be utilized towards repayment or refinancing of existing debt of the Company, up to 100% (One Hundred Percent) of the monies received to finance the growth of the portfolio of the Company as is permitted for bank finance by the Reserve Bank of India and up to 40% (Forty Percent) of the monies received for business activities to augment the long term growth of the Company (the “<b>Purpose</b>”).</p> <p>The Issuer shall not use the proceeds of the Issue towards:</p> <ul style="list-style-type: none"> <li>(a) Any capital market instrument such as equity, debt, debt linked and equity linked instruments or any other capital market related activities;</li> <li>(b) Any speculative purposes;</li> <li>(c) Investment in the real estate sector, including the acquisition of land, and/or any other real estate business. The expression “real estate business” has the meaning given to it in the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019;</li> <li>(d) Providing/extending loans or making any inter-corporate deposits to/in any subsidiary and/or associate Issuer;</li> <li>(e) Providing any bill discounting facilities;</li> <li>(f) making any repayment of any loans availed from its directors and/or Promoters; and/or</li> <li>(g) in contravention of any Applicable Law (including but not limited to the NBFC Directions and the guidelines, rules or regulations of the RBI applicable to non-banking financial companies).</li> </ul>
In case the issuer is a NBFC and the objects of the issue entail loan to any entity who is a ‘group Issuer’ then disclosures shall be made in the following format:	Not Applicable
Details of the utilization of the Proceeds	<p>The amount equivalent up to 60% (Sixty Percent) of the monies received shall be utilized towards repayment or refinancing of existing debt of the Company, up to 100% (One Hundred Percent) of the monies received to finance the growth of the portfolio of the Company as is permitted for bank finance by the Reserve Bank of India and up to 40% (Forty Percent) of the monies received for business activities to augment the long term growth of the Company (the “<b>Purpose</b>”).</p> <p>The Issuer shall not use the proceeds of the Issue towards:</p> <ul style="list-style-type: none"> <li>a. Any capital market instrument such as equity, debt, debt linked and equity linked instruments or any other capital market related activities;</li> <li>b. Any speculative purposes;</li> <li>c. Investment in the real estate sector, including the acquisition of land, and/or any other real estate business. The expression “real estate business” has the meaning given to it in the</li> </ul>

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	<p>Foreign Exchange Management (Non-Debt Instruments) Rules, 2019;</p> <p>d. Providing/extending loans or making any inter-corporate deposits to/in any subsidiary and/or associate Issuer;</p> <p>e. Providing any bill discounting facilities;</p> <p>f. making any repayment of any loans availed from its directors and/or Promoters; and/or in contravention of any Applicable Law (including but not limited to the NBFC Directions and the guidelines, rules or regulations of the RBI applicable to non-banking financial companies).</p>
Issue Size	Rs. 50,00,00,000/- (Rupees Fifty Crores Only) plus green shoe-option of Rs. 25,00,00,000/- (Rupees Twenty-Five Crores Only)
Option to retain oversubscription	Green shoe-option of Rs. 25,00,00,000/- (Rupees Twenty-Five Crores Only)
Anchor Portion Details	NA
Coupon Rate	9.90% p.a. payable quarterly
Step Up Coupon Rate	<p>In case of downgrade or assignment of any new rating, which is lower than the existing credit rating of the NCDs/Issuer as on Deemed Date of Allotment, the Coupon for the balance period would increase by 0.25% ("Step-up Rate") for each notch downgrade in rating and the same will be with effect from the rating downgrade date.</p> <p>Step Up, in accordance with this clause shall not require any notice, intimation or action on behalf of the Debenture Trustee or the Debenture Holders.</p> <p>In case, rating from multiple rating agencies is available, the lowest rating available for long term borrowing shall be considered for calculation for the purpose of this clause.</p>
Coupon Payment Frequency	Quarterly and on Final Redemption Date
Coupon Payment Date(s)	<p>The Coupon shall be payable on a quarterly basis from the Deemed Date of Allotment and on the Redemption Date(s) (subject to the Business Day convention set out in the row titled 'Business Day Convention').</p> <p>The Coupon Payment Dates are specifically set out in Annexure I hereto.</p>
Cumulative / Non-Cumulative, in case of dividend	Not Applicable
Coupon Type (Fixed, floating or other structure)	Fixed
Coupon Reset Process/ Spread Reset Process (including rates, spread, effective date, interest rate cap and floor etc.).	Not Applicable
Day Count Basis (Actual/Actual)	Interest and all other charges shall accrue based on an actual/actual basis.

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Interest on Application Money	At the Coupon rate (subject to deduction of tax at source, as applicable) from the date of realization of cheque(s)/ demand draft(s)/ RTGS up to one day prior to the Deemed Date of Allotment. Where pay-in Date and Deemed Date of Allotment are the same, no interest on Application money is to be paid.
Default Interest Rate/ Additional Interest Rate	<p>Without prejudice to the other rights of the Debenture Trustee (including the right to call an Event of Default):</p> <ol style="list-style-type: none"> <li>a) If, at any time, a Payment Default and /or any other Event of Default occurs, the Issuer agrees to pay additional coupon at the rate of 2% (Two Percent) per annum over and above the applicable Coupon Rate on all amounts outstanding NCDs (including the Outstanding Principal Amounts and any accrued but unpaid interest) from the date of occurrence of such a Payment Default or any other Event of Default until such default is cured or the Debentures are fully redeemed.</li> <li>b) In case delay in execution of Debenture Trust Deed (DTD) and/ or Deed Of Hypothecation (DOH) 1 (One) day prior to filing of the listing application with BSE Limited for listing of the Debentures, and/or perfect the same by filing CHG-9 Form with ROC within requisite timelines, then the Issuer shall, at the option of the Debenture Holders, either (i) return the subscription amount with the agreed rate of interest or (ii) to pay additional coupon at the rate of 2% (Two Percent)per annum over and above the applicable Coupon Rate on all amounts outstanding NCDs (including the Outstanding Principal Amounts and any accrued interest) from the Issue Closure Date until such time DTD and/or DOH is executed and /or perfected.</li> <li>c) If, at any time, a breach of any terms of Financial Covenant or Holding &amp; Management Covenant or Rating Covenant, the Issuer agrees to pay additional coupon at the rate of 2% (Two Percent)per annum over and above the applicable Coupon Rate on all amounts outstanding NCDs (including the Outstanding Principal Amounts and any accrued but unpaid interest) from the date of occurrence of such a breach, until the Debentures are fully redeemed or till the covenants criteria has been replenished.</li> </ol>
Tenor	36 (Thirty-Six) months from the Deemed Date of Allotment.
Principal Redemption	Bullet, At Par
Principal Redemption Date	February 21, 2027
Principal Redemption Amount	Rs 1,00,000/- per Debenture
Redemption Premium/ Discount	Not Applicable
Issue price	Rs. 1,00,000/- (Rupees One Lakh Only) per Debenture

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Discount at which security is issued and the effective yield as a result of such discount.	NA
Put Option	<p>The Debenture holder/s shall have right but not an obligation to require the Issuer to redeem the NCDs held by such debenture holder in part or full, by issuing a notice in writing to the Debenture Trustee on or before Put Notification Time. In the event the Put Option is exercised, the Issuer will redeem the NCDs of such Debenture Holder(s) on such Put Option Date.</p> <p>a. In the event there is any delay in redemption of such debentures on the relevant Put Option Date, the Issuer will pay to the Debenture Holders, a penal interest of 15% p.a (Fifteen Percent) from the Put Option Date till the NCDs are redeemed of such Debenture Holder(s).</p> <p>b. After the completion of the exercise of Put Option, the Issuer shall: (a) submit a report to BSE for public dissemination regarding the redemption; (b) inform the Debenture Trustee regarding the Debentures redeemed during the exercise period and details of redemption thereof; and (c) inform the Depositories for extinguishing the Debentures that have been redeemed. The Issuer shall further carry out such other activities as per the applicable law as may be amended from time to time.</p>
Put Option Date(s)	At the end of 24 (Twenty-Four) months from the Deemed Date of Allotment
Put Option Price	At Par
Put Notification Time (Timelines by which the investor need to intimate Issuer before exercising the put)	At least 60 (Sixty) calendar days before the Put Option Date.
Call Option	<p>a. The Issuer shall have right but not an obligation to redeem the NCDs on a pro-rata basis on the Call Option Date, by issuing a notice in writing to the Debenture Trustee on or before Call Notification Date.</p> <p>b. The Issuer shall send a notice regarding recall or redemption of non- convertible securities, prior to maturity, to all the eligible holders of such securities and the debenture trustee(s), at least twenty-one days before the date from which such right is exercisable and the notice to the eligible holders shall be sent in the following manner:</p> <p>i. soft copy of such notice shall be sent to the eligible holders who have registered their email address(es) either with the listed entity or with any depository; and</p> <p>ii. hard copy of the notice shall be sent to the eligible holders who have not registered their email address(es) either with the listed entity or with any depository.</p> <p>c. In the event there is any delay in redemption of the</p>

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	Debentures on the Call Option Date, the Issuer will pay to the Debenture Holders, a penal interest of 15% (Fifteen Percent) per annum from the Call Option Date till the NCDs are redeemed as per the notice issued by the Issuer
Call Option Date(s)	At the end of 24 (Twenty-Four) months from the Deemed Date of Allotment
Call Option Price	At Par
Call Notification Time	At least 60 (Sixty) calendar days before the Call Option Date.
Face Value	Rs. 1,00,000/- (Rupees One Lakh Only) per Debenture
Minimum application and multiples of Debt securities thereafter	The minimum application size for the Issue shall be 100 (One Hundred) Debentures and in multiples of 1 (One) Debenture thereafter.
Issue Timing	
1. Issue Opening Date	February 20, 2024
2. Issue Closing Date	February 20, 2024
3. Date of earliest closing of the issue, if any.	N.A
4. Pay-in Date	February 21, 2024
5. Deemed Date of Allotment	February 21, 2024
Settlement Mode of the Instrument	All interest, principal repayments, penal interest and other amounts, if any, payable by the Issuer to the Debenture Holders shall be paid to the Debenture Holders by electronic mode of transfer like RTGS/NEFT/direct credit to such bank account within India as the Debenture Holders' inform the Issuer in writing and which details are available with the Registrar.
Depositories	NSDL and CDSL
Disclosure of Interest/Dividend/redemption dates	Please refer Annexure I below for the indicative cash flows.
Issuance mode of the Instrument	On a Private Placement basis on a dematerialized form
Trading mode of the Instrument	Dematerialized form
All covenants of the issue (including side letters, accelerated payment clause, etc.)	There are no other covenants other than as prescribed in the Placement Memorandum.
Business Day	Any day of the week (excluding Saturday, Sundays and any day which is a public holiday) on which banks are normally open for business in Mumbai, India
Business Day Convention	If any Coupon Payment Date(s) or any other Due Date(s) for the performance of any event falls on a day that is not a Business Day, then the succeeding Business Day will be considered as the effective date. The interest for such additional period shall be adjusted and paid in the next coupon cycle. Hence the subsequent coupon payment period remains intact.

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	<p>If the Redemption Date (also being the last Coupon Payment Date) of the Debentures falls on a day that is not a Business Day, the redemption proceeds shall be paid on the immediately preceding Business Day, along with coupon/interest accrued on the Debentures until but excluding the date of such payment.</p>
<p>Record Date</p>	<p>A Register of Debenture Holders shall be maintained in accordance with Section 88 of the Companies Act, 2013 and the Register of Debenture Holders/the Register of Beneficial Owners, shall be closed 5 (Five) calendar days prior to each Due Date or any other payment date by acceleration.</p>
<p>Description regarding Security (where applicable) including type of security movable/immovable/tangible etc.), type of charge (pledge/hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Offer Document/ Information Memorandum.</p>	<p>The Hypothecated Assets shall include, inter alia, identified book debts/receivables of the Issuer of the Issuer, (herein referred as "<b>Hypothecated Assets</b>"/ "<b>Company's Receivables</b>").</p> <p>The outstanding NCD amount, together with interest, default interest remuneration of the Trustee, charges, fees, expenses and all other monies due from the Issuer, shall be secured by (to the satisfaction of the NCD holders):</p> <ol style="list-style-type: none"> <li>a. Exclusive Charge via a deed of hypothecation over specific asset portfolio of receivables of the Issuer ("Hypothecated Assets") with a security cover of 1 time ("Minimum Security Cover") to be maintained on the Outstanding Amounts of the NCDs along with coupon thereon at all times during the tenor of the NCDs ("Security").</li> </ol> <p>The Issuer shall execute the Debenture Trust Deed and Deed of Hypothecation on or prior to the Deemed Date of Allotment and perfect the same by filing CHG-9 with Registrar of Companies (ROC) with 30 (Thirty) calendar days from execution of Deed of Hypothecation.</p> <p><u>Eligibility Criteria for the Hypothecated Assets to be maintained at all times during the tenor of the NCDs:</u></p> <ol style="list-style-type: none"> <li>a. The Hypothecated Assets should be current at the time of selection However on an ongoing basis, the Hypothecated Assets shall not past due above 60 (Sixty) days at any point in time during the entire of the NCDs.</li> <li>b. The Hypothecated Assets should not have been restructured and/or rescheduled</li> <li>c. The Hypothecated Assets to be provided to the Debenture Trustee must comprise of Education Loan portfolio.</li> <li>d. The Hypothecated Assets to be provided to the Debenture Trustee must comprise of only loans directly originated by the Issuer and not loans purchased from the third party.</li> <li>e. The Hypothecated Assets to be provided to the Debenture Trustee to comprise of sanctioned loans (collectively to single borrower) of not more than Rs. 60 lakhs.</li> <li>f. The Hypothecated Assets are existing at the time of selection, and have not been terminated or prepaid;</li> <li>g. The Hypothecated Assets are free from all Encumbrances and are not subject to any lien or charge;</li> </ol>

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	<p>h. All loans hypothecated under the deed of hypothecation should comply with RBI norms and guidelines.</p> <p>i. The Hypothecated Assets s being charged must comply with all extant ‘know your customer’ norms specified by RBI;</p> <p>j. The Hypothecated Assets generated from lending to Issuer’s associate/s &amp; subsidiary/s and/or Related Party shall not be considered for asset cover calculation from this issuance. No drawing power for shall be provided for Issuer’s receivables generated from the lending to Issuer’s associate/s /subsidiary/s/ Related Party.</p> <p>In case of the replacement of Security or in the event of any fall in the Security Cover below the Minimum-Security Cover, the Issuer shall be obliged to reinstate the Security Cover to atleast the Minimum-Security Cover in terms of the Deed of Hypothecation, within 15 (Fifteen) calendar days from the date of such fall in the Security Cover. The Issuer shall execute such deeds, documents and writings and do such acts and things in this regard as may be required by the Debenture Trustee including filing of the requisite forms with ROC for the said change on a half-yearly basis.</p> <p>Without prejudice to the obligation of the Issuer in terms of the foregoing, the Issuer shall be liable to pay additional coupon at the rate of 2% (Two Percent) per annum over and above the applicable Coupon Rate from the date on which the Security Cover falls below the Minimum-Security Cover until the date on which it is reinstated in terms of the Transaction Documents.</p> <p>In case of an Event of Default, the Majority NCD holders shall have the option to buy the Hypothecated Assets or cause the Hypothecated Assets to be securitized (in whole or in part) and sold to a Special Purpose Vehicle ("SPV") at a future date against the amounts outstanding under the NCDs.</p>
Undertaking	The Issuer hereby undertakes that the Security to be created on the Hypothecated Assets is free from all Encumbrances and are not subject to any lien or charge.
Transaction Documents	<p>The Issuer has executed/shall execute the documents including but not limited to the following, as required, in connection with the Issue as per latest SEBI guidelines/ Companies Act, 2013 (as applicable) for issuance of NCDs through private placement:</p> <p>a. Debenture Trustee Agreement</p> <p>b. Placement Memorandum;</p> <p>c. Term Sheet</p> <p>d. Private Placement Offer Letter (Form PAS-4);</p> <p>e. Debenture Trust Deed;</p> <p>f. Deed of Hypothecation;</p> <p>g. Such other documents as agreed between the Issuer and the Debenture Trustee</p>
Conditions Precedent to Disbursement	<p>a. Execution of the Transaction Documents;</p> <p>b. Receipt of Due diligence certificate (Annexure A) issued by the Debenture Trustee in accordance with the SEBI circular dated November 03, 2020 (bearing reference no SEBI/HO/MIRSD/CRADT/CIR/P/2020/218)</p>

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	<ul style="list-style-type: none"> <li>c. Receipt Rating Rationale and press release from the Credit Rating Agency;</li> <li>d. Rating Letter from the Credit Rating Agency</li> <li>e. Receipt of the Debenture Trustee Consent Letter;</li> <li>f. Receipt of the BSE in-principal approval;</li> <li>g. A certified copy of the resolution of the Issuer's board of directors authorizing the issuance of the Debentures to be provided prior to the Deemed Date of Allotment;</li> <li>h. A certified copy of the resolution of the shareholders of the Issuer under Sections 180(1)(a) and 180(1)(c) of the Act to be provided prior to the Deemed Date of Allotment;</li> <li>i. A certified copy of the resolution of the shareholders of the Issuer under Section 42 of the Act;</li> <li>j. Certificate from an Independent Chartered Accountant certifying that the list of receivables to be hypothecated are as per the Eligibility Criteria mentioned herein</li> <li>k. A certificate issued by the independent chartered accountant, prior to the Deemed Date of Allotment confirming that: (A) issuance of the Debentures would not cause any borrowing, or similar limit binding on the Issuer to be exceeded; (B) execution of the relevant Security Documents and creation of the security interests, would not breach any limits under the constitutional documents of the Issuer, the terms of any other contractual arrangements entered into by the Issuer or any limits prescribed by the shareholders or board of directors of the Issuer;</li> <li>l. A certificate issued by an independent chartered accountant, prior to the Deemed Date of Allotment, certifying that there are no proceedings or claims for the recovery of any Tax pending against the Issuer including, without limitation, any income tax proceedings requiring it to obtain the consent of the Assessing Officer under Section 281(1) of the Income Tax Act, 1961 for the purpose of creating security interest in respect of the secured property.</li> <li>m. Duly completed certified/ self-attested KYC Documents of the Issuer including LEI Registration number and the Authorized Signatories of the Issuer</li> <li>n. The Issuer to provide a management undertaking that all the borrowing facilities of the Issuer are standard in nature, the Issuer has not defaulted in making any payments in respect thereto and the Issuer has obtained all regulatory and statutory consents to issue Debentures.</li> </ul>
<p>Conditions Subsequent to Disbursement</p>	<p>The Issuer shall fulfill the following conditions subsequent, to the satisfaction of the Debenture Trustee, pursuant to the Deemed Date of Allotment:</p> <ul style="list-style-type: none"> <li>a. Receipt of Due diligence certificate (Annexure B) issued by the Debenture Trustee in accordance with the SEBI circular dated November 03, 2020 (bearing reference no SEBI/HO/MIRSD/CRADT/CIR/P/2020/218)</li> <li>b. The Issuer shall ensure that the Debentures are credited into the beneficial owner account(s) of the Debenture within 2 (Two) Business Days from the relevant Deemed Date of Allotment;</li> </ul>

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	<ul style="list-style-type: none"> <li>c. The Issuer will ensure listing of Debentures on the BSE within 3 (Three) working days from the Issue Closure Date;</li> <li>d. The Issuer shall file a copy of Form PAS-3 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 with the relevant registrar of companies and SEBI within 15 (Fifteen) days from the date of the Private Placement Offer Letter;</li> <li>e. Perfection of the Security over the Hypothecated Assets by filing Form CHG-9 with the Registrar of Companies within 30 (Thirty) calendar days from the execution of Deed of Hypothecation.</li> <li>f. The Issuer shall provide the details on utilisation of funds raised through the issue of Debentures duly certified by the Issuer's chartered accountants/ statutory auditors to the Debenture Trustee within 60 (Sixty) calendar days from the Deemed Date of Allotment;</li> <li>g. Execution of any other documents as the Debenture Trustee may require.</li> </ul>
<p>Representations and Warranties of the Issuer</p>	<p>The Issuer declares, represents and warrants to the Debenture Trustee and the Debenture Holders, as follows which representations and warranties shall be made as on the date of this Term Sheet and shall be deemed to repeated on each date until the Final Settlement Date:</p> <p><b>a. Status</b></p> <ul style="list-style-type: none"> <li>i. The Issuer has been duly incorporated, organized and is validly existing, under applicable law.</li> <li>ii. The Issuer is a non-banking financial Issuer registered with the RBI and such registration is valid and subsisting;</li> <li>iii. The Issuer has the corporate power, authority and all material permits, approvals, authorizations, licenses, registrations, and consents including registrations, to own and operate its assets and to carry on its business in substantially the same manner as it is currently conducted.</li> </ul> <p><b>b. Binding Obligations</b></p> <p>The obligations expressed to be assumed by it under the Transaction Documents are legal, valid, binding and enforceable obligations.</p> <p><b>c. Non-conflict with other obligations</b></p> <p>The entry into and performance by the Issuer of, the transactions contemplated by the Transaction Documents do not and will not conflict with:</p> <ul style="list-style-type: none"> <li>i. any Applicable Law (including, without limitation, any laws and regulations regarding anti-money laundering or terrorism financing, and similar financial sanctions);</li> <li>ii. its constitutional documents;</li> <li>iii. any agreement or instrument binding upon it or any of its assets, including but not limited to any terms and</li> </ul>

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	<p>conditions of the Financial Indebtedness availed of by the Issuer.</p> <p><b>d. Power and authority</b></p> <p>It has the power to issue the Debentures and enter into, performs and delivers, and has taken all necessary action to authorize its entry into, performance and delivery of, the Transaction Documents to which it is a party and the transactions contemplated by those Transaction Documents.</p> <p><b>e. Validity and admissibility in evidence</b></p> <p>All approvals, authorizations, consents, permits (third party, statutory or otherwise) required or desirable:</p> <ol style="list-style-type: none"><li>i. to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Transaction Documents to which it is a party;</li><li>ii. to make the Transaction Documents to which it is a party admissible in evidence in its jurisdiction of incorporation; and</li><li>iii. for it to carry on its business, and which are material, have been obtained or effected and are in full force and effect.</li></ol> <p><b>f. No default</b></p> <ol style="list-style-type: none"><li>i. No Event of Default has occurred and is continuing or would be expected to result from the execution or performance of any Transaction Documents or the issuance of the Debentures.</li><li>ii. No other event or circumstance is outstanding which constitutes (or which would, with the lapse of time, the giving of notice, the making of any determination under the relevant document or any combination of the foregoing, constitute) a default or termination event (however described) under any other agreement or instrument which is binding on the Issuer or any of its Assets or which might have a Material Adverse Effect.</li></ol> <p><b>g. Legal / Litigation Matters</b></p> <ol style="list-style-type: none"><li>i. There are no claims, investigations or proceedings before any court, tribunal or governmental authority in progress or pending against or relating to the Issuer, which would have a Material Adverse Effect.</li><li>ii. There are no unfulfilled or unsatisfied judgments or court orders in respect of the Issuer.</li><li>iii. The Issuer has not taken any action nor has any order been passed for its winding-up, dissolution or re-organization or for the enforcement of any security over its assets or for the appointment of a liquidator, supervisor, receiver, administrator, administrative receiver, compulsory manager, trustee or other similar officer for it or in respect</li></ol>
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of its assets.

**h. No misleading information**

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

**i. Compliance; Corporate Matters**

- i. The Issuer has complied with Applicable Law, including without limitation, the SEBI NCS Regulations and all other Applicable Law in respect of the issuance of the Debentures and for the performance of the Issuer of its obligations with respect to the Debentures, and to carry on their business.
- ii. There has not been and there is no investigation or enquiry by, or order, decree, decision or judgment of any Governmental Authority issued or outstanding or to the best of the Issuer's knowledge (after making due and careful enquiry), anticipated against the Issuer which would have a Material Adverse Effect.
- iii. No notice or other communication (official or otherwise) from any Governmental Authority has been issued or is outstanding or to the best of the Issuer's knowledge (after making due and careful enquiry), anticipated with respect to an alleged, actual or potential violation and/or failure to comply with any such Applicable Law or requiring them to take or omit any action.
- iv. The Issuer shall complete all necessary formalities including all filings with and notices to the relevant regulatory authorities as may be required, including but not limited to stock exchange and the ROC and obtain all consents and approvals required for the completion of the Issue.
- v. All the legal and procedural requirements specified in the Constitutional Documents or required under Applicable Law have been duly complied with in all respects in relation to the issue of the Debentures.
- vi. The registers and minute books (including the minutes of board and shareholders meeting) required to be maintained by the Issuer under Applicable Law:
  - A. are up-to-date and have been maintained in accordance with Applicable Law;
  - B. comprise complete and accurate records of all information required to be recorded in such books and records; and

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C. no notice or allegation that any of them are incorrect and/or should be rectified has been received.

**j. Assets**

Except for the security interests and encumbrances created and recorded with the ROC (available using CIN U65990MH2016PTC286516 on the website <http://www.mca.gov.in/MCA21/index.html> under the heading Index of Charges), the Issuer has, free from any security interest or encumbrance, the absolute legal and beneficial title to, or valid leases or licenses of, or is otherwise entitled to use (in each case, where relevant, on arm's length terms), all material Assets necessary for the conduct of its business as it is being, and is proposed to be, conducted.

**k. Financial statements; Accounts and Records**

- i. Its audited financial statements most recently provided to the Debenture Trustee as of March 31, 2023 were prepared in accordance with Applicable Accounting Standards consistently applied save to the extent expressly disclosed in such financial statements.
- ii. Its audited financial statements as of March 31, 2023 provided to the Debenture Trustee, give a true and fair view and represent its financial condition and operations during the Financial Year save to the extent expressly disclosed in such financial statements.
- iii. The books of accounts of the Issuer have been fairly and properly maintained, the accounts of the Issuer have been prepared in accordance with Applicable Law and the Applicable Accounting Standards, so as to give a true and fair view of the business (including the assets, liabilities and state of affairs) of the Issuer and its subsidiaries. The Issuer has a proper, efficient and effective book-keeping and accounting system in place as well as adequate professional staff, including maintaining of accounts showing the loan drawings, payments, interest etc.

**l. Solvency**

- i. The Issuer is able to, and has not admitted its inability to, pay its debts as they mature and has not suspended making payment on any of its debts and it has not been deemed by a court to be unable to pay its debts for the purposes of Applicable Law, nor will it become unable to pay its debts for the purposes of Applicable Law as a consequence of entering into the DTD or any other Transaction Document.
- ii. The Issuer, by reason of actual or anticipated financial difficulties, has not commenced, and does not intend to commence, negotiations with one or more of its creditors with a view to rescheduling its Financial Indebtedness.

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- iii. The value of the Assets of the Issuer is more than its liabilities (taking into account contingent and prospective liabilities) and it has sufficient capital to carry on its business.
- iv. The Issuer has not taken any corporate action nor has it taken any legal proceedings or other procedure or steps in relation to any bankruptcy proceedings nor has any order been passed for its winding-up, dissolution or re-organization, or for the enforcement of any security over its Assets, or for the appointment of a liquidator, supervisor, receiver, administrator, administrative receiver, compulsory manager, trustee or other similar officer for it or in respect of its assets.
- v. No insolvency or bankruptcy process has commenced under Applicable Law in respect of the Issuer (including pursuant to the IBC and the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019).
- vi. No reference has been made, or enquiry or proceedings commenced, in respect of the Issuer, before the National Companies Law Tribunal or under any mechanism or prescription of the RBI in respect of resolution/restructuring of stressed assets (including without limitation, under the Stressed Assets Framework).

**m. Hypothecated Assets**

- i. The Hypothecated Assets are the sole and absolute property of the Issuer, and the Issuer has a clear and marketable title to the Hypothecated Assets.
- ii. Other than the security interest created/to be created pursuant to the Transaction Documents, the Hypothecated Assets are free from any other mortgage, charge or encumbrance and are not subject to any lis-pendens, attachment, or other order or process issued by any Governmental Authority.
- iii. None of the Client Loans comprising the Hypothecated Assets are encumbered or sold or transferred or assigned to any other bank or financial institution.
- iv. The Transaction Documents executed or to be executed constitute, and shall constitute legal, valid and enforceable security interest in favour of the Debenture Trustee and for the benefit of the Debenture Holders on all the assets thereby secured and all necessary and appropriate consents for the creation, effectiveness, priority and enforcement of such security have been obtained.

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- v. The Issuer is not aware of any document, judgment or legal process or defects affecting the title, ownership of the Hypothecated Assets which has remained undisclosed and/or which may have a Material Adverse Effect.

**n. Material Adverse Effect**

- i. No Material Adverse Effect has occurred, including without limitation, in relation to the business, condition, operations, performance or prospects of the Issuer.
- ii. There are no circumstances existing which could give rise, with the passage of time or otherwise, to a Material Adverse Effect.

**o. Illegality**

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

**p. Tax Laws**

- i. The Issuer has complied with all the requirements as specified under the Tax laws as applicable to the Issuer in relation to returns, computations, notices and information which are, or are required to be made or given by the Issuer to any Tax authority for taxation, and for any other Tax or duty purposes, have been made and are correct.
- ii. The Issuer has not received any notice of any Tax disputes or other liabilities of Taxes in respect of which a claim has been made or notice has been issued against the Issuer, which shall have a Material Adverse Effect.

**q. Pari-Passu Ranking**

- i. Each Debenture issued by the Issuer will constitute direct, senior and secured obligations of the Issuer. The claims of the Debenture Holders shall be akin to the claims of senior, secured investors / lenders and shall rank pari-passu to all senior, secured indebtedness of the Issuer.
- ii. Each of the Debenture Holders shall inter-se rank pari-passu in relation to their rights and benefits in relation to the Debentures, without any preference or privilege.

**r. No Immunity**

Neither the Issuer nor any of its Assets are entitled to immunity from suit, execution, attachment or other legal process in its jurisdiction of incorporation. The issuance of the Debentures (and the Transaction Documents) constitutes, and the exercise of the Issuer's rights and performance of and compliance with its obligations in relation thereto, will constitute, private and commercial acts done and performed

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	<p>for private and commercial purposes.</p> <p><b>s. Confirmations pursuant to the SEBI NCS Regulations</b></p> <p>With effect from the date of filing of the draft Placement Memorandum with the BSE, as on the date of filing of the draft Placement Memorandum with the BSE in accordance with the SEBI NCS Regulations:</p> <ul style="list-style-type: none"> <li>iii. the Issuer, the Promoter of the Issuer, the Promoter Group of the Issuer or the directors of the Issuer have not been debarred from accessing the securities market or dealing in securities by SEBI;</li> <li>iv. no Promoter of the Issuer or director of the Issuer is a promoter or director of any another Issuer which is debarred from accessing the securities market or dealing in securities by SEBI;</li> <li>v. no Promoter of the Issuer or director of the Issuer is a fugitive economic offender; and</li> <li>vi. no fines or penalties levied by SEBI or any of the stock exchanges is pending to be paid by the Issuer.</li> </ul> <p>For the purposes of this Term Sheet:</p> <p><b>“Material Adverse Effect”</b> shall mean, with respect to any entity, the effect or consequence of an event, circumstance, occurrence or condition including change in credit rating/ outlook/ opinion, change in senior management team, change in the statutory auditor of the Company other than required by the applicable law, change in board of directors’ member which has caused, as of any date of determination, or could reasonably be expected to cause a material and adverse effect on: (i) the financial condition, business or operation of the entity which in the opinion of the Debenture Holder is prejudicial to the ability of the entity to perform its obligations under the Transaction Documents; (ii) on the rights or remedies of the Debenture Holders hereunder or under any other Transaction Documents; (iii) the ability of the entity to perform its obligations under the Transaction Documents; or (iv) the legality, validity or enforceability of any of the Transaction Documents</p> <p><b>“Final Settlement Date”</b> shall mean the date on which the Payments have been irrevocably discharged in full and all the Debentures have been redeemed by the Issuer in full in accordance with the terms of the Transaction Documents and the Debenture Holders have provided a written confirmation of the same to the Issuer (with a copy marked to the Debenture Trustee).</p>
<p>Financial Covenants And Additional Covenants</p>	<p>The Issuer shall maintain the below mentioned covenants during the entire tenor of the Debentures and till all the amounts outstanding are been duly repaid:</p> <ul style="list-style-type: none"> <li>a) Total Debt/Equity ratio to be within 4.5x.</li> <li>b) Capital Adequacy Ratio (CAR) of atleast 20% (Twenty Percent) or as per applicable RBI regulation, whichever</li> </ul>

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	<p>is higher. Of the above CAR, Tier-I to remain at minimum of 18% (Eighteen Percent)</p> <ul style="list-style-type: none"><li>c) Gross NPA not to exceed 3% (Three Percent) of Gross Loan Portfolio</li><li>d) Net NPA to Tangible Net Worth shall not exceed 8% (Eight Percent)</li><li>e) Issuer to maintain a minimum Net-worth of Rs. 370 crores</li><li>f) Earnings: After-tax Net Income (excluding extraordinary income) to remain positive. The said covenant to be tested on a quarterly and on Annual basis.</li><li>g) Issuer to maintain minimum liquidity amount equivalent to next 2 month liabilities after including Put Options/interest reset on liabilities (assuming 100% haircut in collections) in the form of unencumbered Cash and Cash equivalents.</li><li>h) Average monthly Collection efficiency for the quarter, i.e., current month collections against current month's demand (excluding arrears demand and collections against such arrears demand) to be maintained at minimum 85%.</li><li>i) No Loans exceeding 5% (Five Percent) of Net-worth to any single party and/or guarantees on behalf of third parties</li><li>j) There shall not be any negative mismatches on cumulative basis in any of the buckets till the next six month of ALM statement and shall not have negative cumulative mismatches in excess of 10% of the cumulative outflows of the Issuer in any of the buckets for the subsequent 6 months, after incorporating all the liabilities of the Issuer incorporating Put Options/ Reset Options etc. (in any form) . The asset will also include all the unencumbered Cash and Cash equivalent maturing across all the buckets of the ALM as part of the opening asset balance. Drawable unutilized Bank lines shall be taken into account while testing the same.</li><li>k) Issuer shall not prepay any loans or redeem NCDs for amount exceeding beyond Rs 25 crs; voluntarily or mandatorily before its stated maturity such that it leads to a negative mismatch on cumulative basis in any of the buckets of ALM statement up to the residual tenor of the Debenture after incorporating all the liabilities of the Issuer including Put Options/interest reset on liabilities.</li><li>l) Any other additional covenant as may be mutually</li></ul>
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	<p>agreed and shall form a part of the transaction documents.</p> <ol style="list-style-type: none"><li>1. All covenants would be tested on quarterly basis i.e., as on 31 March, 30 June, 30 Sept and 31 Dec every year, starting from March 31, 2024 on consolidated and standalone balance sheet till the redemption of the NCDs. The covenants shall be certified by the Statutory Auditor of the Company within 45 (Forty-Five) calendar days from the end of each reporting quarter (“Testing Date”).</li><li>2. In case of breach of any of the Financial Covenant as stated above for any particular financial quarter:<ol style="list-style-type: none"><li>a. The Company shall mandatorily seek a consent from the Debenture Trustee (acting on the instructions of the Debenture Holder(s)), by way of a written request, for a one-time waiver of such breach of Financial Covenant by the Company on or before the Testing Date and Debenture Trustee shall promptly not later than 1 (One) Business Day, inform the same to all the Debenture Holders.</li><li>b. Upon the receipt of such request by the Company, the Debenture Holder(s) shall have the right to grant any waivers for such breach of such Financial Covenant within 15 (Fifteen) calendar days of the Testing Date.</li><li>c. In the event, the Majority Debenture Holder(s) grants a one-time waiver for such breach of financial covenant then such waiver shall be operative on and from the date on which it is granted until the immediately succeeding Testing Date. For the avoidance of doubt, it is hereby clarified that, if the waiver is granted to the Company, the Company shall not be liable to pay penal interest for any breach of any Financial Covenants.</li><li>d. In the event, the Majority Debenture Holder(s) does not grant one-time waiver within 15 (Fifteen) calendar days of the Testing Date, the Company shall mandatorily redeem the Debentures and shall be required to make payment of the aggregate amounts outstanding to the Debentures, to all the Debenture Holder(s) including any unpaid principal amount, accrued but unpaid Coupon, Default Interest (if applicable) and liquidated damages (if applicable) within 25 (Twenty-Five) calendar days of the Testing Date. For the sake of clarification, in case non receipt of any written communication from the debenture holder, the same shall constitute to be deemed as a dissent.</li><li>e. It is also hereby clarified that the right of the Company to request the Debenture Holder(s) to waive any breach of any financial covenant shall only be available as a</li></ol></li></ol>
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one-time waiver to the Company for that particular quarter and shall not in any manner be construed as a modification or amendment to the terms of the Financial Covenants.

### **Definitions**

- a) "Total Debt" shall include the following:
- All Long-Term Borrowings, including ineligible portion of subordinated debt in form of Tier II Capital including current maturities
  - All Short Term Borrowing
  - Financial Guarantees Provided if any
  - Letter of Comfort/Shortfall undertaking provided by the Issuer, if any
- b) Equity Shall Include the following:
- Equity Share issued by the Issuer
  - CCPS issued by the Issuer
  - Reserve and Surplus of the Issuer
- c) "Capital Adequacy Ratio" means the capital adequacy ratio for non-banking financial institutions as defined by the Reserve Bank of India from time to time; For the purpose of calculation of minimum capital ratio: (i) first loss credit enhancements provided by the Borrower on securitization shall be reduced from Tier I Capital and Tier II Capital without any ceiling. (ii) credit enhancements provided by the Borrower on loans originated on behalf of other institutions shall be reduced from Tier I Capital and Tier II Capital without any ceiling. The deduction shall be made at 50 per cent from Tier I Capital and 50 per cent from Tier II Capital. (iii) It is also clarified that in computing the amount of subordinated debt eligible for inclusion in Tier II Capital, the aforementioned subordinated debt shall be subject to discounting as prescribed by RBI.
- d) "Gross NPA" shall be arrived at in accordance with applicable RBI regulations governing asset classification and provisions for NBFCs
- e) "Gross Loan Portfolio" shall include on balance sheet portfolio including Securitisation.
- f) "Off Balance Sheet Portfolio" shall include only Direct Assignment (DA).
- g) "Portfolio at Risk" shall mean the outstanding principal amount of all Client Loans that have one or more instalments of principal, interest, penalty interest, fees or any other expected payments past due more than a specified number of days.

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	<p>h) “Net NPA” shall be arrived at in accordance with applicable RBI regulations governing asset classification and provisions for NBFCs.</p> <p>i) “Tangible Net-worth” shall mean the Equity, as reduced by the, intangible assets, deferred tax assets, revaluation reserve, miscellaneous expenses, and any credit enhancement provided by the Issuer on managed asset book.</p>
<p>Affirmative &amp; Reporting Covenants</p>	<p>The Issuer hereby covenants with the Debenture Trustee that the Issuer shall at all times till the Final Settlement Date:</p> <p>(a) <b>Purpose</b></p> <p>The Issuer shall utilise the monies received upon subscription of the Debentures solely towards the purpose and in accordance with Applicable Law as set out in the row titled ‘Objects of the Issue / Purpose for which there is requirement of funds’.</p> <p>(b) <b>Validity of Transaction Documents</b></p> <p>Ensure that the Transaction Documents shall be validly executed and delivered and will continue in full force and effect and will constitute valid, enforceable and binding obligations of the Issuer.</p> <p>(c) <b>Further documents and acts</b></p> <p>Execute all such deeds, documents, instruments and assurances and do all such acts and things as the Debenture Trustee may require for exercising the rights under the Transaction Documents and the Debentures and for perfecting charge created in terms of the Deed of Hypothecation or for effectuating and completing the security intended to be hereby created and shall from time to time and at all times after the security hereby constituted shall become enforceable, execute and do all such deeds, documents, assurance, acts, and things as the Debenture Trustee may require for facilitating realisation of the Hypothecated Assets.</p> <p>(d) <b>Make the Relevant filings with the Registrar of Companies</b></p> <p>Pursuant to the Act and the relevant rules thereunder, the Issuer undertakes to make the necessary filings of the documents mandated therein.</p> <p>(e) <b>Compliance with laws</b></p> <p>The Issuer shall comply with all Applicable Law (including, without limitation, the Act) as applicable in</p>

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	<p>respect to the issuance of the Debentures, and obtain such regulatory approvals as may be required from time to time, including but not limited, in relation to the following</p> <ol style="list-style-type: none"><li>i. the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as may be in force from time to time during the currency of the Debentures;</li><li>ii. the provisions of the listing agreement entered into by the Issuer with the stock exchange in relation to the Debentures including the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations),</li><li>iii. the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the other rules under the Act;</li><li>iv. Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993</li><li>v. any other directions/ guidelines, notification, circular, press release issued by the applicable authority, from time to time</li></ol> <p>(f) <b>Internal Control</b></p> <ol style="list-style-type: none"><li>i. maintain internal control for the purpose of preventing fraud on amounts lent by the Issuer; and</li><li>ii. ensure that the proceeds of the Debentures are not used for money laundering or illegal purposes;</li></ol> <p>(g) <b>Audit and Inspection</b></p> <ol style="list-style-type: none"><li>i. With prior intimation of minimum 3 (three) calendar days to the Issuer , permit visits and inspection of books of records, documents and accounts to the Debenture Trustee and representatives of Debenture Holders as and when required by them and any inspection in respect of the state and condition of the Hypothecated Assets, together with the relevant records and registers relating thereto, as and when required by the Debenture Trustee; and</li><li>ii. the Debentures shall be subject to an annual review by the Debenture Trustee/Debenture Holders to be completed within 15 (fifteen) calendar days of each Annual Review Date, subject to the satisfaction of Debenture Holders;</li></ol> <p>(h) <b>Books and Records</b></p> <ol style="list-style-type: none"><li>i. maintain its accounts and records in accordance with Applicable Law and make true and proper entries therein of all dealings and transactions of and in relation to the Debentures, the Hypothecated Assets and the business of the Issuer; and</li></ol>
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	<p>ii. provide access to relevant books of accounts, documents and records in relation to this Issue and to enter into or upon and to view and inspect the state and condition of all the together with all records, registers of the Issuer as required by the Debenture Trustee and to take copies and extracts thereof;</p> <p>(i) <b>Loss or Damage by Uncovered Risks</b></p> <p>Promptly inform the Debenture Trustee and the Debenture Holders of any material loss or significant damage which the Issuer may suffer due to any force majeure circumstances or act of God, such as earthquake, flood, tempest or typhoon, etc. against which the Issuer may not have insured its properties;</p> <p>(j) <b>Costs and Expenses</b></p> <p>Pay all reasonable costs, charges and expenses in any way incurred by the Debenture Trustee towards protection of the Debenture Holders' interests, including traveling and other allowances and such taxes, duties, costs, charges and expenses in connection with or relating to the Debentures subject to such expenses, costs or charges being approved in writing by the Issuer before they are incurred and shall not include any foreign travel costs;</p> <p>(k) <b>Payment of Rents, etc.</b></p> <p>Punctually pay all rents, royalties, taxes, rates, levies, cesses, assessments, impositions and outgoings, governmental, municipal or otherwise imposed upon or payable by the Issuer as and when such amounts are payable;</p> <p>(l) <b>Preserve Corporate Status</b></p> <p>i. diligently preserve and maintain its corporate existence and status and all rights, privileges, and concessions now held or hereafter acquired by it in the conduct of its business;</p> <p>ii. obtain, comply with and maintain all its licenses and/ or authorizations required, including without limitation, the license to conduct business, and any other rights, licenses and franchises necessary for its obligations under the Debentures and the Transaction Documents and continue to be a validly existing organization in good standing and at all times act and proceed in relation to its affairs and business in compliance with Applicable Law;</p> <p>iii. comply with all acts, authorizations, consents,</p>
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	<p>permissions, rules, regulations, orders and directions of any Governmental Authority; and</p> <p>iv. not do or voluntarily suffer or permit to be done any act or thing whereby its right to transact its business might or could be terminated or whereby payment of the Outstanding Amounts might or would be hindered or delayed;</p> <p>(m) <b>Pay Stamp Duty</b></p> <p>Pay all such stamp duty (including any additional stamp duty), other duties, taxes, charges and penalties, if and when the Issuer may be required to pay according to the applicable state laws. In the event the Issuer fails to pay such stamp duty, other duties, taxes and penalties as aforesaid, the Debenture Trustee shall be at liberty (but shall not be bound) to pay such amounts and the Issuer shall reimburse the aforementioned amounts to the Debenture Trustee on demand;</p> <p>(n) <b>Filings, Information to the Debenture Trustee</b></p> <p>i. The Issuer shall submit to the Debenture Trustee (and to the Debenture Holder(s), if so requested) within 120 (One Hundred and Twenty) days from the close of each Financial Year:</p> <ul style="list-style-type: none"><li>• its duly audited annual financial statements;</li><li>• a certificate from a director of the Issuer/ the chief financial officer of the Issuer confirming that no Event of Default or potential Event of Default has occurred or is subsisting;</li><li>• all information/ documents required to be submitted by the Issuer to the RBI on an annual basis in respect of such Financial Year.</li><li>• Such other information as may be required to be complied by the Issuer as per the applicable regulations</li></ul> <p>ii. The Issuer shall submit to the Debenture Trustee (and to the Debenture Holder(s), if so requested), within 45 (Forty-Five) calendar days from the close of each quarter in a Financial Year:</p> <ul style="list-style-type: none"><li>• its quarterly financials along with the relevant schedules thereto;</li><li>• Static Portfolio Cuts, Portfolio at Risk data, Restructured Portfolio, Monthly collection and monthly collection efficiency, Monthly disbursement data, in the format acceptable to the Debenture Holder</li><li>• PAR &amp; write-off report quarterly in the format acceptable to the Debenture Holder</li></ul>
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	<ul style="list-style-type: none"><li>• the list of the directors on the board of directors of the Issuer;</li><li>• the shareholding pattern of the Issuer;</li><li>• a certificate signed by a director of the Issuer or the chief financial officer of the Issuer confirming the compliance of the Issuer with the Financial Covenants;</li><li>• the debt profile of the Issuer (including, without limitation, the non-convertible debentures issued by the Issuer);</li><li>• Asset liability management (“ALM”) statement of the Issuer for such quarter;</li><li>• Liquidity position of the Issuer at the end of such quarter, in a format acceptable to the Debenture Holders;</li><li>• Certified copy of the filings/ returns filed by the Issuer with the RBI for and during such quarter;</li><li>• (if applicable), a certificate from the management confirming that the Borrower is in compliance with Digital Lending Guidelines (reference RBI circular as of August 10, 2022 and September 02, 2022)</li><li>• Such other information as may be required to be complied by the Issuer as per the applicable regulations</li></ul> <p>iii. <b>Monitoring of ‘security created’ / ‘assets on which charge is created by the Debenture Trustee (Asset Cover Statement)</b></p> <p>As per SEBI Circular SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/23) and in compliance with the SEBI circular dated May 19, 2022 the Issuer to comply with additional disclosures as mentioned below and such other disclosure as may be applicable from time to time:</p> <ul style="list-style-type: none"><li>i. The Issuer shall submit to the Debenture Trustee, within 15 (Fifteen) calendar days from the end of each month, a certificate from the authorised signatory of the Issuer (duly authorised by the board of directors of the Issuer) listing the Hypothecated Assets and the value thereof, on the letter head of the Issuer.</li><li>ii. The Issuer shall submit to the Debenture Trustee and to the Debenture Holder(s), within 75 (Seventy Five) calendar days from the end of each financial quarter (save and except the last quarter) of a Financial Year and for the last quarter of a Financial Year, within 90 (Ninety) days from the end of such Financial Year, a security cover certificate in respect of the Hypothecated Assets in the applicable format prescribed under Annexure A of the SEBI circular dated November 12, 2020 (bearing reference number: SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/</li></ul>
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2020/23) and in compliance with the SEBI circular dated May 19, 2022 (bearing reference number: SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2022/ 67) to enable the Debenture Trustee to submit the same to the relevant stock exchange(s) within the timelines stipulated under Applicable Law.

iv. **Event Based Reporting**

1. The Issuer shall provide to the Debenture Trustee and to the Debenture Holder(s), information in respect of the following events forthwith and in any event not later than 5 (Five) calendar days from the occurrence of such event:

- (i) Any changes effected in shareholding structure of the Issuer;
- (ii) Any change in the composition of the board of directors of the Issuer;
- (iii) Any change in the senior management officials of the Issuer (including, without limitation, the CXO or any official holding an equivalent position);
- (iv) Any amendment to the constitutional documents of the Issuer;
- (v) Any Material Adverse Effect;
- (vi) Any dispute, litigation, investigation or other proceeding against the Issuer and/ or any notice in this regard received by the Issuer;
- (vii) Resignation of the statutory auditor of the Issuer along with its resignation letter;
- (viii) Any prepayment of Financial Indebtedness by the Issuer or any notice received for prepayment of any Financial Indebtedness of the Issuer that would lead to a negative mismatch on cumulative basis in any of the buckets till one year of the ALM of the Issuer;

2. The Issuer shall provide to the Debenture Trustee and to the Debenture Holder(s), information in respect of the following events forthwith and in any event not later than 1 (One) calendar days from the occurrence of such event:

- (i) Any events of default, breach of warranties or covenants set out in transaction documents of any Financial Indebtedness of the Issuer;
- (ii) any legal proceeding/ notice instituted against/ received by the Issuer;
- (iii) default in any Financial Indebtedness/ obligations to any creditors.
- (iv) Any application or petition filed for the dissolution or re-organization of the Issuer;
- (v) Occurrence of any Event of Default or potential Event of Default

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	<p>v. <b>Other notification/ intimation to the Debenture Trustee</b></p> <p>The Issuer shall provide information to the Debenture Trustee in respect of the following promptly on the occurrence of such event:</p> <ul style="list-style-type: none"><li>A. notify the Debenture Trustee in writing, of any notice of an application or petition for insolvency and/ or winding up having been made or receipt of any statutory notice of insolvency and/ or winding up under the provisions of the Act or any other notice under any other Applicable Law or otherwise of any suit or legal process intended to be filed affecting the title to the property of the Issuer;</li><li>B. notify the Debenture Trustee in writing, if it becomes aware of any fact, matter or circumstance which would cause any of the representations and warranties under any of the Transaction Documents to become untrue or inaccurate or misleading in any respect;</li><li>C. provide to the Debenture Trustee such further information regarding the financial condition, business and operations of the Issuer as the Debenture Trustee may request;</li><li>D. notify the Debenture Trustee promptly of any revision in the rating or assignment of a fresh rating provided by the Rating Agency to the Debentures;</li><li>E. inform the Debenture Trustee promptly about any failure to create, perfect and maintain the Security and about all orders, directions, notices of court/tribunal affecting the Hypothecated Assets;</li><li>F. The Issuer agrees that it shall forward to the Debenture Trustee promptly:<ul style="list-style-type: none"><li>A. a copy of the statutory auditors' and directors' annual report, balance sheet and profit and loss account and of all periodical and special reports at the same time as they are issued;</li><li>B. a copy of all notices, and circulars relating to new issue of debt securities at the same time as they are sent to shareholders/ holders of debt securities; and</li><li>C. a copy of all the notices, call letters, circulars, etc. of the meetings of debt security holders at the same time as they are sent to the holders of debt securities or advertised in the media.</li></ul></li><li>G. The Issuer shall forthwith provide a written</li></ul>
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	<p>intimation to the Debenture Trustee of any event which constitutes an Event of Default or which may with the expiry of time be classified as an Event of Default, specifying the nature of such event and any steps the Issuer is taking and proposes to take to remedy the same.</p> <p>H. The Issuer shall keep the Debenture Trustee informed of all the orders, directions or notices of any court or tribunal affecting or likely to affect the assets (or any part thereof) of the Issuer.</p> <p>I. The Issuer shall forthwith provide to the Debenture Trustee the details of any litigation, arbitration or administrative proceedings filed or initiated against the Issuer.</p> <p>J. Submit to the Debenture Trustee, if so requested, a statement that the assets of the Issuer which are available by way of security is/are sufficient to discharge the claims of the Debenture Holders as and when they become due.</p> <p>K. Such information as the Debenture Holders may require as to all matters relating to the business, property and affairs of the Issuer that materially impacts the interests of the Debenture Holders and provide access to relevant books of accounts, documents and records in relation to this Issue and to enter into or upon and to view and inspect the state and condition of all the Hypothecated Assets, together with all records, registers of the Issuer including the registers relating to the Hypothecated Assets as required by the Debenture Trustee and to take copies and extracts thereof.</p> <p>(o) The Issuer hereby agrees and undertakes that the Promoter Debt shall at all times be contractually subordinated (in ranking and payment) to the Secured Obligations and at any time after the occurrence of an Event of Default/ Optional Accelerated Redemption Event, no payments shall be made in respect of the Promoter Debt except with the express prior written consent of the Debenture Trustee (acting on the instructions of the Majority Debenture Holders).</p> <p>(p) The Issuer hereby further agrees, declares and covenants with the Debenture Trustee as follows:</p> <ul style="list-style-type: none"><li>(i) The Debentures shall be secured by way of a first ranking exclusive charge on the Hypothecated Assets;</li><li>(ii) that the Issuer is not aware of any document, judgment or legal process or defects affecting the title, ownership of the Security which has remained</li></ul>
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	<p>undisclosed and/or which may have Material Adverse Effect on the Debenture Holders.</p> <p>(q) <b>Filings</b></p> <p>The Issuer shall cooperate with the Debenture Trustee/ Debenture Holders in connection with any assistance the Debenture Trustee/ Debenture Holders may require for the purpose of submitting information in relation to the Debentures and the Transaction Documents to any relevant information utility in accordance with the IBC, and to confirm or authenticate all filings and information sought to be uploaded, and update or modify or rectify any errors in such financial information submitted.</p> <p>For the purposes of this Term Sheet:</p> <p><b>“Financial Year”</b> shall mean the financial year of the Issuer used for the purposes of accounting;</p> <p><b>“IBC”</b> shall mean the Insolvency and Bankruptcy Code, 2016 and the rules and regulations issued in respect thereof, as the same may be amended, modified and supplemented from time to time;</p> <p><b>“Majority Debenture Holder(s)”</b> shall mean Debenture Holder(s) holding an aggregate amount representing not less than 51% (Fifty One per cent) of the value of the nominal amount of the Debentures for the time being outstanding;</p> <p><b>“Promoter Debt”</b> shall mean all existing and future Financial Indebtedness availed of by the Issuer from the Promoters. The details of the existing Financial Indebtedness availed of from the Promoters are set out in the Debenture Trust Deed;</p> <p><b>“Secured Obligations”</b> shall mean all obligations at any time due, owing or incurred by the Issuer to the Debenture Trustee and the Debenture Holder(s) in respect of the Debentures and shall include, without limitation, the obligation to redeem the Debentures in terms thereof together with the Coupon accrued thereon, Default Interest, if any, accrued thereon, any outstanding remuneration of the Debenture Trustee and all fees, costs, charges and expenses payable to the Debenture Trustee and other monies payable by the Issuer in respect of the Debentures.</p>
<p>Negative Covenants</p>	<p>The Issuer shall maintain below mentioned covenants during the entire tenor of the NCDs and till all the amounts outstanding are been duly repaid. In case of any change, the Issuer to seek a prior-written consent of the Majority Debenture Holders. Provided that in the event the Issuer has provided a prior written request to all the Debenture Holder(s) in relation to any action under any of the Negative Covenant that the Issuer proposes to take and the Majority Debenture Holder(s) have not responded within a period of 45 (Forty-Five) calendar days from the date of such written request being provided by the Issuer (upon a written one reminder</p>

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being provided by the Issuer to all the Debenture Holder(s) after the expiry of 25 (Twenty-Five) calendar days from the date of such written request), the consent of the Majority Debenture Holder(s) shall then be deemed to be provided to the issuer for undertaking such action and the Issuer shall then be permitted to undertake such action without obtaining any further consent from the Majority Debenture Holder(s).

- a) Change the general nature of its business from that which is permitted as 'Non-Banking Financial Issuer' by the RBI.
- b) Any amendment/modification in the Memorandum of Association and Article of Association, where such amendment would have a Material Adverse Effect.
- c) Any change in the capital structure leading to reduction of capital at any point of time.
- d) Change in the financial year end from 31st March unless such change is mandatorily required to be made for compliance with Applicable Law
- e) Declare or pay any dividend or make any distributions on its share capital (other than dividends or distributions payable on shares of the Issuer), unless:
  - i. the proposed payment or distribution is out of net income of the current Financial Year (excluding any amount resulting from the revaluation of any of the Issuer's assets);
  - ii. no Event of Default has occurred and is then continuing, or could occur or is reasonably likely to occur, as a result of such payment or declaration of any dividend or distribution and after giving effect to any such action; and
  - iii. the Issuer is in compliance with the financial covenants
  - iv. pay or declare any dividend to its shareholders in any year, during the tenor of the Debentures, until the Issuer has paid or has made satisfactory provision for payment of the installments of the principal due and interests due on the Debentures;
- f) Undertake or permit any merger, consolidation, re-organization, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction.
- g) Acquire any Issuer, business or undertaking if the amount of the acquisition cost, whether paid by cash or otherwise, when aggregated with the aggregate acquisition cost of any other companies, business or undertaking acquired by it during that financial year exceeds 10% (ten percent) of the Equity.

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	<ul style="list-style-type: none"><li>h) Acquire (or agree to acquire) any shares, stocks, securities or other interest in any joint venture; or transfer any assets or lend to or guarantee or indemnify or give security for the obligations of a joint venture (or agree to transfer, lend, guarantee, indemnify or give security for the obligations of a joint venture).</li><li>i) The Issuer shall not:<ul style="list-style-type: none"><li>i. enter into any transaction with any person or enter into or continue business relations with its shareholders, employees, affiliate(s), holding Issuer(ies), and/or subsidiary(ies) except on proper commercial terms negotiated on an arm's length basis;</li><li>ii. enter into or establish any partnership, profit sharing, royalty agreement or other similar other arrangement whereby the Issuer's income or profits are, or might be, shared with any other person other than in the ordinary course of business on an arms' length basis and in compliance with applicable.; or</li><li>iii. enter into any management contract or similar arrangement whereby its business or operations are managed by any other person.</li></ul></li><li>j) Effect any change in the statutory auditors of the Issuer, other than as per mandatory requirement under Applicable Law;.</li><li>k) The proportion of Student Education Loan portfolio to any country other than United States of America shall not exceed 20% of the total Assets Under Management during the tenure of the Debentures</li><li>l) Undertake any new business outside financial services or any diversification of its business outside financial services.</li><li>m) Appoint or continue to the appointment of any person classified as or who is director of a Issuer classified as a wilful defaulter as a director and/ or a key managerial person of the Issuer</li><li>n) Enter into any contractual obligation which may adversely affect the financials standing.</li><li>o) Apply to the court for the winding up of the Issuer or agree to the winding up of the Issuer.</li><li>p) Sell, transfer, or otherwise dispose of in any manner whatsoever any Assets of the Issuer, other than any securitisation/ direct assignment transaction undertaken by the Issuer in the ordinary course of its business in terms of the RBI master direction dated September 1,</li></ul>
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	<p>2016 titled ‘Master Direction - Non-Banking Financial Issuer - Systemically Important Non-Deposit taking Issuer and Deposit taking Issuer (Reserve Bank) Directions, 2016’ or any amendment, supplement or restatement thereto. It is clarified that, a securitisation/ direct assignment representing an exit of line of business will not be construed as being in the ordinary course of business of the Issuer and the Issuer shall not be permitted to effect the same except after obtaining the prior written consent of the Debenture Trustee.</p> <p>q) Enter into compromise or arrangement or settlement with any of its creditors (secured and unsecured) that would prejudicially affect the interest of the Debenture Holders.</p> <p>r) Undertake/permit any voluntary/ involuntary process under the Insolvency and Bankruptcy Code 2016 (IBC).</p> <p>s) Repay any unsecured loans and inter-corporate deposits availed of by the Issuer from Promoters/ related parties (except by way of equity conversion) in case any breach of the transaction documents, default or event of default is subsisting</p>
<p>Holding &amp; Management Covenant</p>	<p>The Issuer undertakes that the following covenants (“Holding and Management Covenant”) shall be maintained at all times until the Final Settlement Date, unless the prior written consent of the Debenture Trustee (acting on the instructions of the Majority Debenture Holders) is obtained:</p> <p>a) M/s Elme Advisors LLP and M/s Balrampur Chini Mills Ltd shall together continue to hold minimum 51% (Fifty One Percent) unencumbered equity share capital in the Issuer, on fully diluted basis and Management Control of the Issuer.</p> <p>b) Any change in the combined shareholding of M/s Elme Advisors LLP and M/s Balrampur Chini Mills Ltd below 65% (Sixty-FivePercent) in one or more tranches cumulatively due to secondary stake sale, will require prior written consent of Debenture Holders. However if there is any change in equity shareholding upto 65% (Sixty-Six Percent) in one or more tranches cumulatively, the same shall be intimated to the Debenture Trustee via prior written intimation notice.</p> <p>c) Mr. Akash Bhanshali shall continue to be designated as the Promoter and Director on the Board of the Issuer.</p> <p>d) There should not be a change in Management Control of the Issuer. For the purpose of this clause “Management Control” means -</p> <ul style="list-style-type: none"> <li>• the right to appoint majority of the directors and</li> <li>• to control the management or policy decisions</li> </ul>

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	<p>exercisable by a person or persons acting individually or in concert, directly or indirectly, by virtue of their shareholding or management rights or shareholders agreements or voting agreements.</p>
<p>Rating Covenant</p>	<p>The Issuer shall maintain the below mentioned covenants during the entire tenor of the NCDs and till all the amounts outstanding are been duly repaid:</p> <ol style="list-style-type: none"> <li>1. The Company shall ensure that there is no downgrade in the existing credit rating of the Company/Instrument from any credit rating agency;</li> <li>2. Assignment of new long-term credit rating below “A” from any credit rating agency;</li> <li>3. The Company shall ensure that there is no suspension of the credit rating of the Issuer and/ or the Debentures due to the Company not cooperating with the credit rating agency</li> </ol> <p>If Issuer agrees for more favorable rating clause with any other borrowings, the same shall also be applicable to these NCDs.</p> <p>The occurrence of events above will be determined by the Debenture Holders solely and at its discretion. In case, rating from multiple rating agencies is available, the lowest rating available for long term borrowing shall be considered for the purpose of this clause.</p>
<p>Optional Accelerated Redemption</p>	<p>Any Debenture Holders shall have the right but not an obligation to require the Issuer to redeem the Debentures along with accrued interest upon the occurrence of any of the below mentioned (“Optional Accelerated Redemption Events”):</p> <ol style="list-style-type: none"> <li>1. Breach of any of the covenants as mentioned under the Rating Covenant.</li> <li>2. Breach of any of the covenants as mentioned under the Holding and Management Covenant</li> <li>3. Breach of any of the covenants as mentioned under the Financial Covenant.</li> <li>4. Occurrence of Material Adverse Effect</li> <li>5. Any legal or regulatory decision resulting in suspension/ revocation of the NBFC license</li> </ol> <p>In the event The occurrence of events above will be determined by the Debenture Holders solely and at its discretion.</p> <p>The Debenture Holder/ Debenture Holders individually shall have the option to require the Issuer to redeem the Debentures (Optional Accelerated Redemption") on happening of any of the Optional Accelerated Redemption Events. Upon the exercise of the ‘Optional Accelerated Redemption’ by the Debenture Holder/ Debenture Holders, the Debenture Trustee shall issue a notice to the Issuer for redemption of all amounts outstanding in relation to the Debentures (including any unpaid principal, accrued but unpaid Coupon, Default Interest (if applicable)) as on the date of exercise of the ‘Optional Accelerated Redemption’ Option</p>

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	<p><b>(“Optional Accelerated Redemption Date”).</b></p> <p>The Issuer shall be required to make payment of the aggregate amounts outstanding in relation to the Debentures, to the exercising Debenture Holder/ Debenture Holders including any unpaid Principal Amount, accrued but unpaid Coupon, Default Interest (if applicable) and liquidated damages (if applicable) within 7 (Seven) calendar days of the Optional Accelerated Redemption Date. Provided that if the Issuer fails to redeem the Debentures and pay all outstanding amount to such Debenture Holder(s) within the specified time period, the Issuer shall pay interest at the rate of 15 % (Fifteen Percent) per annum for the period of delay.</p>
<p>Event of Defaults (including manner of voting /conditions of joining Inter Creditor Agreement)</p>	<p>An Event of Default (“Event of Default”) shall have occurred upon the happening of any event or circumstances mentioned hereunder:</p> <p><b>1. <u>Payment based Defaults:</u></b></p> <p>(a) The Issuer does not pay on the Due Date(s) any amount payable in terms of the Transaction Documents at the place at and in the currency in which it is expressed to be payable, unless its failure to pay is caused by technical error and payment is made within 1 (One) business day of the relevant Due Date;</p> <p>(b) An event of default shall arise if the Issuer/any of the Promoters/ guarantors (if any)/ the subsidiaries or holding company of the Issuer:</p> <p>(a) defaults in any payment of Financial Indebtedness beyond the period of grace if any, provided in the instrument or agreement under which such Financial Indebtedness was created; or</p> <p>(b) defaults in the observance or performance of any agreement or condition relating to any Financial Indebtedness the effect of which default or other event or condition is to cause or to permit the holder or holders of such Financial Indebtedness to cause (with the giving of notice or the passage of time or both would permit or cause) any such Financial Indebtedness to become due prior to its stated maturity; or</p> <p>(c) any Financial Indebtedness of the Issuer is declared to be due and payable, or would permit to be prepaid other than by a regularly scheduled required prepayment, (whether or not such right shall have been waived) prior to the stated maturity thereof; provided that if the above-mentioned Event of Default is capable of being remedied in the sole discretion of the Debenture Holders, the Majority Debenture Holder may provide a cure period as deemed appropriate to them;</p>

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	<p>(c) Failure of the Issuer to redeem the Debentures in terms of the Transaction Documents upon exercise of the Optional Accelerated Redemption Option and failure to make payment of the aggregate amounts outstanding in relation to the Debentures hereof within Stipulated timelines</p> <p>(d) The Issuer admits in writing its inability to pay its debts as they fall due or suspends making payments on any of its debts or by reason of actual financial difficulties commences negotiations with one or more creditors with a view to rescheduling its indebtedness;</p> <p>2. <b><u>Security based Defaults:</u></b></p> <p>(a) If the fails to create and / or perfect the Security (i.e., filing CHG-9 Form with ROC) within the stipulated timelines as mentioned in this Term Sheet.</p> <p>(b) If the Issuer fails to submit the Asset Cover Statement in terms of the Deed of Hypothecation setting out the details of the receivables which are free from encumbrance and meet the Eligibility Criteria;</p> <p>(c) In the event that the Security Cover falls below the Minimum-Security Cover and the Issuer fails to reinstate the same within 30 (Thirty) calendar days from the date of such fall in the Security Cover;</p> <p>3. <b><u>Covenants &amp; Information based Defaults:</u></b></p> <p>(a) The breach of any terms, covenants (including, without limitation, negative covenants, affirmative covenants, reporting covenants) or obligation under the Transaction Documents.</p> <p>(b) The Issuer fails to share the any information within 5 (five) calendar days upon the request by the Debenture Holder.</p> <p>4. <b><u>Defaults relating to the validity of the Transaction Documents</u></b></p> <p>(a) The Disclosure Document or any other Transaction Document in whole or in part, becomes invalid or ceases to be a legally valid, binding and enforceable obligation of the Issuer;</p> <p>(b) It is or becomes unlawful for the Issuer to perform any of its obligations under the Transaction Documents and/or any obligation or obligations of the Issuer under any Transaction Document are not or cease to be valid, binding or enforceable;</p> <p>(c) Any representation or warranty made by the Issuer in any</p>
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	<p>Transaction Document or in any certificate, financial statement or other document delivered to the Debenture Trustee/ Debenture Holders by the Issuer shall have been incorrect, false or misleading in any respect when made or deemed made;</p> <p>(d) The Issuer repudiates any of the Transaction Documents, or evidences an intention to repudiate any of the Transaction Documents;</p> <p>(e) Any of the Transaction Documents failing to provide the security interests, rights, title, remedies, powers or privileges intended to be created thereby (including the priority intended to be created thereby), or such security interests failing to have the priority contemplated under the Transaction Documents, or the security interests becoming unlawful, invalid or unenforceable or the security over the Hypothecated Assets is in jeopardy;</p> <p><b>5. <u>Other Defaults</u></b></p> <p>(a) There shall have occurred Material Adverse Effect and such Material Adverse Effect has not been remedied or rectified within a period of 15 (Fifteen) calendar days;</p> <p>(b) Any corporate action, legal proceedings or other procedure or step is taken in relation to:</p> <ol style="list-style-type: none"><li>i. the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganization (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Issuer;</li><li>ii. the composition, compromise, assignment or arrangement with any creditor of the Issuer;</li><li>iii. the appointment of a liquidator, receiver or similar other officer in respect of the Issuer, a composition, compromise, assignment or arrangement with any creditor of the Issuer;</li><li>iv. enforcement of any security over any assets of the Issuer or any analogous procedure or step is taken in any jurisdiction;</li><li>v. any other event occurs or proceeding is instituted that under any applicable law would have an effect analogous to any of the events listed in paragraphs (a), (b), (c) and (d) above;</li></ol> <p>(c) Any Governmental Authority condemns, nationalizes, seizes, expropriates or otherwise assumes custody or control of all or any substantial part of the business, operations, property or other assets (including assets forming part of the security) of the Issuer or of its share capital, or takes any action for the dissolution of the Issuer or any action that would prevent the Issuer or its officers from carrying on all or a substantial part of its business or operations;</p>
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	<ul style="list-style-type: none"><li>(d) The Issuer's organizational status or any licenses or franchise is revoked or suspended by any government agency or authority after the Issuer has exhausted all remedies and appeals relating thereof;</li><li>(e) Surrender, revocation or suspension of the Issuer's certificate of registration as a non-banking financial Issuer by the Reserve Bank of India provided that this shall not apply where such certificate of registration is surrendered pursuant to obtaining a banking license;</li><li>(f) The listing of the Debentures ceases or is suspended at any point of time prior to the Maturity Date</li><li>(g) The Issuer ceases to carry on its business or any substantial part thereof or gives notice of its intention to do so.</li><li>(h) The Issuer has taken or suffered to be taken any action for reorganization of its capital or any rearrangement, merger or amalgamation without prior approval of the Debenture Holders in terms hereof;</li><li>(i) Any material act of fraud, embezzlement, misstatement, misappropriation, or siphoning off of the Issuer/Promoter funds or revenues or any other act having a similar effect being committed by the management of the Issuer/Promoter.</li><li>(j) The Promoters and/or the directors/ or the key managerial personnel of the Issuer are charged with, arrested or convicted a criminal offence involving moral turpitude, dishonesty or which otherwise impinges on the integrity of the Promoters and/or the directors and/ or the key managerial personnel of the Issuer, including any accusations, charges and/or convictions of any offence relating to bribery or being declared a willful defaulter;</li><li>(k) In the event that an application for corporate insolvency resolution process of the Issuer is filed or any form of communication indicating an intention to file such application is issued or any creditor of the Issuer takes any steps requesting the filing of such application, in each case, by the appropriate regulator (i.e. the Reserve Bank of India), under the IBC and the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019;</li><li>(l) If the Issuer commences a voluntary proceeding under any applicable bankruptcy, insolvency, winding up or other similar law now or hereafter in effect (including by passing any resolution of the Board or the shareholders of</li></ul>
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	<p>the Issuer) or consents to the entry of an order for relief in an involuntary proceeding under any such law, or consents to the appointment of or the taking of possession by a receiver, liquidator, assignee (or similar official) for any or a substantial part of its property;</p> <p>(m) If a petition is filed for the winding up of the Issuer under the Companies Act, 2013 and the same is not stayed or dismissed within a period of 15 days of its filing;</p> <p>(n) Any order/ judgement passed by any of the regulatory authorities against any of the Promoter / Promoter Group /Issuer resulting in debarment of the Promoter / Promoter Group/Issuer for raising funds from the financial markets.</p> <p>(o) The Issuer commences negotiations with one or more of its lenders/ debenture trustees/ debenture holders with a view to rescheduling any of its indebtedness or failure or inability of the Issuer to pay its debts as they mature</p> <p>In case of breach of any of the above-mentioned covenants, the Issuer shall have a cure period of 15 calendar days for rectify the breach. However, there shall be no cure period for Payment based Defaults, Security based defaults, Rating Covenants and Holding &amp; Management Covenants.</p> <p>Subject to the approval of the debenture holders and the conditions as may be specified by the SEBI from time to time, the Debenture Trustee, on behalf of the debenture holders, may enter into inter-creditor agreements provided under the framework specified by the Reserve Bank of India. The voting shall be through show of hands or poll or through such other manner as the Majority Debenture Holder/s may deem fit.</p>
Provisions related to Cross Default Clause	As mentioned in paragraph clause 1 (b) of the row titled 'Events of Default'
Consequences Of Events Of Default	<p>On and at any time after the occurrence of an Event of Default, the Debenture Trustee shall if so directed by any of the Debenture Holder(s): declare that all or part of the obligations be immediately due and payable, whereupon they shall become immediately due and payable;</p> <ol style="list-style-type: none"> <li>i. accelerate the redemption of the Debentures;</li> <li>ii. Declare that all or part of the obligations be immediately due and payable, whereupon they shall become immediately due and payable</li> <li>iii. enforce such security in such a manner as the Debenture Holders may deem fit;</li> <li>iv. Disclosure of information to relevant authorities or regulatory such as Credit Information Bureau (India) Limited and/or any other agency so authorized by the Reserve Bank of India in any such manner that deem fit to the Debenture Trustee</li> <li>v. Exercise all the rights and remedies available to it in such</li> </ol>

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	<p>manner as Debenture Holder may deem fit without intervention of the Court and without having to obtain any consent of the Issuer;</p> <p>vi. without prejudice to its other rights hereunder or under IBC or any other applicable Law, in its sole discretion to exercise all the rights, powers and remedies vested in it for the protection, perfection and enforcement of its rights in respect of the Security herein.</p> <p>vii. Appoint a Nominee Director</p>
Creation of recovery expense fund	The Issuer shall create a recovery expense fund in accordance with the applicable SEBI regulations, including but not limited to the SEBI circular dated October 22, 2020 (bearing reference number: SEBI/HO/MIRSD/CRADT/CIR/P/2020/207) and inform the Debenture Trustee of the same. The recovery expense fund shall be utilised in such manner and for such purposes as is more particularly provided under the said Regulations and Applicable Law.
Conditions for breach of covenant (as specified in the Debenture Trust Deed)	The Conditions for breach of covenants if any shall be specified in the Debenture Trust Deed
Bidding Details	Open Bidding
Mode of Allotment	Uniform Yield
Manner of Settlement	ICCL
Settlement Cycle	T+1
Right to Re-purchase and Re-issue the Debenture	<p>The Issuer, subject to the prevailing guidelines, rules/regulations of Reserve Bank of India, the Securities and Exchange Board of India and other Authorities, shall have the option from time to time to repurchase a part or all of the Debentures from the secondary markets or otherwise, on prior mutual consent(s) from the debenture holder(s), at any time prior to the date of maturity.</p> <p>In the event of a part or all of its Debentures being repurchased as aforesaid or redeemed under any circumstances whatsoever, the Issuer shall have, and shall be deemed to have had, the power to reissue the Debenture either by reissuing the same Debentures or by issuing other Debenture in their place.</p> <p>Further the Issuer, in respect of such repurchased/redeemed Debenture shall have the power exercisable either for a part or all of those Debenture, to cancel, keep alive, appoint nominee(s) to hold or reissue at such price and on such terms and conditions as it may deem fit and as permitted by law..</p>
Role and Responsibilities of Debenture Trustee	To oversee and monitor the overall transaction for and on behalf of the Debenture Holder(s).
Risk Factors pertaining to the Issue	As mentioned in the Placement Memorandum under captioned "Risk Factor"
Reissuance	Issuer reserves the right to make multiple issuance under the same ISIN with reference to SEBI circular CIR/IMD/DF-1/67/2017 dated 30 <sup>th</sup> June 2017 and as amended from time to time

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	Issue can be made either by way of creation of fresh ISIN or by way of issuance under the existing ISIN at premium / par / discount as the case may be in line with SEBI circular CIR/IMD/DF-1/67/2017 dated 30 <sup>th</sup> June 2017.
Indemnification	The Issuer, Promoters and Promoters Group shall indemnify and hold harmless and agree to keep the Debenture Trustee and its Directors / employees / representatives indemnified against any loss or deficiencies suffered or liabilities and expenses incurred including penalties and interest or withholding of taxes, statutory liabilities or in the event of breach by the Issuer of or any agreement and their obligations during the tenor of the Debentures and any non-compliance with applicable Laws;
Confidentiality	The terms and conditions described in this Term Sheet, including its existence, shall be confidential information and shall not be disclosed to any third party except to each Party's advisors and counsel. Provided however that if any of the Parties is required by law to disclose information regarding this Term Sheet or to file this Term Sheet with any regulatory body, it shall, at a reasonable time after making any such disclosure or filing, informing the other parties.
Governing Law and Jurisdiction	<p>(a) Governing Law This Deed is governed by and construed in accordance with the laws of India.</p> <p>(b) Jurisdiction</p> <p>(i) The Parties agree that the courts and tribunals at New Delhi, India shall have exclusive jurisdiction to settle all disputes which may arise out of or in connection with this Deed ("Dispute"). Accordingly, any suit, action or proceedings relating to any Dispute (together referred to as "Proceedings") arising out of or in connection with this Deed may be brought in the courts and tribunals of New Delhi, India and the Company irrevocably submits to and accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of those courts and tribunals.</p> <p>(ii) The Parties irrevocably waive any objection now or in future, to the laying of the venue of any Proceedings in the courts and tribunals at New Delhi, India and any claim that any such Proceedings have been brought in an inconvenient forum. The Company further irrevocably agrees that a judgment in any Proceedings brought in the courts and tribunals at New Delhi, India shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction, (subject to the laws of such jurisdiction) by a suit upon such judgment, a certified copy of which shall be conclusive evidence of such judgment, or in any other manner provided by Applicable Law.</p> <p>(iii) Nothing contained in this Clause ii(b) (Jurisdiction), shall limit any right of the Debenture Trustee to take the Proceedings in any other court or tribunal of competent jurisdiction, nor shall the taking of Proceedings in one or</p>

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	<p>more jurisdictions preclude the taking of Proceedings in any other jurisdiction whether concurrently or not and the Company irrevocably submits to and accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of such court or tribunal, and the Company irrevocably waives any objection it may have now or in the future to the laying of the venue of any Proceedings and any claim that any such Proceedings have been brought in an inconvenient forum.</p> <p>(iv) To the extent that the Company may in any jurisdiction claim for itself or its Assets immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that in any such jurisdiction there may be attributed to itself or its Assets such immunity (whether or not claimed), the Company hereby irrevocably agrees not to claim and hereby irrevocably waives such immunity</p>
Transaction Costs	<p>The Issuer shall bear all transaction related costs incurred by the Debenture Holders/ Debenture Trustee with respect to legal counsel, valuers and auditors/ consultants. Such costs include:</p> <ul style="list-style-type: none"> <li>• Debenture Trustee fees;</li> <li>• Rating fees;</li> <li>• Stamping and registration costs in relation to all Transaction Documents;</li> </ul> <p>Any other reasonable transaction related expense incurred by the Debenture Holders/ Debenture Trustee.</p>
Taxes, Duties, Costs and Expenses	<p>Relevant taxes, duties and levies are to be borne by the Issuer. The charges/ fees and any amounts payable under the Debentures by the Issuer as mentioned herein do not include any applicable taxes, levies including service tax etc. and all such impositions shall be borne by the Issuer additionally.</p>

**Note:**

1. If there is any change in Coupon Rate pursuant to any event including elapse of certain time period or downgrade in rating then such new Coupon Rate and events which lead to such change shall be disclosed.
2. The list of documents which has been executed or will be executed in connection with the issue and subscription of debt securities shall be annexed.
3. While the debt securities are secured to the tune of 100% of the principal and interest amount or as per the terms of offer document/ Placement Memorandum, in favour of Debenture Trustee whichever is higher, it is the duty of the Debenture Trustee
4. The issuer shall provide granular disclosures in their placement memorandum, with regards to the "Object of the Issue" including the percentage of the issue proceeds earmarked for each of the "object of the issue"

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## **SECTION 6: DISCLOSURES PERTAINING TO WILFUL DEFAULT**

In case of listing of debt securities made on private placement, the following disclosures are required to be made under the terms of the SEBI Debt Listing Regulations:

- (a) **Name of the bank declaring the entity as a Wilful Defaulter: NIL**
- (b) **The year in which the entity is declared as a Wilful Defaulter: NIL**
- (c) **Outstanding amount when the entity is declared as a Wilful Defaulter: NIL**
- (d) **Name of the entity declared as a Wilful Defaulter: NIL**
- (e) **Steps taken, if any, for the removal from the list of wilful defaulters: NIL**
- (f) **Other disclosures, as deemed fit by the Issuer in order to enable investors to take informed decisions: NIL**
- (g) **Any other disclosure as specified by SEBI: NIL**

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## **SECTION 7: TRANSACTION DOCUMENTS AND KEY TERMS**

As detailed in Section 5.40 (*Issue Details*) above.

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## **SECTION 8: OTHER INFORMATION AND APPLICATION PROCESS**

The Debentures being offered as part of the Issue are subject to the provisions of the Act, the Memorandum and Articles of Association of the Issuer, the terms of this Placement Memorandum, Application Form and other terms and conditions as may be incorporated in the Transaction Documents.

### **8.1 Mode of Transfer/Transmission of Debentures**

The Debentures shall be transferable freely; however, it is clarified that no Investor shall be entitled to transfer the Debentures to a person who is not entitled to subscribe to the Debentures. The Debenture(s) shall be transferred and/or transmitted in accordance with the applicable provisions of the Act and other applicable laws. The Debentures held in dematerialized form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL and CDSL and the relevant DPs of the transferor or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, amounts due will be paid/redemption will be made to the person, whose name appears in the Register of Debenture Holders maintained by the R&T Agent as on the Record Date, under all circumstances. In cases where the transfer formalities have not been completed by the transferor, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures held in dematerialised form. The seller should give delivery instructions containing details of the buyer's DP account to his DP.

### **8.2 Debentures held in Dematerialised Form**

The Debentures shall be held in dematerialised form and no action is required on the part of the Debenture Holder(s) for redemption purposes and the redemption proceeds will be paid by cheque/EFT/RTGS to those Debenture Holder(s) whose names appear on the list of beneficiaries maintained by the R&T Agent. The names would be as per the R&T Agent's records on the Record Date fixed for the purpose of redemption. All such Debentures will be simultaneously redeemed through appropriate debit corporate action.

The list of beneficiaries as of the relevant Record Date setting out the relevant beneficiaries' name and account number, address, bank details and DP's identification number will be given by the R&T Agent to the Issuer. If permitted, the Issuer may transfer payments required to be made in any relation by EFT/RTGS to the bank account of the Debenture Holder(s) for redemption payments.

### **8.3 Debenture Trustee for the Debenture Holder(s)**

The Issuer has appointed Catalyst Trusteeship Limited to act as trustee for the Debenture Holder(s). The Issuer and the Debenture Trustee have entered/intend to enter into the Debenture Trustee Agreement and the Debenture Trust Deed *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and the Issuer. The Debenture Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Debentures as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the Debenture Holder(s). Any payment made by the Issuer to the Debenture Trustee on behalf of the Debenture Holder(s) shall discharge the Issuer *pro tanto* to the Debenture Holder(s). The Debenture Trustee will protect the interest of the Debenture Holder(s) in regard to the repayment of principal and coupon thereon and they will take necessary action, subject to and in accordance with the Debenture Trustee Agreement and the Debenture Trust Deed, at the cost of the Issuer. No Debenture Holder shall be entitled to proceed directly against the Issuer

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unless the Debenture Trustee, having become so bound to proceed, fails to do so. The Debenture Trustee Agreement and the Debenture Trust Deed shall more specifically set out the rights and remedies of the Debenture Holder(s) and the manner of enforcement thereof.

#### **8.4 Sharing of Information**

The Issuer may, at its option, but subject to applicable laws, use on its own, as well as exchange, share or part with any financial or other information about the Debenture Holder(s) available with the Issuer, with its subsidiaries and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither the Issuer nor its subsidiaries and affiliates nor their agents shall be liable for use of the aforesaid information.

#### **8.5 Debenture Holder not a Shareholder**

The Debenture Holder(s) shall not be entitled to any right and privileges of shareholders other than those available to them under the Act. The Debentures shall not confer upon the Debenture Holders the right to receive notice(s) or to attend and to vote at any general meeting(s) of the shareholders of the Issuer.

#### **8.6 Modification of Debentures**

The Debenture Trustee and the Issuer will agree to make any modifications in the Placement Memorandum which, in the opinion of the Debenture Trustee, is of a formal, minor or technical nature or is to correct a manifest error.

Any other change or modification to the terms of the Debentures shall require approval by the Majority Debenture Holders.

For the avoidance of doubt, the following matters require the consent of Majority Debenture Holders, either by providing their express consent in writing or by way of a resolution at a duly convened meeting of the Debenture Holders as set out below:

- (a) Creating of any additional security; and
- (b) Amendment to the terms and conditions of the Debentures or the Transaction Documents.

#### **8.7 Right to accept or reject Applications**

The Board of Directors/Committee of Directors reserves its full, unqualified and absolute right to accept or reject any application for subscription to the Debentures, in part or in full, without assigning any reason thereof.

#### **8.8 Notices**

Any notice may be served by the Issuer/ Debenture Trustee upon the Debenture Holders through registered post, recognized overnight courier service, hand delivery or by facsimile transmission addressed to such Debenture Holder at its/his registered address or facsimile number.

All notice(s) to be given by the Debenture Holder(s) to the Issuer/ Debenture Trustee shall be sent by registered post, recognized overnight courier service, hand delivery or email or by facsimile transmission to the Issuer or to such persons at such address/ facsimile number as may be notified by the Issuer from time to time through suitable communication. All correspondence regarding the Debentures should be marked "Private Placement of Debentures".

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Notice(s) shall be deemed to be effective (a) in the case of registered mail, 3 (three) Business Days after posting; (b) 1 (One) Business Day after delivery by recognized overnight courier service, if sent for next Business Day delivery (c) in the case of facsimile at the time when dispatched with a report confirming proper transmission or (d) in the case of personal delivery, at the time of delivery or (e) or in case of e-mail at the time of the sending thereof (provided no delivery failure notification is received by the sender within 24 hours of sending such email).

## **8.9 Issue Procedure**

- a. The Issue setup shall be done by the Issuer in accordance with the Operating Guidelines of the EBP Platform.
- b. The details of the Issue shall be entered on the EBP Platform by the Issuer at least 2 (two) working days or 5 (Five) working days prior to the Issue Opening Date, as the case may be, in accordance with the guidelines issued by SEBI in this regard. The Issue will be open for bidding for the duration of the bidding window that would be communicated through the Issuer's bidding announcement on the EBP Platform, at least 1 (one) working day before the start of the Issue Opening Date.
- c. The persons eligible under the SEBI circular no. SEBI/HO/DDHS/P/CIR/2021/613 issued by SEBI on August 10, 2021 including banks, financial institutions, insurance corporations, mutual funds, non-banking financial companies, corporate and individual investors and any other investors who are permitted to invest in the Debentures issued for the stated purpose. The bidders should be registered/enrolled with the EBP Platform. All the registered and eligible participants are required to update the necessary bank account and demat details before participating in the bidding process on EBP Platform.
- d. Eligible investors are required to register on the EBP Platform the link for which shall be available at [https://bond.bseindia.com/Investor\\_Registration.aspx](https://bond.bseindia.com/Investor_Registration.aspx). All the registered and eligible investors are required to update the necessary bank account details and demat details before participating in the bidding process on the EBP Platform.
- e. Eligible Investors may apply through the EBP Platform through electronic book mechanism in line with SEBI circular no. SEBI/HO/DDHS/P/CIR/2021/613 issued by SEBI on August 10, 2021, as amended from time to time. The settlement procedure in line with the SEBI circular no. SEBI/HO/DDHS/P/CIR/2021/613 issued by SEBI on August 10, 2021 shall be as follows:
- f. This being a private placement Issue, the Eligible Investors who have been addressed through this communication directly are eligible to apply by bidding for the Issue on the BSE-EBM by entering the bid amount in Rupees (INR) and coupon/ yield in basis points (bps) i.e. up to four decimal places (in case the issue is a cut off yield based issue), during the period commencing on the Bid Opening Time on the Bid Opening Date and ending on the Bid Closing Time on the Bid Closing Date. The minimum number of Debentures that can be applied for and the multiples thereof will be as set out by the Issuer at the time of initiation of the Issue on the BSE-EBM. No bidding can be made for a fraction of a Debentures.
- g. Bid Modification: Bid modification is allowed during the bidding period. In last 10 (Ten) minutes of the bidding period, revision is allowed only to improve the coupon / yield (in case the issue is a cut off yield based issue) and upward revision in terms of bid amount. Bid cancellation is not permitted in the last 10 minutes of the bidding period.
- h. Cancellation of Bid: Eligible Investors may note that cancellation of bid is allowed during the bidding period or window. However, in the last 10 minutes of the bidding period or window, no cancellation of bids is permitted.

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- i. **Multiple Bids:** Bidders are permitted to place multiple bids on the EBP Platform in line with the guidelines issued by SEBI in this regard.
- j. For further details in relation to the bidding, pre-bidding and post bidding procedure, cancellation etc. Eligible Investors should refer to the SEBI circular no. SEBI/HO/DDHS/P/CIR/2021/613 issued by SEBI on August 10, 2021.
- k. Post completion of bidding process, if the Issuer decides to accept and proceed with the Issue, and the Eligible Investors will be able to view the provisional allocation of the Debentures of their respective bid in the allocation report on the BSE-EBM
- l. Submission of completed Application Form
- m. On the Pay-In Date, the Debentures Holders must remit/ transfer in full, monies for subscription to the Debentures allocated to them by electronic transfer of funds/ RTGS from the bank account(s) registered with the BSE-EBM to the bank account of the Indian Clearing Corporation Limited (ICCL) on or before [10:30 AM] (“**Pay-in Time**”). Funds for the allocation of the Debentures for bids made by a bidder on behalf of the Debentures Holders must also be made from the bank account of such eligible participants. The Debentures Holders should ensure to make payment of the subscription amount for the Debentures by the Pay-in Time from their same bank account which is registered/ updated by them in the BSE - EBM. In case of mismatch in the bank account details between BSE - EBM and the bank account from which payment is done by the successful bidder, it will lead to cancellation of the bid.
- n. Allotment: Upon final allocation by the Issuer, the Issuer or the Registrar and Transfer Agent on behalf of the respective Issue shall instruct the Depositories on the respective Pay-In Date, and the Depositories shall accordingly credit the allocated Debentures to the demat account of the Debentures Holders subject to EBP Guidelines
- o. As per Companies (Prospectus and Allotment of Securities) Rules, 2014, the payment to be made for subscription to securities shall be made from the bank account of the Applicant subscribing to such securities and the Issuer shall keep the record of the bank account from where such payments for subscriptions have been received. If the securities are to be held jointly, the payment is to be made from the account in the name of Applicant whose name appears first in the Application Form.
- p. **Right to accept or reject Bids:** The Issuer is entitled at its sole and absolute discretion to accept or withdraw the Issue after the bidding closure, without assigning any reason including if the Issuer is unable to receive the bids upto base issue size, the invited eligible investor has defaulted in payment towards the allotment within the stipulated timeframe, cut-off yield in the Issue is higher than the estimated cutoff yield disclosed to the BSE-EBM, where the base issue size is fully subscribed (in case of cut off yield issue).
- q. **Refunds:** If the Issuer chooses not to go ahead with the Issue and calls off the Issue, the Indian Clearing Corporation Limited will return the funds collected from Debentures Holders within 1 (one) Business Day from the Deemed Date of Allotment.
- r. Disclosures

Post the provisional allocation of the Debentures, the Debentures Holders must submit the Application Form for the Debentures in the prescribed format in block letters in English as per the instructions contained therein. Application Forms should be duly completed in all respects

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and must be accompanied by the bank account details of the Debentures Holders and the magnetic ink character reader code of the bank for the purpose of availing direct credit of all amounts payable to the Debentures Holder(s) through electronic transfer of funds or RTGS. All duly completed Application Forms should be scanned and emailed to the Issuer along-with all the relevant documents (as specified below) on the Issue Closing Date and forthwith followed by the original Application Form to the correspondence office of the Issuer but no later than 15 (fifteen) days from the Issue Closing Date. An Application Form, which is not complete in all respects, shall be liable to be rejected.

- i. details of size of the issue including green shoe option, if any, and a range within which such green shoe option, may be retained.
- ii. bid opening and closing date:

Issue Timing	TBD
Issue Opening Date	February 20, 2024
Issue Closing Date	February 20, 2024
Pay-In Date	February 21, 2024
Deemed Date of Allotment	February 21, 2024
Date of earliest closing	NA

- iii. Minimum Bid Lot: Minimum Application of 100 (One Hundred) Debentures and in multiples of 1 Debenture thereafter of INR 1,00,000/- each;
  - iv. Manner of bidding: The Issue will be through [Open bidding].
  - v. Manner of allotment: The allotment will be done on Uniform Yield
  - vi. Manner of settlement: Settlement of the Issue will be done through the clearing corporation.
  - vii. Settlement cycle: The process of pay-in of funds by investors and pay-out to Issuer will be done on [T+1] day, where T is the Issue Closing Date.
- s. Offer or Issue of executed Placement Memorandum to successful Eligible Investors. The final Placement Memorandum will be issued to the successful Eligible Investors, who are required to complete and submit the application form to the Issuer in order to accept the offer of Debentures.
- t. Manner Of Settlement

The Eligible Investors should complete the funds pay-in to the designated bank account of the Indian Clearing Corporation Ltd (ICCL) by 10:30 am on [T+1] day. The participants must ensure to do the funds pay-in from the same bank account which is updated by them in the EBP Platform while placing the bids.

The designated bank accounts of ICCL are as under:

<b>Name of Bank</b>	HDFC BANK
<b>IFSC Code</b>	HDFC0000060
<b>Account number</b>	ICCLEB
<b>Name of beneficiary</b>	INDIAN CLEARING CORPORATION LIMITED

<b>Name of Bank</b>	ICICI Bank Ltd.
<b>IFSC Code</b>	ICIC0000106
<b>Account number</b>	ICCLEB
<b>Name of beneficiary</b>	INDIAN CLEARING CORPORATION LTD

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<b>Name of Bank</b>	YES BANK
<b>IFSC Code</b>	YESB0CMSNOC
<b>Account number</b>	ICCLEB
<b>Name of beneficiary</b>	INDIAN CLEARING CORPORATION LTD

- u. In the event of the issue getting withdrawn, the funds refund would be initiated on [T+1] day.
- v. In case of mismatch in the bank account details between bidding platform and the bank account from which payment is done by the eligible investors, the payment would be returned back. Further, pay-in received from any other bank account may lead to cancellation of bid and consequent debarment of the bidder from accessing EBP Platform for 30 (Thirty) days.
- w. Securities Settlement: Depositories will credit the securities to the demat account of the respective investor.

### **8.10 Application Procedure**

Potential Investors will be invited to subscribe by way of the Application Form prescribed in the Placement Memorandum during the period between the Issue Opening Date and the Issue Closing Date (both dates inclusive).

### **8.11 Fictitious Applications**

All fictitious applications will be rejected.

### **8.12 Procedure for Applying for Dematerialised Facility**

- (a) The Applicant must have at least one beneficiary account with any of the DP's of NSDL and CDSL prior to making the application.
- (b) The Applicant must necessarily fill in the details (including the beneficiary account number and DP - ID) appearing in the Application Form under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form".
- (c) Debentures allotted to an Applicant will be credited to the Applicant's respective beneficiary account(s) with the DP.
- (d) For subscribing to the Debentures, names in the Application Form should be identical to those appearing in the details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details maintained with the DP.
- (e) Non-transferable allotment advice/refund orders will be directly sent to the Applicant by the Registrar and Transfer Agent to the Issue.
- (f) If incomplete/incorrect details are given under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form" in the Application Form, it will be deemed to be an incomplete application and the same may be held liable for rejection at the sole discretion of the Issuer.
- (g) For allotment of Debentures, the address, nomination details and other details of the Applicant as registered with his/her DP shall be used for all correspondence with the Applicant. The Applicant is therefore responsible for the correctness of his/her

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demographic details given in the Application Form vis-a-vis those with his/her DP. In case the information is incorrect or insufficient, the Issuer would not be liable for the losses, if any.

- (h) The Redemption Amount or other benefits would be paid to those Debenture Holders whose names appear on the list of beneficial owners maintained by the R&T Agent as on the Record Date. In case of those Debentures for which the beneficial owner is not identified in the records of the R&T Agent as on the Record Date, the Issuer would keep in abeyance the payment of the Redemption Amount or other benefits, until such time that the beneficial owner is identified by the R&T Agent and conveyed to the Issuer, whereupon the Redemption Amount and benefits will be paid to the beneficiaries, as identified.

### **8.13 Depository Arrangements**

The Issuer shall make necessary arrangement with CDSL and NSDL for issue and holding of Debenture in dematerialised form.

### **8.14 List of Beneficiaries**

The Issuer shall request the R&T Agent to provide a list of beneficiaries as at the end of each Record Date. This shall be the list, which will be used for payment or repayment of redemption monies.

### **8.15 Application under Power of Attorney**

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorized signatories of the Investor and the tax exemption certificate/document of the Investor, if any, must be lodged along with the submission of the completed Application Form. Further modifications/additions in the power of attorney or authority should be notified to the Issuer or to its agents or to such other person(s) at such other address(es) as may be specified by the Issuer from time to time through a suitable communication.

In case of an application made by companies under a power of attorney or resolution or authority, a certified true copy thereof along with memorandum and articles of association and/or bye-laws along with other constitutional documents must be attached to the Application Form at the time of making the application, failing which, the Issuer reserves the full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason thereto. Names and specimen signatures of all the authorized signatories must also be lodged along with the submission of the completed Application Form.

### **8.16 Procedure for application by Mutual Funds and Multiple Applications**

In case of applications by mutual funds and venture capital funds, a separate application must be made in respect of each scheme of an Indian mutual fund/venture capital fund registered with the SEBI and such applications will not be treated as multiple application, provided that the application made by the asset management company/trustee/custodian clearly indicated their intention as to the scheme for which the application has been made.

The Application Forms duly filled shall clearly indicate the name of the concerned scheme for which application is being made and must be accompanied by certified true copies of:

- (a) SEBI registration certificate
- (b) Resolution authorizing investment and containing operating instructions

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- (c) Specimen signature of authorized signatories

### **8.17 Documents to be provided by Investors**

Investors need to submit the following documents, as applicable:

- (a) Memorandum and Articles of Association or other constitutional documents
- (b) Resolution authorising investment
- (c) Certified true copy of the Power of Attorney to custodian
- (d) Specimen signatures of the authorised signatories
- (e) SEBI registration certificate (for Mutual Funds)
- (f) Copy of PAN card
- (g) Application Form (including EFT/RTGS details)

### **8.18 Applications to be accompanied with Bank Account Details**

Every application shall be required to be accompanied by the bank account details of the Applicant and the magnetic ink character reader code of the bank for the purpose of availing direct credit of redemption amount and all other amounts payable to the Debenture Holder(s) through cheque/EFT/RTGS.

### **8.19 Succession**

In the event of winding up of a Debenture Holder (being a company), the Issuer will recognise the legal representative as having title to the Debenture(s). The Issuer shall not be bound to recognize such legal representative as having title to the Debenture(s), unless they obtains legal representation, from a court in India having jurisdiction over the matter.

The Issuer may, in its absolute discretion, where it thinks fit, dispense with production of such legal representation, in order to recognise any person as being entitled to the Debenture(s) standing in the name of the concerned Debenture Holder on the production of sufficient documentary proof and an indemnity.

### **8.20 Mode of Payment**

All payments must be made through cheque(s) demand draft(s), EFT/RTGS as set out in the Application Form.

### **8.21 Effect of Holidays**

In case any Coupon Payment Date or the Principal Payment Date or the Due Date for the performance of any event falls on a day which is not a Business Day, the immediately succeeding Business Day shall be considered to be the due date for the Coupon payment or the payment of principal amount of the Debentures or the performance of such event. The Coupon for such additional period shall be adjusted and paid in the next coupon cycle. Hence, the subsequent coupon payment period remains intact.

If the Maturity Date (also being the last Coupon Payment Date and the last Principal Payment Date), in respect of the Debentures falls on a day which is not a Business Day, all Payments to be made on the Maturity Date (including the accrued Coupon), shall be made on the immediately preceding Business Day, along with Coupon/interest accrued on the Debentures until but excluding the date of such payment.

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It is hereby clarified that any payments in respect of the Debentures shall also be subject to the day count convention as per the SEBI Debt Listing Regulations.

## 8.22 Tax Deduction at Source

- Interest on NCDs issued pursuant to this Issue is subject to deduction of income tax under the provisions of the Income Tax Act, 1961 (“IT Act”) or any other statutory modification or re-enactment thereof, as applicable. NCD Holders desirous of claiming non-deduction or lower deduction of tax at source under applicable laws, as the case may be, shall be required to submit the declaration/ certificates as per format prescribed under applicable laws with the Issuer and the RTA at the below mentioned address on or prior to the relevant Record Date for payment of interest on the NCDs:

Particulars	Contact Details of the Issuer	Contact Details of the RTA
Name	Auxilo Finserve Private Limited	Link Intime India Private Limited
Correspondence Address	Office No.63, 6 <sup>th</sup> Floor, Kalpataru Square, Kondivita Road, Andheri East, Mumbai 400059	C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083
Contact Person	Mr. Sameer Dalvi	Mr. Amit Dabhade
Designation	AVP - Treasury	Manager – Depository Operations
E-mail ID	<a href="mailto:sameer.dalvi@auxilo.com">sameer.dalvi@auxilo.com</a>	<a href="mailto:amit.dabhade@linkintime.co.in">amit.dabhade@linkintime.co.in</a>
Tel. No.	022 6246 3329	022 4918 6000
Fax No.		022 49186060
Link for online submission	-	<a href="https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html">https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html</a>

- In case of non-receipt of such prescribed declaration/ certificate from the NCD Holders claiming non-deduction or lower deduction of tax at source under applicable laws, on or prior to the relevant Record Date, the Issuer shall make TDS deductions in accordance with the prescribed rates prior to credit of interest on NCDs.
- Income Tax is deductible at source at the rate of 10% on interest on NCDs or such other rate as may be applicable from time to time, held by resident Indians in accordance with Section 193 of the IT Act. In cases where interest is to be paid to an Individual or hindu undivided family (“HUF”) (being the NCD Holder) is less than Rs. 5,000 and interest is to be paid by way of account payee cheque then the relevant NCD Holder may seek non deduction of tax at source on the interest on NCDs by submitting the prescribed declaration/certificates with the Issuer and the RTA at the aforesaid address on or prior to the relevant Record Date.
- In case of NCD Holder who is a resident Individual or resident HUF claiming non-deduction or lower deduction of tax at source under section 193 of the IT Act, as the case may be, the NCD Holder should furnish either (a) a declaration (in duplicate) in the prescribed form i.e. (i) Form 15H which can be given by Individuals who are of the age of 60 years or more (ii) Form 15G which can be given by all Debenture Holders (other than companies and firms), or (b) a certificate, from the Assessing Officer which can be obtained by all Debenture Holders (including companies and firms) by making an application in the prescribed form i.e. Form No. 13.
- Debenture Holders may seek/ may be granted, as the case may be, non-deduction or lower deduction of tax at source in following instances under the IT Act:

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- a) When the Assessing Officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture Holder justifies no/lower deduction of tax at source as per the provisions of Section 197(1) of the IT Act; and that a valid certificate is filed by the NCD Holder with the Company before the Record Date for payment of interest;
- b) When the resident Debenture Holder with Permanent Account Number (“PAN”) (not being a company or a firm) submits a declaration as per the provisions of section 197A(1A) of the IT Act in the prescribed Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be NIL. However, under section 197A(1B) of the IT Act, Form 15G cannot be submitted nor considered for exemption from tax deduction at source if the dividend income referred to in section 194, interest on securities, interest, withdrawal from NSS and income from units of mutual fund or of Unit Trust of India as the case may be or the aggregate of the amounts of such incomes credited or paid or likely to be credited or paid during the financial year in which such income is to be included exceeds the maximum amount which is not chargeable to income tax;
- c) Senior citizens, who are 60 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration in the prescribed Form 15H for non-deduction of tax at source in accordance with the provisions of section 197A(1C) of the IT Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on the estimated total income of the year concerned will be NIL;
- d) All mutual funds registered under Securities and Exchange Board of India are exempt from tax on all their income, including income from investment in Debentures under the provisions of Section 10 (23D) of the IT Act in accordance with the provisions contained therein. Further, as per the provisions of section 196 of the IT Act, no deduction of tax shall be made by any person from any sums payable to mutual funds specified under Section 10(23D) of the IT Act, where such sum is payable to it by way of interest or dividend in respect of any securities or shares owned by it or in which it has full beneficial interest, or any other income accruing or arising to it;
- e) For any NCDs held by Foreign Institutional Investors/ Foreign Portfolio Investors/ Qualified Foreign Investors, interest on NCDs may be eligible for concessional tax rate of 5% (plus applicable surcharge and health and education cess) for interest referred under Section 194LD applicable in respect of rupee denominated bonds of an Indian Company between June 1, 2013 and July 1, 2023 provided such rate does not exceed the rate as may be notified by the Government. Further, in case where section 194LD is not applicable, the interest income earned by FIIs/FPIs should be chargeable to tax at the rate of 20% under section 115AD of the IT Act. Tax shall be deducted u/s. 196D of the IT Act on such income at 20%. Where DTAA is applicable to the payee, the rate of tax deduction shall be lower of rate as per DTAA or 20%, subject to the conditions prescribed therein;
- f) Interest payable to Life Insurance Corporation, General Insurance Corporation and any other insurers are exempted from deductions of tax at source under Section 193 of the IT Act;
- g) Interest payable to entities falling under the list of entities exempted from TDS by the circular no. 18/2017 by Central Board of Direct Taxes (whose income is unconditionally

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exempt under Section 10 of the IT Act and who are also statutorily not required to file return of income as per Section 139 of the IT Act);

- h) Any other specific exemption available to any other category of investors under the IT Act.

In case(s) where the NCD Holder(s) do not submit the declaration/ certificates as per format prescribed under applicable laws with the Issuer and the RTA at the specified address on or prior to the relevant Record Date for payment of interest on the NCDs, the Issuer shall not be liable to refund the applicable amount of tax deducted at source and the NCD Holders would be required to directly take up with the tax authorities for refund, if any

### **8.23 Letters of Allotment**

The letter of allotment, indicating allotment of the Debentures, will be credited in dematerialised form within 2 (Two) Business Days from the Deemed Date of Allotment. The aforesaid letter of allotment shall be replaced with the actual credit of Debentures, in dematerialised form, within a maximum of 2 (Two) Business Days from the Deemed Date of Allotment or such period as is permissible under Applicable Law.

### **8.24 Deemed Date of Allotment**

All the benefits under the Debentures will accrue to the Investor from the specified Deemed Date of Allotment. The Deemed Date of Allotment for the Issue is February 21, 2024 by which date the Investors would be intimated of allotment.

### **8.25 Record Date**

The Record Date will be closed 5 (Five) calendar days prior to each Due Date or any other payment date by acceleration.

### **8.26 Refunds**

For Applicants whose applications have been rejected or allotted in part, refund orders will be dispatched within 7 (seven) days from the Deemed Date of Allotment of the Debentures.

In case the Issuer has received money from Applicants for Debentures in excess of the aggregate of the Application Money relating to the Debentures in respect of which allotments have been made, the R&T Agent shall upon receiving instructions in relation to the same from the Issuer repay the moneys to the extent of such excess, if any.

### **8.27 Other Expenses**

Issuer may shall remit Issue related expenses including but not limited to the fees/ charges / incentives payable as arrangers fees/ advisory fees/ brokerage / selling commission / marketing/ advertising fees, distribution fees and / or upfront fees payable to the investor(s) as may be communicated by the Issuer to the respective investor or any other miscellaneous fees directly or indirectly to any intermediary(ies) appointed by the Issuer or any other representative/s / agent/s as may be appointed by the intermediary(ies) who may further utilize the same, for marketing purposes, including distributor payouts, either in full or part. Such fees may be finalised depending upon number of factors including but not limited to issue subscription, market conditions, terms of the issue, nature and scope of assignment, profile of counter party etc.

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### **8.28 Interest on Application Money**

At the Coupon rate (subject to deduction of tax at source, as applicable) from the date of realization of cheque(s)/ demand draft(s)/ RTGS up to 1 (One) day prior to the Deemed Date of Allotment. Where the Pay-In Date and the Deemed Date of Allotment are the same, no interest on Application money is to be paid by the Company.

### **8.29 PAN Number**

Every Applicant should mention its Permanent Account Number (“**PAN**”) allotted under Income Tax Act, 1961, on the Application Form and attach a self-attested copy as evidence. Application forms without PAN will be considered incomplete and are liable to be rejected.

### **8.30 Payment on Redemption**

Payment on redemption will be made by way of cheque(s)/redemption warrant(s)/demand draft(s)/credit through RTGS system/funds transfer in the name of the Debenture Holder(s) whose names appear on the list of beneficial owners given by the Depository to the Issuer as on the Record Date.

The Debentures shall be taken as discharged on payment of the Redemption Amount by the Issuer on the Maturity Date to the registered Debenture Holder(s) whose name appears in the Register of Debenture Holder(s) on the Record Date. On such payment being made, the Issuer will inform NSDL and CDSL and accordingly the account of the Debenture Holder(s) with NSDL and CDSL will be adjusted.

On the Issuer dispatching the amount as specified above in respect of the Debentures, the liability of the Issuer shall stand extinguished.

**Disclaimer: Please note that only those persons to whom this Placement Memorandum has been specifically addressed are eligible to apply. However, an application, even if complete in all respects, is liable to be rejected without assigning any reason for the same. The list of documents provided above is only indicative, and an investor is required to provide all those documents / authorizations / information, which are likely to be required by the Issuer. The Issuer may, but is not bound to, revert to any investor for any additional documents / information, and can accept or reject an application as it deems fit. Provisions in respect of investment by investors falling in the categories mentioned above are merely indicative and the Issuer does not warrant that they are permitted to invest as per extant laws, regulations, etc. Each of the above categories of investors is required to check and comply with extant rules/regulations/ guidelines, etc. governing or regulating their investments as applicable to them and the Issuer is not, in any way, directly or indirectly, responsible for any statutory or regulatory breaches by any investor, neither is the Issuer required to check or confirm the same.**

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## SECTION 9: UNDERTAKING

The Issuer declares that all the relevant provisions in the regulations/guideline issued by SEBI and other applicable laws have been complied with and no statement made in this Placement Memorandum is contrary to the provisions of the regulations/guidelines issued by SEBI and other applicable laws, as the case may be. The information contained in this Placement Memorandum is as applicable to privately placed debt securities and subject to the information available with the Issuer. The extent of disclosures made in the Placement Memorandum is consistent with disclosures permitted by regulatory authorities to the issue of securities made by the companies in the past.

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Placement Memorandum contains all information with regard to the Issuer and the Issue, that the information contained in the Placement Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

The Issuer confirms that the Permanent Account Number, Aadhaar Number, Driving License Number, Bank Account Number(s) and Passport Number of the promoters of the Issuer and Permanent Account Number of the directors of the Issuer have been submitted to the stock exchange(s) on which the non-convertible securities are proposed to be listed, at the time of filing of the draft Placement Memorandum.

Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the offer including the risks involved. The securities have not been recommended or approved by any regulatory authority in India, including the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'Risk factors' given under section 3 'General Risks'.

The Issuer has no side letter with any debt securities holder except the one(s) disclosed in the Placement Memorandum. Any covenants later added shall be disclosed on the relevant stock exchange's website where the Debentures are listed.

The Issuer hereby declares the credit rating obtained by it in relation to the Debentures from CARE Ratings Limited being "CARE A+ / Stable" (pronounced as "CARE Single A Plus") with a 'stable' outlook shall be valid on the date of Issue and on the date of listing of Debentures.

For **Auxilo Finserve Private Limited**

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Authorised Signatory

Name: Mr. Harsha Saksena  
Title: Chief Financial Officer  
Date: February 15, 2024

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## **SECTION 10: FORM NO. PAS-4 - PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER**

Addressed to: \_\_\_\_\_

Serial No: \_\_\_\_\_

February 15, 2024

### **FORM NO PAS-4 PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER**

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

**Issue of 5,000 (Five Thousand) Secured, Rated, Listed, Redeemable, Taxable, Non-convertible Debentures of face value of Rs. 1,00,000/- (Rupees One Lakh only) each, Rs. 50,00,00,000/- (Rupees Fifty Crores only) with an option to retain additional subscription / green shoe option of up to Rs. 25,00,00,000/- (Rupees Twenty Five Crores only), aggregating up to Rs. 75,00,00,000/- (Rupees Seventy Five Crores Only) on a private placement basis (collectively the "Issue").**

#### **10.1 General Information:**

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

Issuer / Company: Auxilo Finserve Private Limited ("Company" or "Auxilo" or "Issuer")  
Registered Office: Office No.63, 6<sup>th</sup> Floor, Kalpataru Square, Kondivita Road, Andheri East, Mumbai 400059  
Corporate Office: Office No.63, 6<sup>th</sup> Floor, Kalpataru Square, Kondivita Road, Andheri East, Mumbai 400059  
Telephone No.: 022 6246 3333  
Website: [http:// www.auxilo.com/](http://www.auxilo.com/)  
Fax: --  
Contact Person: Mr. Harsha Saksena  
Email: [treasury@auxilo.com](mailto:treasury@auxilo.com)

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

October 4, 2016

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

Auxilo is a pro-education NBFC poised on serving the financing gaps in the Indian education sector, with its focus on on the core mission to provide financial assistance to the entire Education Ecosystem and scaling the education infrastructure through innovative financial solution delivery. Our endeavor is to create a brand which is trusted and respected in education space.

Our Business Model could be broadly divided in to three segments:

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- a) Student Education Loans (B2C) : Aims to provides finance for the higher education needs of the Indian youth and offers financial assistance to students seeking to advance their skillset through higher education in India and Abroad.
- b) Skill Development Loans: The company has partnered with the National Skill Development Corporation (NSDC) and aims to provide lfinance to students of NSDC affiliated training partners to enhance their skill sets and align the same with the evolving demands of the job market domestically and internationally.
- c) Education Institution Loans (B2B): Aims to provides finance for the working and growth capital needs of educational institutes in Tier 2 and Tier 3 cities.

As at December 31, 2023, the gross NPA was Rs. 30.28 Crore on a gross portfolio of Rs. 2,752.19 Crore (including managed / securitized portfolio of Rs. 196.93 Crore).

**Details of branches with address as on December 31, 2023 is as follows:**

No.	Branch	Branch Address
1	Mumbai	6th Floor, Solitaire corporate park, 1, Guru Hargovindji Rd, Chakala, Andheri East, Mumbai, Maharashtra 400093
2	Hyderabad	# 7-1-617/A,615 & 616, 3rd floor, Imperial towers, SR Nagar, Ameerpet, Hyderabad, Telangana-500016.
3	Chennai	Orchid Centre,01st Floor, No # 71, Kannappan Street, Nelson Manickam Road, Amanjikarai, Chennai – 600029
4	Delhi	Prem Dohil Sadan, plot no 11, 4th floor, Rajendra Place,New Delhi - 110008.
5	Pune	"The Orion", 401-A, 4th Floor, At 5 Koregoan Park Road, Infront of St. Mira's College, Pune – 411001
6	Bangalore	Siddshekha Colosseum, No.103, 1st floor, R V Road, V V Puram, Bangalore - 560004.
7	Ahmedabad	203, Devashish Building, Near Bawarchi Restaurant, Chimanlal Girdharlal Rd, Navrangpura, Ahmedabad, 380006

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

Management Details		
Name	Designation	Description
Neeraj Saxena	CEO & Managing Director	Mr. Neeraj has more than 20 years of experience in the Indian Retail and Financial Services industry. The core vision that's been embodied in Auxilo is led ably by him. Before this he led the path for Avanse an education NBFC. He is a science graduate from Agra University, he holds a Post Graduate in Management from NIFT, Bangalore. Neeraj has been instrumental in leading various strategic initiatives including, launching new business ventures, acquisition & mergers, business process re-engineering projects.
Mr. Akash Bhanshali	Director	Mr. Bhanshali leads the principal investments unit of Enam Holdings Pvt Ltd. He is recognized for identifying the potential in businesses and providing them capital and expertise to scale. Mr. Bhanshali has identified and invested in business leaders across numerous industries who have turned their companies into sector icons. Mr. Bhanshali has a Master's degree in Commerce and is a qualified Chartered

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<b>Management Details</b>		
<b>Name</b>	<b>Designation</b>	<b>Description</b>
		Accountant
Mr. Vivek Saraogi	Director	Mr. Vivek Saraogi holds an honors degree in commerce and he is an Industrialist of repute. Mr. Saraogi was a past President of Indian Sugar Mills Association and had served as a Member of the Management Board of Dwarikesh Sugar Industries Limited until April 2005 and also as the Chairman of Indian Sugar Exim Corporation Limited. Mr. Saraogi has been renowned for his expertise in the sugar industry. He has been on the Board of Balrampur Chini Mills Limited (BCML) since 3rd July, 1987 and is presently serving as its Managing Director.
Mr. Manish Chokhani	Independent Director	Shri Manish Chokhani is a Chartered Accountant and an MBA from the London Business School. Shri Chokhani is one of the India's most respected financial experts and advisors. He was CEO of Enam Securities, India's leading investment bank that was the trusted "house banker" to several leading corporates. He led its \$400 million merger in 2011 with Axis Bank to create Axis Capital Limited which he led as MD & CEO until the end of 2013. Under his leadership, Enam /Axis mobilised 25% of all equity funds raised in India and was the house banker to several leading Indian business groups. Shri Chokhani helped devise and implement the India investment strategies of several funds including the India Capital Fund, ZA Capital Fund and TPG Growth India. From 2014 to 2016, he served as the Chairman of TPG Growth in India and then as senior advisor to TPG Group until 2019.
Mr. Gautam Jain	Director	Mr. Gautam Jain has been associated with Enam Group under diverse roles for over 25 years in the areas of Investment Banking and Advisory services. Upon the demerger of Enam's financial services business to Axis Capital, Mr. Jain also served Axis Capital as Managing Director - Investment Banking until 2014. Mr. Jain graduated from Birla Institute of Technology & Sciences (BITS), Pilani with a degree in Master of Management Studies (M.M.S).
Mr. Ashwin Jain	Director	Mr. Ashwin P. Jain has completed his Bachelor's in Accounts from Mumbai University, in May, 1989. Mr. Jain has approximately 25 years of experience in the field of handling transactions relating Capital Markets, also areas of accounts, finance, taxation and compliances. Mr. Jain has been a director of a Non-Banking Financial Companies, since last 7 years and his experience has been of a great value to the Company.
Mr. C. Illango	Independent Director	Mr. C. Illango serves the board in an independent capacity. He has completed his M.Sc. (Agri) - Post-Graduate in Agricultural Economics. He started his career as an Officer in Canara Bank in the year 1980. Retired with 36 years of experience in commercial banking service including a 5 year stint in Housing Finance industry in CanFin Homes as Managing Director. Creative and dynamic marketer with proven expertise in consistently penetrating new markets to ensure sustainable revenue growth.

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<b>Management Details</b>		
<b>Name</b>	<b>Designation</b>	<b>Description</b>
<b>Mr. Deo Shankar</b>	Independent Director	Shri Deo Shankar Tripathi is the Executive Vice Chairman of Aadhar Housing Finance Company. He holds a bachelor's and master's degree in Science from Lucknow University and has cleared the examination for a diploma in Public Administration from Awadh University. He has also passed the associate examination of the Indian Institute of Bankers and has completed various certificate courses including International Study Tour on "Energy Efficiency in Residential Buildings" from KFW Entwicklungsbank, Germany, and Strategy and Management in Banking Programme from International Development Ireland Limited. He has worked as a general manager at Union Bank, and president and chief operating officer at DHFL. Presently, he is serving as a director on the boards of ASSPL and Fort Finance Limited
<b>Mr Akhil Awasthi</b>	Nominee Director	Shri Akhil Awasthi has been associated with Tata Capital Growth Fund (TCGF) since 2009 and is currently Managing Partner and head of the entire business at Tata Capital Growth Fund (TCGF) and is a Member of Investment Committee of Tata Capital Growth Fund (TCGF) II and Tata Capital Growth Fund (TCGF) I. He is an alumni of Harvard Business School and an MBA from Delhi University. Prior to Tata Capital Growth Fund (TCGF) he has had a 16 years of equity investment experience of which 12 years in private equity with Baring Private Equity.
<b>Ms. Lavanya Ashok</b>	Nominee Director	Ms. Lavanya Ashok is a General Partner at Trifecta Capital. She joined the firm in 2020 to conceptualize their equity investment strategy and leads Trifecta's growth equity fund. Prior to joining Trifecta, she was Managing Director, Private Equity at Goldman, Sachs & Co. (GS) in their Principal Investment Area (PIA) in Mumbai where she worked for a decade from 2010 to 2020. She earned a BS in Economics and Finance summa cum laude from The Wharton School at the University of Pennsylvania in 2004 where she was among the top 1% of students in her graduating class. Upon graduation, she joined GS in the investment banking division in New York. After finishing her analyst program in 2006, She moved to SPO Partners, a \$10 billion California-based hedge fund, from 2006 to 2008. She did an MBA from 2008 to 2010 at Stanford University where she was a Barrett Fellow and President of the South Asia Students' Association.
<b>Mr. Perumal R Srinivasan</b>	Nominee Director	Shri. Perumal Srinivasan co-founded Xponentia Capital in 2018 and serves as the Managing Partner. Previously he served as the Managing Director & Head of Citigroup - India Private Equity Team (CVCI). He was part of the Leadership Team that raised two global EM funds: USD 1.5 billion in 2005, USD 4.3 billion in 2007. He was one of 3 founders that set up HSBC India Private Equity & raised a USD 60 million fund in 1995. He has invested more than USD 700 million across his investing experience.  Some of his marquee investments include:

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Management Details		
Name	Designation	Description
		At CVCI - Axis Bank, Yes Bank , Suzlon, Lupin, GMR and Sharekhan At HSBC India PE – Sharekhan, Kurlon, Dishnet, and Millennium Software At ICICI Ventures – Geometric Software, Microland He studied at CEG, Anna University, Chennai and IIM-Bangalore.

(e) **Name, addresses, DIN, PAN and occupations of the directors:**

S. No.	Name of the Directors	Address	DIN	PAN	Occupation
1	Mr. Neeraj Saxena	D-2108, Oberoi Splendor, Jogeshwari Vikhroli Link Road, Opp Majas Depot, Jogeshwari East, Mumbai 400060	07951705	BBAPS3825H	Service
2	Mr. Akash Bhanshali	12, Laxmi Vilas, Nepean Sea Road, Malabar Hill, Mumbai 400006	00265600	AADPB5433H	Service
3	Mr. Vivek Saraogi	7, Lower Rawdon Street, Kolkata 700020, West Bengal	00221419	AMOPS3266J	Service
4	Mr. Manish Chokhani	161, Silver Arch, 66 L Jagmohandas Marg, Nr. Petit Hall Compound, Nepeansea Road, Malabar H, Mumbai, Maharashtra 400006	00204011	AAAPC6471H	Service
5	Mr. Gautam Jain	91, 9 <sup>TH</sup> Floor silver arch, 66 Nepean sea road, Petit hall compound Malabar hill, Mumbai-400006	00296575	AAFPJ9177L	Service
6	Mr. Ashwin Jain	B-3-246, Kasturi Plaza, Manpada Rd, Dombivali(E) Thane, Maharashtra 421201	00173983	AACPJ8458K	Service
7	Mr. Chinnathambi Ilango	175, KPC Nagar, Vellakovil - 638111	03498879	AAMPI3392K	Service
8	Mr Deo Shankar Tripathi	2202, Tower 7 Emerald Isle, Saki Vihar Road powai L & T Business park, Powai Mumbai- 400072	07153794	ABMPT4639B	Employment
9	Mr Akhil Awasthi	B902, Lodha Bellissimo, N.M. Joshi Marg, lower Parel, Mumbai 400012	00148350	ACCPA2678Q	Service
10	Ms. Lavanya Ashok	1002A Raheja Atlantis Apartments, GK Marg, Lower Parel, Mumbai, 400013	03453279	AKKPA0960D	Investment Professional
11	Mr. Perumal R Srinivasan	25A, Belvedere Court, Sane Guruji Marg, Mahalaxmi, Jacob Circle, Mumbai- 400011	00365025	ACRPS1571M	Investment Professional

**10.2 MANAGEMENT PERCEPTION OF RISK FACTORS:**

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Please refer to Section 3 of this Placement Memorandum.

### 10.3 RISKS RELATED TO THE BUSINESS OF THE ISSUER

Please refer to Section 3 of this Placement Memorandum.

### 10.4 Details of defaults, if any, including the amounts involved, duration of default, and present status, in repayment of:

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

### 10.5 Name, designation, address and phone number, email ID of the nodal / compliance officer of the Company, if any, for the Issue:

Name: Mr. Sameer Dalvi  
Designation: AVP - Treasury  
Address: Office No.63, 6<sup>th</sup> Floor, Kalpataru Square, Kondivita Road, Andheri East, Mumbai 400059  
Email: [sameer.dalvi@auxilo.com](mailto:sameer.dalvi@auxilo.com)

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

NIL

### 10.7 Particulars of the Offer:

<b>Financial position of the Company for the last 3 (three) financial years</b>	Please refer to <b>PART A</b> below.
<b>Date of passing of Board Resolution</b>	Board Resolution dated May 2, 2023 read with the resolution passed by the Borrowing Committee of the Board of Directors dated February 12, 2024
<b>Date of passing of resolution in [annual / extra-ordinary general meeting], authorizing the offer of securities</b>	Shareholders' resolution dated June 28, 2023 under Section 42 of the Companies Act, 2013
<b>Kind of securities offered (i.e. whether share or debenture) and class of security; the total number of shares or other securities to be issued</b>	Issue of 5,000 (Five Thousand) Secured, Rated, Listed, Redeemable, Taxable, Non-convertible Debentures of face value of Rs. 1,00,000/- (Rupees One Lakh only) each, Rs. 50,00,00,000/- (Rupees Fifty Crores only) with an option to retain additional subscription / green shoe option of up to Rs. 25,00,00,000/- (Rupees Twenty Five Crores only), aggregating up to Rs. 75,00,00,000/- (Rupees Seventy Five Crores Only) on a private placement basis (collectively the "Issue").
<b>Price at which the security is being offered, including premium if any, along with</b>	The Debentures are being offered at face value of Rs. 1,00,000/- (Rupees One Lakh only) per Debenture

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<b>justification of the price</b>	
<b>Name and address of the valuer who performed valuation of the security offered, and basis on which the price has been arrived at along with report of the registered valuer</b>	Not Applicable as the Debentures are being offered at face value of Rs. 1,00,000/- (Rupees One Lakh only) per Debenture
<b>Relevant date with reference to which the price has been arrived at</b> [Relevant Date means a date at least 30 days prior to the date on which the general meeting of the Company is scheduled to be held]	Not applicable.
<b>The class or classes of persons to whom the allotment is proposed to be made</b>	<p>The following categories of investors, when specifically approached and have been identified upfront, are eligible to apply for this private placement of the Bonds subject to fulfilling their respective investment norms/rules and compliance with laws applicable to them by submitting all the relevant documents along with the Application Form (“Eligible Investors”):</p> <p>Qualified Institutional Buyers (“QIBs”) means the following entities:</p> <ol style="list-style-type: none"> <li>a) A mutual fund, venture capital fund, Alternative Investment Fund and Foreign Venture Capital Investor registered with SEBI;</li> <li>b) Foreign portfolio investor other than individuals, corporate bodies and family offices;</li> <li>c) a Public Financial Institution;</li> <li>d) a Scheduled Commercial Bank;</li> <li>e) a multilateral and bi-lateral development financial institution;</li> <li>f) a State Industrial Development Corporation;</li> <li>g) An insurance company registered with Insurance Regulatory and Development Authority of India;</li> <li>h) A Provident Fund with minimum corpus of Rs.25 Crores</li> <li>i) A Pension Fund with minimum corpus of Rs.25 Crores</li> <li>j) National Investment Fund set up by resolution No: F.No.2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India;</li> <li>k) An insurance fund set up and managed by Army, Navy / Air force of the Union of India;</li> <li>l) Insurance funds set up and managed by the Department of Posts, India; and</li> <li>m) Systemically important Non- Banking Financial Companies.</li> </ol> <p>Any non-QIB including inter-alia resident individual investors, Hindu Undivided Families (excluding minors and</p>

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	<p>NRIs), Partnership Firms and Limited Liability partnership firms, Trusts (including public charitable trusts), association of persons, societies registered under the Applicable Laws in India, companies, bodies corporate etc., who/ which has been authorized by the Issuer, to participate in a particular issue on the EBP platform.</p> <p>The advisor(s)/ arranger(s)/ placement agent(s), broker(s) associated with the Issue and/or their affiliates/ subsidiaries/ associates/ group companies and/or their promoters/ directors/ key managerial personnel/ officers/ employees may subscribe to the Issue as the applicable laws including but not limited to (i) SEBI (Merchant Bankers) Regulations, 1992 and Code of Conduct specified therein; (ii) Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 and Code of Conduct specified therein, as applicable, do not restrict them from subscribing to the Issue.</p> <p>Note: Participation by potential investors in the issue may be subject to statutory and/or regulatory requirements applicable to them in connection with subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that they comply with all regulatory requirements applicable to them, including exchange controls and other requirements. Applicants ought to seek independent legal and regulatory advice in relation to the laws applicable to them.</p>
<p><b>Intention of promoters, directors or key managerial personnel to subscribe to the offer (applicable in case they intend to subscribe to the offer) [Not required in case of issue of non-convertible debentures]</b></p>	<p>Not applicable.</p>
<p><b>The proposed time within which the allotment shall be completed</b></p>	<p>Issue Opening Date: February 20, 2024 Issue Closing Date: February 20, 2024 Pay-in Date: February 21, 2024 Deemed Date of Allotment: February 21, 2024</p>
<p><b>The names of the proposed allottees and the percentage of post private placement capital that may be held by them [Not applicable in case of issue of non-convertible debentures]</b></p>	<p>Not applicable.</p>
<p><b>The change in control, if any, in the company that would occur consequent to the private placement</b></p>	<p>No change in control would occur consequent to this private placement.</p>
<p><b>The number of persons to whom allotment on preferential basis / private placement / rights issue has already been made during the year, in terms of securities as well as price</b></p>	<p>NIL</p>
<p><b>The justification for the</b></p>	<p>Not applicable.</p>

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<b>allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer</b>		
<b>Amount, which the Company intends to raise by way of proposed offer of securities</b>	Issue of 5,000 (Five Thousand) Secured, Rated, Listed, Redeemable, Taxable, Non-convertible Debentures of face value of Rs. 1,00,000/- (Rupees One Lakh only) each, Rs. 50,00,00,000/- (Rupees Fifty Crores only) with an option to retain additional subscription / green shoe option of up to Rs. 25,00,00,000/- (Rupees Twenty Five Crores only), aggregating up to Rs. 75,00,00,000/- (Rupees Seventy Five Crores Only) on a private placement basis (collectively the "Issue").	
<b>Terms of raising of securities:</b>	Duration, if applicable:	36 (Thirty-Six) months from the Deemed Date of Allotment.
	Rate of Interest or Coupon:	9.90% p.a. payable quarterly
	Mode of Payment	cheque(s)/ demand draft/ electronic clearing services (ECS)/credit through RTGS system/funds transfer.
	Mode of Repayment	cheque(s)/ electronic clearing services (ECS)/credit through RTGS system/funds transfer.
<b>Proposed time schedule for which the Issue/Offer Letter is valid</b>	February 20, 2024	
<b>Purpose and objects of the Issue/Offer</b>	<p>The amount equivalent up to 40% (Forty Percent) of the monies received from the subscription of the Debentures shall be utilized towards repayment or refinancing of existing debt of the Company, up to 100% (One Hundred Percent) of the monies received from the subscription of the Debentures shall be utilized to finance the growth of the portfolio of the Company as is permitted for bank finance by the Reserve Bank of India and up to 40% (Forty Percent) of the monies received from the subscription of the Debentures shall be utilized for business activities to augment the long term growth of the Company (the "<b>Purpose</b>").</p> <p>The Issuer shall not use the proceeds of the Issue towards:</p> <ul style="list-style-type: none"> <li>(a) Any capital market instrument such as equity, debt, debt linked and equity linked instruments or any other capital market related activities;</li> <li>(b) Any speculative purposes;</li> <li>(c) Investment in the real estate sector, including the acquisition of land, and/or any other real estate business. The expression "real estate business" has the meaning given to it in the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019;</li> <li>(d) Providing/extending loans or making any inter-corporate deposits to/in any subsidiary and/or associate Issuer;</li> <li>(e) Providing any bill discounting facilities;</li> </ul>	

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	<p>(f) making any repayment of any loans availed from its directors and/or Promoters; and/or</p> <p>(g) in contravention of any Applicable Law (including but not limited to the NBFC Directions and the guidelines, rules or regulations of the RBI applicable to non-banking financial companies).</p>
<p><b>Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects</b></p>	<p>N.A.</p>
<p><b>Principal terms of assets charged as security, if applicable</b></p>	<p>The Hypothecated Assets shall include, inter alia, identified book debts/receivables of the Issuer of the Issuer, (herein referred as "<b>Hypothecated Assets</b>" / "<b>Company's Receivables</b>").</p> <p>The outstanding NCD amount, together with interest, default interest remuneration of the Trustee, charges, fees, expenses and all other monies due from the Issuer, shall be secured by (to the satisfaction of the NCD holders):</p> <p>a. Exclusive Charge via a deed of hypothecation over specific asset portfolio of receivables of the Issuer ("Hypothecated Assets") with a security cover of 1 time ("Minimum Security Cover") to be maintained on the Outstanding Amounts of the NCDs along with coupon thereon at all times during the tenor of the NCDs ("Security").</p> <p>The Issuer shall execute the Debenture Trust Deed and Deed of Hypothecation on or prior to the Deemed Date of Allotment and perfect the same by filing CHG-9 with Registrar of Companies (ROC) with 30 (Thirty) calendar days from execution of Deed of Hypothecation.</p> <p><u>Eligibility Criteria for the Hypothecated Assets to be maintained at all times during the tenor of the NCDs:</u></p> <p>a. The Hypothecated Assets should be current at the time of selection However on an ongoing basis, the Hypothecated Assets shall not past due above 60 (Sixty) days at any point in time during the entire of the NCDs.</p> <p>b. The Hypothecated Assets should not have been restructured and/or rescheduled</p> <p>c. The Hypothecated Assets to be provided to the Debenture Trustee must comprise of Education Loan portfolio.</p> <p>d. The Hypothecated Assets to be provided to the Debenture Trustee must comprise of only loans directly originated by the Issuer and not loans purchased from the third party.</p> <p>e. The Hypothecated Assets to be provided to the Debenture Trustee to comprise of sanctioned loans (collectively to single borrower) of not more than Rs. 60 lakhs.</p> <p>f. The Hypothecated Assets are existing at the time of selection, and have not been terminated or prepaid;</p> <p>g. The Hypothecated Assets are free from all Encumbrances</p>

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	<p>and are not subject to any lien or charge;</p> <p>h. All loans hypothecated under the deed of hypothecation should comply with RBI norms and guidelines.</p> <p>i. The Hypothecated Assets s being charged must comply with all extant ‘know your customer’ norms specified by RBI;</p> <p>j. The Hypothecated Assets generated from lending to Issuer’s associate/s &amp; subsidiary/s and/or Related Party shall not be considered for asset cover calculation from this issuance. No drawing power for shall be provided for Issuer’s receivables generated from the lending to Issuer’s associate/s /subsidiary/s/ Related Party.</p> <p>In case of the replacement of Security or in the event of any fall in the Security Cover below the Minimum-Security Cover, the Issuer shall be obliged to reinstate the Security Cover to atleast the Minimum-Security Cover in terms of the Deed of Hypothecation, within 15 (Fifteen) calendar days from the date of such fall in the Security Cover. The Issuer shall execute such deeds, documents and writings and do such acts and things in this regard as may be required by the Debenture Trustee including filing of the requisite forms with ROC for the said change on a half-yearly basis.</p> <p>Without prejudice to the obligation of the Issuer in terms of the foregoing, the Issuer shall be liable to pay additional coupon at the rate of 2% (Two Percent) per annum over and above the applicable Coupon Rate from the date on which the Security Cover falls below the Minimum-Security Cover until the date on which it is reinstated in terms of the Transaction Documents.</p> <p><b>In case of an Event of Default, the Majority NCD holders shall have the option to buy the Hypothecated Assets or cause the Hypothecated Assets to be securitized (in whole or in part) and sold to a Special Purpose Vehicle ("SPV") at a future date against the amounts outstanding under the NCDs.</b></p>																																										
<p><b>The details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the going concern status of the Company and its future operations</b></p>	<p>NIL</p>																																										
<p><b>The pre-issue and post-issue shareholding pattern of the Company in the following format:</b></p>																																											
<table border="1"> <tr> <th rowspan="3">S. No.</th> <th rowspan="3">Category</th> <th colspan="4">Pre-issue</th> <th colspan="4">Post-issue</th> </tr> <tr> <th colspan="2">No. of shares held</th> <th colspan="2">% of share holding</th> <th colspan="2">No. of shares held</th> <th colspan="2">% of share holding</th> </tr> <tr> <th>Equity</th> <th>Preference</th> <th>Equity</th> <th>Preference</th> <th>Equity</th> <th>Preference</th> <th>Equity</th> <th>Preference</th> </tr> </table>	S. No.	Category	Pre-issue				Post-issue				No. of shares held		% of share holding		No. of shares held		% of share holding		Equity	Preference	Equity	Preference	Equity	Preference	Equity	Preference	<table border="1"> <tr> <th colspan="2">Pre-issue</th> <th colspan="2">% of share holding</th> <th colspan="2">Post-issue</th> <th colspan="2">% of share holding</th> </tr> <tr> <th>Equity</th> <th>Preference</th> <th>Equity</th> <th>Preference</th> <th>Equity</th> <th>Preference</th> <th>Equity</th> <th>Preference</th> </tr> </table>	Pre-issue		% of share holding		Post-issue		% of share holding		Equity	Preference	Equity	Preference	Equity	Preference	Equity	Preference
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Equity	Preference	Equity	Preference	Equity	Preference	Equity	Preference																																				

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<b>A Promoters' Holding</b>									
<b>1</b>	<b>Indian</b>								
	Individual								
	Bodies corporate	16,52,92,000		33.72		16,52,92,000		33.72	-
	<b>Sub-total</b>								
<b>2</b>	<b>Foreign Promoters</b>								
	<b>Sub-total (A)</b>	<b>16,52,92,000</b>		<b>33.72</b>		<b>16,52,92,000</b>		<b>33.72</b>	<b>-</b>
<b>B Non-promoters' holding</b>									
1	Institutional Investors								
2	Non-institutional Investors								
3	Private corporate bodies								
4	Director	83,54,078		1.71		83,54,078		1.71	
5	Indian public	17,04,237		0.35		17,04,237		0.35	
6	Others [including Non-resident Indians (NRIs)]/Bank	20,16,15,820	93,78,762	41.13	1.91	20,16,15,820	93,78,762	41.13	1.91
7	Alternate Investment Funds	25,015	10,37,55,383	0.01	21.17	25,015	10,37,55,383	0.01	21.17
	<b>Sub-total (B)</b>	<b>1,16,99,150</b>	<b>11,31,34,145</b>	<b>43.20</b>	<b>23.08</b>	<b>1,16,99,150</b>	<b>11,31,34,145</b>	<b>43.20</b>	<b>23.08</b>
	<b>GRAND TOTAL</b>	<b>37,69,91,150</b>	<b>11,31,34,145</b>	<b>76.92</b>	<b>23.08</b>	<b>37,69,91,150</b>	<b>11,31,34,145</b>	<b>76.92</b>	<b>23.08</b>

**10.8 Mode of payment for subscription (Cheque/ Demand Draft/ other banking channels):**  
Other banking channels – RTGS/NEFT.

**10.9 Disclosure with regard to interest of directors, litigation, etc:**

<b>Any financial or other material interest of the directors, promoters or key managerial personnel in the offer/ Issue and the effect of such interest in so far as it is different from the interests of other persons</b>	NIL
<b>Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the Company during the last 3 (three) years immediately preceding the year of the issue</b>	NIL

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<p><b>of this Offer Letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed</b></p>													
<p><b>Remuneration of directors (during the current year and last 3 (three) financial years)</b></p>	<table border="1"> <thead> <tr> <th><b>FY</b></th> <th><b>Remuneration (in Rs)</b></th> <th><b>Sitting Fees (In Rs.)</b></th> </tr> </thead> <tbody> <tr> <td><b>2022-23</b></td> <td>Rs. 376.79 Lakh</td> <td>Rs.10.80 Lakh</td> </tr> <tr> <td><b>2021-22</b></td> <td>Rs. 370.07 Lakh</td> <td>Rs. 8.80 Lakh</td> </tr> <tr> <td><b>2020-21</b></td> <td>Rs. 349.81 Lakh</td> <td>Rs. 7.08 Lakh</td> </tr> </tbody> </table>	<b>FY</b>	<b>Remuneration (in Rs)</b>	<b>Sitting Fees (In Rs.)</b>	<b>2022-23</b>	Rs. 376.79 Lakh	Rs.10.80 Lakh	<b>2021-22</b>	Rs. 370.07 Lakh	Rs. 8.80 Lakh	<b>2020-21</b>	Rs. 349.81 Lakh	Rs. 7.08 Lakh
<b>FY</b>	<b>Remuneration (in Rs)</b>	<b>Sitting Fees (In Rs.)</b>											
<b>2022-23</b>	Rs. 376.79 Lakh	Rs.10.80 Lakh											
<b>2021-22</b>	Rs. 370.07 Lakh	Rs. 8.80 Lakh											
<b>2020-21</b>	Rs. 349.81 Lakh	Rs. 7.08 Lakh											
<p><b>Related party transactions entered during the last 3 (three) financial years immediately preceding the year of issue of this Offer Letter including with regard to loans made or, guarantees given or securities provided</b></p>	<p>Please refer <b>CHAPTER C</b> below</p>												
<p><b>Summary of reservations or qualifications or adverse remarks of auditors in the last 5 (five) financial years immediately preceding the year of issue of this Offer Letter and of their impact on the financial statements and financial position of the Company and the corrective steps taken and proposed to be taken by the Company for each of the said reservations or qualifications or adverse remark</b></p>	<p>NIL</p>												
<p><b>Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last 3 (three) years immediately preceding the year of circulation of the Offer Letter in the case of the Company and all of its subsidiaries. Also if there were any were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last 3 (three) years immediately preceding the year of this Offer Letter and if so, section-wise details thereof for the Company and all of its subsidiaries</b></p>	<p>NIL</p>												
<p><b>Details of acts of material frauds committed against the Company in the last 3 (three) years, if any, and if so, the action taken by the company</b></p>	<p>NIL</p>												

#### 10.10 Financial Position of the Company:

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

<p><b>The authorized, issued, subscribed and paid up capital (number of securities, description and aggregate</b></p>	<p><b>Share Capital</b></p>	<p><b>Rs. in Crores</b></p>
	<p><b>Authorised</b></p>	
	<p>Equity Shares of INR 10 each</p>	<p>1,650.00</p>

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<b>nominal value)</b>	Preference Shares of INR 10 each	358.00
	<b>TOTAL</b>	<b>2,008.00</b>
	<b>Issued, Subscribed and Fully Paid- up</b>	
	Equity Shares of INR 10 each	376.99
	Preference Shares of INR 10 each	113.13
	<b>TOTAL</b>	<b>490.12</b>
<b>Size of the Present Offer</b>	Issue of 5,000 (Five Thousand) Secured, Rated, Listed, Redeemable, Taxable, Non-convertible Debentures of face value of Rs. 1,00,000/- (Rupees One Lakh only) each, Rs. 50,00,00,000/- (Rupees Fifty Crores only) with an option to retain additional subscription / green shoe option of up to Rs. 25,00,00,000/- (Rupees Twenty Five Crores only), aggregating up to Rs. 75,00,00,000/- (Rupees Seventy Five Crores Only) on a private placement basis (collectively the “Issue”).	
<b>Paid-up Capital:</b>	Equity Share Capital: Rs. <b>3,76,99,11,500</b> /- Preference Share Capital: Rs. <b>1,13,13,41,450</b> /-	
<b>a. After the offer:</b>	Equity Share Capital: Rs. <b>3,76,99,11,500</b> /- Preference Share Capital: Rs. <b>1,13,13,41,450</b> /-	
<b>b. After the conversion of Convertible Instruments (if applicable)</b>	Not applicable.	
<b>Share Premium Account:</b>		
<b>a. Before the offer:</b>	Rs. 3,95,07,21,429/-	
<b>b. After the offer:</b>	Rs. 3,95,07,21,429/--	

**Details of the existing share capital of the Issuer including details of allotments made by the Company in the last one year prior to the date of this Offer Letter for consideration other than cash and details of the consideration in each case:**

Date of Allotment	Number of Equity Shares Allotted	Face Value of Shares	Price of allotment (including premium)	Form of consideration	Nature of Allotment
27.04.2021	26,66,667	10	10.00	Cash	Conversion of Preference shares to Equity
28.03.2022	26,66,667	10	10.00	Cash	Conversion of Preference shares to Equity
31.03.2022	49,500	10	10.00	Cash	ESOP
30.09.2022	2,32,02,982	10	17.00	Cash	Right issue
17.10.2022	3,63,000	10	10.00	Cash	ESOP
17.10.2022	49,500	10	10.45	Cash	ESOP
17.10.2022	40,000	10	11.48	Cash	ESOP
03.02.2023	99,000	10	10.00	Cash	ESOP
28.03.2023	4,00,000	10	10.00	Cash	ESOP
30.03.2023	26,66,666	10	10.00	Cash-	OCPS Conversion

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19.07.2023	15	10	41.53	Cash	Private Placement
20.12.2023	25,000	10	41.53	Cash	Private Placement
21.12.2023	7,00,000	10	10	Cash –	ESOP

Date of Allotment	Number of CCPs Allotted	Face Value of Shares	Price of allotment (including premium)	Form of consideration	Nature of Allotment
19.07.2023	6,86,25,074	10	41.53	Cash	Private Placement
20.12.2023	4,45,09,071	10	41.53	Cash	Private Placement

<b>Details of allotments made by the Company in the last one year prior to the date of this Offer Letter for consideration other than cash and details of the consideration in each case.</b>	NIL												
<b>Profits of the Company, before and after making provision for tax, for the 3 (three) financial years immediately preceding the date of circulation of this Offer Letter</b>	<table border="1"> <thead> <tr> <th>Year</th> <th>PBT (Rs in Crs)</th> <th>PAT (Rs in Crs)</th> </tr> </thead> <tbody> <tr> <td>FY 2023 – IND AS</td> <td>34.70</td> <td>25.75</td> </tr> <tr> <td>FY 2022 – IND AS</td> <td>15.05</td> <td>12.57</td> </tr> <tr> <td>FY 2021 – IND AS</td> <td>13.19</td> <td>9.62</td> </tr> </tbody> </table>	Year	PBT (Rs in Crs)	PAT (Rs in Crs)	FY 2023 – IND AS	34.70	25.75	FY 2022 – IND AS	15.05	12.57	FY 2021 – IND AS	13.19	9.62
Year	PBT (Rs in Crs)	PAT (Rs in Crs)											
FY 2023 – IND AS	34.70	25.75											
FY 2022 – IND AS	15.05	12.57											
FY 2021 – IND AS	13.19	9.62											
<b>Dividends declared by the Company in respect of the said 3 (three) financial years; interest coverage ratio for last three years (cash profit after tax plus interest paid/interest paid)</b>	<table border="1"> <thead> <tr> <th>Year</th> <th>2021</th> <th>2022</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>Dividend Declared</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Interest Coverage Ratio</td> <td>1.51</td> <td>1.70</td> <td>1.46</td> </tr> </tbody> </table>	Year	2021	2022	2023	Dividend Declared	-	-	-	Interest Coverage Ratio	1.51	1.70	1.46
Year	2021	2022	2023										
Dividend Declared	-	-	-										
Interest Coverage Ratio	1.51	1.70	1.46										
<b>A summary of the financial position of the Company as in the 3 (three) audited balance sheets immediately preceding the date of circulation of this Offer Letter</b>	Please refer <b>CHAPTER A</b> to this Private Placement Offer cum Application Letter.												
<b>Audited Cash Flow Statement for the 3 (three) years immediately preceding the date of circulation of this Offer Letter</b>	Please refer <b>CHAPTER B</b> to this Private Placement Offer cum Application Letter.												
<b>Any change in accounting policies during the last 3 (three) years and their effect on the profits and the reserves of the Company</b>	NIL												

#### 10.11 PART B (To be filed by the Applicant)

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

- (i) Name: \_\_\_\_\_
- (ii) Father's name: N/A;
- (iii) Complete Address including Flat / House Number, Street, Locality, Pin Code:
- (iv) Phone number; if any: \_\_\_\_\_
- (v) Email ID, if any: \_\_\_\_\_
- (vi) PAN Number: \_\_\_\_\_
- (vii) Bank Account details:

<b>RTGS Bank Account details</b>	
NAME	
ACCOUNT NO	
IFSC CODE	
BANK	
LEI Number	

- (vii) Tick whichever is applicable:
- (a) The Applicant is not required to obtain Government approval under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to subscription of shares / securities:
- 
- (b) The Applicant is required to obtain Government approval under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to subscription of shares and the same has been obtained, and is enclosed herewith:

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Initial of the Officer of the Company designated to keep the record**

**Enclosed**

Copy of Board Resolution  
Copy of Shareholders Resolution  
Copy of Borrowing Committee Resolution  
*Chapter A - Summary of Financial Position*  
*Chapter B - Audited Cash Flow Statement*

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

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

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## Board Resolution



**CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS OF AUXILO FINSERVE PRIVATE LIMITED HELD ON TUESDAY 2<sup>ND</sup> MAY, 2023**

**Consideration of issuance of Non – Convertible Debentures for the financial year 2023-24**

**“RESOLVED THAT** pursuant to the provisions of Section 42, 71, 179, and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read together with the Companies (Prospectus and Allotment of Securities) Rules, 2014, including any modification, amendment, substitution or re-enactment thereof, for the time being in force the rules, regulations, guidelines, notifications, clarifications and circulars, if any, prescribed by the Government of India, all applicable regulations, directions, guidelines, circulars and notifications of the Reserve Bank of India (“RBI”), the Securities and Exchange Board of India (“SEBI”) including the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended and the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, or any other regulatory authority, whether in India or abroad, and in accordance with the Memorandum of Association and the Articles of Association of the Company and the listing agreements to be entered into with the stock exchanges (the “Stock Exchanges”) where the securities of the Company may be listed, and subject to the approvals, consents, sanctions, permissions as may be required from any appropriate statutory and regulatory authorities, the approval of the Board, be and is hereby accorded, to issue, and to make offer(s) and/or invitation(s) to eligible persons to subscribe to, Non-Convertible Debentures ((a) subordinated, (b) listed or unlisted, (c) senior secured, (d) senior unsecured, (e) unsecured, and/or (f) any others (as may be determined)) (“the Debentures”), on a private placement basis, in one of or more series /tranches, up to maximum limit of Rs. 750,00,00,000 (Rupees Seven Hundred and Fifty Crores) upon such terms and conditions may be agreed with the debenture-holders/investors, subject to due compliance with, in this regard.

**RESOLVED FURTHER THAT** the Borrowing Committee shall be authorized to approve offer, issue and allot the Debentures on behalf of the Company and to approve the terms and conditions of the issue of the Debentures of each series/ tranche for the purpose of issuance of the Debentures on a private placement and to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or expedient in the interest of the Company and is empowered on behalf of the Company to settle all the questions, difficulties or doubts that may arise in this regard without requiring to secure any further consent of the Board of Directors of the Company.

**RESOLVED FURTHER THAT** the Borrowing Committee may authorize the officials of the Company, to do such acts, deeds and things as they deem necessary or desirable in connection with the issue, offer and allotment of the Debentures, including, without limitation the following:

- (a) seeking, if required, any approval, consent or waiver from any/all concerned government and regulatory authorities, and/or any other approvals, consent or waivers that may be required in connection with the issue, offer and allotment of the Debentures;
- (b) executing the term sheets, negotiating, approving and deciding the terms of the issue of the Debentures and all other related matters;
- (c) approving the information memorandum/debt disclosure documents/private placement offer cum application letter (including amending, varying or modifying the same, as may be considered desirable or expedient), in accordance with all applicable laws, rules, regulations and guidelines as may be required for the Debentures;



**Auxilo Finserve Private Limited**

Office No. 61, 6th floor, Kalpataru Square, Kondivita Road, Andheri East, Mumbai - 400 058, Maharashtra, India.  
T: +91 22 62463333 | E: customercare@auxilo.com | W: www.auxilo.com | CIN No. U65990MH2016PTC266516

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

## Shareholders Resolution



**CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE MEMBERS OF AUXILO FINSERVE PRIVATE LIMITED AT SEVENTH ANNUAL GENERAL MEETING HELD ON WEDNESDAY, 28<sup>TH</sup> JUNE, 2023 AT 11.00 A.M THROUGH VIDEO CONFERENCING**

**SPECIAL BUSINESS:**

**Item No. 2 – Special Resolution: To consider issuance of Non-Convertible Debentures on private placement basis**

"RESOLVED THAT pursuant to the provisions of Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, and pursuant to the provisions of Section 71 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014, and all other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and pursuant to SEBI (Issue and Listing of Debt Securities) Regulations, and other applicable SEBI Rules and Regulations, as amended from time to time, including applicable Reserve Bank of India Directions, Guidelines, Circulars etc. and in accordance with the Memorandum and Articles of association of the Company, the approval of the members of the Company, be and is hereby accorded to the Board of Directors of the Company ("Board") to issue and to make offer(s) and/or invitation(s) to eligible persons to subscribe to, Non-Convertible Debentures ((a) subordinated, (b) listed or unlisted, (c) senior secured, (d) senior unsecured, (e) unsecured, and/or (f) any others (as may be determined)) ("NCDs"), on a private placement basis, in one or more tranches, for a period of one year from the date of passing of this resolution, provided that the outstanding amounts of all such NCDs at any time during the period shall not exceed INR 750 Crores (Indian Rupees Seven Hundred Fifty Crores only).

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

RESOLVED FURTHER THAT the Board be and is hereby authorized to ratify any arrangement, the terms and conditions (including without limitation, interest, repayment, security or otherwise) agreed by the Authorized Officers of the Company, for the purpose of issuance of such NCDs, and to do all such acts, deeds, and things, and to execute all such documents, instruments and writings as may be required to give effect to these resolutions."

For Auxilo Finserve Private Limited

A handwritten signature in black ink, appearing to read "Harsha Saksena", is written over a horizontal line.

Harsha Saksena  
Chief Financial Officer



Date: 20<sup>th</sup> November, 2023  
Place: Mumbai

**Auxilo Finserve Private Limited**

Office No. 63, 6th floor, Kalpitaru Square, Kondriva Road, Andheri East, Mumbai - 400 059, Maharashtra, India.  
T: +91 22 62463333 | E: [customercare@auxilo.com](mailto:customercare@auxilo.com) | W: [www.auxilo.com](http://www.auxilo.com) | CIN No. U65990MH2016PTC286516

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## Borrowing Committee Resolution



CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING OF BORROWING COMMITTEE OF THE BOARD OF DIRECTORS OF AUXILO FINSERVE PRIVATE LIMITED HELD ON MONDAY 12<sup>TH</sup> FEBRUARY, 2024 AT EXPRESS TOWERS, 14<sup>TH</sup> FLOOR, NARIMAN POINT, MUMBAI - 400021

Consideration of Issuance of Secured Rated Listed Redeemable Non-Convertible Debentures upto Rs. 100,00,00,000/- (Rupees One Hundred Crore Only) including a green shoe option of Rs. 25,00,00,000 (Rupees Twenty Five Crores Only) in one or more tranches/issuances on private placement basis

"RESOLVED THAT pursuant to the provisions of Section 42, Section 71, Section 179(3)(c) of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 and rules & regulations made thereunder, if any (including any statutory modification or re-enactment thereof for the time being in force), the applicable regulations issued by the Securities and Exchange Board of India ("SEBI") including the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended, supplemented and modified from time to time read with the operational circular issued by SEBI in this respect dated August 10, 2021 (bearing reference number: SEBI/HO/DDHS/PCIR/2021/613) along with master circular issued by SEBI in this respect dated August 10, 2021 (bearing reference number: SEBI/HO/DDHS/PoDI/PCIR/2023/119) and as amended or updated from time to time (the "Listing Regulations") and other applicable laws, if any, and pursuant to the relevant clauses of the Memorandum and Articles of Association of the Company and pursuant to the resolution passed by the shareholders of the Company dated 28<sup>th</sup> June, 2023 and the Board of Directors of the Company dated 2<sup>nd</sup> May, 2023, the Committee hereby approves the terms and conditions of the issuance and the Company be and is hereby authorised to issue upto 10,000 (Ten Thousand Only) Secured Rated Listed Redeemable Non-Convertible Debentures of Rs. 1,00,000/- (Rupees One Lakh only) each, aggregating upto Rs. 100,00,00,000/- (Rupees One Hundred Crore only), including a green shoe option of Rs. 25,00,00,000 (Rupees Twenty Five Crores Only) in one or more tranches/issuances on private placement basis ("Debentures") on such terms and conditions set out in the Placement Memorandum and the Debenture Trust Deed.

RESOLVED FURTHER THAT pursuant to Section 42(2) of the Companies Act, 2013, the Committee hereby identifies the eligible investors viz mutual funds, non-banking financial companies, provident funds and pension funds, corporates, banks, insurance companies, AIFs, trusts or any other person eligible to invest in the Debentures ("Identified Persons"), to whom the Company can make private placement of the Debentures.

RESOLVED FURTHER THAT the Company be and is hereby authorised to obtain listing of the Debentures on the WDM segment of the BSE Limited ("BSE") under the Listing Regulations and to do all such acts, deeds and things and execute or ratify such documents, papers and writings as may be necessary for the purpose.

RESOLVED FURTHER THAT Mr. Neeraj Saxena, the Managing Director & Chief Executive Officer, Mr. Harsha Sakuma, Chief Financial Officer and Mr. Sameer Dalvi, DVP – Treasury, (collectively the "Authorized Signatories), be and are hereby severally authorised to make such applications and do all such acts, deeds and things as may be necessary or desirable in connection with the listing including in particular making applications to and liaising with the concerned authorities including the BSE and SEBI and negotiating, finalizing and executing or ratifying such documents, papers and writings including the Listing Agreement as may be necessary for the purpose.



### Regd. and Corporate Office

#### Auxilo Finserv Private Limited

Office No. 63, 6th floor, Kalpataru Square, Khandivta Road, Andheri East, Mumbai-400059, Maharashtra, India.  
☎: +91 22 6246 3333    ✉: support@auxilo.com    🌐: www.auxilo.com  
CIN No: U65990MH2016PTC286516

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)



**RESOLVED FURTHER THAT** the Company is hereby authorised to appoint a debenture trustee registered with the SEBI for the issue of the Debentures.

**RESOLVED FURTHER THAT** the Company be and is hereby authorised to appoint CARE Ratings Limited, being a credit rating agency registered with the SEBI, for obtaining the rating(s) in respect of the issue, offer and allotment of the Debentures.

**RESOLVED FURTHER THAT** the abovementioned Authorized Signatories and Mr. Rahul Sharma, Territory Operations Head, Delhi Branch, be and are hereby severally authorized to negotiate, finalise and execute or ratify, on behalf of the Company, the Debenture Trustee Agreement for the appointment of the Debenture Trustee and the Debenture Trust Deed setting out *inter alia* the terms upon which the Debentures are being issued and to do all such acts, deeds and things as may be necessary or expedient to implement this resolution and to do and execute all acts and deeds as may be required by the Debenture Trustee in connection with the aforesaid.

**RESOLVED FURTHER THAT** the abovementioned Authorized Signatories be and are hereby authorised to execute, finalise and issue the Placement Memorandum and the Private Placement Offer cum Application Letter(s) on behalf of the Company;

**RESOLVED FURTHER THAT** the abovementioned Authorized Signatories and Mr. Rahul Sharma, Territory Operations Head, Delhi Branch be and are hereby authorised to create the Security in favour of debenture trustee and to do all such acts, deeds and things as may be necessary for the purpose and for perfecting the Security so created including filing necessary forms with the applicable Registrar of Companies, the Central Registry of Securitisation Asset Reconstruction and Security Interest, the Ministry of Corporate Affairs, or any depositories, and other relevant governmental authorities;

**RESOLVED FURTHER THAT** the abovementioned Authorized Signatories and Mr. Rahul Sharma, Territory Operations Head, Delhi Branch be and are hereby severally authorized to negotiate, finalise and execute or ratify on behalf of the Company, the necessary security documents in favour of debenture trustee including in particular the Deed of Hypothecation and also to approve, finalise and execute or cause to be executed or ratify on behalf of the Company all other deeds, documents, undertakings, mandates, agreements, assignments, guarantees, pledge, hypothecation deeds, powers of attorney, promissory notes and instruments and writings in favour of debenture trustee in connection with the Debentures and the Security as may be required under the Debenture Trust Deed.

**RESOLVED FURTHER THAT** the abovementioned Authorized Signatories and Mr. Rahul Sharma, Territory Operations Head, Delhi Branch be and are hereby authorised to get itself and the Debentures admitted to the National Securities Depository Limited ("NSDL") and/or Central Depository Services (India) Limited ("CDSL") and to execute or ratify the necessary or requisite agreement(s) with those depositories and the registrar and transfer agent and any other agreements, undertakings or other writings required for the issue of the Debentures in the dematerialised form and Authorized Signatories be and are hereby severally authorized to negotiate, finalise and execute or ratify the same.

**RESOLVED FURTHER THAT** the abovementioned Authorized Signatories and Mr. Rahul Sharma, Territory Operations Head, Delhi Branch be and are hereby severally authorized to negotiate, finalise and execute or ratify amendments to such executed documents and other documents as and when they become necessary and to sign letters of undertaking, declarations, agreements and other papers which may be required.



**Regd. and Corporate Office**

**Auxilio Finserve Private Limited**

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**RESOLVED FURTHER THAT** the abovementioned Authorized Signatories be and are hereby severally authorized to appoint M/s Link Intime India Private Limited as the registrar and transfer agent for the issue of the Debentures and to do all such acts, deeds and things as may be necessary or expedient to implement this resolution and to do and execute all acts and deeds as may be required by the registrar and transfer agent in connection with the aforesaid.

**RESOLVED FURTHER THAT** the Authorized Signatories be and are hereby severally authorized to do all such acts, deeds, things and execute or ratify all such documents whatsoever as may be required in connection with the issue and allotment of the Debentures including without limitation the opening of bank accounts, opening of demat accounts, appointment of legal counsel, the sole arranger, the registrar to the issue, the rating agency and other advisors as may be required and making payment of their fees.

**RESOLVED FURTHER THAT** the aforesaid resolutions shall come into effect immediately and a copy of the foregoing resolution certified to be a true copy by any of the Directors, Chief Financial Officer or the Company Secretary may be furnished to such parties concerned with respect to the issue of Debentures."

For Auxilo Finserve Private Limited

  
\_\_\_\_\_  
Deepika Thakur Chauhan  
Chief Compliance Officer, CS & Head – Legal



Date: 13<sup>th</sup> February, 2024  
Place: Mumbai

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

<b>Rs in Crores</b>				
<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2023</b>	<b>As at September 30, 2023</b>
<b>ASSETS</b>				
<b>(I) Financial Assets</b>				
(a) Cash and cash equivalents	128.94	84.13	234.10	202.67
(b) Bank balances other than cash and cash equivalents	1.25	6.66	13.19	69.88
(c) Trade receivables	0.41	0.31	1.84	2.24
(d) Loans			1,676.5	
(e) Other financial assets	529.88	759.87	5	2,359.29
	0.79	0.91	1.68	11.64
	<b>661.27</b>	<b>851.88</b>	<b>1,927.36</b>	<b>2,645.71</b>
<b>(II) Non Financial Assets</b>				
(a) Current tax assets (net)	0.98	0.65	2.23	4.70
(b) Deferred tax assets (net)	1.28	3.05	2.07	0.81
(c) Property, plant and equipment	1.24	1.05	3.26	3.25
(d) Right-of-use assets	2.44	2.13	13.18	11.60
(e) Intangible assets under development	-	1.23	1.53	3.26
(f) Intangible assets	0.93	0.88	1.63	1.24
(g) Other non financial assets	1.39	1.90	2.85	5.49
	<b>8.25</b>	<b>10.90</b>	<b>26.74</b>	<b>30.35</b>
			<b>1,954.10</b>	
<b>Total Assets</b>	<b>669.53</b>	<b>862.78</b>	<b>0</b>	<b>2,676.06</b>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>(I) Financial Liabilities</b>				
(a) Trade payables				0.53
(b) Debt securities	119.33	138.66	297.09	155.48
(c) Borrowings (Other than debt securities)			1,162.8	
(d) Lease liabilities	166.09	318.03	3	1,718.01
(e) Other financial liabilities	2.68	2.31	13.94	12.71
	7.64	11.68	17.07	17.10
	<b>295.73</b>	<b>470.69</b>	<b>1,490.94</b>	<b>1,903.83</b>
<b>(II) Non-Financial Liabilities</b>				
(a) Provisions	0.78	1.27	1.73	2.33
(b) Other non-financial liabilities	0.49	1.78	3.09	2.77
	<b>1.27</b>	<b>3.05</b>	<b>4.82</b>	<b>5.10</b>

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Particulars	As at	As at	As at	As at
	March 31, 2021	March 31, 2022	March 31, 2023	September 30, 2023
<b>EQUITY</b>	-	-	-	-
(a) Equity share capital	344.06	349.45	376.27	376.27
(b) Instruments entirely equity in nature				68.63
(c) Other equity	28.47	39.59	82.07	322.24
	<b>372.53</b>	<b>389.04</b>	<b>458.34</b>	<b>767.13</b>
	-	-	-	
<b>Total Liabilities and Equity</b>			<b>1,954.1</b>	
	<b>669.53</b>	<b>862.78</b>	<b>0</b>	<b>2,676.06</b>

### Profit and Loss Statement

Rs in Crores

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2023	For the period ended September 30, 2023
	<b>(I) Revenue from operations</b>			
(a) Interest income	73.60	84.77	169.77	138.24
(b) Fee and commission income	0.33	1.04	4.05	9.15
(c) Net gain on fair value change	1.17	1.39	4.44	5.14
(d) Net gain on derecognition of financial instruments under amortised cost category	-	-	-	9.91
<b>Total revenue from operations</b>	<b>75.10</b>	<b>87.19</b>	<b>178.26</b>	<b>162.44</b>
<b>(II) Other income</b>	0.59	5.43	12.57	5.26
<b>Total income</b>	<b>75.69</b>	<b>92.62</b>	<b>190.83</b>	<b>167.71</b>
<b>(III) Expenses</b>				
(a) Finance costs	32.64	33.13	95.48	88.75
(b) Impairment on financial assets	0.79	5.27	4.55	4.60
(c) Employee benefits expenses	19.13	25.25	32.52	19.48
(d) Depreciation and amortization	2.67	2.80	4.35	2.62
(e) Others expenses	7.27	11.11	19.24	12.04
<b>Total expenses</b>	<b>62.50</b>	<b>77.57</b>	<b>156.13</b>	<b>127.48</b>
<b>(IV) Profit before tax for the year (I + II - III)</b>	<b>13.19</b>	<b>15.05</b>	<b>34.70</b>	<b>40.22</b>
<b>(V) Tax Expense :</b>				
(a) Current tax	3.31	4.31	7.83	8.93
(b) Short / (Excess) provision for	-0.35	-0.06	0.09	-

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Particulars	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2023	For the period ended September 30, 2023
earlier years				
(c) Deferred tax	0.62	-1.77	1.03	1.26
	3.57	2.48	8.95	10.19
<b>(VI) Net profit after tax for the year (IV - V)</b>	<b>9.62</b>	<b>12.57</b>	<b>25.75</b>	<b>30.04</b>
<b>(VII) Other Comprehensive Income</b>				
(a) Items that will not be reclassified to profit and loss				
(i) Remeasurement gains and (losses) on defined benefit obligations	0.00	-0.19	-0.17	-
(ii) Income tax relating to items that will not be reclassified to profit and loss	-0.00	0.05	0.04	-
<b>Total (a)</b>	<b>0.00</b>	<b>-0.14</b>	<b>-0.13</b>	<b>-</b>
(b) Items that will be reclassified to profit and loss	-	-	-	-
<b>Total (b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Comprehensive income (a+b)</b>	<b>0.00</b>	<b>-0.14</b>	<b>-0.13</b>	<b>-</b>
<b>(VIII) Total Comprehensive Income for the year (VI + VII)</b>	<b>9.62</b>	<b>12.43</b>	<b>25.62</b>	<b>30.04</b>
<b>(IX) Earnings per equity share in Rupees - Not Annualised (Face value INR 10 each)</b>				-
Basic	0.28	0.36	0.71	0.80
Diluted	0.28	0.36	0.71	0.73

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

Particulars	Rs in Crores			
	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2023	For the period ended September 30, 2023
<b>A Cash flow from operating activities</b>				
Profit before tax	13.19	15.05	34.70	40.22
<b><u>Adjustments for</u></b>				
Depreciation and amortisation	2.67	2.80	4.35	2.62
Interest adjustments lease liabilities	0.28	0.26	0.78	0.57
Interest Expense	31.79	32.32	93.22	87.30
Interest Paid	-23.06	-29.13	-84.53	-88.30
Interest income on loans	-	-83.54	-167.95	-135.00
Interest received	-	59.83	74.45	41.84
Impairment on financial assets	0.79	5.27	4.55	4.60
Net gain on sale on current investments measured at fair value through profit and loss	-1.17	-1.39	-4.44	-5.14
(Profit) / Loss on sale of fixed assets	-	0.01	-0.02	-
Provision for Compensated absences	0.17	0.12	0.13	0.30
Provision for Gratuity	0.16	0.23	0.17	0.30
Interest expense on security deposit	0.05	0.05	0.08	0.05
Unwinding of discount on security deposits	-0.04	-0.06	-0.08	-0.04
Employees stock option provision	1.41	1.39	0.65	0.30
<b>Operating cash flow before working capital changes</b>	<b>26.25</b>	<b>3.22</b>	<b>-43.93</b>	<b>-50.39</b>
<i>Add / (Less): Adjustments for working capital changes</i>				
(Increase)/ Decrease in Trade Receivables	0.29	0.10	-1.53	-0.40
(Increase)/ Decrease in Loans	-44.08	-211.55	-827.73	-594.20
(Increase)/ Decrease in Other Financial Assets	-0.10	-0.11	-0.78	-9.96
(Increase)/ Decrease in Other non financial assets	-0.38	-0.51	-0.95	-2.64
(Increase)/ Decrease in Other Bank balances	-0.07	-5.41	-6.52	-56.67
(Increase)/ Decrease in Right-of-use assets	-0.84	-1.32	-13.70	-
Increase/ (Decrease) in Lease	0.72	1.26	13.70	-0.02

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Particulars	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2023	For the period ended September 30, 2023
<b>Liabilities</b>				
Increase/ (Decrease) in Payables	-0.00	-	-	0.53
Increase/ (Decrease) in ECL on Cash and cash equivalents	-0.00	-0.00	0.00	-0.00
Increase/ (Decrease) in Other financial liabilities	-0.91	4.04	5.39	0.03
Increase/ (Decrease) in Other non- financial liabilities	-0.42	1.30	1.31	-0.32
<b>Cash used in operations</b>	<b>-19.54</b>	<b>-208.98</b>	<b>-874.75</b>	<b>-714.04</b>
Income taxes paid (Net of Refunds Received)	-3.34	-3.93	-9.49	-11.40
<b>Net cash used in operating activities -A</b>	<b>-22.89</b>	<b>-212.91</b>	<b>-884.25</b>	<b>-725.45</b>
<b>B Cash flow from investing activities</b>				
Purchase of property, plant and equipment, intangible assets (including asset under development)	-0.56	-2.19	-4.96	-2.36
Sale of property, plant and equipment and intangible assets	-	0.02	0.03	-
Purchase of investments	-145.25	-331.25	-926.55	-966.00
Proceeds from sale of investments	146.42	332.64	930.99	971.14
<b>Net cash generated from / (used in) investing activities – B</b>	<b>0.61</b>	<b>-0.79</b>	<b>-0.49</b>	<b>2.77</b>
<b>C Cash flow from financing activities</b>				
Proceeds from call money on OCPS	2.64	2.64	2.64	-
Proceeds from issue of equity shares including securities premium	-	0.05	40.40	285.00
Share issue expenses	-	-	-0.01	-6.55
Payment towards leases	-1.62	-1.89	-2.86	-1.78
Proceeds from issue of debt securities	116.28	33.00	189.59	-
Repayment of debt securities	-29.17	-15.37	-34.76	-136.42
Proceeds from borrowings (other than Debt securities)	19.70	233.00	1,019.72	832.96

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<b>Particulars</b>	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2023</b>	<b>For the period ended September 30, 2023</b>
Repayment of borrowings (other than Debt securities)	-79.48	-82.54	-180.01	-281.97
<b>Net cash generated from financing activities – C</b>	<b>28.36</b>	<b>168.89</b>	<b>1,034.70</b>	<b>691.24</b>
<b>Net increase / (Decrease) in cash and cash equivalents (A+B+C)</b>	<b>6.08</b>	<b>-44.81</b>	<b>149.97</b>	<b>-31.43</b>
Cash and cash equivalent as at the beginning of the year	122.87	128.95	84.13	234.10
Cash and cash equivalent as at the end of the year	128.95	84.13	234.10	202.67

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## CHAPTER C: RELATED PARTY TRANSACTIONS ENTERED DURING THE LAST 3 (THREE) FINANCIAL YEARS IMMEDIATELY PRECEDING THE YEAR OF ISSUE OF THIS OFFER LETTER INCLUDING WITH REGARD TO LOANS MADE OR, GUARANTEES GIVEN OR SECURITIES PROVIDED

### Related Party Transactions FY 2020-21

Rs in Lakhs

No.	Nature of Transaction	Nature of relationship	Name of Party	Year Ended March 31, 2022	Year Ended March 31, 2021
1	Issue of equity shares	Entities / Persons having Significant Influence	Balrampur Chini Mills Limited	-	-
			Elme Advisors LLP	-	-
			Akash Bhanshali	-	-
2	Managerial Remuneration*				
	Short-term employee benefits	Key Management Personnel		376.79	354.23
	Employee Stock Option#	Key Management Personnel		26.79	36.86
3	Sitting Fees	Key Management Personnel	Manish Chokhani	4.60	3.80
		Key Management Personnel	Chinnathambi Ilango	4.20	4.00

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

# additionally the key management personnel holds 26.67 lakhs (previous year 80 lakhs) OCPS which are accounted in accordance with *Ind AS 102 Share based payments* amounting to INR 43.54 lakhs (previous year INR 68.70 lakhs).

4 There is no balance outstanding towards transactions disclosed above as on March 31, 2022 and March 31, 2021.

### Related Party Transactions FY 2021-22 & 2022-23

Rs in Lakhs

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

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

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

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

4 Outstanding towards transactions disclosed above:

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

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## SECTION 11: DECLARATION BY THE DIRECTORS

Each of the directors of the Company hereby confirm and declare that:

- A. the Issuer is in compliance with the provisions of Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, Companies Act, 2013 and the rules and regulations made thereunder, including the compliances in relation to making a private placement of the Debentures;
- B. the compliance with the Companies Act, 2013 and the rules does not imply that payment of dividend or interest or repayment of non-convertible securities, if applicable, is guaranteed by the Central Government;
- C. the monies received under the Issue shall be used only for the purposes and objects indicated in this Placement Memorandum; and
- D. whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

Investment in non-convertible securities involve a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under Section 3 of this Placement Memorandum. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities.

I am authorized by the Board of Directors of the Company vide resolution number 14 dated May 2, 2023 read with the resolution passed by the Borrowing Committee of the Board of Directors of the Company dated February 12, 2024 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this Placement Memorandum has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

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

For **Auxilo Finserve Private Limited**

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Director  
Name: Neeraj Saxena\_  
Title: Managing Director & CEO  
Date: February 15, 2024

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**ANNEXURE I: TERM SHEET**

As provided in Section 5.40 (*Issue Details*) above.

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## ANNEXURE II: RATING LETTER AND RATING RATIONALE FROM THE RATING AGENCY



No. CARE/BRO/RL/2023-24/1355

**Shri Neeraj Saxena**  
MD & CEO  
**Auxilo Finserve Private Limited**  
Office No. 63, 6th Floor, Kalpataru Square,  
Kondivits Road, Andheri East,  
Mumbai  
Maharashtra 400059



Confidential

February 13, 2024

Dear Sir,

### Credit rating for proposed Non-Convertible Debenture issue

Please refer to your request for rating of proposed Non-convertible Debenture (NCD) issue aggregating to Rs.25 crore of your Company.]

2. The following ratings have been assigned by our Rating Committee:

Sr. No.	Instrument	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
1.	Non Convertible Debentures	25.00	CARE A+; Stable (Single A Plus; Outlook: Stable)	Assigned
	Total Instruments	25.00 (Rs. Twenty-Five Crore Only)		

- Please arrange to get the rating revalidated, in case the proposed issue is not made within a period of six months from the date of our initial communication of rating to you (that is February 13, 2024).
- [In case there is any change in the size or terms of the proposed issue, please get the rating revalidated.]
- Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and in other CARE Ratings Ltd.'s publications.

CARE Ratings Limited

Unit No. 205 -208, 2nd Floor, Prestige Meridian I,  
No. 29, M. G. Road, Bengaluru, Karnataka - 560001  
Phone: +91-80-4862 5555

CIN-L57190MH1993PLC071691

Corporate Office -4th Floor, Godrej Coliseum,  
Somaiya Hospital Road, Off Eastern Express  
Highway, Sion (E), Mumbai - 400 022  
Phone: +91-22-6754 3458 + [www.careedge.in](http://www.careedge.in)

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Instrument type	ISIN	Issue Size (Rs cr)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Details of top 10 Investors
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6. [Kindly arrange to submit to us a copy of each of the documents pertaining to the NCD issue, including the offer document and the trust deed.]
7. [The rationale for the rating will be communicated to you separately. A write-up (press release) on the above rating is proposed to be issued to the press shortly, a draft of which is enclosed for your perusal as **Annexure 2**. We request you to peruse the annexed document and offer your comments if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by February 14, 2024, we will proceed on the basis that you have no any comments to offer. ]
8. CARE Ratings Ltd. reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
9. CARE Ratings Ltd. reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE Ratings Ltd. warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE Ratings Ltd. so as to enable it to carry out continuous monitoring of the rating of the bank facilities, CARE Ratings Ltd. shall carry out the review on the basis of best available information throughout the life time of such bank facilities. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE Ratings Ltd. shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
10. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.
11. Users of this rating may kindly refer our website [www.careedge.in](http://www.careedge.in) for latest update on the outstanding rating.
12. Our ratings are **not** recommendations to buy, sell or hold any securities.
13. If you need any clarification, you are welcome to approach us in this regard. We are indeed, grateful to you for entrusting this assignment to CARE Ratings Ltd.

Thanking you,



CARE Ratings Limited

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CIN-L87190MHI993PLC071691

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Yours faithfully,



**Tony Mathew**  
Lead Analyst  
[tony.mathew@careedge.in](mailto:tony.mathew@careedge.in)



**Aditya R. Acharekar**  
Associate Director  
[aditya.acharekar@careedge.in](mailto:aditya.acharekar@careedge.in)

**Encl.:** As above

**Disclaimer**

The ratings issued by CARE Ratings Limited are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings Limited has based its ratings/outlooks based on information obtained from reliable and credible sources. CARE Ratings Limited does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings Limited have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings Limited or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE Ratings Limited is, inter-alia, based on the capital deployed by the partners/proprietor and the current financial strength of the firm. The rating/outlook may undergo a change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE Ratings Limited is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE Ratings Limited's rating. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and steep downgrades.

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### Auxilo Finserve Private Limited

February 15, 2024

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long-term bank facilities	1.00	CARE A+; Stable	Reaffirmed
Long-term bank facilities	807.52	CARE A+; Stable	Reaffirmed
Non-convertible debentures	75.00	CARE A+; Stable	Reaffirmed
Non-convertible debentures	25.00	CARE A+; Stable	Reaffirmed
Non-convertible debentures	75.00	CARE A+; Stable	Assigned
Non-convertible debentures	25.00	CARE A+; Stable	Assigned
Commercial paper	100.00	CARE A1+	Reaffirmed

Details of Instruments/Facilities in Annexure-1.

#### Rationale and key rating drivers

Ratings assigned to the long-term bank facilities and instruments of Auxilo Finserve Private Limited (Auxilo) draw strength from the strong and resourceful promoters – Akash Bhansali, who leads the principal investments unit of Enam Holdings Private Limited and Balrampur Chini Mills Limited (BCML). The promoters actively oversee the business operations and are committed to support business requirements.

Ratings factor in the sharp growth in the scale of operations with assets under management (AUM) of ₹2,752 crore as on December 31, 2023 (including co-lending book), as against ₹763 crore as on March 31, 2022, broadly in line with the industry trend. This has resulted in scale benefits, with the return on assets (RoA) improving in FY23 and 9MFY24. Auxilo has mobilised fresh equity in FY24 (YTD), resulting in the net worth sharply increasing. The company has raised ₹470 crore of fresh equity from investors of which ₹285 crore was raised in July 2023 and the balance ₹185 crore in December 2023. This, along with accretion of profits, resulted in the net worth improving from ₹372.5 crore as on March 31, 2021, to ₹963 crore as on December 31, 2023.

Ratings further derive strength from comfortable capitalisation levels, the management team's experience in the education loan (EL) business, and strong systems, enabling Auxilo to maintain healthy asset quality in the EL segment.

However, ratings are constrained by Auxilo's exposure to a single asset class, the relatively small size of operations, and a moderately-diversified resource profile with limited track record. There is a possibility of asset-side risks considering the low seasoning of the EL segment. Ratings also note the inherent asset liability tenure mismatches arising due to the relatively longer tenure of ELs. However, it is partially mitigated due to significant prepayments in ELs, as the behavioural tenure of these loans are lower than the contracted tenure. Auxilo's ability to improve its borrowing profile and raise longer tenure borrowings will be key to improve its business profile.

#### Rating sensitivities: Factors likely to lead to rating actions

##### Positive factors

- Size of operations substantially growing while maintaining asset quality and increasing the seasoning of the loan portfolio.
- Profitability improving sustainably, with RoA higher than 3%.

##### Negative factors

- Major dilution in promoters' shareholding and perceived weakness in continuation of the support from the promoters.
- Material deterioration in the asset quality indicators and asset quality, with gross stage 3 assets (GS3) exceeding 3%.
- Deterioration in the profitability metrics, with return on total assets (RoTA) of below 1.5% on a sustained basis.
- Noticeable weakness in the borrower's employability in key markets of operation.

#### Analytical approach

CARE Ratings Limited (CARE Ratings) has analysed the standalone credit profile of Auxilo, along with Auxilo's financial and managerial linkages with its promoters.

#### Outlook: Stable

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careratings.in](http://www.careratings.in) and other CARE Ratings Ltd.'s publications

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CARE Ratings believes that the entity will sustain its business and financial risk profiles with credit cost under control over the medium term.

#### Detailed description of the key rating drivers

##### Key strengths

###### Resourceful promoters overseeing operations with propensity of providing support

The company is promoted by Akash Bhanshal and is co-invested by BCML. Akash Bhanshal, through his family LLP – ELME Advisors LLP – and BCML, each held a 43.90% stake in Auxilio as on March 31, 2023. Since inception in 2017, both shareholders have provided equity capital of ₹350 crore up to FY23. ICICI Bank infused ₹51 crore in FY20, resulting in a 9.70% shareholding as on March 31, 2023. ICICI Bank had also participated in the latest round of infusion of ₹470 crore to maintain its stake by infusing ₹39 crore. Investors infused ₹285 crore in July 2023 with the balance ₹185 crore infused in the second tranche in December 2023 post receipt of the Reserve Bank of India (RBI) approval.

Akash Bhanshal, an M.Com and Chartered Accountant by qualification, has been successfully leading the principal investments unit of Enam Holdings Private Limited. BCML, incorporated in 1975, is among the largest integrated sugar manufacturing companies in India. In FY23, BCML reported a total revenue of ₹4,728 crore and a profit-after-tax (PAT) of ₹275 crore. Both the shareholders have active involvement in the company's strategic decisions and are committed to support it. They will continue to be major shareholders post the equity infusion, with shareholding (on a fully diluted basis) above approximately 65%. The strength of the shareholders is reflected in the willingness of large private banks to provide equity and debt capital to the company.

###### Adequate capitalisation levels and supported by fresh equity infusion leading to increase in net worth base

With the loan book growing at a healthy 119.2%, Auxilio's capitalisation levels moderated in FY23, with the capital adequacy ratio (CAR) and Tier-I CAR at 24.71% and 24.39%, respectively, in FY23, as against 47.84% and 47.11%, respectively, in FY22. However, it is adequate and above the regulatory requirements. Similarly, the overall gearing level moderated from 1.19 times as on March 31, 2022 to 3.24 times as on March 31, 2023. Auxilio completed its equity raising of ₹470 crore in 9MFY24, leading to an increased net worth base to ₹963 crore as on December 31, 2023, as against ₹454 crore as on March 31, 2023. Consequently, the overall gearing has witnessed improvement to 2.14 times as on December 31, 2023, on account of the equity infusion and profit retention.

Going forward, although the growth in the scale of operations is expected from the current levels, CARE Ratings expects the capital levels to remain healthy in the near term and the overall gearing to remain below 4 times.

###### Moderate but improving profitability

While Auxilio commenced business operations in October 2017, FY19 was its first complete year of operations. The RoTA has been consistently improving since inception. The profitability parameters have been consistently improving on a year-on-year basis, aided by the improving pre-provisioning operating profit (PPOP), in line with an increase in the scale of operations and a declining trend of operational expenses. The increase in income was also aided by the increased disbursements, leading to a higher processing fee. The credit cost stood lower at 0.32% in FY23 as against 0.68% in FY22, leading to improving profitability metrics in FY23. Auxilio's RoTA improved to 1.83%, mainly on account of the decrease in opex (percentage of the average total assets) during FY23, as operating leverage benefits started accruing. During 9MFY24, RoTA stood at 2.43%, supported by declining trend of operational expenses with benefit of increase in the scale of operations being derived.

###### Healthy asset quality, albeit loan portfolio seasoning remains low

Although the asset quality witnessed moderation in the education institution segment on account of COVID-19, the company's overall G53 assets continued to remain comfortable at 1.13% as on December 31, 2023. The DPD>90 in the EL segment remains low at 0.05% as on December 31, 2023. However, the loan portfolio seasoning remains on the lower side, given the high loan book growth witnessed in FY22, FY23 and 9MFY24 considering the longer average tenure of the loans. As on December 31, 2023, only 12.0% of the loan portfolio is EMI-paying. Going forward, the performance of the loan book with seasoning will remain a key sensitivity.

###### Experienced management team, strong systems, and prudent lending norms

Auxilio is led by an experienced senior management team, with the board comprising seven directors, which includes Bhanshal and Vivek Saraogi. The operations of Auxilio are headed by Neeraj Saxena, Managing Director & CEO. Saxena has served as the CEO of Avanse Financial Services Limited, a non-banking financial company (NBFC) in the education finance space. In his previous stints, he has worked in leadership roles in DHFL, Tata Retail Enterprise (Trent), Piramal Retail, and Ernst & Young (EY). He is assisted by an experienced senior management team. The management has a largely conservative underwriting strategy, which

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is supported by a robust system for loan sanctioning, which is mapped through a software – right from login of the file to the final disbursement. The company has implemented various systems, such as customer relationship management (CRM), loan origination system (LOS), loan management system (LMS), and accounting ERP system. The standard operating procedures (SOPs) clearly define the loan to be sanctioned, collateral to be taken, requirements of a co-borrower based on the type of course, past academics, entrance test scores, immigration norms of the country, the cost involved in the course, the internal ranking of the institute, employability, the credit history, and income profile of the co-borrower.

#### **Key weaknesses**

##### **Exposure to single asset class, small scale of operations with limited seasoning of the portfolio**

Auxilo provides EIs, which exposes it to product concentration risk, as any fall in demand for EIs or increase in competition from other players may severely impact the operations and profitability of the company. Albeit significant growth in the scale of operations with AUM at ₹2,752 crore as on December 31, 2023 (including co-lending book), as against ₹763 crore as on March 31, 2022, the company continues to be a relatively small-sized NBFC. The portfolio constitutes both, retail EIs and education institution loans (loan given to schools, colleges and boarding schools), with the latter contributing to 4.2% of the total AUM as on December 31, 2023.

High delinquencies are faced by the Indian banking sector in the EL sector. The slippages for the company have been mainly from the education institution segment (wholesale), which is a relatively riskier and high-yielding portfolio. Although the company does not have high delinquencies as of now in education retail loans, considering only a low proportion of loans have been fully repaid and the high share of loans in principal moratorium, Auxilo's loan book remains unseasoned in nature. The ability of the company to sustain a steady state asset quality through various cycles remains a key monitorable, considering the nascent stage of its operations.

##### **Moderate resource profile and inherent asset liability tenure mismatches arising due to longer tenure of EIs**

Auxilo has a moderately diversified debt profile, with the company accessing borrowings from banks and financial institutions (FIs) and market borrowings in the form of non-convertible debentures (NCDs) and marked-linked debentures (MLDs). However, the borrowings from banks and FIs continue to form majority of the borrowings. Term loans/WCDL from the banks constituted 79.6% of the total borrowings, and term loans from NBFCs constituted 7.2% of the borrowings as on December 31, 2023. With access to market borrowings, NCDs and MLDs contributed to 7.9%, followed by a securitisation liability of 4.1% on the overall borrowings. The company has increasingly diversified its lender base and has a diversified lender base network of 33 banks and FIs as on December 31, 2023. Although the liability profile has improved over the years, the inherent asset liability tenure mismatches continue due to the relatively longer tenure of loans extended (EL and education institution loans). The same is partially offset due to the higher amount of prepayments in EIs. CARE Ratings notes that in respect of EIs, the company extends loans for a contracted tenure of around 10 years. However, the behavioural tenure of such loans is much lesser, ranging from five to six years, benefitting the company. As per the ALM statement submitted as on December 31, 2023, there is no negative cumulative mismatch in up to one-year period; however, it faces mismatches in the one to three-year period. The liquidity is also supported by regular equity infusion from the promoters and investors. CARE Ratings expects the company to continue to maintain liquidity by way of borrowings and the equity to plug in any mismatches that may arise.

#### **Liquidity: Adequate**

As per the ALM submitted by the company as on December 31, 2023, the liquidity profile is adequate, with no negative cumulative mismatches in time buckets up to one year, aided by sufficient cash and liquid investments maintained compared to its borrowings. Auxilo had a cash and bank balance and liquid investments of ₹287 crore as on December 31, 2023, and had unavailed bank lines of ₹188 crore. The management intends to maintain cash and liquid investments equivalent to three months of outflow on an ongoing basis.

#### **Applicable criteria**

[Notching by Factoring Linkages in Ratings](#)  
[Financial Ratios – Financial Sector](#)  
[Criteria on Assigning 'Outlook' or 'Rating Watch' to Credit Ratings](#)  
[Rating Methodology – Non-Banking Finance Companies](#)  
[Policy on Default Recognition](#)  
[Short-Term Instruments](#)

#### **About the company and industry**

##### **Industry classification**

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Macro-economic Indicator	Sector	Industry	Basic Industry
Financial services	Financial services	Finance	Non-banking financial company (NBFC)

Formed on October 4, 2016, Auxilo was earlier known as Stellenyak General Finance Private Limited. On May 3, 2017, it was granted the Certificate of Registration by the RBI to carry on its NBFC (non-deposit) business. Auxilo commenced operations in October 2017.

The company provides education finance to individuals and educational institutions. It provides finance to students across segments, mainly to post-graduate courses in India or abroad, in countries including the US, the UK, Canada, New Zealand, Germany, and Australia, among others. It offers loans to schools, colleges, and institutions. As on December 31, 2023, Auxilo has seven branches – Ahmedabad, Bengaluru, Chennai, Delhi, Hyderabad, Mumbai, and Pune.

Auxilo is promoted by Akash Bhanshal, who leads the principal investments unit of Enam Holdings Private Limited, and BCMIL – the second-largest sugar manufacturing company in India. These two are strategic investors in the company, with both parties holding an equal share of 43.90% each as on March 31, 2023. Since inception in 2017, the promoter and investors have infused total equity of ₹350 crore. ICICI Bank has also infused ₹51.09 crore in FY20, thereby acquiring 9.75% stake in Auxilo, apart from participating in the recent round of infusion to maintain its stake. Auxilo's AUM stood at ₹2,752 crore as on December 31, 2023 (including co-lending book).

Brief Financials (₹ crore)	March 31, 2022 (A)	March 31, 2023 (A)	December 31, 2023 (UA)
Total operating income	93	191	262
PAT	13	26	46
Total assets	858	1949	3076
Net NPA (%)	1.17	1.18	0.62
ROTA (%)	1.65	1.83	2.43

A: Audited, UA: Unaudited. Note: The above results are the latest financial results available.

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for the last three years: Please refer Annexure-2

Covenants of the rated instruments/facilities: Detailed explanation of the covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of the various instruments rated: Annexure-4

Lender details: Annexure-5

#### Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Commercial paper-Commercial paper (Standalone)	Proposed	-	-	-	100.00	CARE A1+
Fund-based - LT-Term loan	-	-	-	March 2028	807.52	CARE A+; Stable
Fund-based - LT-Cash credit	-	-	-	-	1.00	CARE A+; Stable
Debentures-Non-convertible debentures	INE605Y07130	29-11-2023	9.90%	29-11-2026	75.00	CARE A+; Stable
Debentures-Non-convertible debentures	INE605Y07148	19-12-2023	9.90%	18-12-2026	25.00	CARE A+; Stable

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Debentures-Non-convertible debentures	Proposed	-	-	-	75.00	CARE A+; Stable
Debentures-Non-convertible debentures	Proposed	-	-	-	25.00	CARE A+; Stable

**Annexure-2: Rating history for the last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type *	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021
1	Fund-based - LT-Term Loan	LT	807.52	CARE A+; Stable	1)CARE A+; Stable (25-Jan-24) 2)CARE A+; Stable (07-Dec-23) 3)CARE A+; Stable (24-Nov-23) 4)CARE A+; Stable (03-Oct-23) 5)CARE A+; Stable (08-Sep-23) 6)CARE A; Stable (06-Apr-23)	1)CARE A; Stable (04-Jan-23)	1)CARE A; Stable (05-Jan-22)	1)CARE A-; Stable (06-Jan-21)
2	Debentures-Non Convertible Debentures	LT	-	-	1)Withdrawn (08-Sep-23) 2)CARE A; Stable (06-Apr-23)	1)CARE A; Stable (04-Jan-23)	1)CARE A; Stable (05-Jan-22)	1)CARE A-; Stable (06-Jan-21) 2)CARE A-; Stable (14-Sep-20)
3	Debentures-Non Convertible Debentures	LT	-	-	1)Withdrawn (08-Sep-23) 2)CARE A; Stable (06-Apr-23)	1)CARE A; Stable (04-Jan-23)	1)CARE A; Stable (05-Jan-22)	1)CARE A-; Stable (06-Jan-21) 2)CARE A-; Stable (14-Sep-20)

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								3)CARE A+; Stable (30-Jun-20)
4	Debentures-Market Linked Debentures	LT	-	-	1)Withdrawn (03-Oct-23) 2)CARE PP-MLD A+; Stable (08-Sep-23) 3)CARE PP-MLD A; Stable (06-Apr-23)	1)CARE PP-MLD A; Stable (04-Jan-23)	1)CARE PP-MLD A; Stable (05-Jan-22)	1)CARE PP-MLD A+; Stable (06-Jan-21) 2)CARE PP-MLD A+; Stable (14-Sep-20)
5	Commercial Paper-Commercial Paper (Standalone)	ST	100.00	CARE A1+	1)CARE A1+ (25-Jan-24) 2)CARE A1+ (07-Dec-23) 3)CARE A1+ (24-Nov-23) 4)CARE A1+ (03-Oct-23)	-	-	-
6	Debentures-Non Convertible Debentures	LT	75.00	CARE A+; Stable	1)CARE A+; Stable (25-Jan-24) 2)CARE A+; Stable (07-Dec-23) 3)CARE A+; Stable (24-Nov-23)	-	-	-
7	Debentures-Non Convertible Debentures	LT	25.00	CARE A+; Stable	1)CARE A+; Stable (25-Jan-24) 2)CARE A+; Stable (07-Dec-23)	-	-	-
8	Fund-based - LT-Cash Credit	LT	1.00	CARE A+; Stable	1)CARE A+; Stable (25-Jan-24)	-	-	-
9	Debentures-Non Convertible Debentures	LT	75.00	CARE A+; Stable				
10	Debentures-Non Convertible Debentures	LT	25.00	CARE A+; Stable				

\*Long term/Short term.

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**Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities**

Not applicable

**Annexure-4: Complexity level of the various instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Commercial paper-Commercial paper (Standalone)	Simple
2	Debentures-Non-convertible debentures	Simple
3	Fund-based - LT-Cash credit	Simple
4	Fund-based - LT-Term loan	Simple

**Annexure-5: Lender details**

To view the lender wise details of bank facilities please [click here](#)

**Note on the complexity levels of the rated instruments:** CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) for any clarifications.

**Contact us**

Media Contact	Analytical Contacts
<p>Mradul Mishra Director <b>CARE Ratings Limited</b> Phone: +91-22-6754 3596 E-mail: <a href="mailto:mradul.mishra@careedge.in">mradul.mishra@careedge.in</a></p>	<p>Sudhakar P Director <b>CARE Ratings Limited</b> Phone: +91-44-2850 1003 E-mail: <a href="mailto:p.sudhakar@careedge.in">p.sudhakar@careedge.in</a></p>
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### ANNEXURE III: CONSENT LETTER FROM THE DEBENTURE TRUSTEE

**CATALYST**  
Believe in yourself... Trust us!



CL/DEB/23-24/1894

Date : 13-Feb-2024

To,  
**Rohit Mistry,**  
Auxilio Finserve Private Limited,  
Office No. 63 & 64, 6th floor, Kalpataru Square.,  
Kondivita Road, Andheri East,  
Mumbai,  
Maharashtra,  
India 400059.

Dear Sir/ Madam,

Re: Consent to act as a Debenture Trustee for Private Placement of Fully Paid, Rated, Listed, Redeemable, Transferable, Secured, Non-Convertible Debentures of ₹ 50.00 Crores with green shoe option of 25.00 Crores aggregating upto 75.00 Crores.

We refer to your letter dated 13.02.2024, requesting us to convey our consent to act as the Debenture Trustee for captioned issue of Debentures.

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

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

Assuring you of the best professional services.

Thanking you.

Yours faithfully,



Name : Mayuresh Pawar

Designation : Assistant Manager

**CATALYST TRUSTEESHIP LIMITED** (Formerly CLM Trusteeship Limited)

an ISO 9001 Company

Mumbai Office : Unit No. 901, 9th Floor, Tower B, Peninsula Business Park, Sakinaka Road, Sakinaka, Mumbai - 400072. Tel : +91 (022) 4622 6000 Fax : +91 (022) 4622 6000  
Regd. Office : C-24 House, Plot No. 35, Street Corner (P/10), Park Road, Park 411 000. Tel : +91 (020) 25285441 Fax : +91 (020) 25285025  
Bans Office : Office No. 010, 9th Floor, Nandan Building, 35, Keshavnagar, Goregaon, West, Mumbai - 400016. Tel : +91 488 2830149  
CIN No. 274000473 Private Limited. Email : [info@clmtrustee.com](mailto:info@clmtrustee.com) Website : [www.catalysttrustee.com](http://www.catalysttrustee.com)  
Place : (Mumbai) | Bangalore | Delhi | Chennai





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**WE ARE**( ) COMPANY ( ) OTHERS ( ) SPECIFY \_\_\_\_\_

We have read and understood the terms and conditions of the issue of Debentures including the Risk Factors described in the Placement Memorandum and have considered these in making our decision to apply. We bind ourselves to these Terms and Conditions and wish to apply for allotment of these Debentures. We request you to please place our name(s) on the Register of Debenture Holders.

Name of the Authorised Signatory(ies)	Designation	Signature

Applicant's Signature:

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

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

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

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

*(Note: Cheque and Drafts are subject to realisation)*

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

We understand that: (i) in case of allotment of Debentures to us, our Beneficiary Account as mentioned above would get credited to the extent of allotted Debentures, (ii) we must ensure that the sequence of names as mentioned in the Application Form matches the sequence of name held with our Depository Participant, (iii) if the names of the Applicant in this application are not identical and also not in the same order as the Beneficiary Account details with the above mentioned Depository Participant or if the Debentures cannot be credited to our Beneficiary

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Account for any reason whatsoever, the Company shall be entitled at its sole discretion to reject the application or issue the Debentures in physical form.

We understand that we are assuming on our own account, all risk of loss that may occur or be suffered by us including as to the returns on and/or the sale value of the Debentures. We undertake that upon sale or transfer to subsequent investor or transferee (“**Transferee**”), we shall convey all the terms and conditions contained herein and in this Placement Memorandum to such Transferee. In the event of any Transferee (including any intermediate or final holder of the Debentures) suing the Issuer (or any person acting on its or their behalf) we shall indemnify the Issuer and also hold the Issuer and each of such person harmless in respect of any claim by any Transferee.

Applicant’s  
Signature

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

*(Note : Cheque and Drafts are subject to realisation)*

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

**ACKNOWLEDGMENT SLIP**

<i>(To be filled in by Applicant)</i> SERIAL NO.	1	-	-	-	-	-	-	-	-
--	---	---	---	---	---	---	---	---	---

Received from \_\_\_\_\_

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

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## ANNEXURE V: FINANCIAL STATEMENTS

### UNAUDITED FINANCIAL STATEMENTS FOR PERIOD ENDED SEPTEMBER 2023

**Auxilo Finserve Private Limited**  
Balance Sheet as at September 30, 2023  
(Currency : Indian Rupees in lakhs)

Particulars	Note No.	As at September 30, 2023	As at March 31, 2023
<b>ASSETS</b>			
<b>(I) Financial Assets</b>			
(a) Cash and cash equivalents	1	20,266.86	23,409.91
(b) Bank balances other than (a) above	2	6,987.53	1,318.66
(c) Receivables			
Trade receivables	3	223.58	183.80
(d) Loans	4	2,35,928.93	1,67,654.93
(e) Other financial assets	5	1,164.08	168.28
		<u>2,64,570.98</u>	<u>1,92,735.58</u>
<b>(II) Non Financial Assets</b>			
(a) Current tax assets (net)	6	470.30	222.90
(b) Deferred tax assets (net)	7	80.98	206.53
(c) Property, plant and equipment	8	324.83	325.81
(d) Right-of-use assets	8	1,160.48	1,317.57
(e) Intangible assets under development	9	325.62	153.47
(f) Other intangible assets	8	123.76	163.27
(g) Other non financial assets	10	549.00	284.70
		<u>3,034.97</u>	<u>2,674.25</u>
<b>Total Assets</b>		<u><b>2,67,605.95</b></u>	<u><b>1,95,409.83</b></u>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>(I) Financial Liabilities</b>			
(a) Trade Payables			
i) total outstanding dues of micro enterprises and small enterprises		-	-
ii) total outstanding dues of creditors other than micro enterprises and small enterprises		52.57	-
(b) Debt securities	11	15,547.97	29,709.29
(c) Borrowings (Other than debt securities)	12	1,71,801.12	1,16,283.41
(d) Lease liabilities		1,270.80	1,393.79
(e) Other financial liabilities	13	1,710.06	1,707.15
		<u>1,90,382.52</u>	<u>1,49,093.64</u>
<b>(II) Non-Financial Liabilities</b>			
(a) Provisions	14	233.44	173.44
(b) Other non-financial liabilities	15	276.53	308.90
		<u>509.97</u>	<u>482.34</u>
<b>EQUITY</b>			
(a) Equity share capital	16A	37,626.61	37,626.61
(b) Instruments entirely equity in nature	16B	6,862.51	-
(c) Other equity	17	32,224.34	8,207.24
		<u>76,713.46</u>	<u>45,833.85</u>
<b>Total Liabilities and Equity</b>		<u><b>2,67,605.95</b></u>	<u><b>1,95,409.83</b></u>

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**Auxilo Finserve Private Limited**

Statement of Profit and Loss for the half year ended September 30, 2023

(Currency : Indian Rupees in lakhs)

Particulars	Note No.	For the half year ended September 30, 2023	For the year ended March 31, 2023
<b>(I) Revenue from operations:</b>			
(a) Interest income	18	13,824.41	16,976.71
(b) Fee and commission income	19	915.26	405.20
(c) Net gain on fair value change	20	513.89	444.19
(d) Net gain on derecognition of financial instruments under amortised cost category		990.92	-
<b>Total revenue from operations:</b>		<b>16,244.48</b>	<b>17,826.10</b>
<b>(II) Other income</b>	21	526.38	1,257.26
<b>(III) Total income (I + II)</b>		<b>16,770.86</b>	<b>19,083.36</b>
<b>(IV) Expenses:</b>			
(a) Finance costs	22	8,874.96	9,547.65
(b) Impairment on financial instruments	23	459.90	455.36
(c) Employee benefits expenses	24	1,947.59	3,251.67
(d) Depreciation, amortization and impairment	8	261.83	434.59
(e) Other expenses	25	1,204.17	1,924.14
<b>Total expenses:</b>		<b>12,748.45</b>	<b>15,613.41</b>
<b>(V) Profit before tax for the period / year (III - IV)</b>		<b>4,022.41</b>	<b>3,469.95</b>
<b>(VI) Tax Expense :</b>			
(a) Current tax		893.02	782.68
(b) Short / (Excess) provision for earlier years		-	9.28
(c) Deferred tax		125.56	103.25
		<b>1,018.58</b>	<b>895.21</b>
<b>(VII) Net Profit after tax for the period / year (V - VI)</b>		<b>3,003.83</b>	<b>2,574.74</b>
<b>(VIII) Other Comprehensive Income</b>			
(a) Items that will not be reclassified to profit and loss			
(i) Remeasurement gains and (losses) on defined benefit obligations		-	(17.11)
(ii) Income tax relating to items that will not be reclassified to profit and loss		-	4.31
<b>Total (a)</b>		-	<b>(12.80)</b>
(b) Items that will be reclassified to profit and loss		-	-
<b>Total (b)</b>		-	-
<b>Other Comprehensive income (a+b)</b>		-	<b>(12.80)</b>
<b>(IX) Total Comprehensive Income for the period / year (VII + VIII)</b>		<b>3,003.83</b>	<b>2,561.94</b>

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**Aurilio Finance Private Limited**  
Statement of cash flow for the half year ended September 30, 2023

(Currency - Indian Rupee in lakhs)

Particulars	For the half year ended September 30, 2023	For the year ended March 31, 2023
<b>A Cash flow from operating activities</b>		
Profit before tax	4,022.41	3,666.85
<b>Adjustments for:</b>		
Depreciation and amortization	261.83	414.59
Interest adjustments lease liabilities	56.96	78.41
Interest expense	8,329.52	9,322.43
Interest paid	(8,810.05)	(8,452.79)
Interest income on loans	(15,500.94)	(16,794.28)
Interest received	4,183.78	7,644.65
Impairment on financial assets	459.90	425.26
Net gain on sale on current investments measured at fair value through profit and loss (Profit) / Loss on sale of fixed assets	(512.08)	(644.39)
Provision for compensated absence	30.90	12.83
Provision for gratuity	30.90	31.54
Interest expense on security deposit	4.65	8.44
Unwind of discount on security deposits	(4.38)	(7.97)
Employee stock option provision	30.38	65.21
Operating cash flow before working capital changes	(5,856.45)	(4,993.31)
<b>Add / (deduct) adjustments for working capital changes</b>		
(Increase) / Decrease in trade receivables	(19.78)	(112.36)
Increase in loans	(59,418.62)	(82,771.69)
Increase in other financial assets	(995.30)	(78.87)
Increase in other non-financial assets	(264.30)	(95.88)
Increase in other bank balances	(5,667.14)	(651.96)
Increase in right-of-use assets	-	(1,376.26)
Increase in lease liabilities	(1.82)	1,568.78
Increase / (Decrease) in Payables	52.57	-
Increase / (decrease) in ECL on cash and cash equivalents	(8.07)	8.83
Increase in other financial liabilities	2.91	539.32
Increase in other non-financial liabilities	(12.28)	138.68
Cash used in operations	(71,464.80)	(87,475.14)
Interest income paid (net of refunds received)	(1,148.42)	(949.41)
Net cash used in operating activities - A	(72,613.22)	(88,424.55)
<b>B Cash flow from investing activities</b>		
Purchase of property, plant and equipment, intangible assets (including asset under development)	(276.48)	(496.89)
Sale of property, plant and equipment and intangible assets	-	2.83
Purchase of investments	(96,000.00)	(92,654.83)
Proceeds from sale of investments	87,113.89	80,099.01
Net cash generated from / (used in) investing activities - B	277.41	(69.88)
<b>C Cash flow from financing activities</b>		
Proceeds from call money on OCPs	-	262.73
Proceeds from issue of preference / equity shares including securities premium	28,500.00	4,948.47
Share issue expenses	(654.60)	(1.21)
Payment towards loans	(178.83)	(283.78)
Proceeds from issue of debt securities	-	18,919.14
Repayment of debt securities	(13,641.79)	(3,476.49)
Proceeds from borrowings (other than debt securities)	82,295.82	1,81,971.53
Repayment of borrowings (other than debt securities)	(28,196.91)	(18,000.96)
Net cash generated from financing activities - C	48,124.29	1,82,479.69
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(23,212.52)	14,995.26
Cash and cash equivalent as at the beginning of the year	25,418.01	8,413.37
Cash and cash equivalent as at the end of the quarter	30,205.49	23,418.63
<b>Notes:</b>		
1) Reconciliation of cash and cash equivalents as per the statement of cash flow		
Particulars	September 30, 2023	March 31, 2023
Cash and Cash Equivalents as per above comprise of the following:		
- In Current accounts	5,253.67	8,892.36
- In Fixed deposits	15,013.32	14,527.85
Balance as per statement of cash flow	20,266.99	23,418.61

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**Auxilo Finserve Private Limited**

Notes to the financial statements for the half year ended September 30, 2023

(Currency : Indian Rupees in lakhs)

Particulars	As at September 30, 2023	As at March 31, 2023
<b>1. Cash and cash equivalents:</b>		
a) Cash on hand	-	-
b) Balances with Banks:		
i) in current accounts	5,253.67	8,882.16
ii) in deposit accounts having original maturity less than 3 months*	15,013.22	14,527.85
	<u>20,266.89</u>	<u>23,410.01</u>
Less: Impairment loss allowance	0.03	0.10
<b>Total</b>	<b><u>20,266.86</u></b>	<b><u>23,409.91</u></b>

**Note :**

Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

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

\* includes interest accrued amounting INR 13.22 lakh (As at March 31, 2023 - INR 27.85 lakh).

**2. Other Bank balances:**

Other Bank balances		
In fixed deposit accounts		
i) Fixed deposits pledged for bank overdraft facility	5,551.38	542.41
ii) Fixed deposits for Securitisation	1,438.99	777.36
	<u>6,990.37</u>	<u>1,319.77</u>
Less: Impairment loss allowance	2.84	1.11
<b>Total</b>	<b><u>6,987.53</u></b>	<b><u>1,318.66</u></b>

**Note :**

Fixed deposit has been earmarked towards credit enhancement towards securitisation transaction.

**3. Trade receivables:**

Trade receivable considered good - Unsecured	223.60	183.82
	<u>223.60</u>	<u>183.82</u>
Less: Impairment loss allowance	0.02	0.02
<b>Total</b>	<b><u>223.58</u></b>	<b><u>183.80</u></b>

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**Auxilo Finserve Private Limited**

Notes to the financial statements for the half year ended September 30, 2023

(Currency : Indian Rupees in lakhs)

Particulars	As at September 30, 2023	As at March 31, 2023
<b>4. Loans</b>		
<b>At amortised cost</b>		
<b>A. Product wise Details:</b>		
a) Term loans	2,37,782.11	1,69,051.31
<b>Total (A) - Gross</b>	<u>2,37,782.11</u>	<u>1,69,051.31</u>
Less: Impairment loss allowance	1,853.18	1,396.38
<b>Total (A) - Net</b>	<u><u>2,35,928.93</u></u>	<u><u>1,67,654.93</u></u>
<b>B. Security wise Details</b>		
a) Secured considered good*		
i) Secured by tangible assets	27,923.50	28,654.03
ii) Secured by intangible assets	-	-
b) Unsecured	2,09,858.61	1,40,397.28
<b>Total (B) - Gross</b>	<u>2,37,782.11</u>	<u>1,69,051.31</u>
Less: Impairment loss allowance	1,853.18	1,396.38
<b>Total (B) - Net</b>	<u><u>2,35,928.93</u></u>	<u><u>1,67,654.93</u></u>
*Secured loans are secured to the extent of collateral value consisting of immovable property and/or fixed deposits.		
<b>C. Region wise Details</b>		
a) Loans in India		
- Public sector	-	-
- Others	2,37,782.11	1,69,051.31
b) Loans outside India	-	-
<b>Total (C) - Gross</b>	<u>2,37,782.11</u>	<u>1,69,051.31</u>
Less: Impairment loss allowance	1,853.18	1,396.38
<b>Total (C) - Net</b>	<u><u>2,35,928.93</u></u>	<u><u>1,67,654.93</u></u>

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**Auxilo Finserve Private Limited**

Notes to the financial statements for the half year ended September 30, 2023

(Currency : Indian Rupees in lakhs)

Particulars	As at September 30, 2023	As at March 31, 2023
<b>5. Other financial assets</b>		
Unsecured, considered good		
a) Security deposits	172.60	167.22
b) Receivable from employees	1.31	1.26
c) Other advances	990.92	-
	<u>1,164.83</u>	<u>168.48</u>
Less: Impairment loss allowance	0.75	0.20
<b>Total</b>	<b><u>1,164.08</u></b>	<b><u>168.28</u></b>
<b>6. Current tax assets (net)</b>		
Current tax assets (net)	470.30	222.90
<b>Total</b>	<b><u>470.30</u></b>	<b><u>222.90</u></b>
<b>7. Deferred tax assets (net)</b>		
<b>A. Deferred tax assets / (Deferred tax liabilities)</b>		
a) Effective interest rate (EIR) impact on Borrowings and Loans	254.59	226.32
b) EIS on DA transaction	249.39	-
<b>Total deferred tax liabilities</b>	<b><u>503.98</u></b>	<b><u>226.32</u></b>
a) Difference between WDV as per books and tax books	15.60	10.49
b) Employee share-based payments	96.12	88.47
c) Provision for Gratuity	36.80	29.25
d) Provision for Compensated absences	21.95	14.40
e) Unwinding of discount on security deposit and prepaid rent expenses	0.36	0.22
f) Leases	27.77	19.18
g) Impairment loss allowance	386.36	270.84
<b>Total deferred tax assets</b>	<b><u>584.96</u></b>	<b><u>432.85</u></b>
<b>Net deferred tax assets</b>	<b><u>80.98</u></b>	<b><u>206.53</u></b>

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Axilio Finance Private Limited  
 Notes to the financial statements for the half year ended September 30, 2023  
 (Currency: Indian Rupee in lakhs)

Particulars	Property, plant and equipment					Total F = (A+B+C+D+E)	Right-of-use assets		Other Intangible assets	
	Land*	Computer Hardware	Office Equipment	Furniture and Fixtures	Leasehold Improvements		Prepaid	Total	Software	Total
	(A)	(B)	(C)	(D)	(E)					
<b>A. Gross carrying amount</b>						0.6				
Balance at March 31, 2022	5.25	236.65	18.38	18.13	78.18	346.31	678.28	678.28	219.81	219.81
Additions	-	188.94	11.15	30.87	125.96	314.82	1,373.24	1,373.29	143.94	148.94
Disposal	-	26.02	0.35	0.85	79.10	97.32	15.01	15.01	-	-
Balance at March 31, 2023	5.25	361.37	29.18	48.15	125.96	588.91	1,996.76	1,996.76	358.96	358.96
Additions	-	54.55	8.54	-	-	63.09	-	-	1.16	1.16
Disposal	-	-	-	-	-	-	-	-	-	-
Balance at September 30, 2023	5.25	416.92	37.72	48.15	125.96	644.00	1,996.76	1,996.76	360.12	360.12
<b>B. Accumulated Depreciation / amortisation</b>										
Balance at March 31, 2022	-	163.27	26.29	18.95	63.42	255.83	425.64	425.64	131.69	131.69
Depreciation / Amortisation expense	-	68.14	5.21	3.68	18.13	95.16	265.43	265.43	74.00	74.00
Disposal	-	25.25	0.29	0.35	79.10	95.99	11.88	11.88	-	-
Balance at March 31, 2023	-	296.16	31.71	22.98	71.45	355.19	678.19	678.19	195.69	195.69
Depreciation / Amortisation expense	-	43.86	3.47	4.12	12.62	64.07	157.09	157.09	48.47	48.47
Disposal	-	-	-	-	-	-	-	-	-	-
Balance at September 30, 2023	-	340.02	35.18	27.10	84.07	396.27	835.28	835.28	244.16	244.16
<b>C. Net carrying amount (A-B)</b>										
As at March 31, 2023	5.25	65.21	13.97	25.17	114.51	335.81	1,318.57	1,318.57	163.27	163.27
As at September 30, 2023	5.25	106.90	18.84	28.75	101.89	324.83	1,160.48	1,160.48	125.76	125.76

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**Auxilo Finserve Private Limited**

Notes to the financial statements for the half year ended September 30, 2023

(Currency : Indian Rupees in lakhs)

Particulars	As at September 30, 2023	As at March 31, 2023
<b>9. Intangible assets under development</b>		
Software	325.62	153.47
<b>Total</b>	<b>325.62</b>	<b>153.47</b>
<b>10. Other non financial assets</b>		
Unsecured, considered good		
a) Prepaid expenses	101.43	101.95
b) Advances to vendors	402.33	162.75
c) Balances with statutory authorities	45.24	-
<b>Total</b>	<b>549.00</b>	<b>264.70</b>
<b>11 Debt securities:</b>		
<b>11.1 At amortised cost</b>		
a) Non convertible debentures (listed, secured, fully paid and privately placed)	15,547.97	28,218.66
b) Commercial Paper	-	1,490.63
<b>Total</b>	<b>15,547.97</b>	<b>29,709.29</b>
<b>11.2</b>		
i) Debt securities in India	15,547.97	29,709.29
ii) Debt securities outside India	-	-
<b>Total</b>	<b>15,547.97</b>	<b>29,709.29</b>
<b>12 Borrowings (Other than debt securities)</b>		
<b>12.1 Borrowings at amortised cost</b>		
a) Term Loans (Secured)		
i) from banks	1,38,882.04	99,283.06
ii) from others	19,791.07	8,750.94
b) Loans repayable on demand from banks (Secured)	3,450.34	3,476.32
c) Borrowings from securitisation / Payable for securitisation	9,677.67	4,773.09
<b>Total</b>	<b>1,71,801.12</b>	<b>1,16,283.41</b>
<b>Of the Above</b>		
i) Borrowings in India	1,71,801.12	1,16,283.41
ii) Borrowings outside India	-	-
<b>Total</b>	<b>1,71,801.12</b>	<b>1,16,283.41</b>

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**Aurilo Finserve Private Limited**

Notes to the financial statements for the half year ended September 30, 2023

(Currency : Indian Rupees in lakhs)

Particulars:	As at September 30, 2023	As at March 31, 2023
<b>13. Other financial liabilities</b>		
Employee benefit payable	14.81	43.17
Advances received from customers	591.42	702.49
Provision for expenses	1,103.83	961.49
<b>Total</b>	<u>1,710.06</u>	<u>1,707.15</u>
<b>14. Provisions:</b>		
Provision for Employee Benefit		
i) Gratuity	146.23	116.23
ii) Compensated absences	67.21	57.21
<b>Total</b>	<u>213.44</u>	<u>173.44</u>
<b>15. Other non-financial liabilities</b>		
Income received in advance	133.45	174.93
Statutory dues payable	143.08	133.97
<b>Total</b>	<u>276.53</u>	<u>308.90</u>

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**Aurilo Finserve Private Limited**

Notes to the financial statements for the half year ended September 30, 2023

(Currency : Indian Rupees in lakhs)

**16A Equity share capital**

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

Particulars	As at September 30, 2023		As at March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
<b>Authorised:</b>				
Equity Shares of INR 10 each	1,65,00,00,000	1,65,000.00	2,00,00,00,000	2,00,000.00
	<b>1,65,00,00,000</b>	<b>1,65,000.00</b>	<b>2,00,00,00,000</b>	<b>2,00,000.00</b>
<b>Issued, Subscribed and fully paid up:</b>				
Equity Shares of INR 10 each	37,62,66,135	37,626.61	37,62,66,135	37,626.61
	<b>37,62,66,135</b>	<b>37,626.61</b>	<b>37,62,66,135</b>	<b>37,626.61</b>

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

Particulars	As at September 30, 2023		As at March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
<b>Issued, Subscribed and fully paid up:</b>				
Outstanding at the beginning of year	37,62,66,135	37,626.61	34,94,44,987	34,944.50
Add: Shares issued during period *	15	0.00	2,68,21,148	2,682.11
<b>Outstanding at the end of the period / year</b>	<b>37,62,66,150</b>	<b>37,626.61</b>	<b>37,62,66,135</b>	<b>37,626.61</b>

\* - Less than Rs. 500

**16B Instruments entirely equity in nature**

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

Particulars	As at September 30, 2023		As at March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
<b>Authorised:</b>				
Preference Shares of INR 10 each	35,80,00,000	35,800.00	80,00,000	800.00
	<b>35,80,00,000</b>	<b>35,800.00</b>	<b>80,00,000</b>	<b>800.00</b>
<b>Issued, Subscribed and fully paid up:</b>				
Compulsorily convertible preference share (CCPS) of INR 10 each	6,86,25,074	6,862.51	-	-
	<b>6,86,25,074</b>	<b>6,862.51</b>	<b>-</b>	<b>-</b>

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

**(i) 0.001% Compulsorily Convertible Preference Shares - Series A**

Particulars	As at September 30, 2023		As at March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
<b>Issued, Subscribed and fully paid up:</b>				
Outstanding at the beginning of year	-	-	-	-
Add: Shares issued during period	6,86,25,074	6,862.51	-	-
<b>Outstanding at the end of the period / year</b>	<b>6,86,25,074</b>	<b>6,862.51</b>	<b>-</b>	<b>-</b>

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**Auxilio Finserve Private Limited**

Notes to the financial statements for the half year ended September 30, 2023

(Currency - Indian Rupees in lakhs)

Particulars	As at	As at
	September 30, 2023	March 31, 2023
<b>17. Other equity</b>		
a) Securities premium	24,809.81	3,826.92
b) Statutory reserve	1,152.28	1,152.28
c) Employee stock options	381.91	351.53
d) Retained earnings	5,907.78	2,903.95
e) Other comprehensive income	(27.44)	(27.44)
<b>Total</b>	<b>32,224.34</b>	<b>8,207.24</b>

**A. Nature and purpose of reserves**

**a. Securities premium reserve**

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

**b. Statutory reserve**

Statutory Reserve: As per Section 45-3C of the Reserve Bank of India Act, 1934 ("The RBI Act"), the Company is transferring an amount of 20% of its net profits to a reserve fund before declaring any dividend.

**c. Employee stock options**

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

**d. Retained Earnings**

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

**e. Other Comprehensive income**

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

**B. Movement in Other equity**

Particulars	As at	As at
	September 30, 2023	March 31, 2023
<b>a) Securities premium</b>		
Opening balance	3,826.92	2,203.11
Add : Premium received on issue of shares	21,637.49	1,625.02
Less: Insurance cost on issue of shares	(654.60)	(1.21)
<b>Closing Balance</b>	<b>(a) 24,809.81</b>	<b>3,826.92</b>
<b>b) Statutory reserve</b>		
Opening balance	1,152.28	639.89
Add : Transfer from retained earnings	-	512.39
<b>Closing Balance</b>	<b>(b) 1,152.28</b>	<b>1,152.28</b>
<b>c) Employee stock options</b>		
Opening balance	351.53	448.54
Add : Additions during the year	30.38	65.31
Less: Trf to retained earnings	-	(162.32)
<b>Closing Balance</b>	<b>(c) 381.91</b>	<b>351.53</b>
<b>d) Retained Earnings</b>		
Opening balance	2,903.95	679.28
Add: Profit for the year	3,003.83	2,574.74
Add: Trf from Employee stock options	-	162.32
<b>Amount available for appropriation</b>	<b>5,907.78</b>	<b>3,416.34</b>
<b>Appropriations:</b>		
Transfer to statutory reserve	-	512.39
<b>Closing Balance</b>	<b>(d) 5,907.78</b>	<b>2,903.95</b>
<b>e) Other comprehensive income</b>		
Opening balance	(27.44)	(14.64)
Add: Remeasurement gains and (losses) on defined benefit obligations	-	(12.80)
<b>Closing Balance</b>	<b>(e) (27.44)</b>	<b>(27.44)</b>
<b>(a+b+c+d+e)</b>	<b>32,224.34</b>	<b>8,207.24</b>

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**Auxilio Finserve Private Limited**

Notes to the financial statements for the half year ended September 30, 2023

(Currency : Indian Rupees in lakhs)

Particulars	For the half year ended September 30, 2023	For the year ended March 31, 2023
<b>18. Interest income</b>		
On financial assets measured at amortised cost		
Interest income on loans	13,500.04	16,795.38
Interest Income on Fixed deposits	324.37	181.33
<b>Total</b>	<b>13,824.41</b>	<b>16,976.71</b>
<b>19. Fee and commission income</b>		
Service income	59.89	142.87
Commission income	855.37	282.33
<b>Total</b>	<b>915.26</b>	<b>405.20</b>
<b>20. Net gain on fair value change</b>		
On trading portfolio		
Investments at Fair value through profit and loss (FVTPL)		
Profit on sale of liquid mutual funds	513.89	444.19
<b>Total</b>	<b>513.89</b>	<b>444.19</b>
Fair value changes:		
Realised	513.89	444.19
Unrealised	-	-
<b>Total</b>	<b>513.89</b>	<b>444.19</b>
<b>21. Other income</b>		
Fee income and other charges	522.00	1,249.50
Unwinding of discount on security deposits	4.38	7.97
Net gain or (loss) on foreign currency transaction	-	(0.61)
Miscellaneous income	-	0.40
<b>Total</b>	<b>526.38</b>	<b>1,257.26</b>

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**Auxilo Finserve Private Limited**  
**Notes to the financial statements for the half year ended September 30, 2023**

(Currency : Indian Rupees in lakhs)

Particulars	For the half year ended September 30, 2023	For the year ended March 31, 2023
<b>22. Finance costs</b>		
<b>On Financial liabilities measured at amortised cost</b>		
a) Interest on borrowings (other than debt securities)	7,422.97	6,889.24
b) Interest on debt securities	1,306.55	2,433.19
c) Interest - lease liabilities	56.96	78.41
d) Other interest expense	4.93	8.44
e) Other Borrowing costs	83.55	138.37
<b>Total</b>	<b>8,874.96</b>	<b>9,547.65</b>
<b>23. Impairment on financial instruments</b>		
<b>Impairment loss allowance</b>		
i) On Financial assets measured at amortised cost		
a) Loans	456.80	454.22
b) Fixed deposits	1.65	1.03
c) Others	0.56	0.11
ii) Write off of loans	0.89	-
<b>Total</b>	<b>459.90</b>	<b>455.36</b>
<b>24. Employee benefits expenses</b>		
a) Salaries, bonus and allowances	1,732.04	2,940.40
b) Contribution to provident fund and other funds	74.64	112.52
c) Gratuity expense	30.00	16.54
d) Compensated absences	30.00	12.83
e) Share based payments to employees	30.38	65.31
f) Staff welfare	50.53	104.07
<b>Total</b>	<b>1,947.59</b>	<b>3,251.67</b>
<b>25. Others expenses</b>		
a) Advertisement and publicity	52.31	102.49
b) Auditor's fees and expenses	19.20	38.36
c) Business sourcing expenses	266.97	392.84
d) Communication cost /IT expenses	334.95	607.58
e) Directors fees, allowances	11.77	11.77
f) Expenditure towards corporate social responsibility	24.68	25.43
g) Legal and professional fees	293.28	372.68
h) Loss / (Profit) on sale of fixed assets (net)	-	(1.51)
i) Printing and stationery	24.41	40.62
j) Rates, duties and taxes	3.17	6.47
k) Rent (net of discount concession received)	64.83	88.35
l) Repairs and maintenance	69.86	101.44
m) Travelling and conveyance	33.77	132.19
n) Miscellaneous expenses	4.97	5.43
<b>Total</b>	<b>1,204.17</b>	<b>1,924.14</b>

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

### AUDITED FINANCIAL STATEMENTS FOR FY22-23

**Aurika Finance Private Limited**

Balance Sheet as at March 31, 2023

(Currency: Indian Rupee in lakhs)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>(I) Financial Assets</b>			
(a) Cash and cash equivalents	3	23,499.91	8,413.33
(b) Bank balances other than (a) above	4	1,318.08	865.80
(c) Receivables			
Trade receivables	5	183.80	31.02
(d) Loans	6	1,87,054.93	71,587.28
(e) Other financial assets	7	168.28	90.39
		<u>1,91,735.58</u>	<u>83,187.79</u>
<b>(II) Non-Financial Assets</b>			
(a) Current tax assets (net)	8	232.90	85.43
(b) Deferred tax assets (net)	9	206.53	325.48
(c) Property, plant and equipment	10	325.81	305.28
(d) Right-of-use assets	11	1,317.57	212.74
(e) Intangible assets under development	12	153.47	123.25
(f) Other intangible assets	13	163.27	88.33
(g) Other non-financial assets	14	284.70	189.63
		<u>2,674.25</u>	<u>1,090.13</u>
<b>Total Assets</b>		<u>1,95,409.83</u>	<u>86,278.60</u>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>(I) Financial Liabilities</b>			
(a) Trade Payables			
(i) total outstanding dues of micro-entities and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro-entities and small enterprises		-	-
(b) Debt securities	15	29,769.29	13,866.28
(c) Borrowings (Other than debt securities)	16	1,16,283.41	31,803.19
(d) Lease liabilities	17	1,393.78	251.28
(e) Other financial liabilities	18	3,507.15	1,168.85
		<u>1,49,953.64</u>	<u>47,089.59</u>
<b>(II) Non-Financial Liabilities</b>			
(a) Provisions	19	173.48	120.96
(b) Other non-financial liabilities	20	328.90	178.24
		<u>481.34</u>	<u>299.20</u>
<b>EQUITY</b>			
(a) Equity share capital	21	37,676.61	36,944.50
(b) Other equity	22	8,207.26	3,579.11
		<u>45,883.87</u>	<u>38,523.61</u>
<b>Total Liabilities and Equity</b>		<u>1,95,409.83</u>	<u>86,278.60</u>

**Significant Accounting Policies**

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

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

For Aurika & Co LLP  
Chartered Accountants  
Firm Registration No. 200001/00160009

*Manoj Singh Bedi*  
Partner  
Membership No. - 401788

For and on behalf of the Board of Directors  
Aurika Finance Private Limited

*Manish Chokhan*  
Manish Chokhan  
Director  
DIN - 00294811

*Naveen Saxena*  
Naveen Saxena  
MD & CEO  
DIN - 01951709

*Manish Saxena*  
Manish Saxena  
Chief Financial Officer

*Deepika Thakur Chaudhary*  
Deepika Thakur Chaudhary  
Company Secretary

Mumbai  
May 02, 2023

Mumbai  
May 02, 2023



(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**Asiilo Finance Private Limited**  
Statement of Profit and Loss for the year ended March 31, 2023  
(Currency : Indian Rupees in lakhs)

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
(I) Revenue from operations			
(a) Interest income	20	35,976.71	8,476.53
(b) Fee and commission income	21	485.20	163.99
(c) Net gain on fair value change	22	446.19	138.71
<b>Total revenue from operations</b>		<b>37,908.10</b>	<b>8,779.23</b>
(II) Other income	23	1,257.29	543.30
<b>(III) Total Income (I + II)</b>		<b>39,165.39</b>	<b>9,322.53</b>
(IV) Expenses			
(a) Finance costs	24	8,547.65	3,313.33
(b) Impairment on financial instruments	25	455.35	527.56
(c) Employee benefits expenses	26	3,251.67	2,539.22
(d) Depreciation, amortisation and impairment	27	436.59	280.41
(e) Others expenses	27	1,826.14	1,111.14
<b>Total expenses</b>		<b>15,817.40</b>	<b>7,761.66</b>
<b>(V) Profit before tax for the year (III - IV)</b>		<b>23,347.99</b>	<b>1,560.87</b>
(VI) Tax Expense :	28		
(a) Current tax		782.68	431.61
(b) Short Term (Economic) provisions for earlier years		9.28	(3.87)
(c) Deferred tax		103.25	(177.43)
		<b>895.21</b>	<b>249.91</b>
<b>(VII) Net Profit after tax for the year (V - VI)</b>		<b>22,452.78</b>	<b>1,310.96</b>
(VIII) Other Comprehensive Income			
(a) Items that will not be reclassified to profit and loss			
(i) Remeasurement gains and (losses) on defined benefit obligations		(17.13)	(18.62)
(ii) Income tax relating to items that will not be reclassified to profit and loss		4.33	4.68
<b>Total (a)</b>		<b>(12.80)</b>	<b>(13.94)</b>
(b) Items that will be reclassified to profit and loss		-	-
<b>Total (b)</b>		<b>-</b>	<b>-</b>
<b>Other Comprehensive Income (a+b)</b>		<b>(12.80)</b>	<b>(13.94)</b>
<b>(IX) Total Comprehensive Income for the year (VII + VIII)</b>		<b>22,439.98</b>	<b>1,297.02</b>
(X) Earnings per equity share in Rupees - Net Assetised (Face value (INR 10 each))			
Basic	30	0.71	0.36
Diluted	30	0.71	0.36

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

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

For Nangla & Co LLP  
Chartered Accountants  
Firm Registration No. 000072C04190060

*[Signature]*  
Anurag Singh Bedi  
Partner  
Membership No. - 601788

For and on behalf of the Board of Directors  
Asiilo Finance Private Limited

*[Signature]*  
Manish Chhabra  
Director  
DIN - 80294611

*[Signature]*  
Naveen Saxena  
MD & CEO  
DIN - 87951305

*[Signature]*  
Harika Sakona  
Chief Financial Officer

*[Signature]*  
Dimple Thakur Chakran  
Company Secretary

Mumbai  
May 02, 2023

Mumbai  
May 02, 2023



(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

<b>Avilio Finance Private Limited</b>		
<b>Statement of cash flow for the year ended March 31, 2023</b>		
(Currency: Indian Rupee in lakhs)		
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>A Cash flow from operating activities</b>		
Profit before tax	1,889.95	1,204.78
Adjustments for:		
Depreciation and amortisation	474.59	789.81
Interest adjustments, lease liabilities	78.41	26.59
Interest expense	6,322.42	3,232.48
Interest paid	(8,452.78)	(2,911.47)
Interest income on loans	(16,781.38)	(9,358.25)
Income received	7,644.83	5,982.54
Impairment on financial assets	455.76	227.19
Net gain on sale on current investments measured at fair value through profit and loss	(844.75)	(118.71)
(Profit)/ Loss on sale of fixed assets	(1.31)	8.99
Provision for contingent liabilities	12.82	11.72
Provision for gratuity	18.24	3.28
Interest expense on security deposits	8.44	1.28
Writing off interest on security deposits	(1.97)	(1.78)
Employee stock option provision	63.31	138.83
<b>Operating cash flow before working capital changes</b>	<u>(4,282.23)</u>	<u>211.81</u>
Adjustments for working capital changes		
(Increase) / decrease in trade receivables	(132.74)	18.18
Increase in loans	(21,715.35)	(21,151.11)
Increase in other financial assets	(18.02)	(18.78)
Increase in other non-financial assets	709.08	(50.85)
Increase in other bank balances	(651.86)	(180.74)
Increase in right-of-use assets	(1,170.28)	(171.13)
Increase in lease liabilities	1,369.78	(26.23)
Increase in other liabilities	0.23	(5.21)
Increase / (decrease) in BCL in cash and cash equivalents	599.12	404.44
Increase in other financial liabilities	(30.88)	(28.66)
<b>Cash used in operating activities - A</b>	<u>(27,475.44)</u>	<u>(22,897.69)</u>
Income taxes paid / (refunds received)	(648.42)	(151.72)
<b>Net cash used in operating activities - A</b>	<u>(28,123.86)</u>	<u>(23,049.41)</u>
<b>B Cash flow from investing activities</b>		
Purchase of property, plant and equipment, intangible assets (including asset under development)	(406.29)	(219.32)
Sale of property, plant and equipment and intangible assets	2.81	1.55
Purchase of investments	(92,624.81)	(13,125.08)
Proceeds from sale of investments	93,099.02	13,263.71
<b>Net cash generated from / (used in) investing activities - B</b>	<u>(46,930)</u>	<u>(7,680.14)</u>
<b>C Cash flow from financing activities</b>		
Proceeds from net money on GICPS	281.71	304.09
Proceeds from issue of equity shares including premium	4,040.47	4.95
Share issue expenses	(1.31)	-
Payment towards taxes	(245.74)	(188.93)
Proceeds from issue of debt securities	18,539.18	3,380.00
Repayment of debt securities	(3,478.49)	(1,537.26)
Proceeds from borrowings (other than debt securities)	1,06,971.53	21,500.00
Repayment of borrowings (other than debt securities)	(18,080.56)	(8,254.37)
<b>Net cash generated from financing activities - C</b>	<u>1,81,470.49</u>	<u>16,888.58</u>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<u>(14,996.86)</u>	<u>(16,481.48)</u>
Cash and cash equivalent at the beginning of the year	8,413.17	(2,094.58)
Cash and cash equivalent at the end of the year	<u>23,416.31</u>	<u>8,413.17</u>
<b>Notes</b>		
i) Reconciliation of cash and cash equivalents as per the statement of cash flow	March 31, 2023	March 31, 2022
Particulars		
Cash and Cash-Equivalents as per above category of the following	8,882.04	938.85
- In Current accounts	14,327.85	7,538.32
- In Fixed deposits	29,418.64	8,413.17
<b>Balance as per statement of cash flow</b>	<u>23,416.31</u>	<u>8,413.17</u>



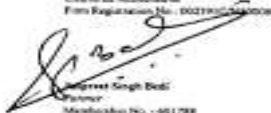
(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**Axelle Finserve Private Limited**  
Statement of cash flow for the year ended March 31, 2023  
(Currency: Indian Rupee in lakhs)

- (a) The above Statement of Cash Flow has been prepared under the Indian Accounting Standard - 7 "Statement of Cash Flow".
- (b) The cash and cash equivalent as shown in balance sheet is net of impairment allowance of INR 0.10 lakh (Previous year INR 0.07 lakh).
- (c) For Net Debt reconciliation refer note - 43.

**Significant Accounting Policies**  
The accompanying notes are an integral part of the financial statements.  
This is Statement of Cash Flow referred in our report of even date.

**For Mangla & Co LLP**  
Chartered Accountants  
Firm Registration No. 002110/04000099

  
Anshu Singh Bhat  
Partner  
Membership No. - 461798

Mumbai  
May 02, 2023



2

For and on behalf of the Board of Directors  
**Axelle Finserve Private Limited**

  
Manish Chhabani  
Director  
DIN - 00226614

  
Neeraj Saxena  
MD & CEO  
DIN - 87911709

  
Harsha Lakshmi  
Chief Financial Officer

  
Divyanka Thakkar, Chairman  
Company Secretary

Mumbai  
May 02, 2023



(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**Aurilio Finance Private Limited**  
 Statement of Changes in Equity for 31 March 2023  
 (Currency - Indian Rupees in lakhs)

**A. Equity Share Capital**

Particulars	As at March 31, 2022		As at March 31, 2023	
	Number of Shares	Amount	Number of Shares	Amount
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	14,74,41,987	3,244.51	14,74,41,987	30,406.22
Additions: Changes in equity (SST) (SST)-Out in prior periods	-	-	-	-
Revised balance at the beginning of the current reporting year	14,74,41,987	3,244.51	14,74,41,987	30,406.22
ISM Changes in equity share capital during the year	1,68,21,118	3,682.01	50,81,814	1,81.28
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	16,42,63,105	7,026.52	20,56,23,801	32,217.50

**B. Other Equity**

Particulars	Equity component of recognized financial instrument	Other Equity				Total Other Equity
		Securities premium	Statutory reserves	Employee stock options	Reserve Earnings	
Balance as at March 31, 2022	270.27	2,200.11	89.18	503.89	(332.84)	2,828.74
Changes in accounting policy from prior periods	-	-	-	-	-	-
Revised Balance as at March 31, 2022	270.27	2,200.11	89.18	503.89	(332.84)	2,828.74
Profit for the year	-	-	-	-	1,256.79	1,256.79
Other comprehensive income for the year	-	-	-	-	(1,119.7)	(119.7)
Money called up and paid on CSOPs	164.89	-	-	-	-	164.89
Conversion to Equity Shares	(133.34)	-	-	-	-	(133.34)
Transfer share 1 to	-	-	268.27	(261.26)	(7.01)	-
Employee stock options	-	-	-	(138.85)	-	(138.85)
Balance as at March 31, 2023	299	2,200.11	457.45	468.54	664.64	3,499.11
Changes in accounting policy from prior periods	-	-	-	-	-	-
Revised Balance as at March 31, 2023	299	2,200.11	457.45	468.54	664.64	3,499.11
Profit for the year	-	-	-	-	2,576.76	2,576.76
Other comprehensive income for the period	-	-	-	-	(1,162)	(1,162)
Money called up and paid on CSOPs	267.73	-	-	-	-	267.73
Conversion to Equity Shares	(166.66)	-	-	-	-	(166.66)
Issue of equity shares	-	1,620.00	-	-	-	1,620.00
Share issue expenses	-	(1.21)	-	-	-	(1.21)
Transfer share 1 to	-	-	81.79	(82.70)	(100.87)	-
Employee stock options	-	-	-	61.71	-	61.71
Balance as at March 31, 2024	-	3,820.11	1,279.24	357.54	1,876.21	6,293.11

Significant accounting policies - Note 4 there to

This is the Statement of changes in equity referred to in report of your audit

**For Mangla & Co LLP**  
 Chartered Accountants

Registration No. 3012000246

*[Signature]*  
 Anil Singh Bhat  
 Partner  
 Membership No. - 001198

Mumbai  
 May 02, 2024



For and on behalf of the Board of Directors  
 Aurilio Finance Private Limited

*[Signature]*  
 Pradeep Chandra  
 Director  
 DIN - 00229001

*[Signature]*  
 Harish Salunkhe  
 Chief Financial Officer

Mumbai  
 May 02, 2024

*[Signature]*  
 Pradeep Salunkhe  
 I.D.N. 0331  
 DIN - 07993,006

*[Signature]*  
 Rajesh Vinod Chaturvedi  
 Company Secretary



(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

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

**1. Corporate Information**

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

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

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

**2. Basis of preparation and summary of significant accounting policies**

**A. Basis of preparation of financial statements**

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

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other related provisions of Act. Effective April 01, 2020, the Company had adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards, with April 1, 2019 as the transition date to Ind AS.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the financial years presented in the financial statements. These financial statements were authorized for issue by the Company's Board of Directors on May 02, 2023.

**2.02 Basis of preparation**

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

**2.03 Basis of measurement**

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

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

The financial statements have been prepared on a historical cost basis except for:

- Certain financial assets and liabilities - measured at fair value
- Defined benefit plans (Employee benefit provisions) - measured at fair value.

**2.04 Use of estimates and judgements**

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



(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

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

**2 Significant accounting policies (Continued)**

**2.85 Critical Accounting Estimates and Judgements**

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

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

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

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

**A. Measurement of impairment of loans and advances**

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

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

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

**C. Fair value of financial instrument**

The fair value of financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility. For further details about determination of fair value please see Note - 19.

**D. Business model assessment**

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

**E. Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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



(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

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

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

**F. Contingent liabilities**

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

**G. Employee Benefits**

**i) Short-term employee benefits**

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

**ii) Defined Contribution Plan**

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

**iii) Defined Benefit Plan**

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

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

**iv) Compensated Absences**

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

**H. Effective interest rate**

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

**2.86 Presentation of financial statements**

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

**2.87 Functional and presentation currency**

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

**2.88 Financial Instruments**

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

**2.88.A Financial assets**

**i) Initial recognition and measurement**

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

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



(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**Auxilio Finserve Private Limited**

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

(Currency : Indian Rupee in lakhs)

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

**2.48 Financial Instruments (Continued)**

**i) Subsequent measurement**

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

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

**Debt instruments at amortised cost**

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

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

**Financial Assets at Amortised Cost**

Financial assets at amortised cost include loans receivable, and other financial assets that are held with the objective of collecting contractual cash flows. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate (EIR). The effective interest rate (EIR) amortisation is included in interest income in the Statement of Profit and Loss.

**Fair value through other comprehensive income (FVOCI)**

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

**Fair value through Profit and Loss (FVTPL)**

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

**ii) Reclassification**

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

**iii) Impairment**

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

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

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

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

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



Placement Memorandum  
Date: February 15, 2024  
Only

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(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**Avallo Finserve Private Limited**

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

(Currency : Indian Rupees in lakhs)

**2 Significant accounting policies (Continued)**

**2.08 Financial Instruments (Continued)**

In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience that is available without undue cost or effort.

The Company assesses that the credit risk on a financial asset has increased significantly if it is:

- 1) More than 30 days past due
- 2) Fail in CIBIL scores more than a certain threshold (Applicable for Education Loans)

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is 90 days or more past due (in line with extant RBI Guidelines).

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

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

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

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

**v) Write - offs**

Financial assets are written off either partially or in their entirety when the Company has no reasonable expectations of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment of financial instruments in the Statement of profit and loss. However, financial assets that are written off may be subject to enforcement activities to comply with the Company's procedures for recovery of amounts due.

**2.08.0 Financial liabilities**

**i) Initial recognition and measurement**

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

**ii) Subsequent measurement**

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

**Financial liabilities at amortised cost**

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate (EIR). The effective interest rate (EIR) amortisation is included as finance costs in the Statement of Profit and Loss.

**2.08.C De-recognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

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



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

**2 Significant accounting policies (Continued)**

**2.08 Financial Instruments (Continued)**

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

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

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

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

**2.08.D Offsetting of financial instruments**

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

**2.08.E Fair value measurement**

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

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

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

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

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

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

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

**2.08.F Modification of financial assets and financial liabilities**

**Financial Assets**

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

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



(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**Auxilio Finserve Private Limited**

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

(Currency: Indian Rupees in lakhs)

**2 Significant accounting policies (Continued)**

**2.08 Financial Instruments (Continued)**

**Financial liabilities**

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

**2.09 Share capital**

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

**2.10 Cash and Cash equivalents**

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

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

**2.11 Property, Plant and Equipment (Tangible assets)**

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

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

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

**Depreciation**

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

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

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



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

**2 Significant accounting policies (Continued)**

**2.12 Intangible assets**

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

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

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

**Intangible assets under development**

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

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

**Amortisation of intangible assets**

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

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

**2.13 Impairment of non-financial assets**

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

**2.14 Earnings per share**

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

**2.15 Income Taxes**

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



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

**2 Significant accounting policies (Continued)**

**2.15 Income Taxes (Continued)**

**Current income tax**

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities using the tax rates and tax laws that are enacted or substantively enacted by the balance sheet date and applicable for the period.

Current tax items in correlation to the underlying transaction relating to OCI and equity are recognized in OCI and in equity respectively.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

**Deferred income tax**

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

Deferred tax assets are recognized for deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

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

Unrecognized deferred tax assets are re-assessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

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

**2.16 Leases**

The Company recognises leases as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

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

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



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

**2 Significant accounting policies (Continued)**

**2.16 Leases (Continued)**

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

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs

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

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

**2.17 Employee Share Based Plan**

Share-based compensation benefits are provided to the employees through the Employee Stock Option Scheme, 2013 ("Plan"). The fair value of options determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period with a corresponding credit to share options outstanding reserves, based on the Company's estimate of the shares that will eventually vest and adjusted for the effect of service conditions.

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

**2.18 Segment Reporting**

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

**2.19 Revenue and Expense Recognition**

**A. Interest income**

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

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

**B. Commission and fee income**

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

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

**C. Interest expenses**

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



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

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

**D. Borrowing costs**

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

**2.28 Standards issued but not yet effective**

**Recent accounting pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

**(i) Ind AS 1-Presentation of Financial Statements**

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

**(ii) Ind AS 12 - Income Taxes**

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exception in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

**(iii) Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors**

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "secondary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.



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**Aurilio Finance Private Limited**

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

(Currency : Indian Rupees in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>3. Cash and cash equivalents:</b>		
a) Cash on hand	-	-
b) Balances with Banks:		
(i) in current accounts	8,882.16	966.83
(ii) in deposit accounts having original maturity less than 3 months*	14,327.85	7,566.32
	<u>23,410.01</u>	<u>8,413.15</u>
Less: Impairment loss allowance	6.30	0.07
<b>Total</b>	<b><u>23,403.71</u></b>	<b><u>8,413.08</u></b>

**Note :**

Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates. There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.

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

**4. Other Bank balances**

**Other Bank balances**

In fixed deposit accounts		
(i) Fixed deposits pledged for bank overdraft facility	534.67	523.55
(ii) Fixed deposits for Securitisation	785.18	352.36
	<u>1,319.85</u>	<u>665.91</u>
Less: Impairment loss allowance	1.11	8.11
<b>Total</b>	<b><u>1,318.74</u></b>	<b><u>657.80</u></b>

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

**5. Trade receivables**

Trade receivable considered good - Unsecured	183.82	31.02
	<u>183.82</u>	<u>31.02</u>
Less: Impairment loss allowance*	0.82	0.08
<b>Total</b>	<b><u>183.00</u></b>	<b><u>30.94</u></b>

\* - Less than Rs. 500

**5.1 Aging Schedule of trade receivables outstanding is as follows**

As at March 31, 2023

Particulars	Less than 6 months*	Total
(i) Undisputed trade receivables-considered good	183.82	183.82
(ii) Undisputed trade receivables-which have significant increase in credit risk	-	-
(iii) Undisputed trade receivables-credit impaired	-	-
(iv) Disputed trade receivables-considered good	-	-
(v) Disputed trade receivables-which have significant increase in credit risk	-	-
(vi) Disputed trade receivables-credit impaired	-	-
<b>Total</b>	<b><u>183.82</u></b>	<b><u>183.82</u></b>
Less: Impairment loss allowance	0.82	0.82
<b>Total</b>	<b><u>183.00</u></b>	<b><u>183.00</u></b>



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**Auxilio Finserve Private Limited**

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

(Currency : Indian Rupees in lakhs)

As at March 31, 2022

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

\* - Less than INR 500

\*There are no trade receivable having ageing more than 6 months as on March 31, 2023 and March 31, 2022

Note - Above numbers of trade receivable are inclusive of unbilled trade receivable of Rs. 149.86 lakh (As at March 31, 2022 - Rs. 1.89 lakh).

Particulars	As at March 31, 2023	As at March 31, 2022
<b>6. Loans</b>		
<b>At amortised cost</b>		
<b>A. Product wise Details</b>		
a) Term loans	1,69,051.31	76,929.44
<b>Total (A) - Gross</b>	<b>1,69,051.31</b>	<b>76,929.44</b>
Less: Impairment loss allowance	1,396.38	942.16
<b>Total (A) - Net</b>	<b>1,67,654.93</b>	<b>75,987.28</b>
<b>B. Security wise Details</b>		
a) Secured considered good*		
i) Secured by tangible assets	28,654.03	31,325.04
ii) Secured by intangible assets	-	-
b) Unsecured	1,40,397.28	45,604.40
<b>Total (B) - Gross</b>	<b>1,69,051.31</b>	<b>76,929.44</b>
Less: Impairment loss allowance	1,396.38	942.16
<b>Total (B) - Net</b>	<b>1,67,654.93</b>	<b>75,987.28</b>
*Secured loans are secured to the extent of collateral value consisting of immovable property and/or fixed deposits.		
<b>C. Region wise Details</b>		
a) Loans in India		
- Public sector	-	-
- Others	1,69,051.31	76,929.44
b) Loans outside India	-	-
<b>Total (C) - Gross</b>	<b>1,69,051.31</b>	<b>76,929.44</b>
Less: Impairment loss allowance	1,396.38	942.16
<b>Total (C) - Net</b>	<b>1,67,654.93</b>	<b>75,987.28</b>

Note:

6.1 Refer note - 40.A for details of Credit risk, credit risk management, credit quality and reconciliation of impairment loss allowances.

6.2 There are no loans which has been classified as Fair value through profit and loss as it / or Fair value through other comprehensive income.



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**Auxilo Finserve Private Limited**

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

(Currency : Indian Rupees in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>7. Other financial assets</b>		
Unsecured, considered good		
a) Security deposits	167.22	89.61
b) Receivable from employees	1.26	1.09
	<u>168.48</u>	<u>90.70</u>
Less: Impairment loss allowance	0.20	0.11
<b>Total</b>	<b><u>168.28</u></b>	<b><u>90.59</u></b>
<b>8. Current tax assets (net)</b>		
Current tax assets (net)	222.90	65.43
Net of provision for income tax INR 1,568.75 lakh (As at March 31, 2022 - INR 776.79 lakh)		
<b>Total</b>	<b><u>222.90</u></b>	<b><u>65.43</u></b>
<b>9. Deferred tax assets (net)</b>		
<b>A. Deferred tax assets / (Deferred tax liabilities)</b>		
a) Effective interest rate (EIR) impact on Borrowings and Loans	226.32	50.02
<b>Total deferred tax liabilities</b>	<b><u>226.32</u></b>	<b><u>50.02</u></b>
a) Difference between WDV as per books and tax books	10.49	8.66
b) Employee share-based payments	88.47	112.89
c) Provision for Gratuity	29.25	20.78
d) Provision for Compensated absences	14.40	11.17
e) Unwinding of discount on security deposit and prepaid rent expenses	0.22	0.10
f) Leases	19.18	4.69
g) Impairment loss allowance	270.84	197.21
<b>Total deferred tax assets</b>	<b><u>432.85</u></b>	<b><u>358.50</u></b>
<b>Net deferred tax assets</b>	<b><u>206.53</u></b>	<b><u>305.48</u></b>

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



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Aselle Finance Private Limited  
 Notes to the financial statements for the year ended March 31, 2023  
 (Currency - Indian Rupee in lakhs)

18. Property, plant and equipment, right-of-use assets & intangible assets

Particulars	Land* (A)	Computer Hardware (B)	Property, plant and equipment			Total (F = (A)+(B)+(C)+(D)+(E))	Right-of-use assets		Other intangible assets	
			Office Equipment (C)	Furniture and Fixtures (D)	Leasehold Improvements (E)		Premises	Total	Software	Total
<b>A. Gross carrying amount</b>										
Balance at As at March 31, 2021	5.35	203.36	26.87	17.98	19.08	329.58	338.68	338.68	174.86	174.86
Additions	-	43.79	3.11	0.22	-	47.12	143.82	143.82	49.82	49.82
Deprecial	-	15.48	-	-	-	15.48	24.12	24.12	13.86	13.86
Balance at March 31, 2022	5.35	231.67	29.98	18.21	19.08	303.31	458.38	458.38	210.82	210.82
Additions	-	143.76	11.23	30.87	125.56	310.42	1,373.28	1,373.28	149.94	149.94
Deprecial	-	26.02	0.20	0.85	79.38	97.32	15.04	15.04	-	-
Balance at March 31, 2023	5.35	349.41	30.18	49.13	214.36	588.51	1,396.76	1,396.76	360.76	360.76
<b>B. Accumulated Depreciation / Amortisation</b>										
Balance at March 31, 2021	-	111.66	15.43	8.76	49.40	205.89	176.87	176.87	81.43	81.43
Deprecial / Amortisation expense	-	44.40	4.86	1.23	14.82	65.31	143.48	143.48	52.39	52.39
Deprecial	-	14.39	-	-	-	14.39	32.42	32.42	12.13	12.13
Balance at March 31, 2022	-	169.77	20.29	10.06	64.22	254.34	423.44	423.44	145.89	145.89
Deprecial / Amortisation expense	-	48.14	3.21	3.68	18.12	73.16	285.43	285.43	74.80	74.80
Deprecial	-	15.23	0.29	0.33	70.10	86.96	11.88	11.88	-	-
Balance at March 31, 2023	-	204.14	23.79	14.08	112.43	354.44	679.19	679.19	190.69	190.69
<b>C. Net carrying amount (A-B)</b>										
As at March 31, 2022	5.35	78.08	9.69	7.15	4.86	100.32	112.74	112.74	64.93	64.93
As at March 31, 2023	5.35	198.21	12.87	35.07	101.93	353.81	1,217.27	1,217.27	163.27	163.27
<b>D. Depreciation and Amortisation for the year</b>										
			For the year ended	For the year ended						
			March 31, 2022	March 31, 2023						
(i) Depreciation on property, plant and equipment			51.16	64.11						
(ii) Depreciation on right-of-use assets			265.43	163.49						
(iii) Amortisation of intangible assets			74.80	52.39						
Total			401.39	319.99						

Note 1: Part of the charge over the intangible property of the Company towards the Listed Non-executable debentures issued under Debenture Trust Deed dated August 27, 2020. The company had no encumbrance through bank overdrafts. Further, no encumbrance (upward or downward) has been made. The details of all intangible properties are listed in the notes to accounts. No proceedings have been initiated or pending against the company for holding any intangible property under the Securities Transactions (Prohibition) Act, 1958 (as amended) and rules made thereunder.



(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**Auxilio Finserve Private Limited**

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

(Currency - Indian Rupees in lakhs)

Particulars	As at	
	March 31, 2023	March 31, 2022
11. Intangible assets under development		
Software	153.47	123.25
<b>Total</b>	<b>153.47</b>	<b>123.25</b>

Aging schedule of intangible assets under development is as follows:-

Particulars	As at March 31, 2023		
	Amount in CWIP for a period of		Total
	More than 1 year	Less than 1 year	
Projects in progress	123.23	30.24	153.47
Projects temporarily suspended	-	-	-
<b>Total</b>	<b>123.23</b>	<b>30.24</b>	<b>153.47</b>

Particulars	As at March 31, 2022		
	Amount in CWIP for a period of		Total
	More than 1 year	Less than 1 year	
Projects in progress	-	123.25	123.25
Projects temporarily suspended	-	-	-
<b>Total</b>	<b>-</b>	<b>123.25</b>	<b>123.25</b>

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

12. Other non financial assets

Unsecured, considered good

- a) Prepaid expenses
- b) Advances to vendors
- c) Balances with statutory authorities

	301.55	66.61
	182.75	73.38
	-	48.85
<b>Total</b>	<b>484.30</b>	<b>188.84</b>

13. Debt securities

13.1 At amortised cost (Refer Note 13.3)

- a) Non convertible debentures (listed, secured, fully paid and privately placed)
- b) Commercial Paper

	28,218.65	13,866.39
	1,490.63	-
<b>Total</b>	<b>29,709.28</b>	<b>13,866.39</b>

13.2

- i) Debt securities in India
- ii) Debt securities outside India

	29,709.28	13,866.39
	-	-
<b>Total</b>	<b>29,709.28</b>	<b>13,866.39</b>



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**Axilio Finance Private Limited**  
Notes to the financial statements for the year ended March 31, 2023  
(Currency : Indian Rupee in lakhs)

**13.5 Terms of repayment of Debt securities**

Name of Security	Repayment Terms	Maturity Date	As at March 31, 2023		As at March 31, 2022	
			Outstanding Amount	Face Value / Redemption value	Outstanding Amount	Face Value / Redemption value
<b>A. Listed and Secured Non Convertible Debentures</b>						
10.25% Non Convertible Debentures	Six Equal Half Yearly Installments	June 29, 2023	416.87	1.87	1,258.90	5.90
11.00% Market Linked Debentures	Bullet repayment on maturity	September 16, 2022	-	-	700.00	1.00
11.90% Non Convertible Debentures (Refer Note-iv)	Bullet repayment on maturity	June 01, 2025	1,080.00	10.00	1,080.00	10.00
10.85% Non Convertible Debentures (Refer Note-iv)	Bullet repayment on maturity	June 26, 2025	3,580.00	10.00	3,580.00	10.00
11.90% Non Convertible Debentures (Refer Note-iv)	Bullet repayment on maturity	July 31, 2023	2,500.00	10.00	2,500.00	10.00
9.15% Non Convertible Debentures (RBI Repo Rate + 3.15% Spread)	Bullet repayment on maturity	August 24, 2023	3,380.00	10.00	3,380.00	10.00
11.00% Market Linked Debentures	Bullet repayment on maturity	September 05, 2023	808.00	1.00	808.00	1.00
10.17% Non Convertible Debentures (3 Month T-Bill + 5% Spread)	In Four equal installments	July 21, 2025	5,000.00	1.00	-	-
10.25% Non Convertible Debentures (3 Month T-Bill + 5% Spread)	In five equal installments	February 18, 2026	3,500.00	1.00	-	-
9.70% Market Linked Debentures	Bullet repayment on maturity	September 22, 2024	5,000.00	1.00	-	-
9.45% Non Convertible Debentures (3 Month T-Bill + Spread)	Eight Equal Quarterly Installments	October 3, 2024	2,187.50	1.00	-	-
<b>Total Listed and Secured NCD (A)</b>			<b>27,286.17</b>		<b>13,696.00</b>	
<b>B. Commercial Paper</b>						
8.50% Commercial Paper - unsecured and utilised	Bullet repayment on maturity	April 28, 2023	1,500.00	1.00	-	-
<b>Total commercial paper (B)</b>			<b>1,500.00</b>		<b>-</b>	
<b>Total Debt securities (A + B)</b>			<b>28,786.17</b>		<b>13,696.00</b>	
Less: Effective interest rate (EIR) impact			(136.29)		(16.94)	
Add: Interest accrued			1,141.41		833.33	
<b>Total</b>			<b>29,791.29</b>		<b>14,562.39</b>	

**Notes**

- (i) Non Convertible Debentures are issued at fixed as well as floating coupon rate.
- (ii) Market Linked Debentures are carrying variable interest rate which is linked to performance of specified indices over the tenure of the debentures. The embedded value of the derivative is negligible and is likely to remain negligible throughout the tenure of debentures. Therefore the market linked debentures have been classified at amortised cost.
- (iii) All secured Non Convertible Debentures are secured by way of Exclusive charge against loan receivables.
- (iv) The Listed Non Convertible debentures issued under Debenture Trust Deed dated August 27, 2020 are also secured by pari passu charge over the immovable property of the Company.
- (v) The company have not used borrowings from bank & financial institutions for other than specific purpose for which it is obtained.
- (vi) There are no registration or satisfaction of charges pending beyond the statutory period with ROC.
- (vii) Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with books of accounts.



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

Particulars	As at March 31, 2023	As at March 31, 2022
<b>14 Borrowings (Other than debt securities)</b>		
<b>14.1 Borrowings at amortised cost</b>		
<b>I</b>		
a) Term Loans (Secured) (Refer Note 14.2 and 14.5)		
i) from banks	99,283.06	29,150.15
ii) from others	8,750.94	343.54
b) Loans repayable on demand from banks (Secured) (Refer Note 14.3 and 14.5)	3,476.32	1,000.00
c) Borrowings from securitisation / Payable for securitisation (Refer Note 14.4 and 14.5)	4,773.09	909.70
<b>Total</b>	<b>1,16,283.41</b>	<b>31,803.39</b>
<b>Of the Above</b>		
<b>II</b>		
i) Borrowings in India	1,16,283.41	31,803.39
ii) Borrowings outside India	-	-
<b>Total</b>	<b>1,16,283.41</b>	<b>31,803.39</b>

**14.2 Repayment terms of term loans**

	As at March 31, 2023	As at March 31, 2022
Repayable within 1 year	26,297.19	8,482.81
Repayable within 1 year to 3 years	54,878.87	14,419.29
Repayable after 3 years	27,259.29	7,442.52
<b>Total Principal</b>	<b>1,08,735.35</b>	<b>30,344.62</b>
Add: Interest accrued but not due	197.15	24.70
Add/(less): Effective interest rate (EIR) impact	(898.50)	(475.43)
<b>Total</b>	<b>1,08,034.00</b>	<b>29,893.69</b>

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

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

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

**14.3 Loans repayable on demand from banks-Secured**

Terms of Repayment			As at March 31, 2023	As at March 31, 2022
Particulars	Rate of Interest	Repayment Details		
Working capital demand loans	7.25% to 8.64%	Bullet repayment on maturity	3,476.32	1,000.00
<b>Total</b>			<b>3,476.32</b>	<b>1,000.00</b>

**Details of security**

i) Loans Repayable on Demand are secured against advances



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

**14.4 Repayment terms of borrowing from securitisation**

	As at March 31, 2023	As at March 31, 2022
Repayable within 1 year	1,592.07	271.81
Repayable within 1 year to 3 years	2,747.35	583.75
Repayable after 3 years	425.46	56.33
<b>Total</b>	<b>4,764.88</b>	<b>911.87</b>
Add: Interest accrued but not due	24.33	4.36
Add/(less): Effective interest rate (EIR) impact	(20.12)	(6.33)
<b>Total</b>	<b>4,773.09</b>	<b>909.70</b>
<b>Details of Interest rate and Security:</b>		
a. Rate of interest (weighted average)	8.52%	10.75%
b. Borrowing from securitisation is secured by cash collateral in the form of fixed deposit	762.34	117.34

**14.5 Notes:**

- i) The Company has not used borrowings from bank and financial institutions for other than specific purpose for which it is obtained. However as at end of reporting period the Company has funds of INR 11,851.50 lakhs (As at March 31, 2022 - INR 6,506.32 lakhs) which remains unutilized from the borrowings made at the end of F.Y. 2022-23 and lying as fixed deposits (net of WDCI facilities).
- ii) There are no registration or satisfaction of charges pending beyond the statutory period with ROC.
- iii) Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with books of accounts.

**15. Other financial liabilities**

Employee benefits payable	43.17	9.71
Advances received from customers (Refer Note below)	702.49	728.15
Provision for expenses	561.49	430.17
Liability component on account of Preference Shares*	-	0.00
<b>Total</b>	<b>1,707.15</b>	<b>1,168.03</b>

\* - Less than Rs. 500

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

**16. Provisions**

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

**17. Other non-financial liabilities**

Income received in advance	174.93	112.01
Statutory dues payable	133.97	66.73
<b>Total</b>	<b>308.90</b>	<b>178.74</b>



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**Axilio Finance Private Limited**

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

(Currency - Indian Rupees in lakhs)

**18. Equity share capital**

**a) Share capital authorized, issued, subscribed and paid up**

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
<b>Authorized:</b>				
Equity Shares of INR 10 each	2,00,00,00,000	2,00,000.00	2,00,00,00,000	2,00,000.00
Optionally Convertible Preference Shares of INR 10 each (OCPS)	80,00,000	800.00	80,00,000	800.00
	<b>2,00,80,00,000</b>	<b>2,00,800.00</b>	<b>2,00,80,00,000</b>	<b>2,00,800.00</b>
<b>Issued, Subscribed and fully paid up:</b>				
Equity Shares of INR 10 each	37,62,65,153	37,626.51	34,94,44,987	34,944.50
	<b>37,62,65,153</b>	<b>37,626.51</b>	<b>34,94,44,987</b>	<b>34,944.50</b>

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
<b>Issued, Subscribed and fully paid up:</b>				
Outstanding at the beginning of year	34,94,44,987	34,944.50	34,94,44,987	34,944.50
Add: Shares issued during year	2,68,21,165	2,682.11	53,82,834	538.28
Outstanding at the end of the year	<b>37,62,66,153</b>	<b>37,626.61</b>	<b>34,94,44,987</b>	<b>34,944.50</b>

**c) Terms/rights attached to equity shares:**

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

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

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

Name of Shareholders	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% Holding	No. of shares	% Holding
<b>Equity Shares</b>				
Balrajpur Chini Mills Limited	36,51,81,800	43.93%	15,50,80,800	44.36%
Edme Advisors LLP	36,51,81,800	43.93%	15,50,80,800	44.36%
ICICI Bank Limited	3,61,21,820	9.60%	3,40,82,131	9.75%
<b>OCPS</b>				
Neeraj Saxena	-	-	26,68,686	100%

**e) Increase in Authorized Share Capital**

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

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
Rights issue	2,31,00,982	2,328.38	-	-
OCPS	9,51,580	95.15	49,586.88	495.88
Conversion from OCPS into equity shares	26,68,686	266.87	33,71,134.00	337.13
	<b>2,66,81,248.00</b>	<b>2,690.40</b>	<b>53,82,834.00</b>	<b>538.28</b>



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**Ausilio Reserve Private Limited**  
Notes to the financial statements for the year ended March 31, 2023  
(Currency - Indian Rupees in lakhs)

**19. Equity share capital**

**21 Details of promoter's equity shareholding**  
Promoter's Name- Elm Advisors LLP

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% of total shares	No. of shares	% of total shares
At the beginning of the year	13,58,00,000	44.36%	13,30,00,000	43.03%
Change during the year	1,02,50,000	3.43%	-	-
At the end of the year	14,60,50,000	47.79%	13,30,00,000	43.03%

**Notes:**

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

- 20. Aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date: Nil
- 21. Aggregate number and class of shares allotted as fully paid up by way of bonus shares during the period of five years immediately preceding the reporting date: Nil
- 22. Aggregate number and class of shares bought back during the period of five years immediately preceding the reporting date: Nil
- 23. Dividend Payment  
No dividend is paid during the year or recommended by the Board Of Directors for the year ended as on March 31, 2023. (Previous year- Nil)

**23. Optionally convertible preference shares**

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

Type of share	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount
0.001% Class C OCPS (Amount paid up: INR 10 per share)	-	-	25,00,000	2.50
<b>Total</b>	-	-	25,00,000	2.50

**24 Terms of issue of Optionally convertible preference shares**

1. The OCPS shall carry cumulative right of dividend at a fixed rate of 0.001% per year and such dividend shall have a priority over any dividend rights of the equity shares of the Company.
2. In the event of winding up of the Company, the holder of OCPS will be entitled to a preferential right of return of the amount paid-up on the OCPS due on the date of winding-up.
3. The OCPS shall be non-participating in the surplus funds and profits, on winding up which may remain after the entire capital has been paid.
4. The holder of OCPS will not have any voting rights, other than as specifically provided under section 47 (2) of the Companies Act, 2013 in respect of Preference Share capital represented by OCPS.
5. Conversion: Each OCPS shall be convertible into 1 (one) equity share ("Conversion Ratio") subject to fulfilment of applicable conditions.
6. All the OCPS shares were converted into equity before March 31, 2023.

**25 Details of OCPS are as follows:**

Particulars	As at March 31, 2023	As at March 31, 2022
Face value of OCPS (Rupees per share)	-	10.00
Paid up value of the OCPS	-	2.50
Financial liability component of the OCPS *	-	0.08
Interest expense in respect of the OCPS *	-	0.08
Equity component of the OCPS	-	2.93

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

**26 Shares reserved for issue under options**

Refer Note 28 for details of shares to be issued under the Employee Stock Option Plan.



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

Particulars	As at March 31, 2023	As at March 31, 2022
<b>19. Other equity</b>		
a) Securities premium	2,203.11	2,203.11
b) Statutory reserve	1,152.28	639.89
c) Equity component of compound financial instrument	-	2.93
d) Employee stock options	351.53	448.54
e) Retained earnings	2,963.95	679.28
f) Other comprehensive income	(27.44)	(14.64)
<b>Total</b>	<b>8,187.24</b>	<b>3,998.11</b>

**A. Nature and purpose of reserves**

- Securities premium reserve**  
Securities premium account represents the amount of premium received by the Company on the issuance of shares. The utilization of the Securities premium is restricted to purposes specified in the Companies Act, 2013.
- Statutory reserve**  
Statutory Reserve: As per Section 45-1C of the Reserve Bank of India Act, 1934 ("The RBI Act"), the Company is transferring an amount of 20% of its net profits to a reserve fund before declaring any dividend.
- Equity component of compound financial instrument**  
Equity component of compound financial instrument account represents the equity component of an Optionally convertible Preference share which is a compound financial instrument.
- Employee stock options**  
Share options outstanding reserve account is used to record the value of equity settled share based payment transactions with the employees under its employee share options payment plan.
- Retained Earnings**  
Retained earnings comprises of the Company's undistributed earnings after taxes.
- Other Comprehensive Income**  
It represents the gain / loss on account of actuarial valuation of defined benefit obligation.

**B. Movement in Other equity**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>a) Securities premium</b>		
Opening balance	2,203.11	2,203.11
Add: Premium received on issue of equity shares	1,625.02	-
Less: Issuance cost on right issue of equity shares	(1.23)	-
<b>Closing Balance</b>	<b>3,826.92</b>	<b>2,203.11</b>
<b>b) Statutory reserve</b>		
Opening balance	639.89	391.32
Add: Transfer from retained earnings*	512.39	248.57
<b>Closing Balance</b>	<b>1,152.28</b>	<b>639.89</b>
<b>c) Equity component of Compound financial instrument</b>		
Opening balance	2.93	272.27
Add: Money called up and paid on OCFIS	263.73	264.90
Less: Converted to Equity shares	266.66	533.34
<b>Closing Balance</b>	<b>-</b>	<b>2.93</b>
<b>d) Employee stock options</b>		
Opening balance	448.54	513.00
Add: Additions during the year	65.31	138.83
Less: Trf to retained earnings	(162.32)	(203.29)
<b>Closing Balance</b>	<b>351.53</b>	<b>448.54</b>
<b>e) Retained Earnings</b>		
Opening balance	679.28	(532.25)
Add: Profit for the year	2,574.74	1,238.79
Add: Trf from Employee stock options	162.32	203.29
Amount available for appropriation	3,416.34	927.85
Appropriations:		
Transfer to statutory reserve*	(512.39)	(248.57)
<b>Closing Balance</b>	<b>2,903.95</b>	<b>679.28</b>
<b>f) Other comprehensive income</b>		
Opening balance	(14.64)	(0.71)
Add: Reassessment gains and (losses) on defined benefit obligations	(12.80)	(13.89)
<b>Closing Balance</b>	<b>(27.44)</b>	<b>(14.64)</b>
<b>(a+b+c+d+e+f)</b>	<b>8,187.24</b>	<b>3,998.11</b>

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



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**Axillo Finserve Private Limited**

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

(Currency : Indian Rupees in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>10. Interest income</b>		
a) On financial assets measured at amortised cost		
Interest income on loans	16,795.38	8,334.36
Interest income on Fixed deposits	181.53	122.27
<b>Total</b>	<b>16,976.91</b>	<b>8,456.63</b>
<b>11. Fee and commission income</b>		
Service income	142.87	79.02
Commission income	262.33	24.97
<b>Total</b>	<b>405.20</b>	<b>103.99</b>
<b>Revenue from contract with Customers</b>		
Set out below is the revenue from contracts with customers and reconciliations to Statement of profit and loss.		
<b>Type of Services</b>		
Fees and commission income	405.20	103.99
<b>Total Revenue from contract with Customers</b>	<b>405.20</b>	<b>103.99</b>
<b>Geographical Markets</b>		
India	405.20	103.99
Outside India	-	-
<b>Total Revenue from contract with Customers</b>	<b>405.20</b>	<b>103.99</b>
<b>Timing of revenue recognition</b>		
Services transferred at a point in time	405.20	103.99
Services transferred over time	-	-
<b>Total Revenue from contract with Customers</b>	<b>405.20</b>	<b>103.99</b>
<b>Contract Balance</b>		
Trade Receivables	183.82	31.02
No revenue from transactions with a single external customer amounted to 10 percent or more of the Company's total revenue in year ended March 31, 2023 and March 31, 2022.		
<b>12. Net gain on fair value change</b>		
On trading portfolio		
Investments at Fair value through profit and loss (FVTPL)		
Profit on sale of liquid mutual funds	444.19	138.71
<b>Total</b>	<b>444.19</b>	<b>138.71</b>
Fair value changes:		
Realised	444.19	138.71
Unrealised	-	-
<b>Total</b>	<b>444.19</b>	<b>138.71</b>
<b>13. Other income</b>		
Fee income and other charges	1,249.59	327.55
Unwinding of discount on security deposits	7.97	5.76
Net gain or (loss) on foreign currency translation	(3.61)	(3.37)
Miscellaneous incomes	(3.48)	9.76
<b>Total</b>	<b>1,250.57</b>	<b>340.79</b>



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**Auxilio Finserve Private Limited**

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

(Currency - Indian Rupees in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>24. Finance costs</b>		
<b>On Financial liabilities measured at amortised cost</b>		
a) Interest on borrowings (other than debt securities)	6,889.24	1,860.86
b) Interest on debt securities	2,433.19	1,371.62
c) Interest - lease liabilities	78.41	26.39
d) Other interest expense	8.44	3.20
e) Other Borrowing costs	138.37	49.23
<b>Total</b>	<b>9,547.65</b>	<b>3,313.30</b>
<b>25. Impairment on financial instruments</b>		
Impairment loss allowance (Refer Note - 40.A.vi)		
i) On Financial assets measured at amortised cost		
a) Loans	454.22	525.92
b) Fixed deposits	1.02	(0.23)
c) Others	0.11	(0.02)
ii) Write off of loans	-	1.49
<b>Total</b>	<b>455.36</b>	<b>527.16</b>
<b>26. Employee benefits expenses</b>		
a) Salaries, bonus and allowances	2,940.40	2,221.12
b) Contribution to provident fund and other funds	112.52	85.90
c) Gratuity expense (Refer Note - 37)	16.34	18.71
d) Compensated absences (Refer Note - 37)	12.83	11.72
e) Share based payments to employees (Refer Note - 38)	65.31	138.82
f) Staff welfare	104.07	48.95
<b>Total</b>	<b>3,281.67</b>	<b>2,525.22</b>
<b>27. Others expenses</b>		
a) Advertisement and publicity	102.49	80.32
b) Auditor's fees and expenses (Refer note below)	38.36	36.51
c) Business sourcing expenses	392.84	83.29
d) Communication cost /IT expenses	807.58	504.94
e) Directors fees, allowances	11.77	9.59
f) Expenditure towards corporate social responsibility (Refer note 35)	25.43	12.58
g) Legal and professional fees	372.68	222.96
h) Loss / (Profit) on sale of fixed assets (net)	(1.31)	2.23
i) Printing and stationery	40.62	16.33
j) Rates, duties and taxes	6.47	4.32
k) Rent (net of discount concession received)	88.35	28.56
l) Repairs and maintenance	101.44	64.61
m) Travelling and conveyance	132.19	42.51
n) Miscellaneous expenses	5.45	2.49
<b>Total</b>	<b>1,924.14</b>	<b>1,311.14</b>
<b>27.1 Auditors' fees and expenses</b>		
Payments to auditor		
a) Audit fees	24.58	23.43
b) Internal control over financial reporting fees	2.00	2.00
c) Certification	6.00	6.00
d) Other services	2.00	2.00
e) Out of pocket expenses	0.69	0.06
f) GST on above	3.17	3.02
<b>Total</b>	<b>38.36</b>	<b>36.51</b>



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**Auxilio Finserve Private Limited**

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

(Currency : Indian Rupee in lakhs)

**18. Disclosure pursuant to Ind AS 12 "Income Taxes"**

**18.1 Major components of tax expense(income):**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>I. Profit and Loss section</b>		
(i) Current income tax:		
Current income tax expense	782.68	431.01
Tax expense in respect of earlier years	9.28	(5.87)
(ii) Deferred tax:		
Tax expense on origination and reversal of temporary differences	103.25	(177.43)
<b>Income tax expense reported in Profit and Loss (i + ii)</b>	<b>895.21</b>	<b>247.71</b>
<b>II. Other Comprehensive Income (OCI) section:</b>		
Income tax expense / (gain) relating to items that will not be reclassified to profit and loss	(4.31)	(4.69)
<b>Income tax expense reported in the OCI section</b>	<b>(4.31)</b>	<b>(4.69)</b>

**18.2 Reconciliation of tax expense and the accounting profit**

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

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Profit before tax	1,469.95	1,504.70
(b) Corporate tax rate as per Income tax Act, 1961	25.17%	25.17%
(c) Tax on Accounting profit (c) = (a) * (b)	373.32	378.70
(d) Tax impact due to:		
(i) Adjustment of deferred tax and current tax of prior periods	9.28	(134.44)
(ii) CSR expenses	6.40	3.17
(iii) Other amounts	0.07	0.48
<b>Total effect of tax adjustments (i) to (iii)</b>	<b>15.75</b>	<b>(130.79)</b>
(e) <b>Income tax expense reported in Profit and Loss</b>	<b>389.07</b>	<b>248.39</b>
(f) Income tax expense reported in the OCI section	4.31	4.69
(g) <b>Total income tax expense (e+f)</b>	<b>393.38</b>	<b>253.08</b>
(h) <b>Effective tax rate (h)/(c)(a)</b>	<b>28.50%</b>	<b>16.16%</b>



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**Aucilio Finserve Private Limited**

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

(Currency : Indian Rupee in lakhs)

**28.3 Movement in deferred taxes**

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

Particulars	As at March 31, 2022	Recognised in profit and loss & OCI	(Charged)/ Credited to Equity*	As at March 31, 2023
<b>Deferred tax asset/(liabilities)</b>				
i) Effective interest rate (EIR) impact on Borrowings and Loans	(50.02)	(176.38)	-	(226.32)
ii) Depreciation and amortisation	8.66	3.83	-	12.49
iii) Employee share-based payments	112.89	(22.59)	(1.83)	88.47
iv) Impairment loss allowance	187.21	73.63	-	279.84
v) Provision for Gratuity	20.78	8.47	-	29.25
vi) Provision for Compensated absences	11.17	3.23	-	14.40
vii) Unwinding of discount on security deposit and prepaid rent	0.10	0.12	-	0.22
viii) Loans	4.69	14.49	-	19.18
<b>Total</b>	<b>395.48</b>	<b>(97.12)</b>	<b>(1.83)</b>	<b>296.53</b>

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

Particulars	As at March 31, 2022	Recognised in profit and loss & OCI	(Charged)/ Credited to Equity*	As at March 31, 2022
<b>Deferred tax asset/(liabilities)</b>				
i) Effective interest rate (EIR) impact on Borrowings and Loans	11.56	(61.38)	-	(50.02)
ii) Depreciation and amortisation	3.23	5.41	-	8.66
iii) Employee share-based payments	-	112.89	-	112.89
iv) Impairment loss allowance	87.48	109.73	-	197.21
v) Provision for Gratuity	11.29	9.39	-	20.78
vi) Provision for Compensated absences	8.22	2.95	-	11.17
vii) Unwinding of discount on security deposit and prepaid rent	0.24	(0.34)	-	0.10
viii) Loans	5.91	(1.22)	-	4.69
<b>Total</b>	<b>128.95</b>	<b>177.43</b>	<b>-</b>	<b>306.48</b>

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

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

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

**28.4 Tax losses**

Unused tax losses for which no deferred tax asset has been recognized	-	-
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**Axio Finserve Private Limited**

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

(Currency - Indian Rupees in lakhs)

**28. Leases**

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

(i) Amount recognized in balance sheet

	As at March 31, 2023	As at March 31, 2022
a) Right-of-use assets	1,317.57	202.74
b) Lease liabilities	1,395.39	231.38

(ii) Amount recognized in Statement of Profit and Loss

	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Depreciation charge of right-of-use assets (included in Depreciation note - 10)	285.43	163.49
(b) Interest expense (included in finance costs)	78.41	26.39
(c) Expense relating to short-term leases	30.57	-
<b>Total</b>	<b>374.41</b>	<b>189.88</b>

Additions to Right of use assets 1,373.39 163.82

(iii) The total cash outflow for leases for the year:

	For the year ended March 31, 2023	For the year ended March 31, 2022
The total cash outflow of leases	285.78	188.63

**29. Earning per Share**

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Basic earning per share</b>		
a) Profit after tax attributable to equity shareholders for Basic EPS	2,574.74	1,256.79
b) Weighted average no. of equity shares outstanding during the year for Basic EPS	3,612.19	1,465.68
c) Nominal value of equity shares (INR per share)	10.00	10.00
d) Basic earnings per share (EPS) (INR per share)	0.71	0.86

**Diluted earning per share**

a) Profit after tax attributable to equity shareholders for Diluted EPS	2,574.74	1,256.79
b) Weighted average no. of potential equity shares on account of employee stock options	31.16	78.28
c) Weighted average no. of equity shares outstanding during the year for diluted EPS (b+d)	3,644.35	1,503.96
d) Nominal value of equity shares (INR per share)	10.00	10.00
e) Diluted earnings per share (EPS) (INR per share)	0.71	0.86

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

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



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

**31. Commitments and contingencies**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>A. Contingent liabilities</b>		
i) Credit enhancement provided by the Company for the loans under securitisation arrangements (including cash collateral)	762.34	117.34
ii) Demand of income tax FY 2017-18 (AY 2018-19) *	1.33	2.05
<b>B. Capital commitments</b>		
i) Estimated amount of contracts remaining to be executed on capital account and not provided for	17.04	15.21
ii) Undisbursed commitments in respect of the Education loan agreements *	31,699.41	11,277.05
* Demand of Income Tax FY 2017-18 (AY 2018-19) The Company has filed rectification appeal u/s 154 of the Income Tax Act, 1961 in respect of demand received. Based on assessment made, the management is in the view that the likelihood of matter being decided against the company is remote. * The Company has unconditional rights under the loan agreements to cancel these commitments at any time.		
C. Company does not have any litigations which are pending against the company as of March 31, 2023. (Previous year - Nil)		

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

**33. Trade payable disclosures**

**a) Debt to Micro, Small Enterprises**

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

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

**b) Aging Schedule of trade payables\***

\*There are no trade payables as at March 31, 2023 and March 31, 2022 and hence aging schedule is not applicable.

**34. Segment Reporting**

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



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**Auxilio Finserve Private Limited**  
Notes to the financial statements for the year ended March 31, 2023  
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**25. Expenditure on Corporate Social Responsibility**

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

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

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

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

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

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

(Currency - Indian Rupees in lakhs)

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

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

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



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

**35. Related Party Disclosure**

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

**35.1 List of related parties**

**A. Entities / Persons having Significant Influence**

Balrampur Chini Mills Ltd.  
Eline Advisors LLP

**B. Key management personnel (KMP)**

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

**35.2 Transactions with Related parties during the year**

No.	Nature of Transaction	Name of Party	Year Ended March 31, 2023	Year Ended March 31, 2022
1	Issue of equity shares (incl. securities premium)	Balrampur Chini Mills Limited	1,749.64	-
		Eline Advisors LLP	1,749.64	-
		Neeraj Saxena *	326.86	523.33
2	Managerial Remuneration* Short-term employee benefits Employee Stock Option#	Neeraj Saxena	376.79	376.79
		Neeraj Saxena	14.39	26.79
3	Sitting Fees	Manish Chokhani	5.60	4.60
		Chinnathambi Rangoo	4.60	4.20
		Deo Shankar Tripathi	0.80	-

\* includes conversion of OCFPS to Equity shares. The Company received INR 263.33 lakh 204.00 lakh towards the partly paid OCFPS during the current year and previous year respectively

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

# additionally the key management personnel holds nil (previous year INR 26.67 lakh) OCFPS. OCFPS are accounted in accordance with Ind AS 102 Share based payments amounting to INR 13.63 lakh (previous year INR 43.54 lakh)

**4. Outstanding towards transactions disclosed above:**

No.	Nature of Transaction	Name of Party	Year Ended March 31, 2023	Year Ended March 31, 2022
Sitting Fees		Manish Chokhani	0.43	-
		Chinnathambi Rangoo	0.43	-
		Deo Shankar Tripathi	0.43	-



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**Axillo Finserv Private Limited**

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

(Currency : Indian Rupee in lakhs)

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

**A. Defined contribution plans**

The Company makes Provident fund contributions which are defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.

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

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

**B. Defined Benefit Plan**

The Company has an obligation towards gratuity, a non funded defined benefit plan covering eligible employees. Vesting for gratuity occurs upon completion of five years of service. Details of the unfunded post retirement benefit plan for its employees are given below which is as Gratuity Disclosure Statement as Per Indian Accounting Standard 19 (Ind AS 19) as below.

**a) Changes in Present Value of Defined Benefit Obligation**

	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>Present Value of Benefit Obligation at the Beginning of the year</b>	<b>82.58</b>	<b>45.25</b>
Current Service Cost	23.86	15.97
Interest Expense	5.29	2.74
Settlement Cost (Credit)/Cost	(32.51)	-
<b>Total Amount Recognised in Statement of Profit and Loss</b>	<b>16.54</b>	<b>18.71</b>
Actuarial (Gain)/Loss from change in demographic assumptions	(4.31)	(0.02)
Actuarial (Gain)/Loss from change in financial assumptions	13.24	2.65
Experience (gains)/Losses	8.18	15.99
<b>Total Amount Recognised in Other Comprehensive Income</b>	<b>17.11</b>	<b>18.62</b>
<b>Present Value of Benefit Obligation at the End of the year</b>	<b>116.23</b>	<b>82.58</b>

**Change in plan assets:**

	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>Fair value of plan assets, beginning of the year</b>	<b>-</b>	<b>-</b>
Expected return on Plan Assets	-	-
Contributions	-	-
Benefit paid	-	-
Actuarial Gain (loss) on plan assets	-	-
<b>Fair value of plan assets, end of the year</b>	<b>-</b>	<b>-</b>

**b) Amount recognised in the balance sheet consists of:**

	As at March 31, 2023	As at March 31, 2022
Present value of defined benefit obligation	116.23	82.58
Fair value of plan assets	-	-
<b>Net Liability</b>	<b>116.23</b>	<b>82.58</b>

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

	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>Service Cost</b>		
Current service cost	23.86	15.97
Past service cost	-	-
<b>Total Service cost</b>	<b>23.86</b>	<b>15.97</b>
<b>Net interest cost</b>	<b>00</b>	<b>15.97</b>
Interest expense on DBO	5.29	2.74
Interest expense / (income) on plan assets	-	-
<b>Total Interest cost</b>	<b>5.29</b>	<b>2.74</b>
<b>Defined benefit cost included in Statement of Profit and Loss</b>	<b>00 - 0 + 10</b>	<b>16.54</b>
<b>Total remeasurement in other comprehensive income (OCI)</b>	<b>(iv)</b>	<b>18.62</b>
<b>Total Defined benefit cost included in Statement of Profit and loss and OCI</b>	<b>(v) = (iii) + (iv)</b>	<b>35.65</b>



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**Axio Finance Private Limited**  
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**d) The principal assumptions used in determining gratuity obligations for the Company's plans are shown below**

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

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

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

- i) Equity managed funds
- ii) Cash

	As at March 31, 2023	As at March 31, 2022
	-	-
	-	-

**f) Impact as defined benefit obligation - Sensitivity Analysis**

	Year Ended March 31,			
	2023	2023	2022	2022
	% Rate	Amount	% Rate	Amount
<b>Increase by 100 basis points</b>				
i) Impact of change in discount rate	8.29%	(3.75)	7.41%	(4.00)
ii) Impact of change in salary growth rate	11.00%	3.52	6.00%	4.26
iii) Impact of change in employee attrition rate	25.00%	(1.11)	16.00%	(0.57)
<b>Decrease by 100 basis points</b>				
i) Impact of change in discount rate	6.29%	4.02	5.41%	4.42
ii) Impact of change in salary growth rate	9.00%	(3.42)	4.00%	(4.02)
iii) Impact of change in employee attrition rate	24.00%	1.17	14.00%	0.35

The sensitivity analysis has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in performing the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

**g) Maturity**

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

Particulars	As at	
	March 31, 2023	March 31, 2022
i) 1st Following Year	25.41	8.03
ii) 2nd Following Year	39.83	30.48
iii) 3rd Following Year	17.94	30.57
iv) 4th Following Year	86.29	80.35
v) 5th Following Year	15.29	9.83
vi) Sum of Years 5 to 10	44.72	77.21
vii) Sum of Years 11 and above	19.24	35.10

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

**h) Risk Exposure**

Gratuity is a defined benefit plan and Company is exposed to the following Risks:  
Interest rate risk: A fall in the discount rate which is linked to the Government Security Rate will increase the present value of the liability requiring higher provision.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Asset Liability Matching Risk: The plan faces the ALM risk as in the matching cash flow. Company has to manage pay-out based on pay as you go basis from own funds.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any

**iii) Accumulated Compensated Absences**

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



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

(Currency : Indian Rupees in lakhs)

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

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

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

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

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

	As at March 31, 2023		As at March 31, 2022	
	Number of Options	Weighted average exercise price	Number of Options	Weighted average exercise price
Options outstanding at the beginning of the year*	1,42,22,166	11.09	1,72,35,000	10.21
Granted	8,50,500	15.24	24,90,000	15.00
Exercised	(75,18,166)	10.02	(53,82,834)	10.00
Forfeited/Cancelled/Lapsed/Expired	(12,40,500)	11.75	(1,20,000)	13.68
Options outstanding at the end of the year	<u>1,02,14,000</u>	<u>11.74</u>	<u>1,42,22,166</u>	<u>11.09</u>
Options exercisable at the end of the year/period	41,35,000	10.02	26,40,000	10.00

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

**38.03** Vesting period

Number of Options	As at March 31, 2023	As at March 31, 2022
3 - 4 years from grant date	42,71,900	48,19,400
4 - 5 years from grant date	33,57,600	38,13,600
5 - 6 years from grant date	25,31,500	55,38,166
6 - 7 years from grant date	51,000	51,000
Total	<u>1,02,14,000</u>	<u>1,42,22,166</u>

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

**38.04** Fair value options

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

Grant Date	ESOP 2017
Share price	10
Exercise price	Fair value on date of grant*
Risk-free interest rate	5.81% to 7.78%
Expected life of the option	3 years to 6 years
Expiry Date (from vesting date)	10 years
Expected volatility	32.10% to 50.28%
Expected dividend yield	0.00%
Fair Value of Options	2.94 to 8.97

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

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

**38.05** Expenses recognised in statement of profit and loss

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



(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**Axelle Finserve Private Limited**

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

(Currency : Indian Rupee in lakhs)

**39. Fair Value Measurement**

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

**39.A Classification of financial assets and financial liabilities:**

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

**39.A.1 As at March 31, 2023**

	At Amortised cost	FVTPL	FVTOCI	Total carrying Value	Total Fair value
<b>Financial Assets</b>					
1 Cash and cash equivalents	23,409.91	-	-	23,409.91	23,409.91
2 Other Bank balances	1,318.66	-	-	1,318.66	1,318.66
3 Trade receivables	183.80	-	-	183.80	183.80
4 Loans	1,67,854.93	-	-	1,67,854.93	1,67,854.93
5 Other financial assets	168.28	-	-	168.28	168.28
<b>Total</b>	<b>1,92,735.58</b>	<b>-</b>	<b>-</b>	<b>1,92,735.58</b>	<b>1,92,735.58</b>
<b>Financial Liabilities</b>					
1 Debt securities (Listed)	29,789.29	-	-	29,789.29	29,789.29
2 Borrowings (other than debt securities)	1,16,283.41	-	-	1,16,283.41	1,16,283.41
3 Lease liabilities	1,393.79	-	-	1,393.79	1,393.79
4 Other financial liabilities	1,787.15	-	-	1,787.15	1,787.15
<b>Total</b>	<b>1,49,053.64</b>	<b>-</b>	<b>-</b>	<b>1,49,053.64</b>	<b>1,49,053.64</b>

**39.A.2 As at March 31, 2022**

	At Amortised cost	FVTPL	FVTOCI	Total carrying Value	Total Fair value
<b>Financial Assets</b>					
1 Cash and cash equivalents	8,413.10	-	-	8,413.10	8,413.10
2 Other Bank balances	685.80	-	-	685.80	685.80
3 Trade receivables	31.02	-	-	31.02	31.02
4 Loans	75,987.28	-	-	75,987.28	75,987.28
5 Other financial assets	90.55	-	-	90.55	90.55
<b>Total</b>	<b>85,187.75</b>	<b>-</b>	<b>-</b>	<b>85,187.75</b>	<b>85,187.75</b>
<b>Financial Liabilities</b>					
1 Debt securities (Listed)	13,896.39	-	-	13,896.39	14,065.99
2 Borrowings (other than debt securities)	31,833.59	-	-	31,833.59	31,836.91
3 Lease liabilities	231.38	-	-	231.38	231.38
4 Other financial liabilities	1,168.85	-	-	1,168.85	1,168.85
<b>Total</b>	<b>47,069.19</b>	<b>-</b>	<b>-</b>	<b>47,068.29</b>	<b>47,302.31</b>



Placement Memorandum  
Date: February 15, 2024  
Only

Private & Confidential  
For Private Circulation

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)



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**Amito Finance Private Limited**  
 Notes to the financial statements for the year ended March 31, 2023  
 (Currency - Indian Rupees in lakhs)

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

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

	Fair Value							
	As at March 31, 2023			Total	As at March 31, 2022			Total
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
<b>Financial Assets</b>								
Cash and cash equivalents	-	-	23,409.91	23,409.91	-	-	8,413.10	8,413.10
Other bank balances	-	-	1,318.66	1,318.66	-	-	665.80	665.80
Trade receivables	-	-	183.80	183.80	-	-	31.02	31.02
Loans	-	-	1,67,654.93	1,67,654.93	-	-	75,987.28	75,987.28
Other financial assets	-	-	368.28	368.28	-	-	93.59	93.59
<b>Total</b>	-	-	<b>1,92,935.58</b>	<b>1,92,735.58</b>	-	-	<b>85,187.79</b>	<b>85,187.79</b>
<b>Financial Liabilities</b>								
Debt securities (Unlisted)	-	-	1,490.63	1,490.63	-	-	-	-
Debt securities (Listed)	-	-	28,234.84	28,234.84	-	-	34,365.99	34,365.99
Borrowings (other than debt securities)	-	-	1,36,322.89	1,36,322.89	-	-	31,836.81	31,836.81
Lease liabilities	-	-	1,393.79	1,393.79	-	-	231.38	231.38
Other financial liabilities	-	-	1,787.15	1,787.15	-	-	1,168.83	1,168.83
<b>Total</b>	-	-	<b>1,69,279.20</b>	<b>1,69,143.30</b>	-	-	<b>47,582.51</b>	<b>47,582.51</b>



(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**Aurilio Finance Private Limited**  
Notes to the financial statements for the year ended March 31, 2023

(Currency : Indian Rupees in lakhs)

**40. Financial Risk Management**

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

**Risk management framework**

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

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

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

**40.A Credit Risk**

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

**40.A.i Credit risk management**

Credit risk for loan receivables is managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. Further, a major portion of exposure is secured by way of property and fixed deposits.

The impairment for financial assets are based on assumptions about risk of default and expected loss rates. These assumptions and estimates are reviewed by the Company at every reporting date.

Financial assets are written off when there is no reasonable expectation of recovery, however, the Company continues to attempt to recover the receivables.

**40.A.ii Collateral and other credit enhancements**

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

Collateral held varies, but may include:

- Fixed Deposits
- Residential and commercial real estate property
- Land

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

**40.A.iii Other Financial Assets**

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



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

(Currency : Indian Rupees in lakhs)

**40. Financial Risk Management (Continued)**  
**40.A.iv Financial Asset Received as Collateral**

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

	As at March 31, 2023	As at March 31, 2022
Fair value of financial assets accepted as collateral against the loans that the Company is permitted to adjust in the absence of default above comprising of:	1,288.56	892.42
- Advance from customers	782.49	728.15
- Fixed deposit held as collateral	506.07	164.27

**40.A.v Offsetting financial assets and liabilities**

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

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

Particulars	Effect of offsetting on the balance sheet				Maximum exposure
	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Netting potential not recognized in the balance sheet - Financial collateral *	
<b>As at March 31, 2023</b>					
<b>Financial Assets</b>					
Loans	1,69,851.31	-	1,69,851.31	1,288.56	1,67,762.75
Bank balances other than cash and cash equivalents	1,319.77	-	1,319.77	782.34	537.43
<b>Financial Liabilities</b>					
Borrowings	1,16,283.41	-	1,16,283.41	782.34	1,15,501.07
Other Financial Liabilities	1,707.15	-	1,707.15	782.49	1,004.66
<b>As at March 31, 2022</b>					
<b>Financial Assets</b>					
Loans	76,929.44	-	76,929.44	892.42	76,037.02
Bank balances other than cash and cash equivalents	665.91	-	665.91	117.34	548.57
<b>Financial Liabilities</b>					
Borrowings	31,803.39	-	31,803.39	117.34	31,686.05
Other Financial Liabilities	1,168.03	-	1,168.03	728.15	439.88

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

**48.A.vi Impairment of financial assets**

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

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

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

**a) Credit quality analysis and credit exposure**

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



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**Avastio Finance Private Limited**  
 Notes to the financial statements for the year ended March 31, 2023

Currency : Indian Rupees (₹)

46. Financial Risk Management (Continued)

46.A. Credit Risk (Continued)

ii) Credit quality of Loans

The following table set out information about the credit quality of loans to the ECL and ECL segments. The amounts in table below represent the maximum credit exposures of the financial assets.

Credit quality of Loans

Particulars	As at March 31, 2023				As at March 31, 2022			
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
<b>ECL - Credit Score Range</b>								
Above 650	1,62,978.34	1,415.67	20.87	1,64,413.88	64,243.85	199.44	31.17	64,473.46
Up to 650	3,531.96	1,198.07	149.93	4,879.96	1,193.87	389.67	52.53	1,636.07
Gross exposure (A)	1,64,510.30	2,613.74	170.80	1,71,294.84	65,437.72	589.11	83.70	66,110.53
Less: ECL (B)	112.85	36.85	37.37	186.07	51.23	31.99	42.16	125.38
Net exposure (C) = (A - B)	1,64,397.45	2,576.89	133.43	1,71,111.77	65,386.49	557.12	41.54	65,985.15
<b>RIS - Weighted Metrics (Based on DFD)</b>								
1 to 3	6,633.01	-	-	6,633.01	7,326.88	871.47	-	8,198.35
More than 3	2,348.08	1,889.38	-	4,237.46	2,838.37	4,013.25	-	6,851.62
Non performing asset	-	-	-	2,621.88	-	-	1,162.31	1,162.31
Gross exposure (D)	9,371.09	1,889.38	3,831.88	15,092.35	10,165.25	4,884.72	1,162.31	16,212.28
Less: ECL (E)	956.32	245.78	753.35	1,955.45	362.34	414.23	786.32	1,562.90
Net exposure (F) = (D - E)	8,414.77	1,643.60	3,078.53	13,136.90	9,802.91	4,470.49	386.00	14,659.40
Total Gross exposure (G) = (A + D)	1,73,881.39	4,503.12	2,702.68	1,81,087.19	75,602.97	5,473.83	1,249.31	82,326.11
Less: ECL (H) = (B + E)	361.42	282.63	390.72	1,034.77	142.57	446.22	1,548.63	2,137.42
Net exposure (I) = (G - H)	1,73,519.97	4,220.49	2,311.96	1,80,052.42	75,460.40	5,027.61	900.68	80,188.69
Loans (Other than 60)	1,64,929.82	4,329.61	2,791.88	1,72,051.31	65,312.44	5,370.00	1,267.00	71,949.44
Committed lines of credit*	15,743.98	154.30	-	15,898.28	3,677.87	73.83	3.21	3,754.91
Total Gross Exposure	1,80,673.96	4,483.91	2,791.88	1,88,155.75	69,090.31	5,443.83	1,270.21	75,804.35
Gross carrying amount								
Loans and advances carried at amortised cost								
Loans to students (BGC)	1,52,919.99	2,472.33	179.00	1,55,571.32	59,937.79	344.50	87.39	60,369.68
Loans to educational institutions (BIE)	8,958.83	1,851.28	2,821.88	13,631.99	12,374.64	4,825.39	1,199.81	18,399.84
Total	1,61,878.82	4,323.61	2,791.88	1,68,994.31	72,312.43	5,170.89	1,087.20	78,782.52
Expected credit loss								
Loans and advances carried at amortised cost								
Loans to students (BGC)	112.85	36.85	37.37	186.07	51.23	31.99	42.16	125.38
Loans to educational institutions (BIE)	185.37	245.78	788.26	1,119.41	36.24	414.32	386.22	836.78
Total	298.22	282.63	825.63	1,306.48	87.47	446.31	388.38	920.16
Net carrying amount								
Loans and advances carried at amortised cost								
Loans to students (BGC)	1,52,807.14	2,435.48	141.63	1,55,384.25	59,886.56	312.51	45.23	60,244.30
Loans to educational institutions (BIE)	8,821.66	1,611.50	1,670.25	12,103.41	12,338.40	4,411.86	813.58	17,563.84
Total	1,61,628.80	4,046.98	1,811.88	1,67,487.66	72,224.96	4,724.37	1,258.81	77,998.14

\* Committed lines of credit represents the expected condition of the committed lines



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**Axelle Finance Private Limited**  
Notes to the financial statements for the year ended March 31, 2023  
(Currency - Indian Rupees in lakhs)  
48. Financial Risk Management (Continued)  
48.A. Credit Risk (Continued)

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

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

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

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

Particulars	As at March 31, 2023				As at March 31, 2022					
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount opening balance	76,312.44	5,734.80	1,247.00	-	78,929.44	52,138.56	869.49	701.79	-	53,409.84
New / increase of credit exposure during the year	1,06,072.12	1,011.76	219.44	-	1,07,093.32	37,153.90	449.85	126.96	-	37,730.71
Assets derecognised or repaid (excluding write off)	(15,159.17)	(160.80)	(25.11)	-	(15,345.08)	(12,158.17)	(17.39)	(2.40)	-	(12,177.96)
Transfer to Stage 1	1,941.43	(1,993.45)	-	-	(52.02)	903.92	(455.21)	(48.70)	-	(400.00)
Transfer to Stage 2	(1,818.70)	1,067.57	(48.80)	-	(800.93)	(4,820.50)	4,891.30	-	-	(929.20)
Transfer to Stage 3	(18.78)	(1,438.33)	1,036.90	-	(420.21)	(446.17)	(73.74)	419.11	-	(90.80)
Changes to Contractual Cash Flows due to modification not resulting from derecognition	-	-	-	-	-	-	-	-	-	-
Amounts written off	-	-	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	1,66,929.82	4,329.62	2,191.89	-	1,69,851.33	78,013.44	5,176.00	1,247.81	-	78,929.44

(iii) Reconciliation of ECL balance is given below:

Particulars	As at March 31, 2023				As at March 31, 2022					
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
ECL Allowance - Opening Balance	167.48	446.30	348.18	-	961.96	82.27	32.36	261.42	-	476.05
New / increase of credit exposure during the year	18.48	31.80	111.32	-	161.60	23.28	286.26	11.61	-	421.15
Assets derecognised or repaid (excluding write off)	(31.00)	(1.90)	-	-	(32.90)	(15.19)	(0.81)	-	-	(16.80)
Transfer to Stage 1	(16.22)	(174.22)	-	-	(190.44)	61.81	(64.37)	(17.34)	-	(100.90)
Transfer to Stage 2	(4.05)	14.72	(9.71)	-	(0.04)	(22.14)	22.14	-	-	-
Transfer to Stage 3	(0.01)	(138.10)	121.53	-	(16.58)	(1.23)	(1.23)	9.77	-	-
Impact on year end ECL of Exposures transferred between Stages during the year and reversal of ECL on account of recovery	2.90	104.48	24.87	-	132.25	(21.49)	53.27	9.38	-	41.16
Amounts written off	-	-	-	-	-	-	-	-	-	-
ECL Allowance - Closing Balance	381.63	381.32	806.24	-	1,569.19	167.48	446.30	348.18	-	961.96



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

(Currency: Indian Rupees in lakhs)

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

**(i) Cash and cash equivalents**

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

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

**(ii) Collateral held**

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

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

**(b) Inputs, assumptions, techniques used for estimating impairment:**

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

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

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

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

**Determining Significant Increase in Credit Risk (SICR)**

To determine if the risk of default of a financial instrument has increased significantly since initial recognition, the current risk of default at the reporting date compared with the risk of default at initial recognition. Assessment of whether there has been a significant increase in credit risk required at each reporting date.

All restructured facilities (where restructuring is done on account of decrease in credit worthiness) shall be classified as stage 2 for a maximum period of 12 months from the date of restructuring.

**Stage 1**

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

**Stage 2**

In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience that is available without undue cost or effort.

The Company assumes that the credit risk on a financial asset has increased significantly if it is:

- 1) More than 30 days past due
- 2) Fall in CIBIL scores more than a certain threshold as specified in its policy (Applicable for Education Loans)

**Stage 3**

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



(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**Aurilio Finance Private Limited**

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

(Currency - Indian Rupees in lakhs)

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

Balance with banks:

Following is the staging criteria for investments:

- (i) For facilities with rating grade AAA to B, three notch downgrades (without cash flow) shall be taken as stage 2.
- (ii) Any financial instrument with rating grade CCC or below classified as Stage 2 at origination.

**Assessment of reduction in Credit Risk -**

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

**Transferring from Stage 2 to Stage 1:**

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

**For EL portfolio:**

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

**Transferring from Stage 3 to Stage 2: Stage 1:**

A Customer's loan account that has moved to stage 3 (i.e. more than 90 days DPD) and the customer subsequently pays as under:

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

**The key inputs into the measurement of ECL are the terms structure of the following variables:**

- Probability of default (PDs)
- Loss given default (LGD)
- Exposure at default (EAD) i.e. the total expected exposure in the event of a default.

**Probability of default**

The Probability of Default (PD) defines the probability that the borrower will default on its obligations in the future. Ind AS 109 requires the use of separate PDs for:

1. Stage 1, i.e., 12-month duration
2. Stage 2, i.e., Lifetime but not credit impaired
3. Stage 3, i.e., Lifetime and credit impaired

**Loss Given Default (LGD)**

The company has assessed the LGD based on the performance of the portfolio. LGD represents recovery from default assets. For Student loans and Education Institution loans which are secured by financial and property related collaterals, LGD is calculated based on the value of respective collaterals. Minimum LGD of 20% is applied for these loans.

Financial collateral like fixed deposits is liquid collateral in nature, so the value of collateral is equivalent to fair value for purpose of computation of LGD.

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

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



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**Auxilio Finance Private Limited**  
 Notes to the financial statements for the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

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

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

Macro-economic indicator	As at March 31, 2023	As at March 31, 2022
GDP growth	6.60%	8.75%
CPI-India	6.24%	3.66%
CPI-USA	7.12%	5.43%
Unemployment-USA	3.60%	4.90%

**48.B. ECL Sensitivity to change in PD rates due to change in Macro-economic Factors**

Macro-economic factors	March 31, 2023	
	Improved by 10%	Worsen by 10%
GDP growth	(2.01)	5.90
CPI-India	(0.68)	0.80
CPI-USA	(4.96)	5.36
Unemployment-USA	(1.81)	1.32

Macro-economic factors	March 31, 2022	
	Improved by 10%	Worsen by 10%
GDP growth	(3.75)	12.44
CPI-India	(2.35)	2.62
CPI-USA	(4.57)	4.06
Unemployment-USA	(4.36)	4.09



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**Ausilio Fimserve Private Limited**  
Notes to the financial statements for the year ended March 31, 2023

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46. **Financial Risk Management (Continued)**  
46.B **Liquidity risk**

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

The below table analyses the Company's financial liabilities and financial assets into relevant maturity groupings based on the remaining period as at the reporting date to the contractual maturity date. As at March 31, 2023

Particulars	Total	Contractual cash flows							
		Up to 1 month	Over 1 month to 2 months	Over 2 months to 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	3 - 5 years	More than 5 years
<b>Financial liabilities</b>									
Debt securities	29,799.29	1,862.32	-	5,298.56	7,386.49	2,575.00	12,626.72	-	-
Borrowings (other than debt securities)	1,16,283.41	1,584.73	1,996.43	2,652.24	10,045.24	14,643.68	57,447.09	-	-
Lease liabilities	1,393.79	20.05	20.24	20.38	62.32	130.85	570.28	23,385.07	4,328.93
Other financial liabilities	1,707.15	-	43.17	180.00	781.49	-	-	535.06	34.61
<b>Total</b>	<b>1,49,093.64</b>	<b>3,467.30</b>	<b>2,059.84</b>	<b>8,151.18</b>	<b>18,235.54</b>	<b>17,349.53</b>	<b>70,644.09</b>	<b>24,126.13</b>	<b>8,866.83</b>
<b>Financial assets</b>									
Cash and cash equivalents	23,409.91	23,409.91	-	-	-	-	-	-	-
Bank balances other than cash and cash equivalents above	1,318.66	503.88	-	26.28	4.09	-	139.68	-	-
Trade receivables	183.80	183.80	-	-	-	-	-	-	644.36
Loans	1,67,654.93	1,907.90	1,904.79	1,899.02	5,683.51	11,377.73	52,436.76	60,964.37	31,641.03
Other Financial Assets	168.28	-	1.00	-	-	-	26.41	125.19	13.42
<b>Total</b>	<b>1,91,735.58</b>	<b>26,005.46</b>	<b>1,905.85</b>	<b>1,925.30</b>	<b>5,687.40</b>	<b>11,377.73</b>	<b>52,643.85</b>	<b>61,089.56</b>	<b>32,301.23</b>



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

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

As at March 31, 2022

Particulars	Total	Contractual cash flows							
		Up to 1 month	Over 1 month to 2 months	Over 2 months to 3 months	3 to 6 months	6 to 12 months	1 year to 3 years	3 - 5 years	More than 5 years
<b>Financial liabilities</b>									
Debt securities	13,866.39	9.78	-	798.36	993.41	438.67	11,647.98	-	-
Borrowings (other than debt securities)	31,803.39	1,630.31	512.71	1,037.64	2,186.23	4,387.74	14,996.55	5,397.04	1,655.16
Lease liabilities	231.37	15.00	14.66	14.79	25.16	36.11	28.48	38.68	38.49
Other financial liabilities	1,168.03	-	9.71	-	430.17	-	-	-	728.15
<b>Total</b>	<b>47,069.18</b>	<b>1,655.09</b>	<b>537.08</b>	<b>1,850.79</b>	<b>3,634.97</b>	<b>4,840.52</b>	<b>26,673.02</b>	<b>5,435.72</b>	<b>2,441.80</b>
<b>Financial assets</b>									
Cash and cash equivalents	8,413.10	8,413.10	-	-	-	-	-	-	-
Bank balance other than cash and cash equivalents above	655.80	593.85	-	26.73	2.97	-	-	132.25	-
Trade receivables	31.02	31.02	-	-	-	-	-	-	-
Loans	75,987.28	918.93	921.20	923.98	2,821.32	5,783.09	24,608.85	27,572.17	12,437.74
Other financial assets	98.59	1.33	0.98	-	34.83	32.41	8.72	-	13.00
<b>Total</b>	<b>85,187.80</b>	<b>9,868.23</b>	<b>922.18</b>	<b>950.71</b>	<b>2,858.12</b>	<b>5,815.50</b>	<b>24,617.57</b>	<b>27,704.42</b>	<b>12,450.84</b>

Note: For financial liabilities and incoming cash flows have been provided

41C **Market risk**

Market risk is the risk that changes in market prices and is exposed to risks such as

- a) Currency risk
- b) Prepayment risk
- c) Interest rate risk

which will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a) **Currency risk**

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

b) **Prepayment Risk**

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

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



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**Aurilio Finance Private Limited**  
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**4E. Financial Risk Management (Continued)**

**c) Interest rate risk**

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

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

	As at March 31, 2023	As at March 31, 2022
<b>Fixed rate instruments</b>		
Financial Assets	25,882.08	9,290.80
Financial Liabilities	(14,925.99)	(2,804.65)
<b>Floating rate instruments</b>		
Financial Assets	1,69,031.21	76,929.44
Financial Liabilities	(1,24,117.95)	(43,264.54)

**Fair value sensitivity analysis for fixed-rate instruments**

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

**Cash flow sensitivity analysis for variable-rate instruments**

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

	For the period ended March 31, 2023	For the period ended March 31, 2022
<b>Cash Flow Sensitivity (Variable rate instruments (net))</b>		
Decrease by 100 bps	(349.23)	(326.65)
Increase by 100 bps	349.33	326.65

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



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**41 Maturity analysis of assets and liabilities**

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	As at March 31, 2023			As at March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>I Assets</b>						
<b>A. Financial assets</b>						
a) Cash and cash equivalents	23,409.91	-	23,409.91	8,413.10	-	8,413.10
b) Other Bank balances	534.22	784.44	1,318.66	533.55	132.25	665.80
c) Trade receivables	183.80	-	183.80	31.02	-	31.02
d) Loans	22,772.75	1,44,882.18	1,67,654.93	11,368.52	64,618.76	75,987.28
e) Other financial assets	1.06	167.22	168.28	68.77	21.82	90.59
<b>B. Non-financial assets</b>						
a) Current tax assets (net)	-	222.90	222.90	-	65.43	65.43
b) Deferred tax assets (Net)	-	206.53	206.53	-	305.48	305.48
c) Property, plant and equipment	-	325.81	325.81	-	109.38	109.38
d) Right of use asset	514.19	1,003.38	1,517.57	100.38	112.36	212.74
e) Intangible assets under development	-	153.47	153.47	-	123.23	123.23
f) Other intangible assets	-	163.27	163.27	-	88.33	88.33
g) Other non-financial assets	239.48	45.22	284.70	180.91	8.71	189.62
<b>Total Assets</b>	<b>47,455.41</b>	<b>1,47,954.42</b>	<b>1,95,409.83</b>	<b>20,696.15</b>	<b>65,581.75</b>	<b>86,278.00</b>
<b>II Liabilities</b>						
<b>A. Financial liabilities</b>						
a) Debt securities	17,082.57	12,626.72	29,709.29	2,218.41	11,647.58	13,866.39
b) Borrowings (other than debt securities)	30,922.32	85,361.09	1,16,283.41	9,754.63	22,048.76	31,803.39
c) Lease liabilities	253.84	1,139.95	1,393.79	105.72	125.66	231.38
d) Other financial liabilities	1,004.66	702.49	1,707.15	439.88	728.15	1,168.03
<b>B. Non-financial Liabilities</b>						
a) Provisions	34.83	138.61	173.44	15.56	111.40	126.96
b) Other non-financial liabilities	133.97	174.93	308.90	66.23	112.01	178.24
<b>Total Liabilities</b>	<b>49,432.19</b>	<b>1,66,143.79</b>	<b>1,49,575.98</b>	<b>12,690.43</b>	<b>34,773.96</b>	<b>47,374.39</b>



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**42. Capital Management**

The primary objectives of the capital management policy is to ensure that the Company continuously complies with capital requirements required by regulator, maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to fund growth or comply with regulatory capital requirement, Company depends on internal accrual or may raise additional capital. Company may adjust the amount of dividend payment to shareholders, return capital to shareholders.

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

For Capital-to-Risk Weighted Assets (CRAAR) as required by Regulation- Refer Note 47.1

**43. Net debt reconciliation**

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

	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents	23,410.01	8,413.17
Bank balances other than cash and cash equivalents (including interest receivable)	1,319.77	665.91
Debt securities (including interest accrued)	29,789.29	13,866.39
Borrowings other than debt securities (including interest accrued)	1,16,283.41	31,883.39
<b>Net Debt</b>	<b>1,21,262.92</b>	<b>36,598.70</b>

b) Movement in Net Debt during the year

	Financial Assets		Liabilities from financing activities		Total
	Cash and cash equivalents	Bank balances other than cash and	Debt securities	Borrowings other than debt securities	
Net debt as at March 31, 2022	8,413.17	665.91	13,866.39	31,883.39	36,598.70
Cashflows inflows	1,02,101.54	653.86	18,959.14	1,01,971.53	18,175.17
Cashflows outflows	87,109.49	-	3,476.49	18,000.90	(65,632.18)
Interest expense	-	-	2,433.19	6,889.24	9,322.43
Interest paid during the year	-	-	2,072.94	6,379.85	8,452.79
<b>Net debt as at March 31, 2023</b>	<b>23,465.32</b>	<b>1,319.77</b>	<b>29,789.29</b>	<b>1,16,283.41</b>	<b>1,21,267.61</b>
Net debt as at March 31, 2021	12,894.66	125.15	11,933.48	16,608.82	15,522.41
Cashflows inflows	16,143.51	540.76	3,300.00	23,300.00	9,915.73
Cashflows outflow:	20,625.00	-	1,537.16	8,254.29	(10,838.85)
Interest expense	-	-	1,371.62	1,860.86	3,232.48
Interest paid during the year	-	-	1,201.48	1,712.00	2,913.48
<b>Net debt as at March 31, 2022</b>	<b>8,413.17</b>	<b>665.91</b>	<b>13,866.39</b>	<b>31,883.39</b>	<b>36,598.70</b>



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**44. Transfer of Financial Assets**

**Transferred financial assets that are not derecognised in their entirety - Securitisation:**

The Company has transferred a pool of loan receivables backed by underlying assets by entering into securitisation transactions with the Special Purpose Vehicle Trusts (SPV Trust) for consideration received in cash at the inception of the transaction.

The Company, being Originator of these loan receivables, also acts as Servicer with a responsibility of collection of receivables from its borrowers and depositing the same in Collection and Pay out Account maintained by the SPV Trust for making scheduled pay outs to the investors in Pass Through Certificates (PTCs) issued by the SPV Trust. These securitisation transactions also requires the Company to provide for first loss credit enhancement in various forms, such as cash collateral, over collateral of Pool principal and excess interest spread (EIS) as credit support in the event of shortfall in collections from underlying loan contracts. By virtue of existence of credit enhancement, the Company is exposed to credit risk, being the expected losses that will be incurred on the transferred loan receivables to the extent of the credit enhancement provided.

In view of the above, the Company has retained substantially all the risks and rewards of ownership of the financial asset and thereby does not meet the derecognition criteria as set out in Ind-AS 109. Consideration received in this transaction is presented as 'Borrowing under Securitisation' under Note 14.

The following table provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Assignment / PTC</b>		
Carrying amount of transferred assets measured at amortised cost	5,691.29	1,222.85
Carrying amount of associated liabilities (Debt securities - measured at amortised cost)*	4,773.09	969.70
Fair value of assets	5,691.29	1,222.85
Fair value of associated liabilities	4,780.73	943.22
Net position at Fair Value	910.56	279.63

\* inclusive of EIR impact

**45. Utilization of funds**

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries)

The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**46. Events after reporting date**

There have been no major events which will cause changes to any numbers reported in the financial statements.



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**47. Regulatory disclosures - RBI**

The following additional information is disclosed in the terms of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR, PD, DBR/03.10.11R/2016-17 dated September 01, 2016 as amended.

The additional disclosure notes required by the Reserve Bank of India (RBI) are prepared under Indian Accounting Standards (Ind AS) issued by Ministry of Corporate Affairs (MCA), unless otherwise stated.

**47.1 Ratios**

	As at March 31, 2023	As at March 31, 2022
CRAR (%)	24.71%	47.84%
CRAR - Tier I capital (%)	24.39%	47.11%
CRAR - Tier II Capital (%)	0.32%	0.73%
Liquidity Coverage Ratio*	Not Applicable	Not Applicable

\*The Company is not required provide disclosure of Liquidity Coverage Ratio (LCR) as per RBI circular RBI/2019-20/88 DOR, NBFC (PD) CC, No.10203.10.001/2019-20 dated November 04, 2019 since the aforesaid circular is applicable on the NBFCs with asset size of Rs. 3,000 crore. The company is not falling within the given criteria and hence disclosure of LCR is not made.

**47.2 Investments**

The Company has Nil investments as on March 31, 2023 and March 31, 2022.

**47.3 Derivatives**

The Company has not entered into any forward rate agreements, interest rate swaps, exchange traded interest rate derivatives.

**47.4 Asset liability management**

**(A) Maturity pattern of certain items of assets and liabilities As at March 31, 2023**

A.I	Assets			
	Loans	Investments	Fixed Deposits	Foreign Currency Assets
1 day to 7 days	421.57	-	7,025.05	-
8 day to 14 days	547.57	-	-	-
15 day to 30/31 days (One month)	938.76	-	8,006.55	-
Over One months to 2 months	1,994.79	-	-	-
Over 2 months up to 3 months	1,899.02	-	26.28	-
Over 3 months to 6 months	5,883.31	-	4.09	-
Over 6 months to 1 year	11,377.73	-	-	-
Over 1 year to 3 years	52,476.76	-	139.68	-
Over 3 years to 5 years	80,964.57	-	-	-
Over 5 years	31,441.05	-	644.76	-
	<b>1,67,654.93</b>	<b>-</b>	<b>15,846.43</b>	<b>-</b>
A.II	Liabilities			
	Borrowings and Debt Securities	Deposits &	Foreign Currency Liabilities	
1 day to 7 days	547.46	-	-	-
8 day to 14 days	176.31	-	-	-
15 day to 30/31 days (One month)	2,723.48	-	-	-
Over One months to 2 months	1,996.43	-	-	-
Over 2 months up to 3 months	7,950.80	-	-	-
Over 3 months to 6 months	17,191.73	-	-	-
Over 6 months to 1 year	17,218.68	-	-	-
Over 1 year to 3 years	70,073.81	-	-	-
Over 3 years to 5 years	23,283.07	-	-	-
Over 5 years	4,328.93	-	-	-
	<b>1,45,952.78</b>	<b>-</b>	<b>-</b>	<b>-</b>



(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

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

**47. Regulatory disclosures - RBI**

**(B) Maturity pattern of certain items of assets and liabilities As at March 31, 2022**

B.i	Assets			Foreign Currency Assets
	Loans	Investments	Fixed Deposits	
1 day to 7 days	368.30	-	3,009.73	-
8 day to 14 days	302.18	-	-	-
15 day to 30/31 days (One month)	448.37	-	5,000.37	-
Over One months to 2 months	921.20	-	-	-
Over 2 months up to 3 months	923.98	-	26.73	-
Over 3 months to 6 months	2,821.32	-	2.97	-
Over 6 months to 1 year	5,783.09	-	-	-
Over 1 year to 3 years	24,608.85	-	-	-
Over 3 years to 5 years	27,572.17	-	132.25	-
Over 5 years	12,433.74	-	-	-
	<b>75,087.28</b>	<b>-</b>	<b>8,172.65</b>	<b>-</b>

B.ii	Liabilities		Foreign Currency Liabilities
	Borrowings and Debt Securities	Deposits*	
1 day to 7 days	1,000.00	-	-
8 day to 14 days	20.83	-	-
15 day to 30/31 days (One month)	619.26	-	-
Over One months to 2 months	512.71	-	-
Over 2 months up to 3 months	1,836.20	-	-
Over 3 months to 6 months	3,179.64	-	-
Over 6 months to 1 year	4,804.41	-	-
Over 1 year to 3 years	26,644.54	-	-
Over 3 years to 5 years	5,387.04	-	-
Over 5 years	1,655.16	-	-
	<b>45,669.78</b>	<b>-</b>	<b>-</b>

\* If This pertains to inter corporate deposits

**47.5 Exposures**

**Exposures to real estate sector**

	As at March 31, 2023	As at March 31, 2022
<b>a) Direct exposure</b>		
<b>Residential mortgages -</b>		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented ( individual housing loans up to INR15 lakhs may be shown separately)	29,536.40	32,195.37
<b>Commercial real estate -</b>		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc ). Exposure includes non-fund based (NFB) limits.	-	-
<b>Investments in mortgage backed securities (MBS) and other securitised exposures -</b>		
- Residential	-	-
- Commercial Real Estate	-	-
<b>b) Indirect exposure</b>		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-
<b>c) Others</b>		
	<b>29,536.40</b>	<b>32,195.37</b>



Placement Memorandum  
Date: February 15, 2024  
Only

Private & Confidential  
For Private Circulation

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

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**Axalta Finance Private Limited**  
Notes to the financial statements for the year ended March 31, 2023  
(Currency: Indian Rupee in lakhs)

**45. Regulatory disclosures - SEBI**

**Note:**

In line with RBI Circular dated September 9, 2009 on Classification of Exposure as Commercial Real Estate (CRE) by Banks, an exposure would be classified as CRE only if the repayment of loan is dependent on the cash flows generated from real estate assets (e.g. residential projects). However, the primary source of repayments in case of Education Institution Loans are the cash flows generated from business operations of such institutions (e.g. Tuition Fees / School Fees etc.) and not from assets / sale proceeds. Hence, such exposures shall not be categorized as CRE and accordingly relevant disclosure for FY 2022-23 & FY 2021-22 is being reflected and reported as Nil.

**Exposure to capital market**

	As at March 31, 2023	As at March 31, 2022
a) direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt	-	-
b) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	-	-
c) advances for any other purpose where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
d) advances for any other purpose to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances	-	-
e) secured and unsecured advances to stockholders and guarantees issued on behalf of stockholders and market makers	-	-
f) loans sanctioned to exposures against the security of shares / bonds / debentures or other securities or on clean basis for meeting borrower's contribution to the equity of new companies in anticipation of raising resources	-	-
g) bridge loans to companies against expected equity flows / loans	-	-
h) all exposures to Venture Capital Funds (both registered and unregistered)	-	-
i) others (not covered above)	-	-
	-	-

**45.6 Details of financing of parent Company projects:**

Details of financing of parent Company projects: Nil (Previous year: Nil)

**45.7 Details of single borrower limit and borrower group limit exceeded by the Company:**

During the year ended March 31, 2023 and March 31, 2022 the Company's credit exposure to single borrowers and group borrowers were within the limits prescribed by the RBI

**45.8 Unsecured advances:**

The portfolio of Company include unsecured loans. Details of loans are provided in Note 6.

During the year, the Company has not given any advance against collateral of rights, licenses, authority, etc. (Previous year: Nil)

**45.9 Registrations obtained from other financial sector regulators**

The Company is registered with following other financial sector regulators (Financial regulators as described by Ministry of Finance):

- i) Ministry of Corporate Affairs
- ii) Securities and Exchange Board of India (SEBI)

**45.10 During the current year the Company has paid penalties/delay charges of INR 0.29 lakhs to GST authorities towards disallowance of GST input credit**

During the previous year the Company has paid penalties of INR 4.15 lakhs for non disclosure of nature and extent of security as per regulation 54(2) along with Audited Financial Results.

**45.11 Related party transactions**

All material transactions with related parties are reflected in Note - 36

**45.12 Details of transaction with non executive directors - Rs. Nil (Previous year - Rs. Nil)**

Non-Executive Directors have no pecuniary relationship with the Company, except receiving sitting fees for the meetings attended.



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**Audilo Finance Private Limited**

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

(Currency : Indian Rupee in lakhs)

**47. Regulatory disclosures - RBI**

**47.13 Provisions and contingencies**

	As at March 31, 2023	As at March 31, 2022
<b>Breakup of provisions and contingencies shown under the head other expenses in the Statement of Profit and loss</b>		
Provision towards Stage 3	457.85	56.96
Provision made towards tax expenses	898.90	243.22
Provision for Stage 1/Stage 2 Assets including restructured and others	(2.49)	438.71
Provision for Stage 1 other financial assets	1.34	(8.25)
Other Provision and Contingencies *	94.68	168.25
<b>*Other provisions and contingencies</b>		
Provision for gratuity expense	16.54	18.71
Provision for compensated absences	12.83	11.72
Provision for ESOP	65.31	158.82
<b>Total</b>	<b>94.68</b>	<b>168.25</b>

**47.14 Draw down from reserves**

During the current year the Company has not drawn from any reserve. (Previous year : Nil)

**47.15 Concentration of deposits, advances, exposures and NPA assets**

	As at March 31, 2023	As at March 31, 2022
<b>A. Concentration of advances</b>		
Total Advances to twenty largest borrowers	6,704.28	7,567.96
% of Advances to twenty largest borrowers to Total Advances	3.97%	9.84%
<b>B. Concentration of exposures</b>		
Total Exposures to twenty largest borrowers / Customers	6,737.07	7,640.46
% of Exposures to twenty largest borrowers / Customers to Total Advances	3.99%	9.93%
<b>C. Concentration of NPA Advances</b>		
Total Exposures to top Four NPA Assets	1,675.59	1,079.62
<b>D. Sector-wise NPA Assets</b>		
	<b>% of NPA assets to Total Advances in that sector</b>	
<b>Sectors</b>	As at March 31, 2023	As at March 31, 2022
Agriculture and allied activities	0.00%	0.00%
MSME	0.00%	0.00%
Corporate borrowers	0.00%	0.00%
Services	0.00%	0.00%
Unsecured loans - Bill discounting	0.00%	0.00%
Auto loans	0.00%	0.00%
Other loans*	0.00%	0.00%
* Computed basis the Gross carrying amount of advances	1.65%	1.82%

**E. Concentration of deposits**

The Company is a Non Deposit Accepting Systemically Important NBFC. Accordingly, the Company has not accepted any deposits during the current and previous year. Also there are no outstanding deposits from earlier years (Previous Year : Nil).



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**Ausilio Finserve Private Limited**

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

(Currency - Indian Rupees in lakhs)

**47. Regulatory disclosures - RBI**

**47.16 Movement in non-performing assets (NPAs)**

The following table sets forth, for the periods indicated, the details of movement of Stage 3 assets net of provision (Also refer note 5.6)

	As at March 31, 2023	As at March 31, 2022
(i) Net NPAs* to net advances (%)	1.19%	1.17%
* Computed basis the Gross carrying amount of advances		
<b>(ii) Movement of NPAs (gross)</b>		
(a) Opening balance	1,247.01	791.75
(b) Additions during the year	1,593.71	690.97
(c) Reductions during the year	(68.84)	(55.71)
(d) Closing balance	<u>2,771.88</u>	<u>1,247.01</u>
<b>(iii) Movement of net NPAs</b>		
(a) Opening balance	898.63	420.33
(b) Additions during the year	1,126.09	512.21
(c) Reductions during the year	(35.07)	(53.91)
(d) Closing balance	<u>1,989.65</u>	<u>898.63</u>
<b>(iv) Movement of provisions for NPAs (including provision on standard assets)</b>		
(a) Opening balance	348.39	281.42
(b) Additions during the year	467.62	88.77
(c) Write-off/write back of excess provision	(9.77)	(21.89)
(d) Closing balance	<u>806.24</u>	<u>348.39</u>

**47.17 Customer complaints**

For the year ended  
March 31, 2023

For the year ended  
March 31, 2022

(i) No. of complaints pending at the beginning of the year	0	0
(ii) No. of complaints received during the year	70	21
(iii) No. of complaints addressed during the year	70	21
(iv) No. of complaints pending at the end of the year	0	0

**47.18 Rating assigned by credit rating agencies and migrations of ratings during the year**

Instrument Rating:

**CRISIL:**

Long Term debt instruments and long-term bank facilities: CRISIL A/Stable (Previous year rating CRISIL A/Stable)

Long Term debt instruments and Non-Convertible Debentures: CRISIL A/Stable (Previous year rating CRISIL A/Stable)

Short term debt instruments and short-term bank facilities: CRISIL A1 (Previous year rating CRISIL A1)

Market linked debentures: CRISIL PPM/MLD A/Stable (Previous year rating - N/A)

Commercial Paper: CRISIL A1 (Previous year rating CRISIL A1)

**CARE:**

Long Term debt instruments and long-term bank facilities: CARE A; Stable (Previous year rating CARE A; Stable)

Long Term debt instruments and Non-Convertible Debentures: CARE A; Stable (Previous year rating CARE A; Stable)

Market linked debentures: CARE PP-MLD A; Stable (Previous year rating CARE PP-MLD A; Stable)



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**Auxilio Finserv Private Limited**

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

(Currency - Indian Rupees in lakhs)

**47. Regulatory disclosures - RBI (Continued)**

**47.19 Disclosures relating to assignment and securitisation**

**47.19.1** The Company has not entered into any securitisation transactions during the current year. (Previous year - Refer note below)

No.	As at March 31, 2023	As at March 31, 2022
1	2	1
2	6,127.66	1,432.78
3	-	-
(a) Off-Balance Sheet exposures		
First loss	-	-
Others	-	-
(b) On-Balance Sheet exposures		
First loss	362.34	117.34
Others	723.35	293.36
4	-	-
Amount of exposures to securitisation transactions other than MRR		
(a) Off-Balance Sheet exposures		
(i) Exposure to own securitisations		
First loss	-	-
Others	-	-
(ii) Exposure to third party securitisations		
First loss	-	-
Others	-	-
(b) On-Balance Sheet exposures		
(i) Exposure to own securitisations		
First loss	-	-
Others	-	-
(ii) Exposure to third party securitisations		
First loss	-	-
Others	-	-

**47.19.2** Outstanding amount of assigned assets as per books of the Special Purpose Vehicle sponsored  
The Company has not entered into any assignment transactions during the current year. (Previous year - Nil)

**47.19.3** Details of financial assets sold to securitisation/reconstruction Company for asset reconstruction  
The Company has not sold any financial assets to securitisation/reconstruction Company for asset reconstruction during the year ended March 31, 2023 and March 31, 2022.

**47.20** Details of non-performing financial assets purchased / sold by the Company  
The Company has neither purchased nor sold non-performing assets during the year ended March 31, 2023 and March 31, 2022.



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

41. Regulatory disclosure - RRT (Continued)

41.21 Comparison of Regulatory Provision for NPA and Impairment Provision as per Ind AS  
As at March 31, 2023

Asset Classification as per RBI Norms	as per Ind AS 109	Gross Carrying Amount as per Ind AS	Less Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACF norms	Difference between Ind AS 109 provisions and IRACF norms
<b>Performing</b>						
Standard	Stage-1 Stage-2	1,61,929.82 4,329.62	387.45 282.72	1,61,622.39 4,046.90	700.50 18.80	(400.07) 264.72
<b>Sub total</b>		<b>1,66,259.44</b>	<b>669.15</b>	<b>1,65,590.29</b>	<b>719.30</b>	<b>(136.35)</b>
<b>Non Performing Assets (NPA)</b>						
Substandard	Stage-3	1,786.35	389.17	1,397.18	179.04	208.23
Doubtful						
up to 1 year	Stage-3	307.79	54.85	252.94	41.30	22.31
1 to 3 Years	Stage-3	797.53	353.02	444.51	340.98	132.04
More than 3 years	Stage-3	-	-	-	-	-
<b>Sub total for Doubtful</b>		<b>1,065.34</b>	<b>417.07</b>	<b>648.27</b>	<b>282.72</b>	<b>134.38</b>
Loss	Stage-3	-	-	-	-	-
<b>Subtotal for NPA</b>		<b>1,796.69</b>	<b>806.24</b>	<b>1,000.45</b>	<b>462.66</b>	<b>343.58</b>
Other items	Stage-1 Stage-2 Stage-3	- - -	- - -	- - -	- - -	- - -
<b>Total</b>	Stage-1 Stage-2 Stage-3 <b>Total</b>	<b>1,61,929.82 4,329.62 1,796.69 1,68,056.13</b>	<b>387.45 282.72 806.24 1,476.39</b>	<b>1,61,622.39 4,046.90 1,000.45 1,67,679.74</b>	<b>700.50 18.80 462.66 1,272.16</b>	<b>(400.07) 264.72 343.58 185.23</b>

As at March 31, 2022

Asset Classification as per RBI Norms	as per Ind AS 109	Gross Carrying Amount as per Ind AS	Less Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACF norms	Difference between Ind AS 109 provisions and IRACF norms
<b>Performing</b>						
Standard	Stage-1 Stage-2	70,312.44 5,370.80	147.47 446.39	70,164.97 4,924.41	304.36 166.95	(157.09) 279.35
<b>Sub total</b>		<b>75,683.24</b>	<b>593.87</b>	<b>75,089.37</b>	<b>471.31</b>	<b>122.36</b>
<b>Non Performing Assets (NPA)</b>						
Substandard	Stage-3	518.60	123.27	395.33	52.78	76.57
Doubtful						
up to 1 year	Stage-3	728.41	323.11	405.30	146.91	78.28
1 to 3 Years	Stage-3	-	-	-	-	-
More than 3 years	Stage-3	-	-	-	-	-
<b>Sub total for Doubtful</b>		<b>728.41</b>	<b>323.11</b>	<b>405.30</b>	<b>146.91</b>	<b>76.20</b>
Loss	Stage-3	-	-	-	-	-
<b>Subtotal for NPA</b>		<b>1,247.01</b>	<b>346.38</b>	<b>900.63</b>	<b>199.69</b>	<b>148.77</b>
Other items	Stage-1 Stage-2 Stage-3	- - -	- - -	- - -	- - -	- - -
<b>Total</b>	Stage-1 Stage-2 Stage-3 <b>Total</b>	<b>70,312.44 5,370.80 1,247.01 76,930.25</b>	<b>147.47 446.39 346.38 940.24</b>	<b>70,164.97 4,924.41 900.63 76,090.01</b>	<b>304.36 166.95 199.69 671.00</b>	<b>(157.09) 279.35 148.77 271.60</b>



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**Axelle Fintserve Private Limited**  
Notes to the financial statements for the year ended March 31, 2023  
(Currency - Indian Rupees in lakhs)

**41.21 Disclosure of Restructured Accounts**  
(as required by RBI guidelines under reference DNBS- CO- PD/ No. 267 / 83-90-04 / 2013-14 dated January 23, 2014)

Sl No	Type of Restructuring — Asset Classification —		Standard	Sub Standard	Doubtful / Loss	Total
<b>Details I</b>						
1	Restructured Accounts as on April 1 of the Financial Year (opening figure)	No. of borrowers Amount outstanding Provision thereon	23 1,415.00 151.00	1 37.37 11.25	- - -	24 1,452.37 162.25
2	Fresh restructuring during the year	No. of borrowers Amount outstanding* Provision thereon	- - -	- - -	- - -	- - -
3	Recovery	No. of borrowers Amount outstanding Provision thereon	- - -	- - -	- - -	- - -
4	Upgrades in restructured standard category during the Financial Year	No. of borrowers Amount outstanding Provision thereon	- - -	- - -	- - -	- - -
5	Restructured standard advances which cross or attract higher provisioning and / or additional risk	No. of borrowers Amount outstanding Provision thereon	123 (1,455.00) (151.00)	- - -	- - -	(123) (1,455.00) (151.00)
6	Down gradations of restructured accounts during the Financial Year	No. of borrowers Amount outstanding Provision thereon	- - -	(11) (37.37) (11.25)	1 41.52 13.59	- 41.52 4.34
7	Write-offs of restructured accounts during the Financial Year	No. of borrowers Amount outstanding Provision thereon	- - -	- - -	- - -	- - -
8	Restructured Accounts as on March 31 of the Financial Year (closing figure) * Outstanding as on March 31, 2023	No. of borrowers Amount outstanding Provision thereon	- - -	- - -	1 41.52 13.59	1 41.52 13.59

**Details of resolution plan**

Details of resolution plan implemented under the Resolution Framework for COVID-19 related Stress as per RBI circular (RBI/2020-21/16 DOR.No.FP/DC/2/21/54,048/2020-21) dated August 6, 2020 are given below:

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan — Position as at September 30, 2022 (₹)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A), amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan — Position as at March 31, 2023
Personal Loans	370.84	-	-	41.36	374.59
Corporate persons* (of which MSMEs)	-	-	-	-	-
Others	-	-	-	-	-
<b>Total</b>	<b>370.84</b>	<b>-</b>	<b>-</b>	<b>41.36</b>	<b>374.59</b>

\* As defined in Section 2(7) of the Insolvency and Bankruptcy Code, 2016



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**Auxilio Finserve Private Limited**

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

(Currency - Indian Rupee in lakhs)

47. Regulatory disclosures - RBI (Continued)

47.23 Disclosures on liquidity risk under RBI circular no. RB02019.20/88 DOR.NEFC (FD) CC. No.102/03.10.001(2019-20) dated November 04, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies from March 31, 2020 onwards.

47.23.a Funding Concentration based on significant counterparty (borrowings, debt securities)

Particulars	As at March 31, 2023	As at March 31, 2022
No. of Significant Counterparties*	26	37
Amount (INR in lakhs)†	1,31,256.79	43,609.78
Percentage of funding concentration to total deposits	-	-
Percentage of funding concentration to total liabilities**	87.74%	96.40%

47.23.b Top 20 large deposits

Not applicable

47.23.c Top 10 borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
Total amount of top 10 borrowings (INR in lakhs)†	87,243.68	36,424.41
Percentage of amount of top 10 borrowings to total borrowings	58.36%	79.76%

47.23.d Funding concentration based on significant instrument / product\*\*:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Amount	% of Total Liabilities -	Amount	% of Total Liabilities -
a) Term loan	1,08,034.00	72.23%	28,893.69	63.39%
b) Working capital demand loan	3,476.32	2.32%	1,800.00	2.11%
c) Non convertible debentures	28,218.66	18.87%	13,856.79	29.27%
d) Securitisation payables	4,375.09	3.19%	699.70	1.52%
e) Commercial paper	1,490.63	1.00%	-	-

\*Significant counterparty is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NEFC-NDGF's total liabilities.

\*\*Significant instrument / product is defined as a single instrument / product of group of similar instruments/products which in aggregate amount to more than 1% of the NEFC-NDGF's total liabilities.

† Total Liabilities represents total liabilities as per balance sheet less total equity

‡ All the above numbers are excluding notional lead AS adjustments for previous year.

47.23.e Stock Ratios:

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Commercial Papers to Total Liabilities	1.00%	N/A
(ii) Commercial Papers to Total Assets	0.76%	N/A
(iii) Commercial Papers to Public funds	N/A	N/A
(iv) NCD (Original Maturity < 1yrs.) to Total Liabilities	N/A	N/A
(v) NCD (Original Maturity < 1yrs.) to Total Assets	N/A	N/A
(vi) NCD (Original Maturity < 1yrs.) to Public funds	N/A	N/A
(vii) Other Short Term Liabilities to Total Liabilities ††	32.94%	26.42%
(viii) Other Short Term Liabilities to Total Assets ††	25.23%	14.55%
(ix) Other Short Term Liabilities to Public funds ††	N/A	N/A

†† Other short term liabilities include all the financial liabilities maturing within next 12 months.

47.23.f Institutional set-up for liquidity risk management:

The Company's Board of Directors assume the overall responsibility for management of liquidity risk.

Risk Management Committee (RMC) shall have overall responsibility of evaluating liquidity risks faced by the entity and will act as per mandate of the Board in managing the liquidity risk and adherence to this framework through itself and the various sub-committees reporting into it.

Asset Liability Committee (ALCO) reports into the RMC which in turn is supported by Asset Liability Management Support Group in managing the overall liquidity risk of the Company.



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**Axio Finance Private Limited**

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

(Currency : Indian Rupee in lakhs)

47. Regulatory disclosures - RFI (Continued)

47.24 Disclosure applicable in accordance with the RFI circular no. RBI/2022-23/06 DOR.ACC.REC.No.18/01.96.018/2022-23:

47.24.a Sectoral exposure

	As at March 31, 2023			As at March 31, 2022		
	Total Exposure*	Gross NPAs	% of Gross NPAs to total exposure in that sector	Total Exposure*	Gross NPAs	% of Gross NPAs to total exposure in that sector
Education Industry	2,00,660.72	2,191.85	1.09%	88,166.49	897.37	1.02%

\*Includes on balance sheet and off-balance sheet exposure

47.24.b Related Party Disclosure

All the relevant transactions with related parties in accordance with Ind AS 24 are reflected in Note - 36

Additional Key Management Personnel in addition to Ind AS, as mentioned in the circular, which is required to be disclosed as per the notification:

Hanisha Saksena, Chief Finance Officer

Deepika Thakur Chaudhan, Company Secretary (ceased to be the company secretary w.e.f. April 07, 2022, reappointed w.e.f. September 05, 2022)

No.	Nature of Transaction	Name of Party	As at March 31, 2023	As at March 31, 2022
1	Retirement:			
a	Short-term employee benefits	Hanisha Saksena	99.91	98.56
		Deepika Thakur Chaudhan	20.01	25.72
b	Employee Stock Option	Hanisha Saksena	27.54	27.54
		Deepika Thakur Chaudhan	1.32	0.99
2	Issue of equity shares (incl. securities premium)	Deepika Thakur Chaudhan	0.35	4.95

47.24.c Disclosure of complaints

i Summary information on complaints received by the NBFCs from customers and from the Office of Ombudsman

S. No.	Particulars	As at March 31, 2023	As at March 31, 2022
1	Complaints received by the NBFC from its customers		
2	Number of complaints pending at beginning of the year	0	0
3	Number of complaints received during the year	76	21
	3.1 Of which, number of complaints rejected by the NBFC	0	0
4	Number of complaints pending at the end of the year	0	0
	Maintainable complaints received by the NBFC from Office of Ombudsman		
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman	3	1
5.1	Of 3, number of complaints resolved in favour of the NBFC by Office of Ombudsman	3	1
5.2	Of 3, number of complaints resolved through conciliation/mediation/advocates issued by Office of Ombudsman *	2	0
5.3	Of 3, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	0	0
6	Number of Awards implemented within the stipulated time (other than those appealed)	0	0

\*Includes complaints received through Conciliator by office of Ombudsman

ii Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
As at March 31, 2023					
Service Related	0	41	241.51%	0	0
Finance Related	0	12	300.00%	0	0
Behavior Related	0	2	100.00%	0	0
Mis-selling	0	2	0.00%	0	0
Refused Related	0	8	390.00%	0	0
Others	0	5	150.00%	0	0
<b>Total</b>	<b>0</b>	<b>79</b>	<b>238.33%</b>	<b>0</b>	<b>0</b>
As at March 31, 2022					
Service Related	0	12	154.71%	0	0
Finance Related	0	3	150.00%	0	0
Behavior Related	0	1	-	0	0
Mis-selling	0	2	3.00	0	0
Refused Related	0	1	58.00%	0	0
Others	0	2	123.33%	0	0
<b>Total</b>	<b>0</b>	<b>21</b>	<b>108.82%</b>	<b>0</b>	<b>0</b>



(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**Aurilio Finserve Private Limited**

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

(Currency: Indian Rupees in lakhs)

**47. Regulatory disclosures - RBI (Continued)**

**47.24.d Breach of covenant**

There are no instances of breach of covenants for loan availed or debt securities issued.

**47.25 Overseas assets**

The Company did not have any Joint Ventures and Subsidiaries abroad as at March 31, 2023 (March 31, 2022: Nil)

**47.26 Reporting of Frauds**

The Company has not reported any fraud during the current year ( Previous year : Nil)

**48. Willful Defaulter**

The company has not been declared as willful defaulter by any bank or financial institution or other lender.

**49. Relationship with struck off Companies**

The company not had any transaction with companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

**50. Undisclosed Income**

There are no transactions which are recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax statements under the Income Tax Act, 1961.

**51. Details of Crypto Currency or Virtual Currency**

There are no trading or investment in Crypto currency or Virtual Currency during the financial year by the Company.

**52. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/ interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.**

**53. Previous year figures have been regrouped / reclassified to make them comparable with current reporting period.**

As per our report of even date attached.

For Mangia & Co LLP  
Chartered Accountants  
Firm Registration No.: 002150C70200069

  
Jagpreet Singh Badi  
Partner  
Membership No. - 601788

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

  
Manish Chokhani  
Director  
DIN - 00204011

  
Nirmal Saxena  
SdO & CFO  
DIN - 67951785

  
Renuka Saxena  
Chief Financial Officer

  
Deepika Thakar Chaudhary  
Company Secretary

Mumbai  
May 02, 2023

Mumbai  
May 02, 2023



(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**Accellio Finance Private Limited**

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

(Currency: Indian Rupee in lakhs)

**Annexure -3**

Schedule to the Balance Sheet of "Accellio Finance Private Limited" (as required in terms of paragraph 17 of Securities and Exchange Board of India (Banking Companies) Regulations, 2008)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Amount outstanding	Amount overdue	Total	Amount outstanding	Amount overdue	Total
(i) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:						
(A) Debentures - Secured	28,218.66	-	28,218.66	11,866.20	-	11,866.20
(B) Unsecured (other than falling within the meaning of public deposits)	-	-	-	-	-	-
(C) Deferred credits	-	-	-	-	-	-
(D) Bank loans	1,08,634.60	-	1,08,634.60	29,890.69	-	29,890.69
(E) Inter-corporate loans and borrowings	-	-	-	-	-	-
(F) Commercial paper	1,490.68	-	1,490.68	-	-	-
(G) Public deposits	-	-	-	-	-	-
(H) Other loans (Borrowings)	8,249.41	-	8,249.41	1,909.78	-	1,909.78
(I) Breakup of (D) (H) above (Outstanding public deposits inclusive of interest accrued thereon but not paid)						
(i) In the form of Unsecured debentures	-	-	-	-	-	-
(ii) In the form of partly secured debentures i.e. debentures which there is a charge on the value of security	-	-	-	-	-	-
(iii) Other public deposits	-	-	-	-	-	-
Assets side:						
(A) Breakup of loans and advances including bills receivable (other than those included in (A) below)						
(a) Secured	28,654.28	-	28,654.28	21,223.84	-	21,223.84
(b) Unsecured	1,49,187.28	-	1,49,187.28	43,664.48	-	43,664.48
(B) Breakup of Loans and advances on a stock on hire and other assets coming towards AFC activities						
(i) Loans assets including bills receivable under custody debentures						
(a) Financial assets	-	-	-	-	-	-
(b) Operating assets	-	-	-	-	-	-
(c) Stock on hire including hire charges under custody debentures	-	-	-	-	-	-
(d) Assets on hire	-	-	-	-	-	-
(e) Prepaid assets	-	-	-	-	-	-
(ii) Other assets coming towards AFC activities	-	-	-	-	-	-
(a) Loans which assets have been repossessed	-	-	-	-	-	-
(b) Loans other than (a) above	-	-	-	-	-	-
(C) Breakup of investments:						
Current investments:						
1. Quoted						
(a) Shares: (i) Equity	-	-	-	-	-	-
(ii) Preference	-	-	-	-	-	-
(b) Debentures and bonds	-	-	-	-	-	-
(c) Units of mutual funds	-	-	-	-	-	-
(d) Government securities	-	-	-	-	-	-
(e) Others (please specify)	-	-	-	-	-	-
2. Unquoted						
(a) Shares: (i) Equity	-	-	-	-	-	-
(ii) Preference	-	-	-	-	-	-
(b) Debentures and bonds	-	-	-	-	-	-
(c) Units of mutual funds	-	-	-	-	-	-
(d) Government securities	-	-	-	-	-	-
(e) Others (please specify)	-	-	-	-	-	-



(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**Axalis Finserve Private Limited**  
Notes to the financial statements for the year ended March 31, 2023  
(Currency - Indian Rupee in lakhs)

**Annexure - I**

Schedule to the Balance Sheet of "Axalis Finserve Private Limited" (as required in terms of paragraph 19 of Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Amount outstanding	Amount overdue	Total	Amount outstanding	Amount overdue	Total
<b>Long term investments:</b>						
1. Quoted:						
(i) Shares:						
(a) Equity	-	-	-	-	-	-
(b) Preference	-	-	-	-	-	-
(ii) Debentures and bonds	-	-	-	-	-	-
(iii) Units of mutual funds	-	-	-	-	-	-
(iv) Government securities	-	-	-	-	-	-
(v) Others (please specify)	-	-	-	-	-	-
2. Unquoted:						
(i) Shares:						
(a) Equity	-	-	-	-	-	-
(b) Preference	-	-	-	-	-	-
(ii) Debentures and bonds	-	-	-	-	-	-
(iii) Units of mutual funds	-	-	-	-	-	-
(iv) Government securities	-	-	-	-	-	-
(v) Others (please specify)	-	-	-	-	-	-
<b>(C) Borrower group-wise classification of assets financed as in (I) and (II) above:</b>	<b>Amount out of provision (Refer note 6)</b>			<b>Amount out of provision (Refer note 6)</b>		
<b>Category</b>	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
1. Related Parties						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties	28,694.00	1,49,397.28	1,78,091.28	31,328.04	49,604.40	70,932.44
<b>Total</b>	<b>28,694.00</b>	<b>1,49,397.28</b>	<b>1,78,091.28</b>	<b>31,328.04</b>	<b>49,604.40</b>	<b>70,932.44</b>
<b>(D) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):</b>						
<b>Category</b>	<b>Market Value / Break up or fair value or NAV</b>	<b>Book Value (Net of provisions)</b>	<b>Total</b>	<b>Market Value / Break up or fair value or NAV</b>	<b>Book Value (Net of provisions)</b>	<b>Total</b>
1. Related Parties						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(E) Other Information</b>						
<b>Particulars</b>	<b>As at March 31, 2023</b>		<b>As at March 31, 2022</b>			
(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 debt						
				1,985.65		898.43



(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

## AUDITED FINANCIAL STATEMENTS FOR FY21-22

Auxilio Finserve Private Limited  
Balance Sheet as at March 31, 2022  
(Currency : Indian Rupees in lakhs)

	Note No.	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>(I) Financial Assets</b>			
(a) Cash and cash equivalents	3	8,413.10	12,894.34
(b) Bank balances other than cash and cash equivalents	4	665.80	125.05
(c) Receivables	5	31.02	41.25
Trade receivables	6	25,987.28	52,987.58
(d) Loans	7	90.59	79.23
(e) Other financial assets		85,187.79	66,127.45
<b>(II) Non Financial Assets</b>			
(a) Current tax assets (net)	8	65.43	97.55
(b) Deferred tax assets (net)	9	305.48	128.05
(c) Property, plant and equipment	10	105.38	123.59
(d) Right-of-use assets	10	212.74	244.11
(e) Intangible assets under development	11	123.23	
(f) Intangible assets	10	88.35	93.43
(g) Other non financial assets	12	189.62	138.73
		1,090.21	825.46
<b>Total Assets</b>		<b>86,278.00</b>	<b>66,952.91</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>(I) Financial Liabilities</b>			
(a) Trade payables		-	-
i) total outstanding dues of micro enterprises and small enterprises		-	-
ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(b) Debt securities	13	13,866.39	11,933.40
(c) Borrowings (Other than debt securities)	14	31,803.39	16,608.82
(d) Lease liabilities	29	231.38	267.61
(e) Other financial liabilities	15	1,168.03	763.39
		47,069.19	29,573.42
<b>(II) Non-Financial Liabilities</b>			
(a) Provisions	16	126.96	77.91
(b) Other non-financial liabilities	17	178.24	48.60
		305.20	126.51
<b>EQUITY</b>			
(a) Equity share capital	18	34,944.50	34,406.22
(b) Other equity	19	3,959.11	2,846.76
		38,903.61	37,252.98
<b>Total Liabilities and Equity</b>		<b>86,278.00</b>	<b>66,952.91</b>

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

1 & 2

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

For Price Waterhouse Chartered Accountants LLP  
Firm Registration No.: D12754N/N500016

  
Russell I Parera  
Partner  
Membership No. - 042190

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

  
Manish Chokhani  
Director  
DIN - 00204011

  
Neeraj Saxena  
MD & CEO  
DIN - 07951705

  
Harsha Salsena  
Chief Financial Officer

Mumbai  
May 19, 2022



Mumbai  
May 19, 2022

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**Auxilio Finserve Private Limited**  
**Statement of Profit and Loss for the year ended March 31, 2022**

(Currency : Indian Rupees in lakhs)

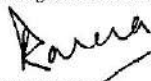
Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>(I) Revenue from operations</b>			
(a) Interest income	20	8,476.53	7,360.17
(b) Fee and commission income	21	103.99	33.22
(c) Net gain on fair value change	22	138.71	116.52
<b>Total revenue from operations</b>		<b>8,719.23</b>	<b>7,509.91</b>
<b>(II) Other income</b>	23	542.70	59.20
<b>Total income</b>		<b>9,261.93</b>	<b>7,569.11</b>
<b>(III) Expenses</b>			
(a) Finance costs	24	3,313.30	3,265.89
(b) Impairment on financial assets	25	527.16	78.87
(c) Employee benefits expenses	26	2,592.84	1,912.92
(d) Depreciation and amortization	10	280.41	266.83
(e) Others expenses	27	1,043.52	727.32
<b>Total expenses</b>		<b>7,757.23</b>	<b>6,249.83</b>
<b>(IV) Profit before tax for the year (I + II - III)</b>		<b>1,504.70</b>	<b>1,319.28</b>
<b>(V) Tax Expense :</b>	28		
(a) Current tax		431.01	330.90
(b) Short / (Excess) provision for earlier years		(5.67)	(35.44)
(c) Deferred tax		(177.43)	61.59
		247.91	357.05
<b>(VI) Net profit after tax for the year (IV - V)</b>		<b>1,256.79</b>	<b>962.23</b>
<b>(VII) Other Comprehensive Income</b>			
(a) Items that will not be reclassified to profit and loss			
(i) Remeasurement gains and (losses) on defined benefit obligations		(18.62)	0.02
(ii) Income tax relating to items that will not be reclassified to profit and loss		4.69	(0.01)
<b>Total (a)</b>		<b>(13.93)</b>	<b>0.01</b>
(b) Items that will be reclassified to profit and loss		-	-
<b>Total (b)</b>		<b>-</b>	<b>-</b>
<b>Other Comprehensive income (a+b)</b>		<b>(13.93)</b>	<b>0.01</b>
<b>(VIII) Total Comprehensive Income for the year (VI + VII)</b>		<b>1,242.86</b>	<b>962.24</b>
<b>(IX) Earnings per equity share in Rupees - Not Annualised (Face value INR 10 each)</b>			
Basic	30	0.36	0.28
Diluted	30	0.36	0.28

**Significant Accounting Policies**

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

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

For Price Waterhouse Chartered Accountants LLP  
Firm Registration No.: 012754/N/500016

  
Russell J Pareira  
Partner  
Membership No. - 042190

Mumbai  
May 19, 2022

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

  
Manish Chokhani  
Director  
DIN - 00204011

  
Harsha Saxena  
Chief Financial Officer

Mumbai  
May 19, 2022

  
Neeraj Saxena  
MD & CEO  
DIN - 07951705



(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**Auxilio Finserve Private Limited**  
Statement of changes in equity As at March 31, 2022  
(Currency - Indian Rupees in lakhs)

**A. Equity Share Capital**

Particulars	As at March 31, 2021		As at March 31, 2022	
	Number of Shares	Amount	Number of Shares	Amount
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	34,40,62,153	34,406.22	34,40,62,153	34,406.22
Adjust: Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting year	34,40,62,153	34,406.22	34,40,62,153	34,406.22
Add: Changes in equity share capital during the year	52,82,834	538.28	-	-
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	34,94,44,987	34,944.50	34,40,62,153	34,406.22

**B. Other Equity**

Particulars	Equity component of compound financial instrument	Other Equity				Total Other Equity
		Securities premium	Statutory reserve	Employee stock options	Retained Earnings	
Balance As at March 31, 2020	8.00	2,203.11	198.87	372.24	(1,302.73)	1,479.49
Changes in accounting policy/prior period errors	-	-	-	-	-	-
Restated Balance As at March 31, 2020	8.00	2,203.11	198.87	372.24	(1,302.73)	1,479.49
Profit for the year	-	-	-	-	962.23	962.23
Other comprehensive income for the year	-	-	-	-	0.01	0.01
Money called up and paid on OCFPS	264.27	-	-	-	-	264.27
Transfer (from) / to	-	-	192.45	-	(192.45)	-
Employee share options	-	-	-	149.76	-	149.76
Balance As at March 31, 2021	272.27	2,203.11	391.32	513.00	(532.94)	2,846.76
Changes in accounting policy/prior period errors	-	-	-	-	-	-
Restated Balance As at March 31, 2021	272.27	2,203.11	391.32	513.00	(532.94)	2,846.76
Profit for the year	-	-	-	-	1,256.79	1,256.79
Other comprehensive income for the year	-	-	-	-	(13.93)	(13.93)
Money called up and paid on OCFPS	264.00	-	-	-	-	264.00
Converted to Equity Shares	(533.34)	-	-	-	-	(533.34)
Transfer (from) / to	-	-	248.32	(203.29)	(45.20)	-
Employee share options	-	-	-	138.83	-	138.83
Balance As at March 31, 2022	2.93	2,203.11	639.64	448.54	664.64	3,958.11

**Significant Accounting Policies - Refer Note 1 & 2**

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

For Price Waterhouse Chartered Accountants LLP  
Firm Registration No. - 012754N/S/0016

  
Roshni Pareek  
Partner  
Membership No. - 042190

Mumbai  
May 19, 2022

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

  
Manish Chelani  
Director  
DIN - 00209011

  
Harsh Saxena  
Chief Financial Officer  
Mumbai  
May 19, 2022



(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Auxilio Finserve Private Limited  
 Statement of cash flows for the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

Notes:

3) Reconciliation of cash and cash equivalents as per the statement of cash flow

Particulars	March 31, 2022	March 31, 2021
Cash and Cash Equivalents as per above comprise of the following:		
- In Current accounts	906.85	585.60
- In Fixed deposits	7,506.32	12,308.97
- Bank Overdraft		
<b>Balances as per statement of cash flow</b>	<b>8,413.17</b>	<b>12,894.66</b>

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

iii) The cash and cash equivalent as shown in balance sheet is net of impairment allowance of INR 0.07 lakhs (Previous year INR 0.32 lakhs).

iv) For Net debt reconciliation refer note - 43.

**Significant Accounting Policies**

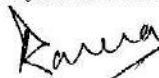
The accompanying notes are an integral part of the financial statements.

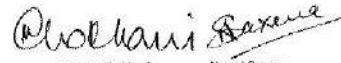
1 & 2

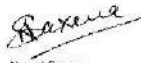
This is Statement of Cash Flow referred in our report of even date.

For Price Waterhouse Chartered Accountants LLP  
 Firm Registration No.: 012754N/S00016

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

  
 Harshil Pareek  
 Partner  
 Membership No. - 642190

  
 Manish Chokhani  
 Director  
 DIN - 00204011

  
 Neeraj Saxena  
 MD & CEO  
 DIN - 07951705

  
 Harshita Saxena  
 Chief Financial Officer

Mumbai  
 May 19, 2022

Mumbai  
 May 19, 2022



(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**Auxilio Finance Private Limited**  
Statement of cash flows for the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>A Cash flow from operating activities</b>		
Profit before tax	1,501.70	1,719.28
<b>Adjustments for:</b>		
Depreciation/amortisation	280.41	266.82
Interest adjustment/lease liabilities	26.39	27.55
Interest adjustment/lease liabilities	3,232.48	3,179.38
Interest Expense	(2,913.47)	(2,305.75)
Interest Paid	527.19	78.87
Impairment on financial assets	(135.71)	(116.52)
Net gain on sale on current investments measured at fair value through profit and loss	0.89	-
Profit or Loss on sale of fixed assets	11.72	(7.35)
Provision for Contingencies	23.40	16.16
Provision for Guaranty	5.20	5.04
Interest expense on security deposit	(5.76)	(4.43)
Unwinding of discount on security deposits	138.83	140.76
Employees stock option provision		
<b>Operating cash flow before working capital changes</b>	<b>2,693.34</b>	<b>2,624.52</b>
<b>Add/(Less): Adjustments for working capital changes</b>		
(Increase)/Decrease in Trade Receivables	10.18	29.12
(Increase)/Decrease in Loans	(23,326.84)	(4,407.60)
(Increase)/Decrease in Other Financial Assets	(10.79)	(9.92)
(Increase)/Decrease in Other non-financial assets	(50.89)	(37.58)
(Increase)/Decrease in Other Bank balances	(540.24)	(7.91)
(Increase)/Decrease in Right of use assets	(132.12)	(63.56)
(Increase)/Decrease in Lease Liabilities	126.32	71.33
(Increase)/Decrease in Payables	-	(6.34)
(Increase)/Decrease in FCI on Cash and cash equivalents	(0.25)	(0.11)
(Increase)/Decrease in Other financial liabilities	404.44	191.39
(Increase)/Decrease in Other non-financial liabilities	129.63	(42.15)
<b>Cash used in operations</b>	<b>(20,897.67)</b>	<b>(1,961.25)</b>
Income taxes paid (Net of Refunds received)	(393.22)	(334.32)
<b>Net cash used in operating activities - A</b>	<b>(21,290.91)</b>	<b>(2,295.57)</b>
<b>B Cash flow from investing activities</b>		
Purchase of property, plant and equipment, intangible assets (including asset under development)	(219.39)	(55.56)
Sale of property, plant and equipment	1.55	-
Purchase of investments	(33,125.00)	(14,525.00)
Proceeds from sale of investments	33,263.71	14,641.52
<b>Net cash generated from / (used in) investing activities - B</b>	<b>(79.13)</b>	<b>60.96</b>
<b>C Cash flow from financing activities</b>		
Proceeds from call money on OCPs	264.00	264.27
Proceeds from issue of equity shares	4.35	-
Payment towards leases	(183.95)	(162.14)
Proceeds from issue of debt securities	3,300.00	1,828.00
Repayment of debt securities	(1,537.16)	(2,916.67)
Proceeds from borrowings (other than Debt securities)	23,300.00	1,569.91
Repayment of borrowings (other than Debt securities)	(8,254.25)	(7,917.75)
<b>Net cash generated from financing activities - C</b>	<b>16,888.85</b>	<b>2,835.71</b>
<b>Net increase / (Decrease) in cash and cash equivalents (A+B+C)</b>	<b>(4,481.49)</b>	<b>609.10</b>
Cash and cash equivalent as at the beginning of the year	12,804.66	12,286.56
Cash and cash equivalent as at the end of the year	8,313.17	12,894.66



(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**Auxilo Finserve Private Limited**  
**Notes to the financial statements for the year ended March 31, 2022**

(Currency : Indian Rupees in lakhs)

**1. Corporate Information**

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

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

The financial statements of the Company for the year ended March 31, 2022 were approved for issue in accordance with the resolution of the Board of Directors on May 19, 2022.

**2 Basis of preparation and summary of significant accounting policies**

**A Basis of preparation of financial statements**

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

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other related provision of Act. Effective April 01, 2020, the Company had adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards, with April 01, 2019 as the transition date to Ind AS.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the financial years presented in the financial statements. These financial statements were authorized for issue by the Company's Board of Directors on May 19, 2022.

**2.02 Basis of preparation**

The financial statement comprises of statement of financial position as at March 31, 2022, statement of profit and loss, statement of changes in equity and statement of cash flow for the year then ended and related explanatory notes. The Company has prepared these financial statements to comply in all material respects with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The Company has assessed its liquidity position and its possible sources of funds. The Board of Directors of the Company are confident of the Company's ability to meet its obligations as and when they arise in the next twelve months from the date of these financial statements. Accordingly, these financial statements have been prepared on a going concern basis.

**2.03 Basis of measurement**

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

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

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



(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**Auxilo Finserve Private Limited**  
**Notes to the financial statements for the year ended March 31, 2022**

(Currency : Indian Rupees in lakhs)

**2.04 Use of estimates and judgements**

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

**2.05 Critical Accounting Estimates and Judgements**

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

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

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

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

**A. Measurement of impairment of loans and advances**

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

**B. Measurement of defined benefit obligations**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each financial year end.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, the actuary considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables. These mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.



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**Auxilo Finserve Private Limited**  
**Notes to the financial statements for the year ended March 31, 2022**

(Currency : Indian Rupees in lakhs)

**C. Useful lives of property, plant and equipment and intangible assets**

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

**D. Fair value of financial instrument**

The fair value of financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility. For further details about determination of fair value please see Note - 39

**E. Business model assessment**

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

**F. Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

**G. Contingent liabilities**

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

**H. Employee Benefits**

**i) Short-term employee benefits**

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



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**Auxilio Finserve Private Limited**  
**Notes to the financial statements for the year ended March 31, 2022**

(Currency : Indian Rupees in lakhs)

**ii) Defined Contribution Plan**

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

**iii) Defined Benefit Plan**

The Company has an obligation towards gratuity, a non funded defined benefit plan covering eligible employees. Vesting for gratuity occurs upon completion of five years of service. Details of the unfunded defined benefit plans for its employees are given in note 37B which is as certified by the actuary using projected unit credit method.

**iv) Compensated Absences**

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

**I. Effective interest rate**

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

**2.06 Presentation of financial statements**

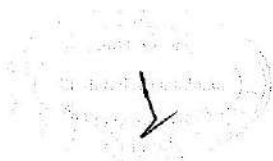
The Balance Sheet and the Statement of profit and loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Companies Act, 2013 ("the Act") applicable for Non-Banking Finance Companies ("NBFC") including amendment made by MCA from time to time. The Statement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

**2.07 Functional Currency**

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

**2.08 COVID-19 business impact assessment**

COVID-19 pandemic has had an extraordinary impact on macroeconomic conditions in India and around the world during the previous financial year. The impact of COVID-19, including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, had led to volatility in global and Indian financial markets and a decrease in global and local economic activities. The revival of economic activity has since improved supported by relaxation of restrictions due to administration of the COVID vaccines to a large population in the country. The extent to which any new wave of COVID 19 pandemic will impact the Company's results will depend on ongoing developments, including, among other things, any new information concerning the severity of the COVID-19 pandemic, and any action to contain its spread or mitigate its impact whether government-mandated or elected by us.





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**Auxilo Finserve Private Limited**  
**Notes to the financial statements for the year ended March 31, 2022**

(Currency : Indian Rupees in lakhs)

The Company holds adequate impairment allowance as at March 31, 2022 against potential impact of COVID-19 based on the information available at this point in time. The impairment allowance held by the Company is in excess of the RBI prescribed norms. Based on the internal assessment undertaken, the Company believes it has sufficient liquidity to honour its liabilities due over the next 12 months.

**2.09 Financial Instruments**

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

**2.09.A Financial assets**

**i) Initial recognition and measurement**

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

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

**ii) Subsequent measurement**

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

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

**Debt instruments at amortised cost**

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

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

**Financial Assets at Amortised Cost**

Financial assets at amortised cost include loans receivable, and other financial assets that are held with the objective of collecting contractual cash flows. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate (EIR). The effective interest rate (EIR) amortisation is included in interest income in the Statement of Profit and Loss.

**Fair value through other comprehensive income (FVOCI)**

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



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**Auxilio Finserve Private Limited**  
**Notes to the financial statements for the year ended March 31, 2022**

(Currency : Indian Rupees in lakhs)

**Fair value through Profit and Loss (FVTPL)**

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

**iii) Reclassifications**

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

**iv) Impairment**

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

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

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

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

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

In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience that is available without undue cost or effort.

The Company assumes that the credit risk on a financial asset has increased significantly if it is:

- 1) More than 30 days past due
- 2) Fail in CIBIL scores more than a certain threshold (Applicable for Education Loans)

The Company considers a financial asset to be in default when :

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

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

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

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



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**Auxilio Finserve Private Limited**  
**Notes to the financial statements for the year ended March 31, 2022**

(Currency : Indian Rupees in lakhs)

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

**v) Write - offs**

Financial assets are written off either partially or in their entirety when the Company has no reasonable expectations of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment of financial instruments in the Statement of profit and loss. However, financial assets that are written off may be subject to enforcement activities to comply with the Company's procedures for recovery of amounts due.

**2.09.B Financial liabilities**

**i) Initial recognition and measurement**

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

**ii) Subsequent measurement**

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

**Financial liabilities at amortised cost**

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate (EIR). The effective interest rate (EIR) amortisation is included as finance costs in the Statement of Profit and Loss.

**2.09.C De-recognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when;

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

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

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



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**Auxilo Finserve Private Limited**

**Notes to the financial statements for the year ended March 31, 2022**

(Currency : Indian Rupees in lakhs)

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

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

**2.09.D Offsetting of financial instruments**

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

**2.09.E Fair value measurement**

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

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

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

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

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

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

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

**2.09.F Modification of financial assets and financial liabilities**

**Financial Assets**

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

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



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**Auxilo Finserve Private Limited**

**Notes to the financial statements for the year ended March 31, 2022**

(Currency : Indian Rupees in lakhs)

**Financial liabilities**

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

**2.10 Share capital**

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

**2.11 Cash and Cash equivalents**

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

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

**2.12 Property, Plant and Equipment (Tangible assets)**

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

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

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

**Depreciation**

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

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



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

**2.13 Intangible assets**

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

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

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

***Intangible assets under development***

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

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

***Amortisation of intangible assets***

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

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

**2.14 Impairment of non-financial assets**

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



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**2.15 Earnings per share**

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

**2.16 Income Taxes**

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

**Current income tax**

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities using the tax rates and tax laws that are enacted or substantively enacted by the balance sheet date and applicable for the period.

Current tax items in correlation to the underlying transaction relating to OCI and equity are recognized in OCI and in equity respectively.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

**Deferred income tax**

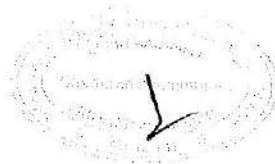
Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred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

Deferred tax assets are recognized for deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

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

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

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



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**Auxilio Finserve Private Limited**

**Notes to the financial statements for the year ended March 31, 2022**

(Currency : Indian Rupees in lakhs)

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

**2.17 Leases**

The Company recognises leases as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

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

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

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

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs

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

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

**2.18 Employee Share Based Plan**

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



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

**2.19 Segment Reporting**

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

**2.20 Revenue and Expense Recognition**

**A. Interest income**

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

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

**B. Commission and fee income**

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

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

**C. Interest expenses**

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

**D. Borrowing costs**

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

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



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**Auxilo Finserve Private Limited**  
**Notes to the financial statements for the year ended March 31, 2022**

(Currency : Indian Rupees in lakhs)

**2.21 Recent pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

**(i) Ind AS 103 – Reference to Conceptual Framework**

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

**(ii) Ind AS 116 – Proceeds before intended use**

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any significant impact in its recognition of its property, plant and equipment in its financial statements.

**(iii) Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract**

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

**(iv) Ind AS 109 – Annual Improvements to Ind AS (2021)**

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

**(v) Ind AS 106 – Annual Improvements to Ind AS (2021)**

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.



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**Axillo Finserve Private Limited**  
**Notes to the financial statements for the year ended March 31, 2022**  
(Currency: Indian Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>3. Cash and cash equivalents</b>		
a) Cash on hand	-	-
b) Balances with Banks		
i) in current accounts	906.85	585.69
ii) in deposit accounts having original maturity less than 3 months*	7,506.32	12,308.97
c) Cheques, drafts on hand	-	-
Less: Impairment loss allowance	8,413.17	12,894.66
	0.07	0.32
<b>Total</b>	<b>8,413.10</b>	<b>12,894.34</b>

**Notes:**

Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

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

\* includes interest accrued amounting INR 6.32 lakhs (As at March 31, 2021 - INR 8.97 lakhs).

**4. Bank balances other than cash and cash equivalents**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Other Bank balances</b>		
In fixed deposit accounts		
i) Fixed deposits pledged for bank overdraft facility	533.55	-
ii) Fixed deposits for Securitisation	132.36	125.15
Less: Impairment loss allowance	665.91	125.15
	0.11	0.10
<b>Total</b>	<b>665.80</b>	<b>125.05</b>

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

**5. Trade receivables**

Unsecured Trade receivable- considered good	31.02	41.30
	31.02	41.30
Less: Impairment loss allowance*	0.00	0.05
<b>Total</b>	<b>31.02</b>	<b>41.25</b>

**5.1 Ageing Schedule of trade receivables outstanding is as follows**

As at March 31, 2022

Particulars	Less than 6 months <sup>4</sup>	Total
i) Undisputed trade receivables-considered good	31.02	31.02
ii) Undisputed trade receivables-which have significant increase in credit risk	-	-
iii) Undisputed trade receivables-credit impaired	-	-
iv) Disputed trade receivables-considered good	-	-
v) Disputed trade receivables-which have significant increase in credit risk	-	-
vi) Disputed trade receivables-credit impaired	-	-
	31.02	31.02
Less: Impairment loss allowance*	0.00	0.00
<b>Total</b>	<b>31.02</b>	<b>31.02</b>

<sup>4</sup> - Less than INR 500



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**Auxilio Finserve Private Limited**  
**Notes to the financial statements for the year ended March 31, 2022**

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Particulars	As at	
	March 31, 2022	March 31, 2021
<b>As at March 31, 2021</b>		
	<b>Less than 6 months*</b>	<b>Total</b>
i) Undisputed trade receivables-considered good	41.30	41.30
ii) Undisputed trade receivables-which have significant increase in credit risk	-	-
iii) Undisputed trade receivables-credit impaired	-	-
iv) Disputed trade receivables-considered good	-	-
v) Disputed trade receivables-which have significant increase in credit risk	-	-
vi) Disputed trade receivables-credit impaired	-	-
	<b>41.30</b>	<b>41.30</b>
Less: Impairment loss allowance	0.05	0.05
<b>Total</b>	<b>41.25</b>	<b>41.25</b>

\*There are no trade receivables having ageing more than six months as on March 31, 2022 and March 31, 2021.

Note - Above figures of trade receivables are inclusive of unbilled trade receivable of INR 1.89 lakhs (As at March 31, 2021 - INR 1.32 lakhs)

**6. Loans**

**At amortised cost**

**A. Product wise Details**

a) Term loans	76,929.44	53,403.82
<b>Total (A) - Gross</b>	<b>76,929.44</b>	<b>53,403.82</b>
Less: Impairment loss allowance	942.16	416.24
<b>Total (A) - Net</b>	<b>75,987.28</b>	<b>52,987.58</b>

**B. Security wise Details**

a) Secured considered good*		
i) Secured by tangible assets	31,325.04	31,376.06
ii) Secured by intangible assets	-	-
b) Unsecured	45,604.40	22,027.76
<b>Total (B) - Gross</b>	<b>76,929.44</b>	<b>53,403.82</b>
Less: Impairment loss allowance	942.16	416.24
<b>Total (B) - Net</b>	<b>75,987.28</b>	<b>52,987.58</b>

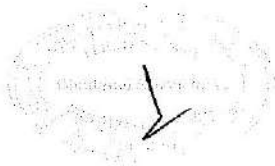
\*Secured loans are secured to the extent of collateral value consisting of immovable property and/or fixed deposits.

**C. Region wise Details**

a) Loans in India		
- Public sector	-	-
- Others	76,929.44	53,403.82
b) Loans outside India	-	-
<b>Total (C) - Gross</b>	<b>76,929.44</b>	<b>53,403.82</b>
Less: Impairment loss allowance	942.16	416.24
<b>Total (C) - Net</b>	<b>75,987.28</b>	<b>52,987.58</b>

**Notes:**

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



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**Auxilio Finserve Private Limited**  
**Notes to the financial statements for the year ended March 31, 2022**

(Currency : Indian Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>7. Other financial assets</b>		
Unsecured, considered good		
a) Security deposits	89.61	78.22
b) Receivable from employees	1.09	1.10
	<u>90.70</u>	<u>79.32</u>
Less: Impairment loss allowance	0.11	0.09
<b>Total</b>	<u>90.59</u>	<u>79.23</u>
<b>8. Current tax assets (net)</b>		
Current tax assets (net)	65.43	97.55
Net of provision for income tax INR 776.79 lakhs (As at March 31, 2021 - INR 356.13 lakhs)		
<b>Total</b>	<u>65.43</u>	<u>97.55</u>
<b>9. Deferred tax assets (net)</b>		
<b>A. Deferred tax assets / (Deferred tax liabilities)</b>		
a) Effective interest rate (EIR) impact on Borrowings and Loans	50.02	(11.56)
<b>Total Deferred tax liabilities</b>	<u>50.02</u>	<u>(11.56)</u>
a) Difference between WDV as per books and tax books	8.66	3.24
b) Employee share-based payments	112.89	-
c) Provision for Gratuity	20.78	11.39
d) Provision for Compensated absences	11.17	8.22
e) Unwinding of discount on security deposit and prepaid rent expenses	0.10	0.24
f) Leases	4.69	5.91
g) Impairment loss allowance	197.21	87.48
<b>Total Deferred Tax Assets</b>	<u>355.50</u>	<u>116.49</u>
<b>Net Deferred tax assets</b>	<u>305.48</u>	<u>128.05</u>

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



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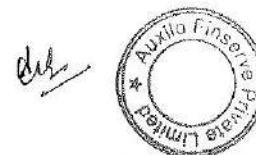




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**Auxilio Finserve Private Limited**  
**Notes to the financial statements for the year ended March 31, 2022**  
(Currency : Indian Rupees in lakhs)

		As at March 31, 2022	As at March 31, 2021	
<b>11. Intangible assets under development</b>				
Softwares		123.23	-	
	<b>Total</b>	<u>123.23</u>	<u>-</u>	
Ageing schedule of intangible assets under development is as follows:-				
<b>Particulars</b>	<b>As at March 31, 2022</b>		<b>As at March 31, 2021</b>	
	Amount in CWIP for a period of		Amount in CWIP for a period of	
	Less than 1 year*	Total	Less than 1 year*	Total
Projects in progress	123.23	123.23	-	-
Projects temporarily suspended	-	-	-	-
	<b>Total</b>	<u>123.23</u>	<u>123.23</u>	<u>-</u>
*There are no intangible assets under development having ageing more than one year as on March 31, 2022 and March 31, 2021. Note: There were no intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan.				
<b>12. Other non financial assets</b>				
Unsecured, considered good				
a) Prepaid expenses		66.61	30.06	
b) Advances to vendors		73.18	20.14	
c) Balances with statutory authorities		49.83	88.53	
	<b>Total</b>	<u>189.62</u>	<u>138.73</u>	
<b>13. Debt securities</b>				
<b>13.1</b>				
At amortised cost				
Non convertible debentures (listed, secured, fully paid and privately placed) (Refer Note 13.3)		13,866.39	11,933.40	
	<b>Total</b>	<u>13,866.39</u>	<u>11,933.40</u>	
<b>13.2</b>				
i) Debt securities in India		13,866.39	11,933.40	
ii) Debt securities outside India		-	-	
	<b>Total</b>	<u>13,866.39</u>	<u>11,933.40</u>	



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**Auxilio Finserve Private Limited**  
Notes to the financial statements for the year ended March 31, 2022

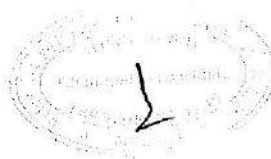
(Currency: Indian Rupees in lakhs)

**13.3 Terms of repayment of NCDs**

Name of Security	Repayment Terms	Maturity Date	As at March 31, 2022		As at March 31, 2021	
			Outstanding Amount	Face Value / Redemption value	Outstanding Amount	Face Value / Redemption value
<b>Listed and Secured Non Convertible Debentures</b>						
10.25% Non Convertible Debentures	Six Equal Half Yearly Installments	June 23, 2023	1,250.00	5.00	2,083.33	8.33
10.95% Market Linked Debentures	Bullet repayment on maturity	November 16, 2021	-	-	700.00	1.00
11.01% Market Linked Debentures	Bullet repayment on maturity	September 16, 2022	700.00	1.00	700.00	1.00
11.00% Non Convertible Debentures (Refer Note-iv)	Bullet repayment on maturity	June 01, 2023	1,000.00	10.00	1,000.00	10.00
10.85% Non Convertible Debentures (Refer Note-iv)	Bullet repayment on maturity	June 26, 2023	3,500.00	10.00	3,500.00	10.00
11.00% Non Convertible Debentures (Refer Note-iv)	Bullet repayment on maturity	July 30, 2023	2,500.00	10.00	2,500.00	10.00
9.15% Non Convertible Debentures (RBI Repo Rate + 5.15% Spread)	Bullet repayment on maturity	August 24, 2023	3,300.00	10.00	-	-
11.01% Market Linked Debentures	Bullet repayment on maturity	September 16, 2023	800.00	1.00	800.00	1.00
		<b>Total</b>	<b>13,050.00</b>		<b>11,283.33</b>	
		Less: Effective interest rate (EIR) impact	(36.94)		(60.55)	
		Add: Interest accrued	853.33		710.62	
		<b>Total</b>	<b>13,866.39</b>		<b>11,933.40</b>	

**Notes:**

- Non Convertible Debentures are issued at fixed as well as floating coupon rate.
- Market Linked Debentures are carrying variable interest rate which is linked to performance of specified indices over the tenure of the debentures. The embedded value of the derivative is negligible and is likely to remain negligible throughout the tenure of debentures. Therefore the market linked debentures have been classified at amortised cost.
- All Non Convertible Debentures are secured by way of Exclusive charge against loan receivables.
- The Non Convertible debentures issued under Debenture Trust Deed dated August 27, 2020 are also secured by pari passu charge over the immovable property of the Company.
- The Company have not used borrowings from bank and financial institutions for other than specific purpose for which it is obtained.
- There are no registration or satisfaction of charges pending beyond the statutory period with Registrar of Companies (ROC)
- Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.



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(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**Auxilio Finserve Private Limited**  
Notes to the financial statements for the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

Particulars		As at March 31, 2022	As at March 31, 2021
<b>14. Borrowings (Other than debt securities)</b>			
<b>14.1 Borrowings at amortised cost</b>			
<b>I</b>	<b>a)</b> Term Loans (Secured) (Refer Note 14.2 and 14.5)		
	i) from banks	29,150.15	13,960.46
	ii) from others	743.54	1,109.74
	<b>b)</b> Loans repayable on demand from banks (Secured) (Refer Note 14.3 and 14.5)	1,900.00	-
	<b>c)</b> Borrowings from securitisation / Payable for securitisation (Refer Note 14.4 and 14.5)	909.70	1,538.62
	<b>Total</b>	<b>31,803.39</b>	<b>16,608.82</b>
<b>Of the Above</b>			
<b>II</b>	<b>i)</b> Borrowings in India	31,803.39	16,608.82
	<b>ii)</b> Borrowings outside India	-	-
	<b>Total</b>	<b>31,803.39</b>	<b>16,608.82</b>

**14.2 Repayment terms of term loans**

	As at March 31, 2022	As at March 31, 2021
Repayable within 1 year	8,482.81	4,450.00
Repayable within 1 year to 3 years	14,419.29	8,987.50
Repayable after 3 years	7,442.32	1,830.30
<b>Total Principal</b>	<b>30,344.42</b>	<b>15,267.80</b>
Add: Interest accrued but not due	24.70	8.05
Add/(less): Effective interest rate (EIR) impact	(475.43)	(205.65)
<b>Total</b>	<b>29,893.69</b>	<b>15,070.20</b>

**Interest Rate:** Term loans are borrowed at floating rate of interest ranging from 8.25% p.a. to 10.80% p.a. (As at March 31, 2021 - 8.85% to 11%)

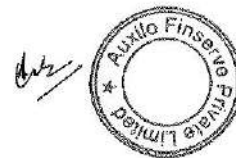
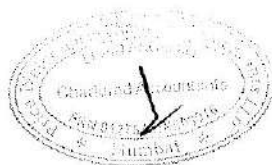
**Security:** Security for term loans is exclusive charge against the education loan receivables.

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

**14.3 Loans repayable on demand from banks-Secured**

Terms of Repayment

Particulars	Rate of Interest	Repayment Details	As at March 31, 2022	As at March 31, 2021
Working capital demand loans	8.45%	Bullet repayment on maturity	1,000.00	-
<b>Total</b>			<b>1,000.00</b>	<b>-</b>



(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**Auxilo Finserve Private Limited**  
**Notes to the financial statements for the year ended March 31, 2022**  
(Currency : Indian Rupees in lakhs)

**14.4 Repayment terms of borrowing from securitisation**

	As at March 31, 2022	As at March 31, 2021
Repayable within 1 year	271.81	232.11
Repayable within 1 year to 3 years	583.73	565.88
Repayable after 3 years	56.33	742.64
<b>Total</b>	<b>911.87</b>	<b>1,540.63</b>
Add: Interest accrued but not due	4.16	7.14
Add/(less): Effective interest rate (EIR) impact	(6.33)	(9.15)
<b>Total</b>	<b>909.70</b>	<b>1,538.62</b>

**Details of Interest rate and Security**

a Rate of interest	10.75%	10.75%
b Borrowing from securitisation is secured by cash collateral in the form of fixed deposit	117.34	117.34

**14.5 Notes:**

- i) The Company have not used borrowings from bank and financial institutions for other than specific purpose for which it is obtained. However as at end of reporting period the Company have funds of INR 6,506.32 lakhs which remains unutilised from the borrowings made at the end of F.Y. 2021-22 and lying as fixed deposits (net of WDCI facilities).
- ii) There are no registration or satisfaction of charges pending beyond the statutory period with Registrar of Companies (ROC).
- iii) Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

**15. Other financial liabilities**

Employee benefits payable	9.71	1.70
Advances received from customers (Refer Note below)	728.15	626.81
Provision for expenses	430.17	135.08
Liability component on account of Preference Shares*	0.00	0.00
<b>Total</b>	<b>1,168.03</b>	<b>763.59</b>

\* - Less than INR 500

Note - Advance received from customers includes amounts received towards advance instalments and Debt Service Reserve Account (DSRA).

**16. Provisions**

Provision for Employee Benefits		
i) Gratuity (Refer Note 37.B)	82.58	45.25
ii) Compensated absences	44.38	32.66
<b>Total</b>	<b>126.96</b>	<b>77.91</b>

**17. Other non-financial liabilities**

Income received in advance	112.01	14.07
Statutory dues payable	66.23	34.53
<b>Total</b>	<b>178.24</b>	<b>48.60</b>



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**Anzlio Finserve Private Limited**  
Notes to the financial statements for the year ended March 31, 2022

(Currency : Indian Rupees in lakhs)

**18. Equity share capital**

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
<b>Authorised:</b>				
Equity Shares of INR 10 each	2,00,00,00,000	2,00,000.00	2,00,00,00,000	2,00,000.00
Optionally Convertible Preference Shares of INR 10 each (OCPS)	80,00,000	800.00	80,00,000	800.00
	<b>2,00,80,00,000</b>	<b>2,00,800.00</b>	<b>2,00,80,00,000</b>	<b>2,00,800.00</b>
<b>Issued, Subscribed and fully paid up:</b>				
Equity Shares of INR 10 each	34,94,44,987	34,944.50	34,40,62,153	34,406.22
	<b>34,94,44,987</b>	<b>34,944.50</b>	<b>34,40,62,153</b>	<b>34,406.22</b>

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
<b>Issued, Subscribed and fully paid up:</b>				
Outstanding at the beginning of year	34,40,62,153	34,406.22	34,40,62,153	34,406.22
Add: Shares issued during year	53,82,834	538.28	-	-
<b>Outstanding at the end of the year</b>	<b>34,94,44,987</b>	<b>34,944.50</b>	<b>34,40,62,153</b>	<b>34,406.22</b>

**c) Terms/rights attached to equity shares:**

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

Bulkampur Chini Mills Limited and Elmac 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 interest between them as on the closing date.

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

Name of Shareholders	As at March 31, 2022		As at March 31, 2021	
	No. of shares	% Holding	No. of shares	% Holding
<b>Equity Shares</b>				
Bulkampur Chini Mills Limited	15,50,00,000	44.36%	15,50,00,000	45.05%
Elmac Advisors LLP	15,50,00,000	44.36%	15,50,00,000	45.05%
ICICI Bank Limited	3,40,62,153	9.75%	3,40,62,153	9.90%
<b>OCPS</b>				
Noeraj Saxena	26,66,666	100%	80,00,000	100%


**e) Increase in Authorised Share Capital, Rights Issue and Preferential Issue**

During the financial year ended March 31, 2022, there was no change in Authorised Share Capital of the Company. (Previous year ended on March 31, 2021: Nil)

**f) Details of shares issued are as follows:**

Particulars	Face Value (in Rupees)	Issue Price (in Rupees)	For the	For the
			year ended March 31, 2022	year ended March 31, 2021
Issue of equity shares (including conversion of 53,33,334 OCPS into equity shares)	10	10	538.28	-
<b>Total</b>			<b>538.28</b>	<b>-</b>

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**Auxilio Finance Private Limited**  
Notes to the financial statements for the year ended March 31, 2022

(Currency - Indian Rupees in lakhs)

**18. Equity share capital**

**a) Details of promoters' equity shareholding:**

Promoter's Name- Etno Advisors LLP

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	% of total shares	No. of shares	% of total shares
At the beginning of the year	15,50,00,000	45.05%	15,50,00,000	45.05%
Change during the year	-	(0.69)%	-	-
At the end of the year	15,50,00,000	44.36%	15,50,00,000	45.05%

**Notes :**

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

- b) Aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date: Nil  
 c) Aggregate number and class of share allotted as fully paid up by way of bonus shares during the period of five years immediately preceding the reporting date: Nil  
 d) Aggregate number and class of shares bought back during the period of five years immediately preceding the reporting date: Nil  
 e) Dividend Payments  
 No dividend is paid during the year or recommended by the Board of Directors for the year ended as on March 31, 2022. (Previous year- Nil)

**f) Optionally convertible preference shares**

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

Type of share	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
0.001% Class A OCPS (Amount paid up INR 10.00 per share)	-	-	26,66,667	266.67
0.001% Class B OCPS (Amount paid up INR 0.10 per share)	-	-	26,66,667	2.67
0.001% Class C OCPS (Amount paid up INR 0.11 per share)	26,66,666	2.93	26,66,666	2.93
<b>Total</b>	<b>26,66,666</b>	<b>2.93</b>	<b>80,00,000.00</b>	<b>272.27</b>

**g) Terms of issue of Optionally convertible preference shares**

- 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, other than as specifically provided under section 47 (2) of the Companies Act, 2013 in respect of Preference Share capital represented by OCPS.
- Conversion: Each OCPS shall be convertible into 1 (one) equity share ("Conversion Ratio") subject to fulfilment of applicable conditions.

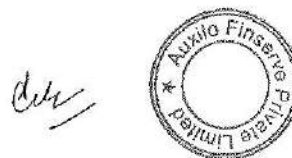
**h) Details of OCPS are as follows:**

Particulars	As at March 31, 2022	As at March 31, 2021
Face value of OCPS (INR per share)	10	10
Paid up value of the OCPS	2.93	272.27
Financial Liability component of the OCPS *	0.00	0.00
Interest expense over the tenure *	0.00	0.00
<b>Equity component of the OCPS</b>	<b>2.93</b>	<b>272.27</b>

\* - Less than INR 500 as on March 31, 2022 & March 31, 2021

**i) Shares reserved for issue under options**

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



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**Auxilo Finserve Private Limited**  
**Notes to the financial statements for the year ended March 31, 2022**  
(Currency: Indian Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>19. Other equity</b>		
a) Securities premium	2,203.11	2,203.11
b) Statutory reserve	639.89	391.32
c) Equity component of compound financial instrument	2.93	272.27
d) Employee stock options	448.54	513.00
e) Retained earnings	679.28	(532.23)
f) Other comprehensive income	(14.64)	(0.71)
<b>Total</b>	<b>3,959.11</b>	<b>2,846.76</b>

**A. Nature and purpose of reserves**

**a. Securities premium reserve**

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

**b. Statutory reserve**

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

**c. Equity component of compound financial instrument**

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

**d. Employee stock options**

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

**e. Retained Earnings**

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

**f. Other Comprehensive income**

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

**B. Movement in Other equity**

	As at March 31, 2022	As at March 31, 2021
<b>a) Securities premium</b>		
Opening balance	2,203.11	2,203.11
Add: Premium Received on issue of equity shares	-	-
Closing Balance	<b>(a) 2,203.11</b>	<b>2,203.11</b>
<b>b) Statutory reserve</b>		
Opening balance	391.32	198.87
Add: Transfer from retained earnings*	248.57	192.45
Closing Balance	<b>(b) 639.89</b>	<b>391.32</b>
<b>c) Equity component of Compound financial instrument</b>		
Opening balance	272.27	8.00
Add: Money called up and paid on OCPS	264.00	264.27
Less: Converted to Equity shares	533.34	-
Closing Balance	<b>(c) 2.93</b>	<b>272.27</b>
<b>d) Employee stock options</b>		
Opening balance	513.00	392.24
Add: Additions during the year	138.83	140.76
Less: Trf to retained earnings	(203.29)	-
Closing Balance	<b>(d) 448.54</b>	<b>513.00</b>
<b>e) Retained Earnings</b>		
Opening balance	(532.23)	(1,302.01)
Add: Profit for the year	1,256.79	962.23
Add: Trf from Employee stock options	203.29	-
Amount available for appropriation	927.85	(339.78)
Appropriations:		
Transfer to statutory reserve*	248.57	192.45
Closing Balance	<b>(e) 679.28</b>	<b>(532.23)</b>
<b>f) Other comprehensive income</b>		
Opening balance	(0.71)	(0.72)
Add: Remeasurement gains and (losses) on defined benefit obligations	(13.93)	0.01
Closing Balance	<b>(f) (14.64)</b>	<b>(0.71)</b>
<b>(a+b+c+d+e+f)</b>	<b>3,959.11</b>	<b>2,846.76</b>

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



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**Auxilio Finserve Private Limited**  
Notes to the financial statements for the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>20. Interest income</b>		
a) On financial assets measured at amortised cost		
Interest income on loans	8,354.26	6,909.68
Interest income on Fixed deposits	122.27	450.49
b) Interest income on financial assets measured at Fair value through profit and loss (FVTPL)/ Fair value through other comprehensive income (FVOCI)		
Interest income from investment	-	-
<b>Total</b>	<b>8,476.53</b>	<b>7,360.17</b>
<b>21. Fee and commission income</b>		
Service income	79.02	21.26
Commission income	24.97	10.96
Other income	-	1.00
<b>Total</b>	<b>103.99</b>	<b>33.22</b>
<b>Revenue from contract with Customers</b>		
Set out below is the revenue from contracts with customers and reconciliation to Statement of profit and loss.		
<b>Type of Services</b>		
Fees and commission income	103.99	32.22
<b>Total Revenue from contract with Customers</b>	<b>103.99</b>	<b>32.22</b>
<b>Geographical Markets</b>		
India	103.99	32.22
Outside India	-	-
<b>Total Revenue from contract with Customers</b>	<b>103.99</b>	<b>32.22</b>
<b>Timing of revenue recognition</b>		
Services transferred at a point in time	103.99	32.22
Services transferred over time	-	-
<b>Total Revenue from contract with Customers</b>	<b>103.99</b>	<b>32.22</b>
<b>Contract Balance</b>		
Trade Receivables	31.02	41.30
No revenue from transactions with a single external customer amounted to 10 percent or more of the Company's total revenue in year ended March 31, 2022 and March 31, 2021.		
<b>22. Net gain on fair value change</b>		
On trading portfolio		
Investments at Fair value through profit and loss (FVTPL)		
Profit on sale of liquid mutual funds	138.71	116.52
<b>Total</b>	<b>138.71</b>	<b>116.52</b>
Realised	138.71	116.52
Unrealised	-	-
<b>Total</b>	<b>138.71</b>	<b>116.52</b>
<b>23. Other income</b>		
Fee income and other charges	527.55	54.10
Unwinding of discount on security deposits	5.76	4.43
Net gain or (loss) on foreign currency transaction	(0.37)	-
Miscellaneous income	9.76	0.67
<b>Total</b>	<b>542.70</b>	<b>59.20</b>

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**Auxilio Finserve Private Limited**  
**Notes to the financial statements for the year ended March 31, 2022**

(Currency : Indian Rupees in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>24. Finance costs</b>		
<b>On Financial liabilities measured at amortised cost</b>		
a) Interest on borrowings (other than debt securities)	1,860.86	2,150.64
b) Interest on debt securities	1,371.62	1,028.74
c) Interest - lease liabilities	26.39	27.55
d) Interest - others	5.20	5.04
e) Other Borrowing costs	49.23	51.92
<b>Total</b>	<b>3,313.30</b>	<b>3,263.89</b>
<b>25. Impairment on financial assets</b>		
<b>Impairment loss allowance (Refer Note - 40.A.vi)</b>		
<b>On Financial assets measured at amortised cost</b>		
a) Loans	525.92	78.04
b) Fixed deposits	(0.23)	(0.04)
c) Others	(0.02)	0.04
f) Write off of loans	1.49	0.83
<b>Total</b>	<b>527.16</b>	<b>78.87</b>
<b>26. Employee benefits expenses</b>		
a) Salaries, bonus and allowances	2,298.07	1,641.41
b) Contribution to provident fund and other funds	85.90	67.21
c) Gratuity expense (Refer Note - 37)	18.71	16.17
d) Compensated absences (Refer Note - 37)	11.72	17.36
e) Share based payments to employees / employee stock option expense (Refer Note - 38)	138.82	140.77
f) Staff welfare	39.62	30.00
<b>Total</b>	<b>2,592.84</b>	<b>1,912.92</b>
<b>27. Others expenses</b>		
a) Advertisement and publicity	80.32	25.56
b) Auditor's fees and expenses (Refer note below)	36.51	35.31
c) Business sourcing expenses	15.67	2.20
d) Communication cost /IT expenses	504.94	395.87
e) Directors fees, allowances	9.59	8.50
f) Expenditure towards corporate social responsibility	12.58	-
g) Legal and professional fees	222.96	151.86
h) Loss on sale of fixed assets (net)	2.23	-
i) Printing and stationery	16.23	12.57
j) Rates, duties and taxes	4.32	1.80
k) Rent (net of discount concession received)	28.56	22.31
l) Repairs and maintenance	64.61	52.27
m) Travelling and conveyance	42.51	18.06
n) Miscellaneous expenses	2.49	1.91
<b>Total</b>	<b>1,043.52</b>	<b>727.32</b>
<b>27.1 Auditors' fees and expenses</b>		
<b>Payments to auditor</b>		
a) Audit fees	23.43	20.00
b) Internal control over financial reporting fees	2.00	2.00
c) Certifications	6.00	2.00
d) Other services	2.00	8.00
e) Out of pocket expenses	0.06	0.39
<b>Total</b>	<b>33.49</b>	<b>32.39</b>

Auditors' remuneration above is exclusive of Goods and Service Tax.



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**Auxilio Finserv Private Limited**  
**Notes to the financial statements for the year ended March 31, 2022**  
(Currency : Indian Rupees in lakhs)

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

**28.1 Major components of tax expense/(income):**

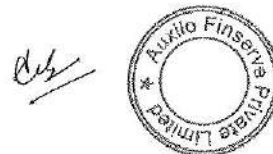
	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>I. Profit and Loss section</b>		
(i) Current income tax:		
Current income tax expense	431.01	330.90
Tax expense in respect of earlier years	(5.67)	(35.44)
(ii) Deferred tax:		
Tax expense on origination and reversal of temporary differences	(177.43)	61.59
<b>Income tax expense reported in Profit and Loss (i + ii)</b>	<u>247.91</u>	<u>357.05</u>
<b>II. Other Comprehensive Income (OCI) section:</b>		
Income tax expense / (gain) relating to items that will not be reclassified to profit and loss	(4.69)	0.01
<b>Income tax expense reported in the OCI section</b>	<u>(4.69)</u>	<u>0.01</u>

**28.2 Reconciliation of tax expense and the accounting profit**

The Company has elected to exercise the option permitted under Section 115BAA of the income-tax Act, 1961, as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for income tax for the year ended March 31, 2022 and March 31, 2021.

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Profit before tax	1,504.70	1,319.28
(b) Corporate tax rate as per Income tax Act, 1961	25.17%	25.17%
(c) Tax on Accounting profit (c) = (a) * (b)	378.79	332.04
(d) Tax impact due to		
(i) Employee share-based payment expense	-	35.43
(ii) Adjustment of Deferred tax and current tax of prior years	(134.44)	(10.40)
(iii) CSR expenses	3.17	-
(iv) Other amounts	0.48	(0.01)
<b>Total effect of tax adjustments [(i) to (iv)]</b>	<u>(130.79)</u>	<u>25.02</u>
(e) Income tax expense reported in Profit and Loss	243.22	357.07
(f) Income tax expense reported in the OCI section	4.69	(0.01)
(g) Total Income tax expense (e+f)	<u>247.91</u>	<u>357.06</u>
(h) Effective tax rate (h)=(g)/(a)	16.16%	27.07%



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**Axilo Finserve Private Limited**  
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**28.3 Movement in Deferred Taxes**

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

Particulars	As at March 31, 2021	Recognised in profit and loss & OCI	As at March 31, 2022
<b>Deferred tax asset/(Liabilities)</b>			
i) Effective interest rate (EIR) impact on Borrowings and Loans	11.56	(61.58)	(50.02)
ii) Depreciation and amortisation	3.24	5.41	8.66
iii) Employee share-based payments	-	112.89	112.89
iv) Provision for Gratuity	11.39	9.39	20.78
v) Provision for Compensated absences	8.22	2.95	11.17
vi) Unwinding of discount on security deposit and prepaid rent expenses	0.24	(0.14)	0.10
vii) Leases	5.91	(1.22)	4.69
viii) Impairment loss allowance	87.48	109.73	197.21
<b>Total</b>	<b>128.05</b>	<b>177.43</b>	<b>305.48</b>

**(B) Movement in deferred tax balances for the year ended March 31, 2021**

Particulars	As at March 31, 2020	Recognised in profit and loss & OCI	As at March 31, 2021
<b>Deferred tax asset/(Liabilities)</b>			
i) Effective interest rate (EIR) impact on Borrowings and Loans	90.18	(78.62)	11.56
ii) Depreciation and amortisation	(1.74)	4.98	3.24
iii) Provision for Gratuity	7.33	4.06	11.39
iv) Provision for Compensated absences	3.85	4.37	8.22
v) Amortization of Preliminary Expenses	0.17	(0.17)	-
vi) Unwinding of discount on security deposit and prepaid rent expenses	0.09	0.15	0.24
vii) Leases	4.50	1.41	5.91
viii) Impairment loss allowance	85.27	2.21	87.48
<b>Total</b>	<b>189.65</b>	<b>(61.61)</b>	<b>128.05</b>

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

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

Particulars	As at March 31, 2022	As at March 31, 2021
Amounts recognised in respect of current tax / deferred tax directly in equity	-	-

**28.4 Tax losses**

Unused tax losses for which no deferred tax asset has been recognised	-	-
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**Auxilio Finserve Private Limited**

Notes to the financial statements for the year ended March 31, 2022

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**29. Leases**

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

The Company has entered into leasing arrangements for premises. Majority of the leases are cancellable by the Company. ROU has been included after the line "Property, Plant and Equipment" and Lease Liability has been included under "Lease Liabilities" in the Balance Sheet.

In pursuance of the notification issued by the Ministry of Corporate Affairs (MCA) dated June 18, 2021 for further amending the Companies (Indian Accounting Standard) Rules, 2015 the Company has elected to apply the practical expedient arising on account of Covid-19 not to account for the changes in the lease payments as a lease modification as it satisfies the conditions mentioned in the paragraph 46B of Ind AS 116. Accordingly since the Company has used exemption for rent concessions received as defined under practical expedient. There is no changes are made to Right of Use Assets due to this.

The Company has availed the exemption for all the rent concessions received which have satisfied the criteria mentioned in Para 46B of practical Expedient to avail this exemption.

The amount of INR 5.32 lakhs (previous year INR 11.16 lakhs) received as rent concessions have been reduced from gross expenditure towards rent. Refer Note 27 other expenses

**(i) Amount recognised in balance sheet**

	As at March 31, 2022	As at March 31, 2021
a) Right-of-use assets	212.74	244.11
b) Lease Liabilities	231.38	267.61

**(ii) Amount recognised in Statement of Profit and Loss**

	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Depreciation charge of right-of-use assets (included in Depreciation Note - 10)	163.49	151.83
(b) Interest expense (included in finance costs)	26.39	27.55
(c) Expense relating to short-term leases	-	-

**Total** 189.88 179.38

Additions to Right of use assets 143.82 83.56

**(iii) The total cash outflow for leases for the year:**

The total cash outflow of leases 188.95 162.14

**30. Earning per Share**

**Basic earning per share**

a) Profit after tax attributable to equity shareholders for Basic EPS	1,256.79	962.23
b) Weighted average no. of equity shares outstanding during the year for Basic EPS	3,465.68	3,440.62
c) Nominal value of equity shares (INR per share)	10.00	10.00
d) Basic earnings per share (EPS) (INR per share)	0.36	0.28

**Diluted earning per share**

e) Profit after tax attributable to equity shareholders for Diluted EPS	1,256.79	962.23
f) Weighted average no. of equity shares outstanding during the year for diluted EPS	3,503.96	3,477.60
g) Nominal value of equity shares (INR per share)	10.00	10.00
h) Diluted earnings per share (EPS) (INR per share)	0.36	0.28



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

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

**31. Commitments and contingencies**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>A. Contingent liabilities</b>		
i) Credit enhancement provided by the Company for the loans under securitisation arrangements (including cash collaterals)	117.34	117.34
ii) Demand of income tax FY 2017-18 (AY 2018-19) #	2.05	2.05
<b>B. Capital commitments</b>		
i) Estimated amount of contracts remaining to be executed on capital account and not provided for	15.21	0.96
ii) Undisbursed commitments in respect of the Education loan agreements *	11,277.05	4,932.44

**# Demand of Income Tax FY 2017-18 (AY 2018-19)**

The Company has filed rectification appeal u/s 154 of the Income Tax Act, 1961 in respect of demand received. Based on assessment made, the management is in the view that the likelihood of matter being decided against the Company is remote.

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

C. Company does not have any litigations which are pending against the Company as of March 31, 2022.

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

**33. Trade payables disclosures**

**a) Dues to Micro, Small Enterprises**

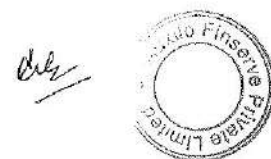
Disclosure pertaining to Micro and Small Enterprises is as under - The details of amounts outstanding together with interest paid /payable to Micro and Small enterprises based on information available with the Company is as under:

	As at March 31, 2022	As at March 31, 2021
i) Amounts outstanding but not due as at March 31,	-	-
ii) Amounts due but unpaid as at March 31,	-	-
iii) Amounts paid after appointed date during the year	-	-
iv) Amount of interest accrued and unpaid as at March 31,	-	-
v) Amount of estimated interest due and payable for the period from March 31, to actual date of payment or Board meeting date (whichever is earlier)	-	-
vi) The amount of further interest remaining due and payable even in the succeeding years	-	-

**b) Ageing Schedule of trade payables is as follows**

As at March 31, 2022

Particulars	Less than 1 year#	Total
i) MSME	-	-
ii) Others	-	-
iii) Disputed dues-MSME	-	-
iv) Disputed dues-Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>



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**Auxilio Finserve Private Limited**  
**Notes to the financial statements for the year ended March 31, 2022**  
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As at March 31, 2021

Particulars	Total	
	Less than 1 year#	
i) MSME	-	-
ii) Others	-	-
iii) Disputed dues-MSME	-	-
iv) Disputed dues-Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

#There are no trade payables as on March 31, 2022 and March 31, 2021 and hence ageing schedule is not applicable.

**34. Segment Reporting**

Since the Company operates in one segment namely "Education Loans" and it provides service facilities in India, there are no separate reportable segments as per Ind AS 108, Operating Segments. Thus, the segment revenue, total carrying amount of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge of depreciation and amortisation during the year are all as are reflected in the financial statements as at and for the year ended March 31, 2022. The Company does not have any assets and revenue outside India. Currently, there is no single external customer which contributes an amount of 10% or more than the Company's total revenue.

**35. Expenditure on Corporate Social Responsibility**

a) Gross amount required to be spent by the Company during the year is INR 12.36 lakhs (previous year- Nil). The Board have approved spent of INR 12.58 lakhs through its meeting held dated September 28, 2021.

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

	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>(i) Construction/ acquisition of any asset</b>		
Amount required to be spent by the Company during the year	-	-
Amount of expenditure incurred-related parties	-	-
Amount of expenditure incurred-other than related parties	-	-
Amount of expenditure incurred-Ongoing projects	-	-
Amount of expenditure incurred-Other than Ongoing projects	-	-
Excess at the end of the year	-	-
Total of previous years shortfall	-	-
reason for shortfall	Not applicable	Not applicable
<b>(ii) On purpose other than (i) above</b>		
Amount required to be spent by the Company during the year	12.36	-
Amount of expenditure incurred-related parties	-	-
Amount of expenditure incurred-other than related parties	12.58	-
Amount of expenditure incurred-Ongoing projects	-	-
Amount of expenditure incurred-Other than Ongoing projects	12.58	-
Excess at the end of the year	0.22	-
Total of previous years shortfall	-	-
reason for shortfall	Not applicable	Not applicable

During the F.Y. 2021-22, the Company incurred Corporate Social Responsibilities expenditure towards education for deaf children and scholarship program which included activities like organize mass awareness programs, capacity development training, organize World Deaf Day Mela / workshop etc. and to provide financial assistance by way of educational scholarship to covid affected students who have lost their parents or whose family members have lost their employment.

There were no unspent Corporate Social Responsibilities expenditure during F.Y. 2021-22. (Previous year-Nil)

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

Balance excess spent as at April 1, 2021	Amount required to be spent during the year	Amount spent during the year	Balance excess spent as at March 31, 2022
-	12.36	12.58	(0.22)



*Signature*

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The Company do not intend to carry forward excess amount spent of FY 2021-22 to subsequent financial years and accordingly no assets are created for excess amount spent.

**36. Related Party Disclosure**

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

**36.1 List of related parties**

**A. Entities / Persons having Significant Influence**

Bairampur Chini Mills Ltd.  
Elme Advisors LLP  
Akash Bhanshali

**B. Key management personnel (KMP)**

Necraj Saxena, Managing Director and Chief Executive Officer  
Akash Bhanshali, Director  
Manish Chokhani, Director  
Gautam Jain, Director  
Ashwin Jain, Director  
Chinnathambi Ilango, Director (w.e.f. May 29, 2020)  
Vivek Sarangi, Director

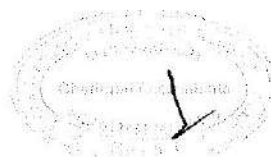
**36.2 Transactions with Related parties during the year**

No.	Nature of Transaction	Nature of relationship	Name of Party	Year Ended March 31, 2022	Year Ended March 31, 2021
1	Issue of equity shares	Entities / Persons having Significant Influence	Bairampur Chini Mills Limited Elme Advisors LLP Akash Bhanshali	-	-
2	Managerial Remuneration*				
	Short-term employee benefits	Key Management Personnel		376.79	354.23
	Employee Stock Option#	Key Management Personnel		26.79	16.86
3	Sitting Fees	Key Management Personnel	Manish Chokhani	4.60	3.80
		Key Management Personnel	Chinnathambi Ilango	4.20	4.00

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

# additionally the key management personnel holds 26.67 lakhs (previous year 80 lakhs) OPCS which are accounted in accordance with Ind AS 102 Share based payments amounting to INR 43.54 lakhs (previous year INR 58.70 lakhs).

4 There is no balance outstanding towards transactions disclosed above as on March 31, 2022 and March 31, 2021



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

**A. Defined contribution plans**

The Company makes Provident fund contributions which are defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.

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

	Year Ended March 31, 2022	Year Ended March 31, 2021
Provident fund	85.90	67.21

**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 unfunded post retirement benefit plans for its employees are given below which is as certified by the actuary.

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

a) **Changes in Present Value of Defined Benefit Obligation**

	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Present Value of Benefit Obligation at the Beginning of the year</b>	<b>45.25</b>	<b>29.10</b>
Current Service Cost	15.97	14.35
Interest Expense/(Income)	2.74	1.82
Settlement Cost (Credit)/Cost	-	-
<b>Total Amount Recognised in Statement of Profit and Loss</b>	<b>18.71</b>	<b>16.17</b>
Actuarial (Gain)/loss from change in demographic assumptions	(0.02)	-
Actuarial (Gain)/loss from change in financial assumptions	2.65	(0.05)
Experiences (gains)/losses	15.99	0.03
<b>Total Amount Recognised in Other Comprehensive Income</b>	<b>18.62</b>	<b>(0.02)</b>
<b>Present Value of Benefit Obligation at the End of the year</b>	<b>82.58</b>	<b>45.25</b>

**Change in plan assets:**

	Year Ended March 31, 2022	Year Ended March 31, 2021
Fair value of plan assets, beginning of the year	-	-
Expected return on Plan Assets	-	-
Contributions	-	-
Benefits paid	-	-
Actuarial Gain (loss) on plan assets	-	-
<b>Fair value of plan assets, end of the year</b>	<b>-</b>	<b>-</b>

b) **Amount recognized in the balance sheet consists of:**

	As at March 31, 2022	As at March 31, 2021
Present value of defined benefit obligation	82.58	45.25
Fair value of plan assets	-	-
<b>Net liability</b>	<b>82.58</b>	<b>45.25</b>

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

	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Service Cost</b>		
Current service cost	15.97	14.35
Past service cost	-	-
<b>Total Service cost</b>	<b>15.97</b>	<b>14.35</b>
<b>Net interest cost</b>		
Interest expense on DBO	2.74	1.82
Interest expense / (income) on plan assets	-	-
<b>Total Interest cost</b>	<b>2.74</b>	<b>1.82</b>
<b>Defined benefit cost included in Statement of Profit and Loss</b>	<b>(i) - (i) + (ii)</b>	<b>18.71</b>
<b>Total remeasurement in other comprehensive income (OCI)</b>	<b>(iv)</b>	<b>(0.02)</b>
<b>Total Defined benefit cost included in Statement of Profit and loss and OCI</b>	<b>(v) = (iii + iv)</b>	<b>16.15</b>



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

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

	As at March 31, 2022	As at March 31, 2021
Discount rate	6.41%	6.06%
Rate of Salary Increase next year	5.00%	4.00%
Rate of Salary Increase post next year	5.00%	4.00%
Rate of employee turnover	15.00%	15.00%
Mortality rate during employment	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2006-08) Ultimate

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

- a) Insurer managed funds  
b) Cash

As at March 31, 2022      As at March 31, 2021

**f) Impact on defined benefit obligation - Sensitivity Analysis**

	2022 % Rate	Year Ended March 31,		2021 Amount
		2022 Amount	2021 % Rate	
<b>Increase by 100 basis points</b>				
i) Impact of change in discount rate	7.41%	(4.00)	7.06%	(2.53)
ii) Impact of change in salary growth rate	6.00%	4.26	5.00%	2.83
iii) Impact of change in employee attrition rate	16.00%	(0.37)	16.00%	(0.61)
<b>Decrease by 100 basis points</b>				
i) Impact of change in discount rate	5.41%	4.42	5.06%	2.80
ii) Impact of change in salary growth rate	4.00%	4.02	3.00%	(2.60)
iii) Impact of change in employee attrition rate	14.00%	0.35	14.00%	0.59

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

**g) Maturity**

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

Particulars	As at March 31,	
	2022	2021
i) 1st Following Year	8.03	0.16
ii) 2nd Following Year	10.48	4.71
iii) 3rd Following Year	10.57	6.26
iv) 4th Following Year	10.15	6.58
v) 5th Following Year	9.83	6.28
vi) Sum of Years 6 to 10	37.21	22.78
vii) Sum of Years 11 and above	35.10	21.45

The weighted average duration of the defined benefit obligation is 6 years (previous year - 7 years).

**h) Risk Exposure**

Gratuity is a defined benefit plan and Company is exposed to the Following Risks:

**Interest rate risk:** A fall in the discount rate which is linked to the Government Security Rate will increase the present value of the liability requiring higher provision.

**Salary Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

**Asset Liability Matching Risk:** The plan faces the ALM risk as to the matching cash flow. Company has to manage pay-out based on pay as you go basis from own funds.

**Mortality risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

**ii) Accumulated Compensated Absences**

The Company provides for accumulated compensated absences as at the balance sheet date on the basis of actuarial valuation. The Company recognised INR 11.72 lakhs (previous year INR 17.36 lakhs) for compensated absences in the statement of profit and loss.



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

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

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

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

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

	As at March 31, 2022		As at March 31, 2021	
	Number of Options	Weighted average exercise price	Number of Options	Weighted average exercise price
Options outstanding at the beginning of the year*				
Granted	1,72,35,000	10.21	1,75,65,000	10.09
Exercised	24,90,000	15.00	4,50,000	15.00
Forfeited/Cancelled	(53,82,834)	10.00	-	-
Lapsed/Expired	(1,20,000)	13.68	(7,80,000)	10.28
	-	-	-	-
Options outstanding at the end of the year	<b>1,42,22,166</b>	<b>11.09</b>	<b>1,72,35,000</b>	<b>10.21</b>
Options vested and exercisable at the end of the year	26,40,000	10.00	-	-
* This includes OCPS which has been accounted as per Ind AS 102				

**38.03** Vesting period

Number of Options	As at March 31, 2022		As at March 31, 2021	
3 - 4 years from grant date		48,19,400		60,36,167
4 - 5 years from grant date		38,13,600		56,59,167
5 - 6 years from grant date		55,38,166		55,39,666
6 - 7 years from grant date		51,000		-
Total		<b>1,42,22,166</b>		<b>1,72,35,000</b>

Weighted average contractual life of options remaining outstanding at end of year is 4.61 years (Previous year 4.47 years).

**38.04** Fair value options

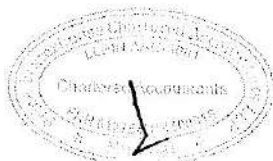
The fair value of options have been estimated as on the date of the grant using "Black Scholes" model. The key assumptions used in the model for calculating the fair value as on the date of grant are as follows:

Grant Date	ESOP 2017 August 3, 2021	ESOP 2017 June 8, 2020	ESOP 2017 April 19, 2019	ESOP 2017 October 24, 2018	ESOP 2017 July 25, 2018	ESOP 2017 Jan 24, 2018
Share price	10	10	10	10	10	10
Exercise price	15	15	11.48	10.53	10.43	10
Risk-free interest rate	6.20%	5.81%	7.42%	7.78%	7.78%	7.44%
Expected life of the option	3 years to 5 years	3 years to 5 years	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	10 years	10 years
Expected volatility	36.81%	32.33%	32.20%	32.34%	32.34%	33.50%
Expected dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Fair Value of Options	4.62 to 6.18	2.94 to 4.28	3.59 to 4.84	3.99 to 5.03	3.93 to 4.96	3.5 to 4.76

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

**38.05** Expenses recognised in statement of profit and loss

	For the year ended March 31, 2022	For the year ended March 31, 2021
ESOP expenses/Share based payments recognised in profit and loss	138.82	140.77



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(Currency : Indian Rupees in lakhs)

**39. Fair Value Measurement**

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

**39.A Classification of financial assets and financial liabilities:**

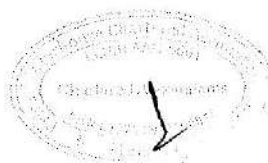
The following table shows the carrying amounts and fair values of Financial assets and Financial liabilities which are classified as Amortised Cost, Fair value through Profit and Loss (FVTPL), and Fair value through other comprehensive income (FVTOCI).

**39.A.1 As at March 31, 2022**

	At Amortised cost	FVTPL	FVTOCI	Total carrying Value	Total Fair value
<b>Financial Assets</b>					
1 Cash and cash equivalents	8,413.10	-	-	8,413.10	8,413.10
2 Other Bank balances	665.80	-	-	665.80	665.80
3 Trade receivables	31.02	-	-	31.02	31.02
4 Loans	75,987.26	-	-	75,987.26	80,607.53
5 Other financial assets	90.59	-	-	90.59	90.59
<b>Total</b>	<b>85,187.77</b>	<b>-</b>	<b>-</b>	<b>85,187.77</b>	<b>89,808.04</b>
<b>Financial Liabilities</b>					
1 Debt securities (Listed)	13,866.39	-	-	13,866.39	14,931.36
2 Borrowings (other than debt securities)	31,803.39	-	-	31,803.39	32,160.10
3 Lease liabilities	231.38	-	-	231.38	231.38
4 Other financial liabilities	1,168.03	-	-	1,168.03	1,168.03
<b>Total</b>	<b>47,069.19</b>	<b>-</b>	<b>-</b>	<b>47,069.19</b>	<b>48,490.87</b>

**39.A.2 As at March 31, 2021**

	At Amortised cost	FVTPL	FVTOCI	Total carrying Value	Total Fair value
<b>Financial Assets</b>					
1 Cash and cash equivalents	12,894.34	-	-	12,894.34	12,894.34
2 Other Bank balances	125.05	-	-	125.05	125.05
3 Trade receivables	41.25	-	-	41.25	41.25
4 Loans	52,987.58	-	-	52,987.58	59,017.49
5 Other financial assets	79.23	-	-	79.23	79.23
<b>Total</b>	<b>66,127.45</b>	<b>-</b>	<b>-</b>	<b>66,127.45</b>	<b>72,157.36</b>
<b>Financial Liabilities</b>					
1 Debt securities (Listed)	11,933.40	-	-	11,933.40	12,835.73
2 Borrowings (other than debt securities)	16,608.82	-	-	16,608.82	16,865.58
3 Lease liabilities	267.61	-	-	267.61	267.61
4 Other financial liabilities	763.59	-	-	763.59	763.59
<b>Total</b>	<b>29,573.42</b>	<b>-</b>	<b>-</b>	<b>29,573.42</b>	<b>30,732.51</b>



(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Aurilio Finserve Private Limited  
Notes to the financial statements for the year ended March 31, 2022  
(Currency: Indian Rupees in lakhs)

**39. Fair Value Measurement**

**39.B Fair value hierarchy of financial instruments**

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

**Level 1:** Financial instruments measured using quoted prices and that are traded in active market are categorized under level 1. The Company has no financial instruments which are categorized as level 1.  
**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using observable market data and not the entity specific estimates. The listed Non Convertible debentures are classified as debt securities have been categorized as level 2.

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

**39.B.1**

**Financial instruments valued at carrying value:**

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

**39.B.2**

**Valuation techniques used to determine fair value:**

The Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. The Board / Audit Committee has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

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

**i) Investments in Mutual Funds**

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

**ii) Loans**

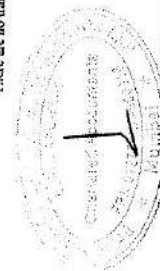
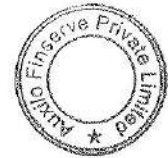
The fair values of the Company's Loan are calculated based on a discounted cash flow model. The discount factor used for fair valuation is derived using a combination of interpolated risk-free interest rates and credit spreads of the Company as on valuation date. Input data used to carry out the fair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

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

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

**39.D.3 Transfers between Levels**

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



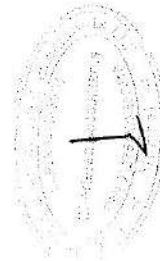
(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**Axulo Finance Private Limited**  
Notes to the financial statements for the year ended March 31, 2022  
(Currency : Indian Rupees in lakhs)

**39. Fair Value Measurement**

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

	As at March 31, 2022			Fair Value			As at March 31, 2021		
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	
<b>Financial Assets</b>									
Cash and cash equivalents	-	-	8,413.10	8,413.10	-	-	12,894.34	12,894.34	
Other Bank balances	-	-	665.80	665.80	-	-	125.05	125.05	
Trade receivables	-	-	31.02	31.02	-	-	41.25	41.25	
Loans	-	-	80,607.53	80,607.53	-	-	59,017.49	59,017.49	
Other financial assets	-	90.59	-	90.59	-	-	79.23	79.23	
<b>Total</b>	-	90.59	89,808.04	89,898.64	-	-	22,157.36	77,157.36	
<b>Financial Liabilities</b>									
Debt securities (Listed)	-	-	14,931.36	14,931.36	-	-	12,833.73	12,833.73	
Borrowings (Other than debt securities)	-	-	32,160.10	32,160.10	-	-	16,865.58	16,865.58	
Lease liabilities	-	-	231.38	231.38	-	-	267.61	267.61	
Other financial liabilities	-	-	1,168.03	1,168.03	-	-	763.59	763.59	
<b>Total</b>	-	-	48,490.87	48,490.87	-	-	30,732.51	30,732.51	



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(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**Auxilo Finserve Private Limited**  
**Notes to the financial statements for the year ended March 31, 2022**

(Currency: Indian Rupees in lakhs)

**40. Financial Risk Management**

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

**Risk management framework**

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

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

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

**40.A. Credit Risk**

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

**40.A.i Credit risk management**

Credit risk for loan receivables is managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. Further, a major portion of exposure is secured by way of property and fixed deposits.

The impairment for financial assets are based on assumptions about risk of default and expected loss rates. These assumptions and estimates are assessed by the Company at every reporting date. Financial assets are written off when there is no reasonable expectation of recovery, however, the Company continues to attempt to recover the receivables.

**40.A.ii Collateral and other credit enhancements**

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

Collateral held varies, but may include:

- Fixed Deposits
- Residential and commercial real estate property
- Land

The Company's policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by the Company since the prior period.

**40.A.iii Other Financial Assets**

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

**40.A.iv Financial Asset Received as Collaterals**

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



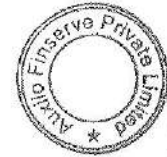
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Audio Finance Private Limited  
Notes to the financial statements for the year ended March 31, 2022  
(Currency - Indian Rupees in lakhs)  
60. Financial Risk Management  
60A Credit Risk (Continued)

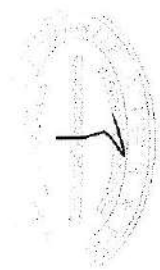
b) Credit quality of Loans

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

Particulars	As at March 31, 2022			As at March 31, 2021		
	Stage I	Stage II	Total	Stage I	Stage II	Total
<b>B2C - CIBIL Score Range</b>						
Above 650	64,255.85	193.44	54,476.46	19,138.02	564.00	17,200.03
Below 650	1,133.07	363.57	53.45	1,253.15	-	1,252.87
Gross exposure	(A)	652.31	66,087.53	40,384.16	564.00	40,971.99
Less: ECL	(B)	21.16	125.28	13.78	52.56	80.82
Net exposure	(C) = (A - B)	65,387.69	65,960.25	40,369.38	511.44	40,891.06
<b>B2B - Weighted Buckets (Based on DPD)</b>						
1 to 5	7,226.80	877.47	8,664.27	15,019.21	-	16,018.21
More than 5	2,825.47	4,013.25	6,837.82	669.15	-	669.15
Non performing asset	-	-	-	-	-	-
Gross exposure	(D)	10,052.27	14,678.09	15,688.36	677.00	17,364.36
Less: ECL	(E)	65.24	411.33	81.79	-	256.52
Net exposure	(F) = (D - E)	10,455.13	14,266.76	15,606.57	677.00	17,028.56
Total Gross exposure	(G) = (A + D)	75,309.39	80,757.76	55,992.81	564.00	56,536.56
Less: ECL	(H) = (B + E)	147.47	536.61	95.57	52.56	410.08
Net exposure	(I) = (G - H)	75,161.92	80,221.15	55,897.24	511.44	56,126.48
<b>Loans (Refer Schedule 6)</b>						
Committed lines of credit	70,312.44	5,370.00	75,682.44	24,188.39	563.69	24,752.08
Total Gross Exposure	5,677.87	5,780.21	11,458.08	4,931.93	0.51	4,932.44
Gross carrying amount	76,990.31	5,447.85	82,438.16	29,120.32	564.00	29,684.32
<b>Loans and advances carried at amortised cost</b>						
Loans to students (B2C)	59,917.79	544.60	60,462.39	33,897.23	153.49	34,050.72
Loans to educational institutions (B2B)	10,374.64	4,825.39	15,199.84	16,531.26	-	16,531.26
Total	70,312.43	5,449.99	75,762.42	50,428.49	153.49	50,581.98
<b>Expected credit loss</b>						
Loans and advances carried at amortised cost						
Loans to students (B2C)	51.20	31.99	42.16	13.78	52.56	66.34
Loans to educational institutions (B2B)	56.74	414.32	471.06	58.48	-	58.48
Total	147.47	446.31	593.22	72.26	52.56	124.82
<b>Net carrying amount</b>						
Loans and advances carried at amortised cost	59,866.56	512.61	60,379.17	33,794.45	510.93	34,305.38
Less: ECL	10,278.42	4,511.06	14,789.48	16,482.85	-	16,482.85
Loans to educational institutions (B2B)	70,144.98	4,923.67	75,068.65	50,066.33	510.93	50,577.26
Total	70,144.98	4,923.67	75,068.65	50,066.33	510.93	50,577.26



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(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Avanio Finance Private Limited  
Notes to the financial statements for the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)  
40. **Financial Risk Management**  
40.A **Credit Risk (Continued)**

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

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

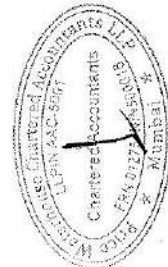
The 'New assets originated (repayments received (net))' represent the gross carrying amount and associated allowance ECL impact from transactions within the Company's lending portfolio

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

Particulars	As at March 31, 2022				As at March 31, 2021					
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount opening balance	52,185.58	563.49	70.75	-	53,403.82	48,997.17	-	-	-	48,997.17
New Assets Originated or Purchased	35,100.38	440.85	126.66	-	35,231.69	10,561.14	-	-	-	10,561.14
Assets derecognised or repaid (excluding write offs)	(12,156.17)	(37.28)	(4.60)	-	(12,198.05)	(3,785.49)	-	-	-	(3,785.49)
Transfer to Stage 1	503.92	(455.22)	(46.70)	-	(0.00)	-	-	-	-	-
Transfer to Stage 2	(4,891.50)	4.89	(33.34)	-	(4,920.00)	(1,205.24)	-	-	-	(1,205.24)
Transfer to Stage 3	(466.31)	(33.34)	(76.71)	-	(576.36)	(70.74)	-	-	-	(70.74)
Changes to Contractual Cash Flows (due to modification resulting into dere cognition)	-	-	-	-	(0.00)	-	-	-	-	-
Amounts written off	-	-	(7.01)	-	(7.01)	-	-	-	-	-
Gross carrying amount closing balance	70,312.44	5,370.00	1,247.01	-	76,929.45	52,138.58	-	-	-	52,138.58
a) Facades principal overdue of NPA cases of INR 0.83 lakhs as at March 31, 2022 (10 cases). Further as per the contractual terms total interest overdue for NPA cases is of INR 157.53 lakhs	-	-	-	-	-	-	-	-	-	-

e) Reconciliation of ECL balance is given below

Particulars	As at March 31, 2022				As at March 31, 2021					
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
ECL Allowance - Opening Balance	82.26	51.56	28.42	-	162.24	338.21	-	-	-	338.21
New Assets Originated or Purchased	57.06	366.26	71.01	-	494.33	17.45	-	-	-	17.45
Assets derecognised or repaid (excluding write offs)	(3.19)	(0.00)	-	-	(3.22)	(14.23)	-	-	-	(14.23)
Transfer to Stage 1	61.81	(44.57)	(17.24)	-	0.00	-	-	-	-	-
Transfer to Stage 2	(22.14)	22.14	-	-	-	(6.46)	-	-	-	(6.46)
Transfer to Stage 3	(6.84)	(3.33)	4.17	-	(6.00)	-	-	-	-	-
Impact on year end ECL of Expenses transferred between Stages during the year and reversal of ECL on account of recovery	(23.49)	53.27	9.58	-	39.36	(230.71)	-	-	-	(230.71)
Amounts written off	-	-	(4.56)	-	(4.56)	-	-	-	-	-
ECL Allowance - Closing Balance	147.47	446.30	348.38	-	942.15	87.26	-	-	-	87.26
										281.42
										416.24



(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**Auxilio Finserve Private Limited**  
Notes to the financial statements for the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

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

**f) Cash and cash equivalents**

	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents	8,413.10	12,894.34

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

**g) Collateral held**

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

Particulars	Principal type of collateral held	As at March 31, 2022	As at March 31, 2021
Loans to students (B2C)	Property and Fixed deposits	24.71%	39.51%
Loans to educational institutions (B2B)	Property	100.00%	100.00%

**h) Inputs, assumptions, techniques used for estimating impairment**

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

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

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

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

**Determining Significant Increase in Credit Risk (SICR)**

To determine if the risk of default of a financial instrument has increased significantly since initial recognition, the current risk of default at the reporting date compared with the risk of default at initial recognition. Assessment of whether there has been a significant increase in credit risk required at each reporting date.

All restructured facilities (where restructuring is done on account of decrease in credit worthiness) shall be classified as stage 2 for a minimum period of 12 months from the date of restructuring.

**Stage 1**

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

**Stage 2**

In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience that is available without undue cost or effort.

The Company assumes that the credit risk on a financial asset has increased significantly if it is:

- 1) More than 30 days past due
- 2) Fall in CIBIL scores more than a certain threshold as specified in its policy (Applicable for Education Loans)

**Stage 3**

Stage 2 to Stage 3: Facilities in which any instalment or partial instalment is outstanding for a period of more than 90 days and with extended RBI guidelines dated November 12, 2021.



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**Auxilio Finserve Private Limited**  
**Notes to the financial statements for the year ended March 31, 2022**

(Currency : Indian Rupees in lakhs)

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

Balances with banks:

Following is the staging criteria for investments:

- (i) For facilities with rating grade AAA to B, three notch downgrades (without modifiers) shall be taken as stage 2
- (ii) Any financial instrument with rating grade CCC or below classified as Stage 2 at origination.

**Assessment of reduction in Credit Risk -**

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

**Transitioning from Stage 2 to Stage 1:**

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

**For EL portfolio**

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

**Transitioning from Stage 3 to Stage 2/Stage 1:**

A Customer's loan account that has moved to stage 3 (i.e. more than 90 days DPD) and the customer subsequently pays as under:

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

**The key inputs into the measurement of ECL are the term structure of the following variables:**

- Probability of defaults (PDs)
- Loss given default (LGD)
- Exposure at default (EAD) i.e. the total expected exposure in the event of a default.

**Probability of default (PD)**

The Probability of Default defines the probability that the borrower will default on its obligations in the future. Ind AS 109 requires the use of separate PDs for:

1. Stage 1, i.e., 12-month duration
2. Stage 2, i.e., Lifetime but not credit impaired
3. Stage 3, i.e., Lifetime and credit impaired

**Loss Given Default (LGD)**

During the previous year, LGD was calculated as per the Basel II guidelines by first classifying collateral as per eligible criteria and then applying appropriate LGD % to each collateral type. Collaterals were verified against the threshold criteria, post clearance of the threshold criteria collateral, capping is calculated against the given loan portfolio.

During the current year, the company has assessed the LGD based on the performance of the portfolio. LGD represents recovery from default assets. For Students loans and Education Institution loans which are secured by financial and property related collaterals, LGD is calculated based on the value of respective collaterals. Minimum LGD of 20% is applied for these loans.

Financial collateral like fixed deposits is liquid collateral in nature, so the value of collateral is equivalent to fair value for purpose of computation of LGD.

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

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





(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**Auxilio Finserve Private Limited**  
 Notes to the financial statements for the year ended March 31, 2022

(Currency : Indian Rupees in lakhs)

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

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

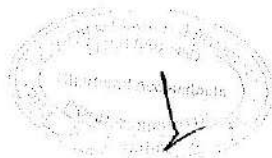
D) Macro economic indicator	As at March 31,	As at March 31,
	2022	2021
GDP growth	8.75%	12.50%
CPI-India	5.66%	-
CPI-USA	5.43%	-
Unemployment-USA	4.90%	-

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

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

Macro economic factors	March 31, 2021	
	improved by 10%	worsen by 10%
GDP growth	(19.59)	25.23

# CPI India and USA and unemployment-USA is considered from current year.



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(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Auxilio Finance Private Limited  
Notes to the financial statements for the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

40. **Financial Risk Management**  
40.8 Liquidity risk

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

The below table analyses the Company's financial liabilities and financial assets into relevant maturity groupings based on the remaining period as at the reporting date in the contractual maturity date.  
As at March 31, 2022.

Particulars	Total	Contractual cash flows								
		Up to 1 month	Over 1 month to 2 months	Over 2 months to 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	3 - 5 years	More than 5 years	
<b>Financial Liabilities</b>										
Debt securities	13,866.39	9.78	-	798.56	993.41	416.67	11,647.98	-	-	-
Borrowings (other than debt securities)	31,803.39	1,630.31	512.71	1,037.64	2,186.23	4,387.74	14,996.56	5,397.04	1,655.16	58.49
Lease liabilities	231.37	15.00	14.66	14.79	-	36.11	28.48	-	-	-
Other financial liabilities	1,168.03	-	9.71	-	450.17	-	-	-	-	723.15
<b>Total</b>	<b>37,069.18</b>	<b>1,655.09</b>	<b>637.08</b>	<b>1,850.99</b>	<b>3,654.97</b>	<b>4,840.52</b>	<b>26,673.02</b>	<b>5,435.72</b>	<b>1,655.16</b>	<b>2,441.80</b>
<b>Financial Assets</b>										
Cash and cash equivalents	8,413.10	8,413.10	-	-	-	-	-	-	-	-
Bank balance other than cash and cash equivalents above	665.80	503.85	-	26.73	2.97	-	-	-	132.25	-
Trade receivables	31.02	31.02	-	-	-	-	-	-	-	-
Loans	75,987.28	921.90	923.98	-	2,831.32	5,783.09	24,608.85	27,572.17	12,437.74	13,110
Other Financial Assets	90.59	1.25	0.98	-	34.03	8.72	-	-	-	-
<b>Total</b>	<b>85,187.79</b>	<b>9,968.25</b>	<b>922.18</b>	<b>950.71</b>	<b>2,868.32</b>	<b>5,814.80</b>	<b>24,617.57</b>	<b>27,704.42</b>	<b>12,460.84</b>	<b>13,110</b>



(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

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

(Currency: Indian Rupees in lakhs)

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

As at March 31, 2023

Particulars	Total	Contractual cash flows											
		Up to 1 month	Over 1 month to 2 months	Over 2 months to 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	3 - 5 years	More than 5 years				
<b>Financial liabilities</b>													
Debt securities	11,933.40	5.27	-	798.36	184.59	1,138.70	9,485.15	329.83	-	-	-	-	-
Borrowings (other than debt securities)	16,608.82	511.49	277.43	340.28	1,118.99	2,449.66	9,537.62	2,954.64	343.71	-	-	-	-
Lease Liabilities	267.61	13.11	13.30	13.42	40.96	86.02	109.80	-	-	-	-	-	-
Other financial liabilities	765.35	-	135.98	-	-	1.70	-	-	-	-	-	-	-
<b>Total</b>	<b>29,573.42</b>	<b>629.87</b>	<b>428.71</b>	<b>1,152.26</b>	<b>1,344.54</b>	<b>3,676.08</b>	<b>19,118.87</b>	<b>2,455.47</b>	<b>626.81</b>	<b>970.52</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial assets</b>													
Cash and cash equivalents	12,894.34	2,886.03	1,502.42	5,505.91	-	-	-	-	-	-	-	-	-
Bank balance other than cash and cash equivalents	123.05	-	-	-	-	-	-	-	-	-	-	-	-
Trade receivables	41.25	-	43.25	-	-	-	-	-	-	-	-	-	-
Loans	52,587.58	648.77	647.51	650.34	1,993.10	4,245.88	18,243.92	14,983.13	76.59	11,569.98	-	-	-
Other financial assets	79.23	-	1.01	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>66,127.45</b>	<b>6,534.78</b>	<b>2,150.94</b>	<b>6,197.80</b>	<b>1,996.10</b>	<b>4,245.88</b>	<b>18,243.92</b>	<b>15,138.18</b>	<b>1,63</b>	<b>11,571.55</b>	<b>-</b>	<b>-</b>	<b>-</b>

Note: For financial liabilities undiscounted cash flows have been provided.

40.C

Market risk

Market risk is the risk that changes in market prices and is exposed to risks such as

- a) Currency risk
- b) Prepayment risk
- c) Interest rate risk

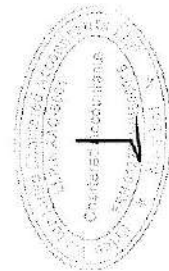
which will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a) Currency risk

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

b) Prepayment Risk

Prepayment risk is the risk that the Company will incur a financial loss because its customers and counterparties repay or request repayment earlier than expected particularly in case of fixed rate loans when interest rates fall. Most of the financial assets are at floating rates of interest, however there are financial liabilities which are having fixed interest rates. The Company is exposed to prepayment risk in form of fixed interest rate liabilities. Please refer to interest rate risk section for prepayment risk on account of fixed rate liabilities.



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Auxilo Finserve Private Limited  
Notes to the financial statements for the year ended March 31, 2022  
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40. *Financial Risk Management*

40.C *Market risk (Continued)*

e) *Interest rate risk*

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

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

	As at March 31, 2022	As at March 31, 2021
<b>Fixed rate instruments</b>		
Financial Assets	9,200.80	13,140.43
Financial Liabilities	(3,804.65)	(4,763.27)
<b>Floating rate instruments</b>		
Financial Assets	76,929.44	53,403.82
Financial Liabilities	(43,264.54)	(24,810.15)

**Fair value sensitivity analysis for fixed-rate instruments**

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

**Cash flow sensitivity analysis for variable-rate instruments**

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

	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Cash Flow Sensitivity (Variable rate instruments (net))</b>		
Decrease by 100 bps:	(336.65)	(285.94)
Increase by 100 bps:	336.65	285.94

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

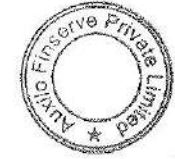
(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Avrilo Finance Private Limited  
Notes to the financial statements for the year ended March 31, 2022  
(Currency: Indian Rupees in Lakhs)

41 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	As at March 31, 2022		As at March 31, 2021		Total
	Within 12 months	After 12 months	Within 12 months	After 12 months	
<b>I Assets</b>					
<b>A. Financial assets</b>					
a) Cash and cash equivalents	8,413.10	-	8,413.10	-	12,894.34
b) Other Bank balances	533.55	132.25	665.80	-	125.05
c) Trade receivables	31.02	-	31.02	-	41.25
d) Loans	11,368.32	64,618.76	75,987.28	44,796.98	52,997.88
e) Other financial assets	68.77	21.82	90.59	78.22	79.23
<b>B. Non-financial assets</b>					
a) Current tax assets (net)	-	65.45	65.45	-	97.55
b) Deferred tax assets (Net)	-	305.48	305.48	-	128.05
c) Property, plant and equipment	-	105.58	105.58	-	123.59
d) Right of use asset	100.38	112.56	212.74	156.21	244.11
e) Intangible assets under development	-	123.23	123.23	-	-
f) Other intangible assets	-	88.35	88.35	-	93.43
g) Other non-financial assets	180.91	8.71	189.62	131.53	138.73
<b>Total Assets</b>	<b>20,696.25</b>	<b>65,591.75</b>	<b>86,278.00</b>	<b>21,414.93</b>	<b>66,852.91</b>
<b>II Liabilities</b>					
<b>A. Financial liabilities</b>					
a) Debt securities	2,218.41	11,647.98	13,866.39	2,127.12	9,806.78
b) Borrowings (other than debt securities)	9,754.63	22,048.75	31,803.39	4,697.85	11,910.97
c) Lease liabilities	105.72	125.65	231.38	165.81	106.80
d) Other financial liabilities	439.88	728.15	1,168.03	136.78	626.81
<b>B. Non-financial liabilities</b>					
a) Provisions	15.56	111.40	126.96	5.74	72.17
b) Other non-financial liabilities	66.23	112.01	178.24	34.55	14.07
<b>Total Liabilities</b>	<b>12,600.43</b>	<b>34,773.96</b>	<b>47,374.36</b>	<b>7,168.83</b>	<b>29,693.93</b>



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**Auxilio Finserve Private Limited**  
**Notes to the financial statements for the year ended March 31, 2022**  
(Currency: Indian Rupees in lakhs)

**42. Capital Management**

The primary objectives of the capital management policy is to ensure that the Company continuously complies with capital requirements required by regulator, maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to fund growth or comply with regulatory capital requirement, Company depends on internal accrual or may raise additional capital. Company may adjust the amount of dividend payment to shareholders, return capital to shareholders.

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

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

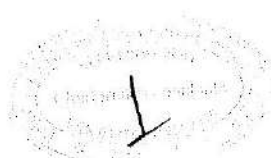
**43. Net debt reconciliation**

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

	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents	8,413.17	12,894.66
Bank balances other than cash and cash equivalents (including interest receivable)	665.91	125.15
Debt securities (including interest accrued)	13,866.39	11,933.40
Borrowings other than debt securities (including interest accrued)	31,803.39	16,608.82
<b>Net Debt</b>	<b>36,590.70</b>	<b>15,522.41</b>

b) **Movement in Net Debt during the year**

	Financial Assets		Liabilities from financing activities		Total
	Cash and cash equivalents	Bank balances other than cash and cash equivalents	Debt securities	Borrowings other than debt securities	
Net debt as at March 31, 2021	12,894.66	125.15	11,933.40	16,608.82	15,522.41
Cashflows inflows	16,143.51	540.76	3,300.00	23,300.00	9,915.73
Cashflows outflows	20,625.00	-	1,537.16	8,254.29	(10,833.55)
Interest expense	-	-	1,371.62	1,860.85	3,232.48
Interest paid during the year	-	-	1,201.47	1,712.00	2,913.47
<b>Net debt as at March 31, 2022</b>	<b>8,413.17</b>	<b>665.91</b>	<b>13,866.39</b>	<b>31,803.39</b>	<b>36,590.70</b>
Net debt as at March 31, 2020	12,286.56	118.00	2,482.75	22,452.26	12,530.45
Cashflows inflows	2,771.52	7.15	11,628.06	1,969.94	10,819.33
Cashflows outflows	2,163.42	-	2,916.67	7,947.75	8,701.00
Interest expense	-	-	1,028.74	2,150.64	3,179.38
Interest paid during the year	-	-	289.48	2,016.27	2,305.75
<b>Net debt as at March 31, 2021</b>	<b>12,894.66</b>	<b>125.15</b>	<b>11,933.40</b>	<b>16,608.82</b>	<b>15,522.41</b>



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Auxilio Finserve Private Limited  
Notes to the financial statements for the year ended March 31, 2022  
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**44. Transfer of Financial Assets**

**Transferred financial assets that are not derecognised in their entirety - Securitisation**

The Company has transferred a pool of loan receivables backed by underlying assets by entering into securitisation transactions with the Special Purpose Vehicle Trusts (SPV Trust) for consideration received in cash at the inception of the transaction.

The Company, being Originator of these loan receivables, also acts as Servicer with a responsibility of collection of receivables from its borrowers and depositing the same in Collection and Pay out Account maintained by the SPV Trust for making scheduled pay outs to the investors in Pass Through Certificates (PTCs) issued by the SPV Trust. These securitisation transactions also requires the Company to provide for first loss credit enhancement in various forms, such as cash collateral, over collateral of Pool principal and excess interest spread (EIS) as credit support in the event of shortfall in collections from underlying loan contracts. By virtue of existence of credit enhancement, the Company is exposed to credit risk, being the expected losses that will be incurred on the transferred loan receivables to the extent of the credit enhancement provided.

In view of the above, the Company has retained substantially all the risks and rewards of ownership of the financial asset and thereby does not meet the derecognition criteria as set out in Ind-AS 109. Consideration received in this transaction is presented as 'Borrowing under Securitisation' under Note 14.

The following table provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Assignment</b>		
Carrying amount of transferred assets measured at amortised cost	1,222.85	1,677.16
Carrying amount of associated liabilities (Debt securities - measured at amortised cost)*	909.70	1,538.62
Fair value of assets	1,222.85	1,677.16
Fair value of associated liabilities	943.22	1,589.97
Net position at Fair Value	279.63	87.19

\* inclusive of EIR impact

**45. Utilisation of funds**

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall (whether, directly or indirectly) lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**46. Events after reporting date**

There have been no major events which will cause changes to any numbers reported in the financial statements.



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**Auxilo Finserve Private Limited**  
**Notes to the financial statements for the year ended March 31, 2022**  
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**47. Regulatory disclosures - RBI**

The following additional information is disclosed in the terms of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 Issued vide Master Direction DNBR, PD, 008/03.10.119/2016-17 dated September 01, 2016 as amended.

The additional disclosure notes required by the Reserve Bank of India (RBI) are prepared under Indian Accounting Standards (Ind AS) issued by Ministry of Corporate Affairs (MCA), unless otherwise stated.

**47.1 Ratios**

	As at March 31, 2022	As at March 31, 2021
CRAR (%)	47.84%	67.01%
CRAR - Tier I Capital (%)	47.11%	66.27%
CRAI - Tier II Capital (%)	0.73%	0.74%
Amount of Subordinated debt raised as tier II capital	-	-
Amount raised by issue of perpetual debt instruments	-	-
Liquidity Coverage Ratio*	Not applicable	Not applicable

\*The Company is not required provide disclosure of Liquidity Coverage Ratio (LCR) as per RBI circular RBI/2019-20/88 DOR.NDFC (PD) CC, No.102/03.10.001/2019-20 dated November 04, 2019 since the aforesaid circular is applicable on the NBFCs with asset size of Rs. 5,000 crore. The company is not falling within the given criteria and hence disclosure of LCR is not made.

**47.2 Investments**

The Company has Nil investments as on March 31, 2022 and March 31, 2021.

**47.3 Derivatives**

The Company has not entered into any forward rate agreements, interest rate swaps, exchange traded interest rate derivatives.

**47.4 Asset liability management**

**(A) Maturity pattern of certain items of assets and liabilities As at March 31, 2022**

	Loans	Assets		
		Investments	Fixed Deposits	Foreign Currency Assets
1 day to 7 days	168.39	-	3,009.73	-
8 day to 14 days	302.18	-	-	-
15 day to 30/31 days (One month)	448.37	-	5,000.37	-
Over One months to 2 months	921.20	-	-	-
Over 2 months up to 3 months	923.96	-	20.73	-
Over 3 months to 6 months	2,821.32	-	2.97	-
Over 6 months to 1 year	5,783.09	-	-	-
Over 1 year to 3 years	24,608.85	-	-	-
Over 3 years to 5 years	27,572.17	-	132.25	-
Over 5 years	12,437.74	-	-	-
	<b>75,987.28</b>	-	<b>8,172.05</b>	-

	Borrowings and Debt Securities	Liabilities	
		Deposits #	Foreign Currency Liabilities
1 day to 7 days	1,000.00	-	-
8 day to 14 days	20.83	-	-
15 day to 30/31 days (One month)	619.26	-	-
Over One months to 2 months	512.71	-	-
Over 2 months up to 3 months	1,836.20	-	-
Over 3 months to 6 months	3,179.64	-	-
Over 6 months to 1 year	4,804.41	-	-
Over 1 year to 3 years	26,644.54	-	-
Over 3 years to 5 years	5,397.04	-	-
Over 5 years	1,555.16	-	-
	<b>45,009.78</b>	-	-



(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Auxilio Finserve Private Limited  
Notes to the financial statements for the year ended March 31, 2022  
(Currency : Indian Rupees in lakhs)

47. Regulatory disclosures - RBI

(B) Maturity pattern of certain items of assets and liabilities As at March 31, 2021

B.I	Assets			
	Loans	Investments	Fixed Deposits	Foreign Currency Assets
1 day to 7 days	119.82	-	5,300.32	-
8 day to 14 days	203.85	-	-	-
15 day to 30/31 days (One month)	325.10	-	-	-
Over One months to 2 months	647.51	-	1,502.42	-
Over 2 months up to 3 months	650.34	-	5,505.91	-
Over 3 months to 6 months	1,998.10	-	-	-
Over 6 months to 1 year	4,245.88	-	-	-
Over 1 year to 3 years	18,243.92	-	-	-
Over 3 years to 5 years	14,983.13	-	125.05	-
Over 5 years	11,569.93	-	-	-
	<b>51,987.58</b>	-	<b>12,433.70</b>	-
B.II	Liabilities			
	Borrowings and Debt Securities	Deposits#	Foreign Currency Liabilities	
1 day to 7 days	-	-	-	
8 day to 14 days	-	-	-	
15 day to 30/31 days (One month)	516.76	-	-	
Over One months to 2 months	277.43	-	-	
Over 2 months up to 3 months	1,138.84	-	-	
Over 3 months to 6 months	1,303.58	-	-	
Over 6 months to 1 year	3,588.36	-	-	
Over 1 year to 3 years	19,018.07	-	-	
Over 3 years to 5 years	2,355.47	-	-	
Over 5 years	343.71	-	-	
	<b>28,542.22</b>	-	-	

# This pertains to inter corporate deposits

47.5 Exposures

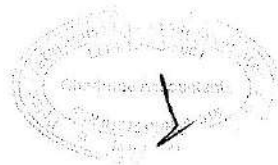
The Company has Nil exposure to residential mortgages, commercial real estate, investments in mortgage backed securities (MBS) and other securitised exposures and capital markets as on as on March 31, 2022 and March 31, 2021.

47.6 Details of financing of parent Company products;

Details of financing of parent Company products: Nil (Previous year : Nil)

47.7 Details of single borrower limit and borrower group limit exceeded by the Company:

During the year ended March 31, 2022 and March 31, 2021 the Company's credit exposure to single borrowers and group borrowers were within the limits prescribed by the RBI.\*



(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**Auslo Finserve Private Limited**  
**Notes to the financial statements for the year ended March 31, 2022**

(Currency : Indian Rupees in lakhs)

**47. Regulatory disclosures - RII**

**47.8 Unsecured advances**

The portfolio of Company include unsecured loans. Details of loans are provided in Note 6. During the year, the Company has not given any advance against collateral of rights, licenses, authority, etc. (Previous year- Nil).

**47.9 Registration obtained from other financial sector regulators**

The Company is registered with following other financial sector regulators (Financial regulators as described by Ministry of Finance):

- i) Ministry of Corporate Affairs
- ii) Securities and Exchange Board of India (SEBI)

**47.10** During the year the Company have paid penalties of INR 0.55 lakhs for non disclosure of nature and extent of security as per regulation 54(2) along with audited financial results (Previous year- Nil).

**47.11 Related party transactions**

All material transactions with related parties are reflected in Note - 36

**47.12** Details of transaction with non executive directors - Rs. Nil (Previous year - Rs. Nil)

Non-Executive Directors have no pecuniary relationship with the Company, except receiving sitting fees for the meetings attended.

**47.13 Provisions and contingencies**

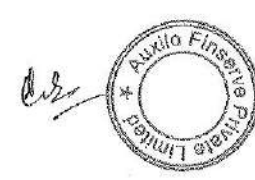
	As at March 31, 2022	As at March 31, 2021
<b>Breakup of provisions and contingencies shown under the head other expenses in the Statement of Profit and loss</b>		
Provision towards Stage 3	66.96	281.42
Provision made towards tax expenses	243.22	357.06
Provision for Stage 1/Stage 2 Assets including restructured and others	458.71	(203.38)
Provision for Stage 1 other financial assets	(0.25)	-
Other Provision and Contingencies *	169.25	174.30
<b>*Other provisions and contingencies</b>		
Provision for gratuity expense	18.71	16.17
Provision for compensated absences	11.72	12.36
Provision for ESOP	138.82	140.77
<b>Total</b>	<b>169.25</b>	<b>174.30</b>

**47.14 Draw down from reserves**

During the current year the Company has not drawn from any reserve. (Previous year: Nil)

**47.15 Concentration of deposits, advances, exposures and NPA assets**

	As at March 31, 2022	As at March 31, 2021
<b>A. Concentration of advances</b>		
Total Advances to twenty largest borrowers	7,567.96	7,654.26
% of Advances to twenty largest borrowers to Total Advances	9.84%	14.35%
<b>B. Concentration of exposures</b>		
Total Exposures to twenty largest borrowers / Customers	7,640.46	7,743.06
% of Exposures to twenty largest borrowers / Customers to Total Advances	9.93%	14.50%
<b>C. Concentration of NPA Advances</b>		
Total Exposures to top Four NPA Assets	1,079.62	694.73



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Auxilo Finserve Private Limited  
Notes to the financial statements for the year ended March 31, 2022  
(Currency : Indian Rupees in lakhs)

47. Regulatory disclosures - RBI

D. Sector-wise NPA Assets

Sectors	% of NPA assets to Total Advances in that sector	
	As at March 31, 2022	As at March 31, 2021
Agriculture and allied activities		
MSEME	0.00%	0.00%
Corporate borrowers	0.00%	0.00%
Services	0.00%	0.00%
Unsecured loans - Bill discounting	0.00%	0.00%
Auto loans	0.00%	0.00%
Other loans	0.00%	0.00%
	1.62%	1.31%

E. Concentration of deposits

The Company is a Non Deposit Accepting Systemically Important NBFC. Accordingly, the Company has not accepted any deposits during the current and previous year. Also there are no outstanding deposits from earlier years (Previous Year : Nil).

47.16 Movement in non-performing assets (NPAs)

The following table sets forth, for the years indicated, the details of movement of Stage 3 assets net of provision (Also refer note 6)

	As at March 31, 2022	As at March 31, 2021
(f) Net NPAs to net advances (%)	1.18%	0.79%
(ii) Movement of NPAs (gross)		
(a) Opening balance		
(b) Additions during the year	701.74	-
(c) Reductions during the year	600.97	701.74
(d) Closing balance	(55.73)	-
	<u>1,247.00</u>	<u>701.74</u>
(iii) Movement of net NPAs		
(a) Opening balance		
(b) Additions during the year	420.32	-
(c) Reductions during the year	512.21	420.32
(d) Closing balance	(33.91)	-
	<u>898.62</u>	<u>420.32</u>
(iv) Movement of provisions for NPAs (excluding provision on standard assets)		
(a) Opening Balance		
(b) Additions during the year	281.42	-
(c) Write off/write back of excess provision	88.77	281.42
(d) Closing balance	(21.80)	-
	<u>348.39</u>	<u>281.42</u>

47.17 Customer complaints

	For the year ended March 31, 2022	For the year ended March 31, 2021
i) No. of complaints pending at the beginning of the year	0	0
ii) No. of complaints received during the year	15	51
iii) No. of complaints redressed during the year	15	51
iv) No. of complaints pending at the end of the year	0	0

47.18 Rating assigned by credit rating agencies and migrations of ratings during the year

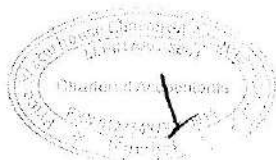
Instrument Rating:

CRISIL:

Long Term debt instruments and long-term bank facilities: CRISIL A/Stable  
Long Term debt instruments and Non-Convertible Debentures: CRISIL A/Stable  
Short term debt instruments and short-term bank facilities: CRISIL A1

CARE:

Long Term debt instruments and long-term bank facilities: Upgraded to CARE A; Stable (Previous Rating: CARE A; Stable)  
Long Term debt instruments and Non-Convertible Debentures: Upgraded to CARE A; Stable (Previous Rating: CARE A; Stable)  
Market linked debentures: Upgraded to CARE PP-MLD A; Stable (Previous Rating: CARE A; Stable)



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**Auxilio Finserve Private Limited**  
**Notes to the financial statements for the year ended March 31, 2022**

(Currency : Indian Rupees in lakhs)

**47. Regulatory disclosures - RBI**

**47.19 Disclosures relating to assignment and securitisation**

**47.19.1** The Company has not entered into any securitisation transactions during the current year. (Previous year : Refer note below)

No.	Particulars	As at March 31, 2022	As at March 31, 2021
1	No of SPVs sponsored by the NBFC for securitisation transactions	1	1
2	Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	1,432.78	1,955.73
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of		
	(a) Off-Balance Sheet exposures	-	-
	First loss	-	-
	Others	-	-
	(b) On-Balance Sheet exposures		
	First loss	117.34	117.34
	Others	293.36	293.36
4	Amount of exposures to securitisation transactions other than MRR		
	(a) Off-Balance Sheet exposures	-	-
	(i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	(ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
	(b) On-Balance Sheet exposures		
	(i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	(ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-

**47.19.2 Outstanding amount of assigned assets as per books of the Special Purpose Vehicle sponsored**  
The Company has not entered into any assignment transactions during the current year. (Previous year : Nil).

**47.19.3 Details of financial assets sold to securitisation/reconstruction Company for asset reconstruction**  
The Company has not sold any financial assets to securitisation/reconstruction Company for asset reconstruction during the year ended March 31, 2022 and March 31, 2021.

**47.20 Details of non-performing financial assets purchased / sold by the Company**  
The Company has neither purchased nor sold non performing assets during the year ended March 31, 2022 and March 31, 2021.



(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Axilio Finserv Private Limited  
Notes to the financial statements for the year ended March 31, 2022  
(Currency - Indian Rupees in lakhs)

47. Regulatory disclosures - RBI

47.21 Comparison of Regulatory Provision for NPA and Impairment Provision as per Ind AS  
As at March 31, 2022

Asset Classification as per RBI Norms	as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
<b>Performing</b>						
Standard	Stage-1	70,312.44	147.47	70,164.97	304.56	(157.09)
	Stage-2	5,370.00	446.30	4,923.70	166.95	279.35
Sub total		75,682.44	593.77	75,088.67	471.51	122.26
<b>Non Performing Assets (NPA)</b>						
Substandard	Stage-3	518.60	123.27	395.33	52.70	70.57
Doubtful						
up to 1 year	Stage-3	728.41	225.11	503.30	146.91	78.20
1 to 3 Years	Stage-3	-	-	-	-	-
More than 3 years	Stage-3	-	-	-	-	-
Sub total for Doubtful		728.41	225.11	503.30	146.91	78.20
Loss	Stage-3	-	-	-	-	-
Subtotal for NPA		1,247.01	348.38	898.63	199.61	148.77
Other items	Stage-1	-	-	-	-	-
Other items	Stage-2	-	-	-	-	-
Other items	Stage-3	-	-	-	-	-
Total	Stage-1	70,312.44	147.47	70,164.97	304.56	(157.09)
	Stage-2	5,370.00	446.30	4,923.70	166.95	279.35
	Stage-3	1,247.01	348.38	898.63	199.61	148.77
Total		76,929.45	942.15	75,987.30	671.12	271.03

As at March 31, 2021

Asset Classification as per RBI Norms	as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
<b>Performing</b>						
Standard	Stage-1	52,138.58	82.26	52,056.32	209.66	(127.40)
	Stage-2	503.50	52.56	510.94	43.28	9.28
Sub total		52,702.08	134.82	52,567.26	252.94	(118.12)
<b>Non Performing Assets (NPA)</b>						
Substandard	Stage-3	701.74	281.42	420.32	70.95	210.47
Doubtful						
up to 1 year	Stage-3	-	-	-	-	-
1 to 3 Years	Stage-3	-	-	-	-	-
More than 3 years	Stage-3	-	-	-	-	-
Sub total for Doubtful		-	-	-	-	-
Loss	Stage-3	-	-	-	-	-
Subtotal for NPA		701.74	281.42	420.32	70.95	210.47
Other items	Stage-1	-	-	-	-	-
Other items	Stage-2	-	-	-	-	-
Other items	Stage-3	-	-	-	-	-
Total	Stage-1	52,138.58	82.26	52,056.32	209.66	(127.40)
	Stage-2	503.50	52.56	510.94	43.28	9.28
	Stage-3	701.74	281.42	420.32	70.95	210.47
Total		53,403.82	416.24	52,987.58	323.89	93.58



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**Auxilio Finserve Private Limited**  
Notes to the financial statements for the year ended March 31, 2022  
(Currency: Indian Rupees in lakhs)

**47.22 Disclosure of Restructured Accounts**

(as required by RBI guidelines under reference DNBS, CO, PD, No. 367 / 03.10.01 / 2013-14 dated January 23, 2014)

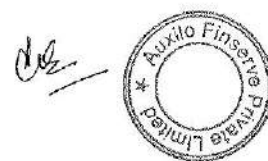
Sl No	Type of Restructuring -- Asset Classification -- Details		Standard	Sub Standard	Doubtful / Loss	Total
1	Restructured Accounts as on April 1 of the Financial Year (opening figures)	No. of borrowers Amount outstanding Provision thereon	- 424.29 43.08	- - -	- - -	6.00 424.29 43.08
2	Fresh restructuring during the year	No. of borrowers Amount outstanding* Provision thereon	- 1,455.65 151.05	- - -	- - -	23.00 1,455.65 151.05
3	Recovery	No. of borrowers Amount outstanding Provision thereon	- - -	- - -	- - -	- - -
4	Upgradations to restructured standard category during the Financial Year	No. of borrowers Amount outstanding Provision thereon	- - -	- - -	- - -	- - -
5	Restructured standard advances which cease to attract higher provisioning and / or additional risk	No. of borrowers Amount outstanding Provision thereon	(5.00) (390.95) (39.75)	- - -	- - -	(5.00) (390.95) (39.75)
6	Down gradations of restructured accounts during the Financial Year	No. of borrowers Amount outstanding Provision thereon	(1.00) (33.34) (3.33)	1.00 37.17 11.23	- - -	- 3.83 7.90
7	Write-offs of restructured accounts during the Financial Year	No. of borrowers Amount outstanding Provision thereon	- - -	- - -	- - -	- - -
8	Restructured Accounts as on March 31 of the Financial Year (closing figures)	No. of borrowers Amount outstanding Provision thereon	23.00 1,455.65 151.05	1.00 37.17 11.23	- - -	24.00 1,492.82 162.28

**One-time restructuring**

Details of resolution plan implemented under the "Resolution Framework for COVID-19 related Stress" dated August 6, 2020 and on "Resolution Framework - 2.0: Resolution of COVID-19 related stress of individual and small businesses" dated May 05, 2021 are given below.

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at September 30, 2021 (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at March 31, 2022
Personal Loans	432.96	37.17	-	2.15	432.81
Corporate persons* Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
<b>Total</b>	<b>432.96</b>	<b>37.17</b>	<b>-</b>	<b>2.15</b>	<b>432.81</b>

\* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016



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Auxilio Fintserve Private Limited  
Notes to the financial statements for the year ended March 31, 2022  
(Currency : Indian Rupees in lakhs)

47. Regulatory disclosures - RBI

47.23 Disclosure on liquidity risk under RBI circular no. RBI/2019-20/56 DOR.NBFC (PD) CC, No.102/03.10.001/2019-20 dated November 04, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies from March 31, 2020 onwards

47.23.a Funding Concentration based on significant counterparty (borrowings, debt securities)

Particulars	As at March 31, 2022	As at March 31, 2021
No. of Significant Counterparties*	16	10
Amount (₹ in lakh)†	44,926.24	26,551.13
Percentage of funding concentration to total deposits	-	-
Percentage of funding concentration to total liabilities‡	94.83%	89.40%

47.23.b Top 20 large deposits  
Not applicable

47.23.c Top 10 Borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
Total amount of top 10 borrowings (₹ in lakh)§	29,168.27	14,142.80
Percentage of amount of top 10 borrowings to total borrowings	63.87%	53.27%
Total amount of top 10 borrowings (₹ in lakh)¶	1,653.24	1,125.00
Percentage of amount of top 10 borrowings to total borrowings	3.62%	4.24%
Total amount of top 10 borrowings (₹ in lakh)¶	13,866.39	11,283.33
Percentage of amount of top 10 borrowings to total borrowings	30.36%	42.50%

47.23.d Funding concentration based on significant instrument / product¶¶:

Particulars	As at March 31, 2022		As at March 31, 2021	
	₹ in lakh	% of Total Liabilities ^	₹ in lakh	% of Total Liabilities ^
a) Term loan				
b) Working capital demand loan	29,893.69	67.10%	13,577.83	46.05%
c) Non convertible debentures	1,000.00	2.11%	-	0.00%
d) Securitization payables	13,866.39	29.27%	11,283.33	37.99%
	909.70	1.92%	1,589.97	5.35%

\* Significant counterparty is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's total liabilities

† Significant instrument / product is defined as a single instrument / product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC-NDSI's total liabilities

‡ Total Liabilities represents total liabilities as per balance sheet less total equity

§ All the above numbers are excluding notional Ind AS adjustments for previous year.

47.23.e Stark Ratios:

Particulars	As at March 31, 2022	As at March 31, 2021
i) Commercial Papers to Total Liabilities	Nil	Nil
ii) Commercial Papers to Total Assets	Nil	Nil
iii) Commercial Papers to Public funds	Nil	Nil
iv) NCD(Original Maturity < 1yrs.) to Total Liabilities	Nil	Nil
v) NCD(Original Maturity < 1yrs.) to Total Assets	Nil	Nil
vi) NCD(Original Maturity < 1yrs.) to Public funds	Nil	Nil
vii) Other Short Term Liabilities to Total Liabilities ##	1.15%	1.02%
viii) Other Short Term Liabilities to Total Assets ##	0.63%	0.45%
ix) Other Short Term Liabilities to Public funds ##	Nil	Nil

## Other short term liabilities include all the financial liabilities maturing within next 12 months other than Commercial Paper and NCDs



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**Auxilo Finserve Private Limited**  
Notes to the financial statements for the year ended March 31, 2022

(Currency : Indian Rupees in lakhs)

**47. Regulatory disclosures - RBI**

**47.23.F Institutional set-up for liquidity risk management:**

The Company's Board of Directors assume the overall responsibility for management of liquidity risk.

Risk Management Committee ("RMC") shall have overall responsibility of evaluating liquidity risks faced by the entity and will act as per mandate of the Board in managing the liquidity risk and adherence to this framework through itself and the various sub-committees reporting into it.

Asset Liability Committee ("ALCO") reports into the RMC which in turn is supported by Asset Liability Management Support Group in managing the overall liquidity risk of the Company.

**47.24 Overseas assets**

The Company did not have any Joint Ventures and Subsidiaries abroad as at March 31, 2022 (March 31, 2021: Nil)

**47.25 Reporting of Frauds**

The Company has not reported any fraud during the current year. (Previous year : Nil)

**48. Willful Defaulter**

The Company has not been declared as willful defaulter by any bank or financial institution or other lender.

**49. Relationship with struck off Companies**

The Company not had any transaction with companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

**50. Undisclosed Income**

There are no transactions which are recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

**51. Details of Crypto Currency or Virtual Currency**

There are no trading or investment in Crypto currency or Virtual Currency during the financial year by the Company.

**52. Previous year figures have been regrouped / reclassified to make them comparable with current reporting period.**

As per our report of even date attached.

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

  
Russell I Parera  
Partner  
Membership Nos - 042190

Mumbai  
May 19, 2022

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

  
Manish Chokhani  
Director  
DIN - 00204011

  
Harsha Saksena  
Chief Financial Officer

Mumbai  
May 19, 2022

  
Nccraj Saxena  
MD & CEO  
DIN - 07951705





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**Auxilio Finserve Private Limited**  
Notes to the financial statements for the year ended March 31, 2022

(Currency: Indian Rupees in Lakhs)

**Annexure - I**

Schedule to the Balance Sheet of "Auxilio Finserve Private Limited" (as required in terms of paragraph 19 of Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016)

(iii) Units of mutual funds	-	-	-	-	-	-
(iv) Government securities	-	-	-	-	-	-
(v) Others (please specify)	-	-	-	-	-	-
<b>2. Unquoted</b>						
(i) Shares: (a) Equity	-	-	-	-	-	-
(b) Preference	-	-	-	-	-	-
(ii) Debentures and bonds	-	-	-	-	-	-
(iii) Units of mutual funds	-	-	-	-	-	-
(iv) Government securities	-	-	-	-	-	-
(v) Others (please specify)	-	-	-	-	-	-
<b>Long term investments:</b>						
<b>1. Quoted</b>						
(i) Shares: (a) Equity	-	-	-	-	-	-
(b) Preference	-	-	-	-	-	-
(ii) Debentures and bonds	-	-	-	-	-	-
(iii) Units of mutual funds	-	-	-	-	-	-
(iv) Government securities	-	-	-	-	-	-
(v) Others (please specify)	-	-	-	-	-	-
<b>2. Unquoted</b>						
(i) Shares: (a) Equity	-	-	-	-	-	-
(b) Preference	-	-	-	-	-	-
(ii) Debentures and bonds	-	-	-	-	-	-
(iii) Units of mutual funds	-	-	-	-	-	-
(iv) Government securities	-	-	-	-	-	-
(v) Others (please specify)	-	-	-	-	-	-

6) Borrower group-wise classification of assets financed as in (3) and (4) above:	Amount net of provision (Refer note 6)			Amount net of provision (Refer note 6)		
	Secured	Unsecured	Total	Secured	Unsecured	Total
<b>1. Related Parties</b>						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-
<b>2. Other than related parties</b>	31,325.04	45,604.40	76,929.44	31,376.06	22,027.76	53,403.82
<b>Total</b>	<b>31,325.04</b>	<b>45,604.40</b>	<b>76,929.44</b>	<b>31,376.06</b>	<b>22,027.76</b>	<b>53,403.82</b>
<b>7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)</b>						
<b>Category</b>	<b>Market Value / Break up or fair value or NAV</b>	<b>Book Value (Net of provisions)</b>	<b>Total</b>	<b>Market Value / Break up or fair value or NAV</b>	<b>Book Value (Net of provisions)</b>	<b>Total</b>
<b>1. Related Parties</b>						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-
<b>2. Other than related parties</b>						
<b>Total</b>						




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**Auxilo Finserve Private Limited**  
 Notes to the financial statements for the year ended March 31, 2022  
 (Currency - Indian Rupees in lakhs)

**Annexure - I**

Schedule to the Balance Sheet of "Auxilo Finserve Private Limited" (as required in terms of paragraph 19 of Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016)

8) Other Information						
Particulars	Amount	Amount	Total	Amount	Amount	Total
(i) Gross non-performing assets						
(a) Related parties	-	-	-	-	-	-
(b) Other than related parties	1,247.00	-	1,247.00	701.74	-	701.74
(ii) Net non-performing assets						
(a) Related parties	-	-	-	-	-	-
(b) Other than related parties	898.62	-	898.62	420.32	-	420.32
(iii) Assets acquired in satisfaction of debt	-	-	-	-	-	-

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(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

## AUDITED FINANCIAL STATEMENTS FOR FY20-21

### Auxilo Finserve Private Limited

Balance Sheet as at March 31, 2021

(Currency : Indian Rupees in lakhs)

	Note No.	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
<b>ASSETS</b>				
<b>(I) Financial Assets</b>				
(a) Cash and cash equivalents	3	12,894.34	12,286.13	1,036.52
(b) Bank balances other than cash and cash equivalents	4	125.05	117.97	-
(c) Receivables				
Trade receivables	5	41.25	70.36	214.33
(d) Loans	6	52,987.58	48,658.97	26,396.14
(e) Other financial assets	7	79.23	74.26	51.13
		<b>66,127.45</b>	<b>61,207.69</b>	<b>27,698.12</b>
<b>(II) Non Financial Assets</b>				
(a) Current tax assets (net)	8	97.55	58.68	13.44
(b) Deferred tax assets (net)	9	128.05	189.65	367.56
(c) Property, plant and equipment	10	123.59	164.14	181.12
(d) Right-of-use assets	10	244.11	312.38	291.58
(e) Intangible assets under development		-	-	76.01
(f) Intangible assets	10	93.43	112.32	21.58
(g) Other non financial assets	11	138.73	96.72	69.77
		<b>825.46</b>	<b>933.89</b>	<b>1,021.06</b>
<b>Total Assets</b>		<b>66,952.91</b>	<b>62,141.58</b>	<b>28,719.18</b>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>(I) Financial Liabilities</b>				
(a) Trade Payables				
total outstanding dues of micro enterprises and small enterprises		-	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises	12	-	0.34	7.40
(b) Debt securities	13	11,933.40	2,482.75	-
(c) Borrowings (Other than debt securities)	14	16,608.82	22,452.26	14,011.70
(d) Lease liabilities	29	267.61	330.27	291.58
(e) Other financial liabilities	15	763.59	854.89	493.37
		<b>29,573.42</b>	<b>26,120.51</b>	<b>14,804.05</b>
<b>(II) Non-Financial Liabilities</b>				
(a) Provisions	16	77.91	44.41	27.14
(b) Other non-financial liabilities	17	48.60	90.95	74.15
		<b>126.51</b>	<b>135.36</b>	<b>101.29</b>
<b>EQUITY</b>				
(a) Equity share capital	18	34,406.22	34,406.22	15,000.00
(b) Other equity	19	2,846.76	1,479.49	(1,186.16)
		<b>37,252.98</b>	<b>35,885.71</b>	<b>13,813.84</b>
<b>Total Liabilities and Equity</b>		<b>66,952.91</b>	<b>62,141.58</b>	<b>28,719.18</b>

#### Significant Accounting Policies

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

1 & 2

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

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

**RUSSELL IVAN PARERA**  
Digitally signed by RUSSELL IVAN PARERA  
Date: 2021.05.12 20:40:14 +05'30'

**Russell I Parera**  
Partner  
Membership No. - 042190

Mumbai  
May 12, 2021

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

**MANISH BALKISHAN CHOKHANI**  
Digitally signed by MANISH BALKISHAN CHOKHANI  
Date: 2021.05.12 19:09:23 +05'30'

**Manish Chokhani**  
Director  
DIN - 00204011

**HARSHA SAKSENA**  
Digitally signed by HARSHA SAKSENA  
Date: 2021.05.12 18:59:23 +05'30'

**Harsha Saksena**  
Chief Financial Officer

Mumbai  
May 12, 2021

**NEERAJ N SAXENA**  
Digitally signed by NEERAJ N SAXENA  
Date: 2021.05.12 18:59:23 +05'30'

**Neeraj Saxena**  
MD & CEO  
DIN - 07951705

**Deepika Thakur Chauhan**  
Digitally signed by DEEPIKA THAKUR CHAUHAN  
Date: 2021.05.12 18:59:23 +05'30'

**Deepika Thakur Chauhan**  
Company Secretary

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**Auxilo Finserve Private Limited**  
**Statement of Profit and Loss for the year ended March 31, 2021**

(Currency : Indian Rupees in lakhs)

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>(I) Revenue from operations</b>			
(a) Interest income	20	7,360.17	5,281.05
(b) Fee and commission income	21	33.22	85.75
(c) Net gain on fair value change	22	116.52	100.28
<b>Total revenue from operations</b>		<b>7,509.91</b>	<b>5,467.08</b>
<b>(II) Other income</b>	23	59.20	110.80
<b>Total income</b>		<b>7,569.11</b>	<b>5,577.88</b>
<b>(III) Expenses</b>			
(a) Finance costs	24	3,263.89	1,777.63
(b) Impairment on financial assets	25	78.87	232.03
(c) Employee Benefits Expenses	26	1,912.92	1,755.59
(d) Depreciation and amortization	10	266.83	213.27
(e) Others expenses	27	727.32	1,052.25
<b>Total expenses</b>		<b>6,249.83</b>	<b>5,030.77</b>
<b>(IV) Profit before tax for the year (I + II - III)</b>		<b>1,319.28</b>	<b>547.11</b>
<b>(V) Tax Expense :</b>	28		
(a) Current tax		330.90	60.68
(b) Short / (Excess) provision for earlier years		(35.44)	-
(c) Deferred tax		61.59	178.15
		357.05	238.83
<b>(VI) Net profit after tax for the year (IV - V)</b>		<b>962.23</b>	<b>308.28</b>
<b>(VII) Other Comprehensive Income</b>			
(a) Items that will not be reclassified to profit and loss			
(i) Remeasurement gains and (losses) on defined benefit obligations		0.02	(0.96)
(ii) Income tax relating to items that will not be reclassified to profit and loss		(0.01)	0.24
<b>Total (a)</b>		0.01	(0.72)
(b) Items that will be reclassified to profit and loss		-	-
<b>Total (b)</b>		-	-
<b>Other Comprehensive income (a+b)</b>		<b>0.01</b>	<b>(0.72)</b>
<b>(VIII) Total Comprehensive Income for the year (VI + VII)</b>		<b>962.24</b>	<b>307.56</b>
<b>(IX) Earnings per equity share in Rupees (Face value Rs. 10 each)</b>			
Basic	30	0.28	0.12
Diluted	30	0.28	0.11

**Significant Accounting Policies**

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

1 & 2

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

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

RUSSELL  
IVAN  
PARERA  
PAREIRA

Russell I Parera  
Partner  
Membership No. - 042190

Mumbai  
May 12, 2021

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

MANISH  
BALKISHAN  
CHOKHANI

Manish Chokhani  
Director  
DIN - 00204011

HARSHA  
SAKSENA

Harsha Saksena  
Chief Financial Officer

Mumbai  
May 12, 2021

NEERAJ  
SAXENA

Neeraj Saxena  
MD & CEO  
DIN - 07951705

Deepika  
Thakur  
Chauhan

Deepika Thakur Chauhan  
Company Secretary

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**Auxilo Finserve Private Limited**  
**Statement of cash flow for the year ended March 31, 2021**

(Currency : Indian Rupees in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A Cash flow from operating activities</b>		
Profit before tax	1,319.28	547.11
<b>Adjustments for</b>		
Depreciation and amortisation	266.83	213.27
Interest adjustments lease liabilities	27.55	29.28
Interest Expense	3,179.38	1,713.41
Interest Paid	(2,305.75)	(1,630.58)
Impairment on financial assets	78.87	232.03
Net gain on sale on current investments measured at fair value through profit and loss	(116.52)	(100.28)
Profit or Loss on sale of fixed assets	-	0.11
Rates and Taxes (Expense on account of increase in Authorised Share Capital)	-	150.61
Provision for Compensated absences	17.35	3.48
Provision for Gratuity	16.16	13.07
Interest expense on security deposit	5.04	4.90
Unwinding of discount on security deposits	(4.43)	(5.10)
Employees stock option provision	140.76	154.98
<b>Operating cash flow before working capital changes</b>	<b>2,624.52</b>	<b>1,326.29</b>
<i>Add / (Less): Adjustments for working capital changes</i>		
Decrease / (Increase) in Trade Receivables	29.12	144.01
(Increase) / Decrease in Loans	(4,407.60)	(22,494.98)
(Increase) / Decrease in Other Financial Assets	(9.97)	(27.98)
(Increase) / Decrease in Other non financial assets	(37.58)	(21.85)
(Increase) / Decrease in Other Bank balances	(7.01)	(117.94)
(Increase) / Decrease in Right-of-use assets	(83.56)	(143.54)
Increase / (Decrease) in Lease Liabilities	71.93	142.84
Increase / (Decrease) in Payables	(0.34)	(7.06)
Increase / (Decrease) in ECL on Cash and cash equivalents	(0.11)	0.43
Increase / (Decrease) in Other financial liabilities	(91.30)	361.52
Increase / (Decrease) in Other non-financial liabilities	(42.35)	16.80
<b>Cash used in operations</b>	<b>(1,954.25)</b>	<b>(20,821.46)</b>
Income taxes paid Income taxes paid (Net of Refunds Received)	(334.32)	(106.16)
<b>Net cash used in operating activities - A</b>	<b>(2,288.57)</b>	<b>(20,927.62)</b>
<b>B Cash flow from investing activities</b>		
Purchase of property, plant and equipment, intangible assets including ROU	(55.56)	(88.65)
Sale of property, plant and equipment and intangible assets	-	0.26
Purchase of investments	(14,525.00)	(39,005.98)
Proceeds from sale of investments	14,641.52	39,106.26
<b>Net cash generated from / (used in) investing activities - B</b>	<b>60.96</b>	<b>11.89</b>
<b>C Cash flow from financing activities</b>		
Proceeds from issue Equity shares (incl. Securities Premium)	-	21,609.33
Proceeds from call money on OCPs	264.27	-
Rates and Taxes (Expense on account of increase in Authorised Share Capital)	-	(150.61)
Payment towards leases	(162.14)	(133.43)
Proceeds from issue of debt securities	11,628.06	2,480.86
Repayment of debt securities	(2,916.67)	-
Proceeds from borrowings (other than Debt securities)	1,969.94	28,156.97
Repayment of borrowings (other than Debt securities)	(7,947.75)	(19,797.35)
<b>Net cash generated from financing activities - C</b>	<b>2,835.71</b>	<b>32,165.77</b>
<b>Net increase / (Decrease) in cash and cash equivalents (A+B+C)</b>	<b>608.10</b>	<b>11,250.04</b>
Cash and cash equivalent as at the beginning of the year	12,286.56	1,036.52
Cash and cash equivalent as at the end of the year	12,894.66	12,286.56

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**Auxilo Finserve Private Limited**  
Statement of cash flow for the year ended March 31, 2021

(Currency : Indian Rupees in lakhs)

**Notes:**

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

Particulars	March 31, 2021	March 31, 2020
Cash and Cash Equivalents as per above comprise of the following		
- In Current accounts	585.69	1,782.05
- In Fixed deposits	12,308.97	10,504.51
<b>Balances as per statement of cash flow</b>	<b>12,894.66</b>	<b>12,286.56</b>

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

iii) The cash and cash equivalent as shown in balance sheet is net of impairment allowance of Rs. 0.32 lakh (Previous year Rs. 0.43 lakh).

iv) For Net debt reconciliation refer note - 44.

**Significant Accounting Policies**

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

1 & 2

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

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

**RUSSELL  
IVAN  
PARERA** Digitally signed  
by RUSSELL IVAN  
PARERA  
Date: 2021.05.12  
20:41:16 +05'30'

**Russell I Parera**  
Partner  
Membership No. - 042190

Mumbai  
May 12, 2021

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

**MANISH  
BALKISHAN  
CHOKHANI** Digitally signed by  
MANISH BALKISHAN  
CHOKHANI  
Date: 2021.05.12  
18:13:46 +05'30'

**Manish Chokhani**  
Director  
DIN - 00204011

**HARSHA  
SAKSENA** Digitally signed by  
HARSHA SAKSENA  
Date: 2021.05.12  
18:13:01 +05'30'

**Harsha Saksena**  
Chief Financial Officer

Mumbai  
May 12, 2021

**NEERAJ  
N  
SAXENA** Digitally signed by  
NEERAJ N  
SAXENA  
Date: 2021.05.12  
18:13:01 +05'30'

**Neeraj Saxena**  
MD & CEO  
DIN - 07951705

**Deepika  
Thakur  
Chauhan** Digitally signed by  
Deepika Thakur  
Chauhan  
Date: 2021.05.12  
18:13:01 +05'30'

**Deepika Thakur Chauhan**  
Company Secretary

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**Auxilo Finserve Private Limited**

Statement of changes in equity As at March 31, 2021

(Currency : Indian Rupees in lakhs)

**A. Equity Share Capital**

Particulars	As at March 31, 2021		As at March 31, 2020		As at April 01, 2019	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	34,40,62,153	34,406.22	15,00,00,000	15,000.00	15,00,00,000	15,000.00
Add: Changes in equity share capital during the year	-	-	19,40,62,153	19,406.22	-	-
<b>Issued, subscribed and fully paid up equity shares outstanding at the end of the year</b>	<b>34,40,62,153</b>	<b>34,406.22</b>	<b>34,40,62,153</b>	<b>34,406.22</b>	<b>15,00,00,000</b>	<b>15,000.00</b>

**B. Other Equity**

Particulars	Other Equity					Total Other Equity
	Equity component of compound financial instrument	Reserves and Surplus				
		Securities premium	Statutory reserve	Employee stock options	Retained Earnings	
Balance As at April 01, 2019	8.00	-	0.14	217.26	(1,411.56)	(1,186.16)
Profit for the year	-	-	-	-	308.28	308.28
Other comprehensive income for the year	-	-	-	-	(0.72)	(0.72)
Issue of equity shares	-	2,203.11	-	-	-	2,203.11
Transfer from / (to)	-	-	198.73	-	(198.73)	-
Employee share options	-	-	-	154.98	-	154.98
<b>Balance As at March 31, 2020</b>	<b>8.00</b>	<b>2,203.11</b>	<b>198.87</b>	<b>372.24</b>	<b>(1,302.73)</b>	<b>1,479.49</b>
Profit for the year	-	-	-	-	962.23	962.23
Other comprehensive income for the year	-	-	-	-	0.01	0.01
Money called up and paid on OCPS	264.27	-	-	-	-	264.27
Transfer from / (C19b)	-	-	192.45	-	(192.45)	-
Employee share options	-	-	-	140.76	-	140.76
<b>Balance As at March 31, 2021</b>	<b>272.27</b>	<b>2,203.11</b>	<b>391.32</b>	<b>513.00</b>	<b>(532.94)</b>	<b>2,846.76</b>

**Significant Accounting Policies - Refer Note 1 and 2**

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

For Price Waterhouse Chartered Accountants LLP  
Firm Registration No.: 012754N/NS00016

**RUSSELL IVAN PARERA**  
Digitally signed by RUSSELL IVAN PARERA  
Date: 2021.05.12 20:41:51 +05'30'

**Russell I Parera**  
Partner  
Membership No. - 042190

Mumbai  
May 12, 2021

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

**MANISH BALKESHAN CHOKHANI**  
Digitally signed by MANISH BALKESHAN CHOKHANI  
Date: 2021.05.12 18:32:36 +05'30'

**Manish Chokhani**  
Director  
DIN - 00204011

**HARSHA SAKSENA**  
Digitally signed by HARSHA SAKSENA  
Date: 2021.05.12 18:21:13 +05'30'

**Harsha Saksena**  
Chief Financial Officer

Mumbai  
May 12, 2021

**NEERAJ N SAXENA**  
Digitally signed by NEERAJ N SAXENA  
Date: 2021.05.12 18:32:36 +05'30'

**Neeraj Saxena**  
MD & CEO  
DIN - 07951705

**Deepika Thakur Chauhan**  
Digitally signed by Deepika Thakur Chauhan  
Date: 2021.05.12 18:32:36 +05'30'

**Deepika Thakur Chauhan**  
Company Secretary

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**Auxilo Finserve Private Limited**  
**Notes to the financial statements for the year ended March 31, 2021**

(Currency : Indian Rupees in lakhs)

**1. Corporate Information**

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

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

The financial statements of the Company for the year ended March 31, 2021 were approved for issue in accordance with the resolution of the Board of Directors on May 12, 2021.

**2 Basis of preparation and summary of significant accounting policies**

**A Basis of preparation of financial statements**

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

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016. The Company has adopted Ind AS from April 01, 2020 with effective transition date of April 01, 2019 and accordingly, these financial statements together with the comparative reporting period have been prepared in accordance with the recognition and measurement principles as laid down in Ind AS, prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued there under and other relevant provision of the act. The transition to Ind AS has been carried out from the erstwhile Accounting Standards notified under the Act read with Rule 7 of Companies (Accounts) Rules 2014 (as amended), guidelines issued by the RBI and other generally accepted accounting principles in India (collectively referred to as 'the Previous GAAP'). Accordingly, the impact of transition has been recorded in the opening reserves as at April 01, 2019 and the comparative previous year has been restated / reclassified.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the financial years presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at April 01, 2019 being the 'date of transition to Ind AS'. These financial statements were authorized for issue by the Company's Board of Directors on May 12, 2021.

**2.02 Basis of preparation**

The financial statement comprises of statement of financial position as at March 31, 2021, statement of profit and loss, statement of changes in equity and statement of cash flow for the year then ended and related explanatory notes. The Company has prepared these financial statements to comply in all material respects with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. These are the Company's first Ind AS financial statements.

The Company has assessed its liquidity position and its possible sources of funds. The Board of Directors of the Company are confident of the Company's ability to meet its obligations as and when they arise in the next twelve months from the date of these financial statements. Accordingly, these financial statements have been prepared on a going concern basis.

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**Auxilo Finserve Private Limited**  
**Notes to the financial statements for the year ended March 31, 2021**

(Currency : Indian Rupees in lakhs)

**2.03 Basis of measurement**

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

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

The financial statements have been prepared on a historical cost basis except for:

- Certain financial assets and liabilities - measured at fair value
- Defined benefit plans (Employee benefit provisions) – measured at fair value.

**2.04 Use of estimates and judgements**

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

**2.05 Critical Accounting Estimates and Judgements**

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

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

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

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

**A. Measurement of impairment of loans and advances**

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

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**Auxilo Finserve Private Limited**  
**Notes to the financial statements for the year ended March 31, 2021**

(Currency : Indian Rupees in lakhs)

**2 Significant accounting policies (Continued)**

**2.05 Critical Accounting Estimates and Judgements (Continued)**

**B. Measurement of defined benefit obligations**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each financial year end.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, the actuary considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

**C. Useful lives of property, plant and equipment and intangible assets**

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

**E. Fair value of financial instrument**

The fair value of financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility. For further details about determination of fair value please see Note - 40.

**F. Business model assessment**

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

**G. Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

## **Auxilo Finserve Private Limited**

### **Notes to the financial statements for the year ended March 31, 2021**

(Currency : Indian Rupees in lakhs)

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

##### **2.05 Critical Accounting Estimates and Judgements (Continued)**

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

#### **H. Contingent liabilities**

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

#### **I. Employee Benefits**

##### **i) Short-term employee benefits**

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

##### **ii) Defined Contribution Plan**

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

##### **iii) Defined Benefit Plan**

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

Details of the unfunded defined benefit plans for its employees are given in note 38B which is as certified by the actuary using projected unit credit method.

##### **iv) Compensated Absences**

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

#### **J. Effective interest rate**

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

##### **2.06 Presentation of financial statements**

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

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**Auxilo Finserve Private Limited**  
**Notes to the financial statements for the year ended March 31, 2021**

(Currency : Indian Rupees in lakhs)

**2 Significant accounting policies (Continued)**

**2.07 Functional Currency**

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

**2.08 COVID-19 business impact assessment**

In addition to the widespread public health implications, the COVID-19 pandemic has had an extraordinary impact on macroeconomic conditions in India and around the world. During the previous year, people and economies around the world, witnessed serious turbulence caused by the first wave of the pandemic, the consequent lockdowns, the gradual easing of restrictions and the emergence of new variants of the virus. Although government has started vaccination drive, COVID-19 cases have significantly increased in recent months due to second wave as compared to earlier levels in India. Various state governments have again announced strict measures include lockdowns to contain this spread. As COVID vaccines get administered to more and more people, businesses in sectors impacted by pandemic may pick up. However, the continuing and evolving nature of the virus has created uncertainty regarding estimated time required for businesses and lives to get back to normal

The Company continues to closely monitor the situation and in response to this health crisis has implemented protocols and processes to execute its business continuity plans and help protect its employees and support its clients. The pandemic has impacted lending business, fee income, collection efficiency etc. in increase in customer defaults and consequently increase in provisions. The Company, however, has not experienced any significant disruptions in the past one year and has considered the impact on carrying value of assets based on the external or internal information available up to the date of approval of financial statements. The future direct and indirect impact of COVID-19 on Company business, results of operations, financial position and cash flows remains uncertain. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

**2.09 Financial Instruments**

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

**2.09.A Financial assets**

**i) Initial recognition and measurement**

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

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

**ii) Subsequent measurement**

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

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

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**Auxilo Finserve Private Limited**  
**Notes to the financial statements for the year ended March 31, 2021**

(Currency : Indian Rupees in lakhs)

**2 Significant accounting policies (Continued)**

**2.09 Financial Instruments (Continued)**

**Debt instruments at amortised cost**

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

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

**Financial Assets at Amortised Cost**

Financial assets at amortised cost include loans receivable, and other financial assets that are held with the objective of collecting contractual cash flows. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate (EIR). The effective interest rate (EIR) amortisation is included in interest income in the Statement of Profit and Loss.

**Fair value through other comprehensive income (FVOCI)**

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

**Fair value through Profit and Loss (FVTPL)**

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

**iii) Reclassifications**

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

**iv) Impairment**

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

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

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

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

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**Auxilo Finserve Private Limited**  
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(Currency : Indian Rupees in lakhs)

**2 Significant accounting policies (Continued)**

**2.09 Financial Instruments (Continued)**

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

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when :

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is 90 days or more past due.

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

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

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

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

**v) Write - offs**

Financial assets are written off either partially or in their entirety when the Company has no reasonable expectations of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment of financial instruments in the Statement of profit and loss. However, financial assets that are written off may be subject to enforcement activities to comply with the Company's procedures for recovery of amounts due.

**2.09.B Financial liabilities**

**i) Initial recognition and measurement**

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

**ii) Subsequent measurement**

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

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**Auxilo Finserve Private Limited**  
**Notes to the financial statements for the year ended March 31, 2021**

(Currency : Indian Rupees in lakhs)

**2 Significant accounting policies (Continued)**

**2.09 Financial Instruments (Continued)**

**Financial liabilities at amortised cost**

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate (EIR). The effective interest rate (EIR) amortisation is included as finance costs in the Statement of Profit and Loss.

**2.09.C De-recognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primary derecognised when ;

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

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

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

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

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

**2.09.D Offsetting of financial instruments**

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

**2.09.E Fair value measurement**

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

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

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**Auxilo Finserve Private Limited**  
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(Currency : Indian Rupees in lakhs)

**2 Significant accounting policies (Continued)**

**2.09 Financial Instruments (Continued)**

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

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

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

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

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

**2.09.F Derivatives**

Derivatives are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently measured at fair value.

**Embedded derivatives**

The embedded derivatives are treated as separate derivatives when:

- their economic characteristics and risks are not closely related to those of the host contract;
- a separate instrument with the same terms would meet the definition of a derivative;

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non- derivative host contract, with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to an index of prices or rates or other variable. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit and loss.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative

are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit and loss.

Embedded derivatives closely related to the host contracts are not separated.

These embedded derivatives are separately accounted for at fair value, with changes in fair value recognised in the statement of profit and loss unless the Company chooses to designate the hybrid contracts at fair value through profit and loss.

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. The resulting gain or loss is recognised in statement of profit and loss immediately.

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

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## **Auxilo Finserve Private Limited**

### **Notes to the financial statements for the year ended March 31, 2021**

(Currency : Indian Rupees in lakhs)

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

##### **2.09 Financial Instruments (Continued)**

###### **2.09.F Derivatives (Continued)**

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit and loss. Embedded derivatives closely related to the host contracts are not separated.

###### **2.09.G Modification of financial assets and financial liabilities**

###### **Financial Assets**

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

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

###### **Financial liabilities**

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

###### **2.10 Share capital**

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

###### **2.11 Cash and Cash equivalents**

Cash and cash equivalents consist of cash on hand, balances with bank, deposits with bank (with original maturity of three months or less). For the purposes of presentation in the statement of cash flow, cash and cash equivalents include cash on hand and current account balances with banks that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. The Company does not have any bank overdraft facility.

###### **2.12 Property, Plant and Equipment (Tangible assets)**

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

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## **Auxilo Finserve Private Limited**

### **Notes to the financial statements for the year ended March 31, 2021**

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

##### **2.12 Property, Plant and Equipment (Tangible assets) (Continued)**

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

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

#### **Depreciation**

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

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

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

##### **2.13 Intangible assets**

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

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

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

#### **Intangible assets under development**

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

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**Auxilo Finserve Private Limited**  
**Notes to the financial statements for the year ended March 31, 2021**

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**2 Significant accounting policies (Continued)**

**2.13 Intangible assets (Continued)**

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

**Amortisation of intangible assets**

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

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

**2.14 Impairment of non-financial assets**

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

**2.15 Earnings per share**

Basic earnings per share are calculated by dividing the net profit and loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit and loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares which may involve issue of equity shares. The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on earnings per share.

Performance-based employee share options have been treated as contingently issuable shares as per Ind AS 33 because their issue is contingent upon satisfying specified conditions related to performance of the respective employee in addition to the passage of time. As in the calculation of basic earnings per share, contingently issuable ordinary shares are treated as outstanding and included in the calculation of diluted earnings per share if the specified conditions are satisfied.

**2.16 Income Taxes**

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

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**Auxilo Finserve Private Limited**  
**Notes to the financial statements for the year ended March 31, 2021**

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**2 Significant accounting policies (Continued)**

**2.16 Income Taxes (Continued)**

**Current income tax**

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities using the tax rates and tax laws that are enacted or substantively enacted by the balance sheet date and applicable for the period.

Current tax items in correlation to the underlying transaction relating to OCI and equity are recognized in OCI and in equity respectively.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

**Deferred income tax**

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

Deferred tax assets are recognized for deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

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

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

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

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

**2.17 Leases**

**As a lessee**

**Till March 31, 2019**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

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**2 Significant accounting policies (Continued)**

**2.17 Leases (Continued)**

**With effect from April 01, 2019:**

From April 1, 2019, the Company recognises leases as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

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

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

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

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs

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

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

**2.18 Employee Share Based Plan**

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

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**Auxilo Finserve Private Limited**  
**Notes to the financial statements for the year ended March 31, 2021**

(Currency : Indian Rupees in lakhs)

**2 Significant accounting policies (Continued)**

**2.18 Employee Share Based Plan (Continued)**

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

**2.19 Segment Reporting**

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

**2.20 Revenue and Expense Recognition**

**A. Interest income**

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

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

**B. Commission and fee income**

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

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

**C. Interest expenses**

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

**D. Borrowing costs**

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

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

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## **Auxilo Finserve Private Limited**

### **Notes to the financial statements for the year ended March 31, 2021**

(Currency : Indian Rupees in lakhs)

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

##### **2.21 Approach on exemption under Ind AS 101 First Time Adoption of Indian Accounting Standards (Ind AS):**

The Company has adopted Ind AS with effect from April 01, 2020 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at April 01, 2019. The figures for the previous period have been restated, regrouped and reclassified whenever required to comply with the requirement of Ind AS and Schedule III-Division III.

The detailed note on the same has been provided in 'Note-47 First-time adoption of Ind AS'.

##### **2.22 Amendments to existing Ind AS**

###### **(i) Ind AS 1 and Ind AS 8**

Amendments have been made to Ind AS 1 Presentation of Financial Statements and Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors which use a consistent definition of materiality throughout Ind AS and the Conceptual Framework for Financial Reporting, clarify when information is material and incorporate some of the guidance in Ind AS 1 about immaterial information.

In particular, the amendments clarify:

- that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole, and
- the meaning of 'primary users of general purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need.

###### **(ii) Ind AS 103**

The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits.

The amendments will likely result in more acquisitions being accounted for as asset acquisitions.

###### **(iii) Ind AS 107, Ind AS 109 and Ind AS 37**

The amendments made to Ind AS 107 Financial Instruments: Disclosures and Ind AS 109 Financial Instruments provide certain reliefs in relation to interest rate benchmark reforms.

The reliefs relate to hedge accounting and have the effect that the reforms should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement. Given the pervasive nature of hedges involving IBOR-based contracts, the reliefs will affect companies in all industries.

###### **(iv) Ind AS 116**

As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. Amendment to Ind AS 116 Leases provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concessions as variable lease payments in the period in which they are granted.

Entities applying the practical expedients must disclose this fact, whether the expedient has been applied to all qualifying rent concessions or, if not, information about the nature of the contracts to which it has been applied, as well as the amount recognised in profit or loss arising from the rent concessions.

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**Auxilo Finserve Private Limited**  
**Notes to the financial statements for the year ended March 31, 2021**  
(Currency : Indian Rupees in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
<b>3. Cash and cash equivalents</b>			
a) Cash on hand	-	-	-
b) Balances with Banks			
i) in current accounts	585.69	1,782.05	1,036.52
ii) in deposit accounts having original maturity less than 3 months*	12,308.97	10,504.51	-
c) Cheques, drafts on hand	-	-	-
	<u>12,894.66</u>	<u>12,286.56</u>	<u>1,036.52</u>
Less: Impairment loss allowance	0.32	0.43	-
<b>Total</b>	<u><u>12,894.34</u></u>	<u><u>12,286.13</u></u>	<u><u>1,036.52</u></u>

**Note :**

Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

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

\* includes interest accrued amounting Rs. 8.97 lakh (As at March 31, 2020 - Rs. 4.51 lakh As at April 01, 2019 - Rs. Nil )

**4. Bank balances other than cash and cash equivalents**

Other Bank balances			
Fixed deposit with banks	125.15	118.00	-
	<u>125.15</u>	<u>118.00</u>	<u>-</u>
Less: Impairment loss allowance	0.10	0.03	-
<b>Total</b>	<u><u>125.05</u></u>	<u><u>117.97</u></u>	<u><u>-</u></u>

Note: Fixed deposit has been earmarked towards credit enhancement towards securitisation transaction. (Refer note - 49.19.1)

**5. Trade receivables**

Unsecured Trade receivable- considered good	41.30	70.40	214.33
	<u>41.30</u>	<u>70.40</u>	<u>214.33</u>
Less: Impairment loss allowance	0.05	0.04	-
<b>Total</b>	<u><u>41.25</u></u>	<u><u>70.36</u></u>	<u><u>214.33</u></u>

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**Auxilo Finserve Private Limited**  
Notes to the financial statements for the year ended March 31, 2021

(Currency : Indian Rupees in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
<b>6. Loans</b>			
<b>At amortised cost</b>			
<b>A. Product wise Details</b>			
a) Term loans	53,403.82	48,997.17	26,502.87
<b>Total (A) - Gross</b>	<u>53,403.82</u>	<u>48,997.17</u>	<u>26,502.87</u>
Less: Impairment loss allowance	416.24	338.20	106.73
<b>Total (A) - Net</b>	<u>52,987.58</u>	<u>48,658.97</u>	<u>26,396.14</u>
<b>B. Security wise Details</b>			
a) Secured considered good*			
i) Secured by tangible assets	31,376.06	28,713.44	15,843.15
ii) Secured by intangible assets	-	-	-
b) Unsecured	<u>22,027.76</u>	<u>20,283.73</u>	<u>10,659.72</u>
<b>Total (B) - Gross</b>	<u>53,403.82</u>	<u>48,997.17</u>	<u>26,502.87</u>
Less: Impairment loss allowance	416.24	338.20	106.73
<b>Total (B) - Net</b>	<u>52,987.58</u>	<u>48,658.97</u>	<u>26,396.14</u>
*Secured loans are secured to the extent of collateral value consisting of immovable property and/or fixed deposits.			
<b>C. Region wise Details</b>			
a) Loans in India			
- Public sector	-	-	-
- Others	53,403.82	48,997.17	26,502.87
b) Loans outside India	-	-	-
<b>Total (C) - Gross</b>	<u>53,403.82</u>	<u>48,997.17</u>	<u>26,502.87</u>
Less: Impairment loss allowance	416.24	338.20	106.73
<b>Total (C) - Net</b>	<u>52,987.58</u>	<u>48,658.97</u>	<u>26,396.14</u>

**Note:**

- 6.1 Refer note - 41.A for details of Credit risk, credit risk management, credit quality and reconciliation of impairment loss allowance.  
6.2 There are no loans which has been classified as Fair value through profit and loss and / or Fair value through other comprehensive income.

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**Auxilo Finserve Private Limited**

**Notes to the financial statements for the year ended March 31, 2021**

(Currency : Indian Rupees in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
<b>7. Other financial assets</b>			
Unsecured, considered good			
a) Security deposits	78.22	73.21	49.93
b) Receivable from employees	1.10	1.10	1.20
	<u>79.32</u>	<u>74.31</u>	<u>51.13</u>
Less: Impairment loss allowance	0.09	0.05	-
<b>Total</b>	<b><u>79.23</u></b>	<b><u>74.26</u></b>	<b><u>51.13</u></b>
<b>8. Current tax assets (net)</b>			
<b>Current tax assets (net)</b>	97.55	58.68	13.44
[Net of provision for income tax Rs. 356.13 lakhs (As at March 31, 2020 - Rs. 60.68 lakh As at April 01, 2019 - Rs. Nil)]			
<b>Total</b>	<b><u>97.55</u></b>	<b><u>58.68</u></b>	<b><u>13.44</u></b>
<b>9. Deferred tax assets (net)</b>			
<b>A. Deferred tax assets / (Deferred tax liabilities)</b>			
a) Difference between WDV as per books and tax books	-	(1.74)	(3.28)
<b>Total Deferred tax liabilities</b>	-	(1.74)	(3.28)
a) Difference between WDV as per books and tax books	3.24	-	-
b) Provision for Gratuity	11.39	7.33	3.98
c) Provision for Compensated absences	8.22	3.85	3.08
d) Operating lease liability	-	-	1.70
e) Amortization of Preliminary Expenses	-	0.17	0.36
f) Unwinding of discount on security deposit and prepaid rent expenses	0.24	0.09	0.14
g) Leases	5.91	4.50	-
h) Effective interest rate (EIR) impact on Borrowings and Loans	11.56	90.18	55.58
i) Impairment loss allowance	87.48	85.27	27.75
j) Carried forward business loss	-	-	278.25
<b>Total Deferred Tax Assets</b>	<u>128.05</u>	<u>191.39</u>	<u>370.84</u>
<b>Net Deferred tax assets / (Deferred tax liabilities)</b>	<b><u>128.05</u></b>	<b><u>189.65</u></b>	<b><u>367.56</u></b>
<b>B. For yearly movement in balances of deferred tax assets/( liabilities) refer Note no. - 28.3</b>			

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**ANILLO FINSERVE PRIVATE LIMITED**  
Notes to the financial statements for the year ended March 31, 2021  
(Currency - Indian Rupees in lakhs)

10.

Particulars	Property, plant and equipment						Right-of-use assets		Intangible assets	
	Land*	Computer Hardware	Office Equipment	Furniture and Fixtures	Leasehold Improvements	Total F = (A+B+C+D+E)	Premises	Total	Software	Total
	(A)	(B)	(C)	(D)	(E)					
<b>A. Gross carrying amount</b>										
Balance at April 01, 2019 (opened cost)	-	147.73	16.76	17.54	70.10	252.13	291.58	291.58	32.52	32.52
Addition	5.25	36.43	7.14	0.36	-	49.18	143.54	143.54	115.48	115.48
Disposal	-	0.43	-	-	-	0.43	-	-	-	-
Balance at March 31, 2020	5.25	183.73	23.90	17.90	70.10	300.88	435.12	435.12	148.00	148.00
Addition	-	27.53	1.17	-	-	28.70	83.56	83.56	26.86	26.86
Disposal	-	-	-	-	-	-	-	-	-	-
Balance at March 31, 2021	5.25	211.26	25.07	17.90	70.10	329.58	518.68	518.68	174.86	174.86
<b>B. Accumulated Depreciation / amortisation</b>										
Balance at April 01, 2019	-	36.90	5.73	7.06	21.32	71.01	-	-	10.94	10.94
Depreciation / Amortisation expense	-	45.37	4.96	1.40	14.06	65.79	122.74	122.74	24.74	24.74
Disposal	-	0.06	-	-	-	0.06	-	-	-	-
Balance at March 31, 2020	-	82.21	10.69	8.46	35.38	136.74	122.74	122.74	35.68	35.68
Depreciation / Amortisation expense	-	49.25	4.74	1.24	14.02	69.25	151.83	151.83	45.75	45.75
Disposal	-	-	-	-	-	-	-	-	-	-
Balance at March 31, 2021	-	131.46	15.43	9.70	49.40	205.99	274.57	274.57	81.43	81.43
<b>C. Net carrying amount (A-B)</b>										
As at April 01, 2019	-	110.83	11.03	10.48	48.78	181.12	291.58	291.58	21.58	21.58
As at March 31, 2020	5.25	101.52	13.21	9.44	34.72	164.14	312.38	312.38	112.32	112.32
As at March 31, 2021	5.25	79.80	9.64	8.20	20.70	123.59	244.11	244.11	93.43	93.43
<b>D. Depreciation and Amortisations for the year</b>										
		For the year ended March 31, 2021	For the year ended March 31, 2020							
a) Depreciation on property, plant and equipments		69.25	65.79							
b) Depreciation on right-of-use assets		151.83	122.74							
c) Amortisation of intangible assets		45.75	24.74							
<b>Total</b>		<b>266.83</b>	<b>213.27</b>							

Note \* : Pairs vis-a-vis change over the immovable property of the Company towards the Listed Non convertible debentures issued (other than Market linked Non convertible debentures).

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**Auxilo Finserve Private Limited**  
Notes to the financial statements for the year ended March 31, 2021

(Currency : Indian Rupees in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
<b>11. Other non financial assets</b>			
Unsecured, considered good			
a) Prepaid expenses	30.06	49.42	49.35
b) Advances to vendors	20.14	7.96	-
c) Balances with statutory authorities	88.53	39.34	20.42
<b>Total</b>	<b>138.73</b>	<b>96.72</b>	<b>69.77</b>
<b>12. Trade payables</b>			
a) total outstanding dues of micro enterprises and small enterprises	-	-	-
b) total outstanding dues of creditors other than micro enterprises and small enterprises	-	0.34	7.40
<b>Total</b>	<b>-</b>	<b>0.34</b>	<b>7.40</b>

Note:

For disclosure pertaining to Micro and Small Enterprises refer note No. 34

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**Auxilo Finserve Private Limited**

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

(Currency : Indian Rupees in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
<b>13 Debt securities:</b>			
<b>13.1</b>			
At amortised cost			
<b>A. Secured (Refer Note 13.3)</b>			
a) Non convertible debentures (listed, fully paid and privately placed)	11,933.40	-	-
<b>(A)</b>	<b>11,933.40</b>	<b>-</b>	<b>-</b>
<b>B. Unsecured (Refer Note 13.3)</b>			
a) Non convertible debentures (unlisted, fully paid and privately placed)	-	2,482.75	-
<b>(B)</b>	<b>-</b>	<b>2,482.75</b>	<b>-</b>
<b>Total (A + B)</b>	<b>11,933.40</b>	<b>2,482.75</b>	<b>-</b>
<b>13.2</b>			
i) Debt securities in India	11,933.40	2,482.75	-
ii) Debt securities outside India	-	-	-
<b>Total</b>	<b>11,933.40</b>	<b>2,482.75</b>	<b>-</b>

**13.3 Terms of repayment of NCDs**

Name of Security	Repayment Terms	Maturity Date	As at March 31, 2021		As at March 31, 2020	
			Outstanding Amount	Face Value / Redemption value	Outstanding Amount	Face Value / Redemption value
<b>A) Unlisted and Unsecured Non Convertible Debentures</b>						
11.25% Non Convertible Debentures*	Seven Equal Half Yearly Installments	August 23, 2023	-	-	2,500.00	1.00
<b>B) Listed and Secured Non Convertible Debentures</b>						
10.25% Non Convertible Debentures	Six Equal Half Yearly Installments	June 23, 2023	2,083.33	8.33	-	-
10.95% Market Linked Debentures	Bullet repayment on maturity	November 16, 2021	700.00	1.00	-	-
11.01% Market Linked Debentures	Bullet repayment on maturity	September 16, 2022	700.00	1.00	-	-
11.00% Non Convertible Debentures		June 01, 2023	1,000.00	10.00	-	-
10.85% Non Convertible Debentures	Bullet repayment after 36 months from issue date	June 26, 2023	3,500.00	10.00	-	-
11.00% Non Convertible Debentures		July 30, 2023	2,500.00	10.00	-	-
11.01% Market Linked Debentures	Bullet repayment on maturity	September 16, 2023	800.00	1.00	-	-
<b>Total</b>			<b>11,283.33</b>		<b>2,500.00</b>	
Less: Effective interest rate (EIR) impact			(60.55)		(17.94)	
Add: Interest accrued			710.62		0.69	
<b>Total</b>			<b>11,933.40</b>		<b>2,482.75</b>	

\* The Non Convertible Debentures have been prepaid during Financial Year 2020-21.

**Note:**

- Non Convertible Debentures are issued at Fixed Coupon Rate.
- Market Linked Debentures are carrying variable interest rate which is linked to performance of specified indices over the tenure of the debentures. The embedded value of the derivative is negligible and is likely to remain negligible throughout the tenure of debentures. Therefore the market linked debentures have been classified at amortised cost.
- All secured Non Convertible Debentures are secured by way of Exclusive charge against loan receivables. Pari passu charge over the immovable property of the Company towards the listed Non convertible debentures issued (other than Market linked Non convertible debentures).

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

(Currency : Indian Rupees in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
<b>14 Borrowings (Other than debt securities)</b>			
<b>14.1 Borrowings at amortised cost</b>			
<b>I</b>			
a) Term Loans (Secured) (Refer Note 14.3)			
i) from banks	13,960.46	18,918.82	4,988.07
ii) from others	1,109.74	1,471.29	-
b) Borrowing from securitisation / Payable for securitisation (Refer Note 14.4)	1,538.62	2,062.15	-
c) Inter corporate borrowings (Refer Note 14.5)	-	-	9,023.63
<b>Total</b>	<b>16,608.82</b>	<b>22,452.26</b>	<b>14,011.70</b>
<b>Of the Above</b>			
<b>II</b>			
i) Borrowings in India	16,608.82	22,452.26	14,011.70
ii) Borrowings outside India	0.00	0.00	0.00
<b>Total</b>	<b>16,608.82</b>	<b>22,452.26</b>	<b>14,011.70</b>

**14.3 Repayment terms of term loans**

	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
Repayable within 1 year	4,450.00	6,068.18	1,818.18
Repayable within 1 year to 3 years	8,987.50	9,863.64	3,181.82
Repayable after 3 years	1,830.30	4,770.83	-
<b>Total Principal</b>	<b>15,267.80</b>	<b>20,702.65</b>	<b>5,000.00</b>
Add: Interest accrued but not due	8.05	26.63	21.44
Add/(less): Effective interest rate (EIR) impact	(205.65)	(339.17)	(33.37)
<b>Total</b>	<b>15,070.20</b>	<b>20,390.11</b>	<b>4,988.07</b>

**Interest Rate :** Term loans are borrowed at floating rate of interest ranging from 8.85% p.a. to 11% p.a. (As at March 31, 2020 - 9.70% to 11% and As at April 01, 2019 - 11%)

**Security :** Security for term loans is exclusive charge against the education loan receivables.

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

**14.4 Repayment terms of borrowing from securitisation**

	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
Repayable within 1 year	232.11	336.17	-
Repayable within 1 year to 3 years	565.88	799.08	-
Repayable after 3 years	742.64	906.59	-
<b>Total</b>	<b>1,540.63</b>	<b>2,041.84</b>	<b>-</b>
Add: Interest accrued but not due	7.14	20.31	-
Add/(less): Effective interest rate (EIR) impact	(9.15)	0.00	-
<b>Total</b>	<b>1,538.62</b>	<b>2,062.15</b>	<b>-</b>

**Details of Interest rate and Security**

a. Rate of interest	10.75%	10.75%	0.00%
b. Borrowing from securitisation is secured by cash collateral in the form of fixed deposit	117.34	117.34	-

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(Currency : Indian Rupees in lakhs)

	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
<b>14.5 Repayment terms of Inter corporate borrowings</b>			
a) 10% Inter Corporate Deposit payable by September 21, 2019	-	-	1,000.00
b) 10% Inter Corporate Deposit payable by September 18, 2019	-	-	1,700.00
c) 10% Inter Corporate Deposit payable by August 31, 2019	-	-	900.00
d) 10% Inter Corporate Deposit payable by August 20, 2019	-	-	1,800.00
e) 10% Inter Corporate Deposit payable by July 10, 2019	-	-	1,800.00
f) 10% Inter Corporate Deposit payable by June 29, 2019	-	-	1,800.00
<b>Total</b>	<b>-</b>	<b>-</b>	<b>9,000.00</b>
<b>15. Other financial liabilities</b>			
Employee benefits payable	1.70	5.58	2.09
Advances received from customers (Refer Note below)	626.81	617.19	344.98
Provision for expenses	135.08	232.12	146.30
Liability component on account of Preference Shares <sup>o</sup>	0.00	0.00	0.00
<b>Total</b>	<b>763.59</b>	<b>854.89</b>	<b>493.37</b>
* - Less than Rs. 500 as on March 31, 2021, March 31, 2020 and April 01, 2019			
Note - Advance received from customers includes amounts received towards advance instalments and Debt Service Reserve Account.			
<b>16. Provisions</b>			
Provision for Employee Benefits			
i) Gratuity (Refer Note - 38.B)	45.25	29.10	15.31
ii) Compensated absences	32.66	15.31	11.83
<b>Total</b>	<b>77.91</b>	<b>44.41</b>	<b>27.14</b>
<b>17. Other non-financial liabilities</b>			
Income received in advance	14.07	32.14	28.59
Statutory dues payable	34.53	58.81	45.56
<b>Total</b>	<b>48.60</b>	<b>90.95</b>	<b>74.15</b>

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**18. Equity share capital**

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

Particulars	As at March 31, 2021		As at March 31, 2020		As at April 01, 2019	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
<b>Authorised:</b>						
Equity Shares of Rs. 10 each	2,00,00,00,000	2,00,000.00	2,00,00,00,000	2,00,000.00	22,50,00,000	22,500.00
Optionally Convertible Preference Shares of Rs. 10 each (OCPS)	80,00,000	800.00	80,00,000	800.00	80,00,000	800.00
	<b>2,00,80,00,000</b>	<b>2,00,800.00</b>	<b>2,00,80,00,000</b>	<b>2,00,800.00</b>	<b>23,30,00,000</b>	<b>23,300.00</b>
<b>Issued, Subscribed and fully paid up:</b>						
Equity Shares of Rs. 10 each	34,40,62,153	34,406.22	34,40,62,153	34,406.22	15,00,00,000	15,000.00
	<b>34,40,62,153</b>	<b>34,406.22</b>	<b>34,40,62,153</b>	<b>34,406.22</b>	<b>15,00,00,000</b>	<b>15,000.00</b>

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

Particulars	As at March 31, 2021		As at March 31, 2020		As at April 01, 2019	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
<b>Issued, Subscribed and fully paid up:</b>						
Outstanding at the beginning of year	34,40,62,153	34,406.22	15,00,00,000	15,000.00	15,00,00,000	15,000.00
Add: Shares issued during year	-	-	19,40,62,153	19,406.22	-	-
<b>Outstanding at the end of the year</b>	<b>34,40,62,153</b>	<b>34,406.22</b>	<b>34,40,62,153</b>	<b>34,406.22</b>	<b>15,00,00,000</b>	<b>15,000.00</b>

**c) Terms/rights attached to equity shares:**

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend, if any proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

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

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

Name of Shareholders	As at March 31, 2021		As at March 31, 2020		As at April 01, 2019	
	No. of shares	% Holding	No. of shares	% Holding	No. of shares	% Holding
<b>Equity Shares</b>						
Balrampur Chini Mills Limited	15,50,00,000	45.05%	15,50,00,000	45.05%	7,50,00,000	50.00%
Elme Advisors LLP	15,50,00,000	45.05%	15,50,00,000	45.05%	7,42,50,000	49.50%
ICICI Bank Limited	3,40,62,153	9.90%	3,40,62,153	9.90%	-	0.00%
<b>OCPS</b>						
Neeraj Saxena	80,00,000	100%	80,00,000	100%	80,00,000	100%

**e) Increase in Authorised Share Capital, Rights issue and Preferential issue**

- i) During the financial year ended March 31, 2021, there was no change in Authorised Share Capital of the Company. The Company increased its share capital to Rs. 200,800 lakhs (divided into Rs. 200,000 Equity Share Capital and Rs. 800 lakhs Preference Share Capital) during the previous year ended March 31, 2020.

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**Auxilo Finserve Private Limited**

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**18. Equity share capital**

ii) Details of the shares issued are as follows:

Name of party	Face Value (in Rupees)	Issue Price (in Rupees)	Year ended March 31, 2021	Year ended March 31, 2020
Akash Bhanshali	10	10	-	7,50,000
Elme Advisors LLP	10	10	-	7,42,50,000
Elme Advisors LLP	10	15	-	50,00,000
Balrampur Chini Mills Ltd	10	10	-	7,50,00,000
Balrampur Chini Mills Ltd	10	15	-	50,00,000
ICICI Bank Limited	10	15	-	3,40,62,153
			-	<b>19,40,62,153</b>

**f) Dividend Payment**

No dividend is paid during the year or recommended by the Board Of Directors for the year ended as on March 31, 2021.

**g) Optionally convertible preference shares**

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

Type of share	No. of Shares	Amount paid up per share	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
0.001% Class A OCPS	26,66,667	10.00 Rupees	266.67	2.40	2.40
0.001% Class B OCPS	26,66,667	0.10 Rupees	2.67	2.67	2.67
0.001% Class C OCPS	26,66,666	0.11 Rupees	2.93	2.93	2.93
<b>Total</b>			<b>272.27</b>	<b>8.00</b>	<b>8.00</b>

**h) Terms of issue of Optionally convertible preference shares**

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

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

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

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

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

6. Class A OCPS becoming fully paid up provides the Preference Shareholder the right to request the conversion of 26,66,667 Class A 0.001% OCPS into equivalent number of Equity Shares that is 26,66,667 on or prior to April 30, 2021. In the event that Class A OCPS is not converted as per the Conversion Ratio on or prior to April 30, 2021 ("Non-Converted Class A OCPS"), then the Company shall be entitled to redeem the Non-Converted Class A OCPS at a price of Rs. 10 (Rupees ten) each.

**i) Details of OCPS are as follows:**

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
Face value of OCPS (Rupees per share)	10	10	10
Paid up value of the OCPS	272.27	8.00	8.00
Financial Liability component of the OCPS *	0.00	0.00	0.00
Interest expense over the tenure *	0.00	0.00	0.00
<b>Equity component of the OCPS</b>	<b>272.27</b>	<b>8.00</b>	<b>8.00</b>

\* - Less than Rs. 500 as on March 31, 2021, March 31, 2020 & April 01, 2019

**j) Shares reserved for issue under options**

Refer Note 39 for details of shares to be issued under the Employee Stock Option Plan.

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Particulars	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
<b>19. Other equity</b>			
a) Securities premium	2,203.11	2,203.11	-
b) Statutory reserve	391.32	198.87	0.14
c) Equity component of compound financial instrument	272.27	8.00	8.00
d) Employee stock options	513.00	372.24	217.26
e) Retained earnings	(532.23)	(1,302.01)	(1,411.56)
f) Other comprehensive income	(0.71)	(0.72)	-
<b>Total</b>	<b>2,846.76</b>	<b>1,479.49</b>	<b>(1,186.16)</b>

**A. Nature and purpose of reserves**

**a. Securities premium reserve**

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

**b. Statutory reserve**

Statutory Reserve: As per Section 45-IC of the Reserve Bank of India Act, 1934 ("The RBI Act"), the Company is transferring an amount of 20% of its net profits to a reserve fund before declaring any dividend. Amount of transfer to statutory reserve for the year ended March 31, 2020 has been calculated as 20% of profit reported under previous GAAP. This number has not been restated as per Ind AS. Amount of transfer to statutory reserve for the year ended March 31, 2021 is calculated as 20% of profit reported under Indian Accounting Standard (Ind AS).

**c. Equity component of compound financial instrument**

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

**d. Employee stock options**

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

**e. Retained Earnings**

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

**f. Other Comprehensive Income**

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

**B. Movement in Other equity**

	As at March 31, 2021	As at March 31, 2020
<b>a) Securities premium</b>		
Opening balance	2,203.11	-
Add : Premium Received on issue of equity shares	-	2,203.11
<b>Closing Balance</b>	<b>(a) 2,203.11</b>	<b>2,203.11</b>
<b>b) Statutory reserve</b>		
Opening balance	198.87	0.14
Add : Transfer from retained earnings	192.45	198.73
<b>Closing Balance</b>	<b>(b) 391.32</b>	<b>198.87</b>
<b>c) Equity component of Compound financial instrument</b>		
Opening balance	8.00	8.00
Add : Addition during the year	264.27	-
<b>Closing Balance</b>	<b>(c) 272.27</b>	<b>8.00</b>
<b>d) Employee stock options</b>		
Opening balance	372.24	217.26
Add : Additions during the year	140.76	154.98
<b>Closing Balance</b>	<b>(d) 513.00</b>	<b>372.24</b>
<b>e) Retained Earnings</b>		
Opening balance	(1,302.73)	(1,411.56)
Add: Profit for the year	962.23	308.28
Add: Other comprehensive income	0.01	(0.72)
<b>Amount available for appropriation</b>	<b>(340.49)</b>	<b>(1,104.00)</b>
<b>Appropriations:</b>		
Transfer to statutory reserve	192.45	198.73
Employee stock options	-	-
Lease equalisation reserve reversed	-	-
<b>Closing Balance</b>	<b>(e) (532.94)</b>	<b>(1,302.73)</b>
<b>(a+b+c+d+e)</b>	<b>2,846.76</b>	<b>1,479.49</b>

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**Auxilo Finserve Private Limited**  
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(Currency : Indian Rupees in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>20. Interest income</b>		
a) On financial assets measured at amortised cost		
Interest income on loans	6,909.68	5,275.88
Interest Income on Fixed deposits	450.49	5.17
b) Interest income on financial assets measured at Fair value through profit and loss (FVTPL) / Fair value through other comprehensive income (FVOCI)		
Interest income from investment	-	-
<b>Total</b>	<b>7,360.17</b>	<b>5,281.05</b>
<b>21. Fee and commission income</b>		
Service income	21.26	44.42
Commission income	10.96	41.33
<b>Total</b>	<b>32.22</b>	<b>85.75</b>
<b>Revenue from contract with Customers</b>		
Set out below is the revenue from contracts with customers and reconciliation to Statement of profit and loss.		
<b>Type of Services</b>		
Fees and commission income	32.22	85.75
<b>Total Revenue from contract with Customers</b>	<b>32.22</b>	<b>85.75</b>
<b>Geographical Markets</b>		
India	32.22	85.75
Outside India	-	-
<b>Total Revenue from contract with Customers</b>	<b>32.22</b>	<b>85.75</b>
<b>Timing of revenue recognition</b>		
Services transferred at a point in time	32.22	85.75
Services transferred over time	-	-
<b>Total Revenue from contract with Customers</b>	<b>32.22</b>	<b>85.75</b>
<b>Contract Balance</b>		
Trade Receivables	41.30	70.40
No revenue from transactions with a single external customer amounted to 10 percent or more of the Company's total revenue in year ended March 31, 2021 and March 31, 2020.		
<b>22. Net gain on fair value change</b>		
On trading portfolio	116.52	100.28
Investments at Fair value through profit and loss (FVTPL)		
Profit on liquid mutual funds	116.52	100.28
<b>Total</b>	<b>116.52</b>	<b>100.28</b>
Realised	116.52	100.28
Unrealised	-	-
<b>Total</b>	<b>116.52</b>	<b>100.28</b>
<b>23. Other income</b>		
Fee income and other charges	54.10	105.00
Unwinding of discount on security deposits	4.43	5.10
Miscellaneous income	0.67	0.70
<b>Total</b>	<b>59.20</b>	<b>110.80</b>

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Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>24. Finance costs</b>		
<b>On Financial liabilities measured at amortised cost</b>		
a) Interest on borrowings (other than debt securities)	2,150.64	1,674.63
b) Interest on debt securities	1,028.74	38.78
c) Interest - lease liabilities	27.55	29.28
d) Interest - others	5.04	4.90
e) Other Borrowing costs	51.92	30.04
<b>Total</b>	<b>3,263.89</b>	<b>1,777.63</b>
<b>25. Impairment on financial assets</b>		
Impairment loss allowance (Refer Note - 41.A.vi)		
i) <b>On Financial assets measured at amortised cost</b>		
a) Loans	78.04	231.47
b) Fixed deposits	(0.04)	0.46
c) Others	0.04	0.10
ii) Write off of loans	0.83	-
<b>Total</b>	<b>78.87</b>	<b>232.03</b>
<b>26. Employee Benefits Expenses</b>		
a) Salaries, bonus and allowances (Refer Note - 37)	1,641.41	1,484.74
b) Contribution to provident fund and other funds	67.21	66.15
c) Gratuity expense	16.17	12.83
d) Compensated absences	17.36	3.48
e) Share based payments to employees / employee stock option expense (Refer Note - 39)	140.77	154.98
f) Staff welfare	30.00	33.41
<b>Total</b>	<b>1,912.92</b>	<b>1,755.59</b>
<b>27. Others expenses</b>		
a) Advertisement and publicity	25.56	272.54
b) Auditor's fees and expenses (Refer note below)	35.31	25.44
c) Business sourcing expenses	2.20	6.20
d) Communication cost /IT expenses	395.87	298.91
e) Directors fees, allowances	8.50	6.54
f) Legal and professional fees	151.86	123.35
g) Loss on sale of fixed assets (net)	-	0.11
h) Printing and stationery	12.57	23.22
i) Rates, duties and taxes	1.80	151.45
j) Rent (net of discount concession received)	22.31	25.09
k) Repairs and maintenance	52.27	55.48
l) Travelling and conveyance	18.06	61.64
m) Miscellaneous expenses	1.01	2.28
<b>Total</b>	<b>727.32</b>	<b>1,052.25</b>
<b>27.1 Auditors' fees and expenses</b>		
Payments to auditor		
a) Audit fees	20.00	19.00
b) Internal control over financial reporting fees	2.00	2.00
c) Certification	2.00	2.00
d) Other services	8.00	-
e) Out of pocket expenses	0.39	0.34
<b>Total</b>	<b>32.39</b>	<b>23.34</b>

Auditors' remuneration above is exclusive of Goods and Service Tax.

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

**28.1 Major components of tax expense/(income):**

	Year Ended March 31, 2021	Year Ended March 31, 2020
<b>I. Profit and Loss section</b>		
(i) Current income tax:		
Current income tax expense	330.90	60.68
Tax expense in respect of earlier years	(35.44)	-
(ii) Deferred tax:		
Tax expense on origination and reversal of temporary differences	61.59	178.15
<b>Income tax expense reported in Profit and Loss (i + ii)</b>	<b>357.05</b>	<b>238.83</b>
<b>II. Other Comprehensive Income (OCI) section:</b>		
Income tax expense / (gain) relating to items that will not be reclassified to profit and loss	0.01	(0.24)
<b>Income tax expense reported in the OCI section</b>	<b>0.01</b>	<b>(0.24)</b>

**28.2 Reconciliation of tax expense and the accounting profit**

The Company has elected to exercise the option permitted under Section 115BAA of the income-tax Act, 1961, as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for income tax for the year ended March 31, 2021 and March 31, 2020.

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

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
(a) Profit before tax	1,319.28	547.11
(b) Corporate tax rate as per Income tax Act, 1961	25.17%	25.17%
(c) Tax on Accounting profit (c) = (a) * (b)	332.04	137.70
(d) Tax impact due to		
(i) Employee share-based payment expense	35.43	39.01
(ii) Expense on account of increase in authorised share capital	-	37.91
(iii) Lease equalisation reserves reversal	-	(0.25)
(iv) Shortfall on Loss set off	-	18.61
(v) I GAAP Provision reversed under Ind AS	-	(6.42)
(vi) Adjustment of Deferred tax and current tax of prior periods	(10.40)	11.73
(vii) Other amounts	(0.01)	0.30
<b>Total effect of tax adjustments [(d) to (vii)]</b>	<b>25.02</b>	<b>100.89</b>
(e) <b>Income tax expense reported in Profit and Loss</b>	<b>357.07</b>	<b>238.35</b>
(f) Income tax expense reported in the OCI section	(0.01)	0.24
(g) <b>Total Income tax expense (e+f)</b>	<b>357.06</b>	<b>238.59</b>
(h) <b>Effective tax rate (h)=(g)/(a)</b>	<b>27.07%</b>	<b>43.57%</b>

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

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**28.3 Movement in Deferred Taxes**

**(A) Movement in deferred tax balances for the year ended March 31, 2021**

Particulars	As at March 31, 2020	Recognised in profit and loss	Recognised in OCI	As at March 31, 2021
<b>Deferred tax asset/ (liabilities)</b>				
i) Depreciation and amortisation	(1.74)	4.98	-	3.24
ii) Provision for Gratuity	7.33	4.07	(0.01)	11.39
iii) Provision for Compensated absences	3.85	4.37	-	8.22
iv) Amortization of Preliminary Expenses	0.17	(0.17)	-	-
v) Unwinding of discount on security deposit and prepaid rent expenses	0.09	0.15	-	0.24
vi) Leases	4.50	1.41	-	5.91
vii) Effective interest rate (EIR) impact on Borrowings and Loans	90.18	(78.62)	-	11.56
viii) Impairment loss allowance	85.27	2.21	-	87.48
<b>Total</b>	<b>189.65</b>	<b>(61.59)</b>	<b>(0.01)</b>	<b>128.05</b>

**(B) Movement in deferred tax balances for the year ended March 31, 2020**

Particulars	As at April 01, 2019	Recognised in profit and loss	Recognised in OCI	As at March 31, 2020
<b>Deferred tax asset/ (liabilities)</b>				
i) Difference between WDV as per books and tax books	(3.28)	1.54	-	(1.74)
ii) Provision for Gratuity	3.99	3.10	0.24	7.33
iii) Provision for Compensated absences	3.07	0.78	-	3.85
iv) Operating lease liability	1.70	(1.70)	-	-
v) Amortization of Preliminary Expenses	0.35	(0.18)	-	0.17
vi) Unwinding of discount on security deposit and prepaid rent expenses	0.14	(0.05)	-	0.09
vii) Leases	-	4.50	-	4.50
viii) Effective interest rate (EIR) impact on Borrowings and Loans	55.58	34.60	-	90.18
ix) Impairment loss allowance	27.75	57.52	-	85.27
x) Carried forward business loss	278.25	(278.25)	-	-
<b>Total</b>	<b>367.56</b>	<b>(178.15)</b>	<b>0.24</b>	<b>189.65</b>

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

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

Particulars	As at March 31, 2021	As at March 31, 2020
Amounts recognised in respect of current tax / deferred tax directly in equity	-	-
<b>28.4 Tax losses</b>		
Unused tax losses for which no deferred tax asset has been recognised	-	-

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**29. Leases**

This note explains the impact of the adoption of Ind-AS 116 Leases on the financial statements.

Under the erstwhile standard, Ind-AS 17 - Leases, the leases in which a substantial portion of the risk and rewards of the ownership were retained by the lessor were classified as operating leases. Under Ind-AS 116, the Company recognises right-of-use assets (ROU) and lease liabilities for leases i.e. these leases are on the balance sheet. Lease liabilities as at 01 April 2019 were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate. The weighted average of lessee's incremental borrowing rate applied to the lease liabilities as at April 1, 2019 was 11%. This change is in accordance with the transitional provisions of Ind-AS 116.

Effective April 1, 2019, the Company has adopted Ind-AS 116 - Leases and applied it to all lease contracts existing on April 1, 2019 using the modified retrospective method measuring the asset at an amount equal to the lease liability on the date of initial application i.e. April 1, 2019 adjusted by the amount of any prepaid or accrued lease payments recognised immediately before the date of initial application. Based on the same and as permitted under the specific transitional provisions in the standard, the Company is not required to restate the comparative figures.

On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of Rs 291.58 lakhs and a lease liability of Rs 291.58 lakhs.

**i) Practical expedients applied**

The Company has elected not to reassess the previously identified leases applying Ind-AS 17 - Leases i.e. as to whether a contract is, or contains a lease at the date of initial application. Further, In applying Ind-AS 116 for the first time, the Company has also used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics.
- relying on its previous assessment of whether leases are onerous under Ind-AS 37 Provisions, Contingent Liabilities and Contingent Assets immediately before the date of initial application as an alternative to performing an impairment review.
- there were no onerous contracts as at April 1, 2019.
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application.
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Company has entered into leasing arrangements for premises. Majority of the leases are cancellable by the Company. ROU has been included after the line 'Property, Plant and Equipment' and Lease Liability has been included under 'Lease Liabilities' in the Balance Sheet.

In pursuance of the notification issued by the Ministry of Corporate Affairs dated July 24, 2020, the Company has elected to apply the practical expedient arising on account of Covid-19 not to account for the changes in the lease payments as a lease modification as it satisfies the conditions mentioned in the paragraph 46B of Ind AS 116. Accordingly since the Company has used exemption for rent concessions received as defined under practical expedient. There is no changes are made to Right of Use Assets due to this.

The Company has availed the exemption for all the rent concessions received which have satisfied the criteria mentioned in Para 46B of practical Expedient to eligible to avail this exemption.

The amount of Rs. 11.16 Lakhs received as rent concessions have been reduced from gross expenditure towards rent. Refer Note 28 other expenses

**(i) Amount recognised in balance sheet**

	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
a) Right-of-use assets	244.11	312.38	291.58
b) Lease Liabilities	267.61	330.27	291.58

**(ii) Amount recognised in Statement of Profit and Loss**

	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Depreciation charge of right-of-use assets (included in Depreciation Note - 10)	151.83	122.74
(b) Interest expense (included in finance costs)	27.55	29.28
(c) Expense relating to short-term leases	-	-
<b>Total</b>	<b>179.38</b>	<b>152.02</b>
Additions to Right of use assets	83.56	143.54

**(iii) The total cash outflow for leases for the year:**

	For the year ended March 31, 2021	For the year ended March 31, 2020
The total cash outflow of leases	162.14	133.43

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**Auxilo Finserve Private Limited**  
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(Currency : Indian Rupees in lakhs)

30. Earning per Share	Year Ended March 31, 2021	Year Ended March 31, 2020
<b>Basic earning per share</b>		
a) Profit after tax attributable to equity shareholders for Basic EPS	962.23	308.28
b) Weighted average no. of equity shares outstanding during the year for Basic EPS	3,440.62	2,654.76
c) Nominal value of equity shares (Rs. per share)	10.00	10.00
d) Basic earnings per share (EPS) (Rs. per share)	0.28	0.12
<b>Diluted earning per share</b>		
e) Profit after tax attributable to equity shareholders for Diluted EPS	962.23	308.28
f) Weighted average no. of equity shares outstanding during the year for diluted EPS	3,477.60	2,712.69
g) Nominal value of equity shares (Rs. per share)	10.00	10.00
h) Diluted earnings per share (EPS) (Rs. per share)	0.28	0.11

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

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

**31. Commitments and contingencies**

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
<b>A. Contingent liabilities</b>			
i) Credit enhancement provided by the Company for the loans under securitisation arrangements (including cash collaterals)	117.34	117.34	-
ii) Demand of income tax FY 2017-18 (AY 2018-19) #	2.05	-	-
<b>B. Capital commitments</b>			
i) Estimated amount of contracts remaining to be executed on capital account and not provided for	0.96	5.50	12.82
ii) Undisbursed commitments in respect of the Education loan agreements *	4,932.44	6,659.48	5,091.08

**# Demand of Income Tax FY 2017-18 (AY 2018-19)**

The Company has filed rectification appeal u/s 154 of the Income Tax Act, 1961 in respect of demand received. Based on assessment made, the management is in the view that the likelihood of matter being decided against the company is remote.

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

C. Company does not have any litigations which are pending against the company as of March 31, 2021.

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

33. 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-1/133/2019/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 and 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.

**34. Dues to Micro, Small Enterprises**

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

	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
i) Amounts outstanding but not due as at March 31/April 1,	-	-	-
ii) Amounts due but unpaid as at March 31/April 1,	-	-	-
iii) Amounts paid after appointed date during the year	-	-	-
iv) Amount of interest accrued and unpaid as at March 31/April 1,	-	-	-
v) Amount of estimated interest due and payable for the period from March 31/April 1, to actual date of payment or Board meeting date (whichever is earlier)	-	-	-
vi) The amount of further interest remaining due and payable even in the succeeding years	-	-	-

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**Auxilo Finserve Private Limited**  
**Notes to the financial statements for the year ended March 31, 2021**  
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**35. Segment Reporting**

Since the Company operates in one segment namely "Education Loans" and it provides service facilities in India, there are no separate reportable segments as per Ind AS 108, Operating Segments. Thus, the segment revenue, total carrying amount of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge of depreciation and amortisation during the year are all as are reflected in the financial statements as at and for the year ended March 31, 2021. The Company does not have any assets and revenue outside India. Currently, there is no single external customer which contributes an amount of 10% or more than the Company's total revenue.

**36. Expenditure on Corporate Social Responsibility**

The Company has not incurred/ provided any expenses towards Corporate Social Responsibility as mandated by Section 135 of the Companies Act, 2013 ("the Act"). The Company has made its assessment of the book profit as per Section 198 of the Act and the same is below the threshold limits specified under the Section 135 of the Act.

**37. Related Party Disclosure**

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

**37.1 List of related parties**

**A. Entities / Persons having Significant Influence**

Balrampur Chini Mills Ltd.  
Elme Advisors LLP  
Akash Bhanshali

**B. Key management personnel (KMP)**

Neeraj Saxena, Managing Director and Chief Executive Officer  
Akash Bhanshali, Director  
Sanjay Asher, Director (till January 22, 2020)  
Manish Chokhani, Director  
Gautam Jain, Director  
Ashwin Jain, Director  
Chinnathambi Ilango, Director (w.e.f. May 29, 2020)  
Vivek Saraogi, Director

**37.2 Transactions with Related parties during the year**

No.	Nature of Transaction	Nature of relationship	Name of Party	Year Ended March 31, 2021	Year Ended March 31, 2020
1	Issue of equity shares	Entities / Persons having Significant Influence	Balrampur Chini Mills Limited	-	8,250.00
			Elme Advisors LLP	-	8,175.00
			Akash Bhanshali	-	75.00
2	Managerial Remuneration*	Key Management Personnel	Short-term employee benefits	354.23	112.79
			Employee Stock Option#	36.86	36.96
3	Sitting Fees	Key Management Personnel	Manish Chokhani	3.80	2.80
			Sanjay Asher	-	3.20
			Chinnathambi Ilango	4.00	-

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

# additionally the key management personnel holds 80 lakhs OPCS are accounted in accordance with Ind AS 102 Share based payments amounting to Rs. 68.70 lakhs (previous year Rs. 68.89 lakhs)

4 There is no balance outstanding towards transactions disclosed above as on March 31, 2021 and March 31, 2020.

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**Auxilo Finserve Private Limited**

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

(Currency : Indian Rupees in lakhs)

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

**A. Defined contribution plans**

The Company makes Provident fund contributions which are defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits

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

	Year Ended March 31, 2021	Year Ended March 31, 2020
Provident fund	67.21	66.15

**B. Defined Benefit Plan**

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

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

**a) Changes in Present Value of Defined Benefit Obligation**

	Year Ended March 31, 2021	Year Ended March 31, 2020
<b>Present Value of Benefit Obligation at the Beginning of the year</b>	29.10	15.32
Current Service Cost	14.35	11.66
Interest Expense/(Income)	1.82	1.17
Settlement Cost (Credit)/Cost	-	-
<b>Total Amount Recognised in Profit and Loss</b>	<b>16.17</b>	<b>12.83</b>
Actuarial (Gain)/loss from change in demographic assumptions	-	(2.77)
Actuarial (Gain)/loss from change in financial assumptions	(0.05)	1.24
Experience (gains)/losses	0.03	2.48
<b>Total Amount Recognised in Other Comprehensive Income</b>	<b>(0.02)</b>	<b>0.95</b>
<b>Present Value of Benefit Obligation at the End of the year</b>	<b>45.25</b>	<b>29.10</b>

**Change in plan assets:**

<b>Fair value of plan assets, beginning of the year</b>	-	-
Expected return on Plan Assets	-	-
Contributions	-	-
Benefits paid	-	-
Actuarial Gain (loss) on plan assets	-	-
<b>Fair value of plan assets, end of the year</b>	<b>-</b>	<b>-</b>

**b) Amount recognized in the balance sheet consists of:**

	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
Present value of defined benefit obligation	45.25	29.10	15.32
Fair value of plan assets	-	-	-
<b>Net liability</b>	<b>45.25</b>	<b>29.10</b>	<b>15.32</b>

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

		Year Ended March 31, 2021	Year Ended March 31, 2020
<b>Service Cost</b>			
Current service cost		14.35	11.66
Past service cost		-	-
<b>Total Service cost</b>	(i)	<b>14.35</b>	<b>11.66</b>
<b>Net interest cost</b>			
Interest expense on DBO		1.82	1.17
Interest expense / (income) on plan assets		-	-
<b>Total Interest cost</b>	(ii)	<b>1.82</b>	<b>1.17</b>
<b>Defined benefit cost included in Statement of Profit and Loss</b>	(iii) - (i + ii)	<b>16.17</b>	<b>12.83</b>
Total remeasurement in other comprehensive income (OCI)	(iv)	(0.02)	0.95
<b>Total Defined benefit cost included in Statement of Profit and loss and OCI</b>	(v) = (iii + iv)	<b>16.15</b>	<b>13.78</b>

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**Auxilo Finserve Private Limited**

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

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

	As at March 31, 2021	As at March 31, 2020
Discount rate	6.06%	6.24%
Rate of Salary Increase next year	4.00%	0.00%
Rate of Salary Increase post next year	4.00%	5.00%
Rate of employee turnover	15.00%	15.00%
Mortality rate during employment	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult

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

	As at March 31,		As at April 01,
	2021	2020	2019
a) Insurer managed funds	-	-	-
b) Cash	-	-	-

**f) Impact on defined benefit obligation - Sensitivity Analysis**

	Year Ended March 31,			
	2021	2021	2020	2020
	% Rate	Amount	% Rate	Amount
<b>Increase by 100 basis points</b>				
i) Impact of change in discount rate	7.06%	(2.53)	7.24%	(1.87)
ii) Impact of change in salary growth rate	5.00%	2.83	1.00%	2.10
iii) Impact of change in employee attrition rate	16.00%	(0.61)	16.00%	(0.74)
<b>Decrease by 100 basis points</b>				
i) Impact of change in discount rate	5.06%	2.80	5.24%	2.08
ii) Impact of change in salary growth rate	3.00%	(2.60)	-1%	(1.65)
iii) Impact of change in employee attrition rate	14.00%	0.59	14.00%	0.74

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

**g) Maturity**

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

Particulars	As at March 31,		As at April 01,
	2021	2020	2019
i) 1st Following Year	0.16	0.11	0.06
ii) 2nd Following Year	4.71	0.10	0.06
iii) 3rd Following Year	6.26	3.28	0.06
iv) 4th Following Year	6.58	4.59	1.55
v) 5th Following Year	6.28	4.58	2.26
vi) Sum of Years 6 to 10	22.78	17.19	9.55
vii) Sum of Years 11 and above	21.45	17.23	20.12

The weighted average duration of the defined benefit obligation is 8 years (previous year - 12 years).

**h) Risk Exposure**

Gratuity is a defined benefit plan and Company is exposed to the Following Risks:

**Interest rate risk:** A fall in the discount rate which is linked to the Government Security Rate will increase the present value of the liability requiring higher provision.

**Salary Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

**Asset Liability Matching Risk:** The plan faces the ALM risk as to the matching cash flow. Company has to manage pay-out based on pay as you go basis from own funds.

**Mortality risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

**II Accumulated Compensated Absences**

The Company provides for accumulated compensated absences as at the balance sheet date on the basis of actuarial valuation. The Company recognised Rs. 17.36 Lakhs (previous year Rs. 3.48 Lakhs) for compensated absences in the statement of Profit and loss.

**C Impact of Code on Social Security, 2020**

The Indian Parliament has approved the Code on social security, 2020 which may impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the rules for quantifying and financial impact are yet to be determined. The Company will complete its evaluation and will give appropriate impact in the financial statements in the year in which, the code becomes effective and the related rules to determine the financial impact are notified.

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**Auxilo Finserve Private Limited**  
**Notes to the financial statements for the year ended March 31, 2021**

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**39. Share based payment arrangement (Employee Stock Option Plan)**

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

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

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

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

	As at March 31, 2021		As at March 31, 2020	
	Number of Options	Weighted average exercise price	Number of Options	Weighted average exercise price
Options outstanding at the beginning of the year*	1,75,65,000	10.09	1,75,00,000	10.00
Granted	4,50,000	15.00	4,05,000	12.74
Vested	-	-	-	-
Exercised	-	-	-	-
Forfeited/Cancelled	(7,80,000)	10.38	(3,40,000)	10.41
Lapsed/Expired	-	-	-	-
Options outstanding at the end of the year	<b>1,72,35,000</b>	<b>10.21</b>	<b>1,75,65,000</b>	<b>10.09</b>

Options exercisable at the end of the year/ period - - -

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

**39.03 Vesting period**

Vesting period	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
3 - 4 years from grant date	60,36,167	60,16,667	58,01,667
4 - 5 years from grant date	56,59,167	57,53,667	58,01,667
5 - 6 years from grant date	55,39,667	57,94,667	58,96,667
<b>Total</b>	<b>1,72,35,000</b>	<b>1,75,65,000</b>	<b>1,75,00,000</b>

Weighted average contractual life of options remaining outstanding at end of year is 4.47 years.

**39.04 Fair value options**

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

Grant Date	ESOP 2017 June 8, 2020	ESOP 2017 April 19, 2019	ESOP 2017 October 24, 2018	ESOP 2017 July 25, 2018	ESOP 2017 Jan 24, 2018
Share price	10	10	10	10	10
Exercise price	15	11.48	10.53	10.42	10
Risk-free interest rate	5.81%	7.42%	7.78%	7.78%	7.44%
Expected life of the option	3 years to 5 years	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	10 years
Expected volatility	32.33%	32.20%	32.34%	32.34%	33.50%
Expected dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%
Fair Value of Options	2.94 to 4.28	3.59 to 4.84	3.99 to 5.03	3.93 to 4.96	3.5 to 4.76

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

**39.05 Expenses recognised in statement of profit and loss**

	For the year ended March 31, 2021	For the year ended March 31, 2020
ESOP expenses/Share based payments recognised in profit and loss	140.77	154.98

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**40. Fair Value Measurement**

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

**40.A Classification of financial assets and financial liabilities:**

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

**40.A.1 As at March 31, 2021**

	At Amortised cost	FVTPL	FVTOCI	Total carrying Value	Total Fair value
<b>Financial Assets</b>					
1 Cash and cash equivalents	12,894.34	-	-	12,894.34	12,894.34
2 Other Bank balances	125.05	-	-	125.05	125.05
3 Trade receivables	41.25	-	-	41.25	41.25
4 Loans	52,987.58	-	-	52,987.58	59,017.49
5 Other financial assets	79.23	-	-	79.23	79.23
<b>Total</b>	<b>66,127.45</b>	<b>-</b>	<b>-</b>	<b>66,127.45</b>	<b>72,157.36</b>
<b>Financial Liabilities</b>					
1 Debt securities (Listed)	11,933.40	-	-	11,933.40	12,835.73
2 Borrowings (other than debt securities)	16,608.82	-	-	16,608.82	16,865.58
3 Lease liabilities	267.61	-	-	267.61	267.61
4 Other financial liabilities	763.59	-	-	763.59	763.59
<b>Total</b>	<b>29,573.42</b>	<b>-</b>	<b>-</b>	<b>29,573.42</b>	<b>30,732.51</b>

**40.A.2 As at March 31, 2020**

	At Amortised cost	FVTPL	FVTOCI	Total carrying Value	Total Fair value
<b>Financial Assets</b>					
1 Cash and cash equivalents	12,286.13	-	-	12,286.13	12,286.13
2 Other Bank balances	117.97	-	-	117.97	117.97
3 Trade receivables	70.36	-	-	70.36	70.36
4 Loans	48,658.97	-	-	48,658.97	55,582.10
5 Other financial assets	74.26	-	-	74.26	74.26
<b>Total</b>	<b>61,207.69</b>	<b>-</b>	<b>-</b>	<b>61,207.69</b>	<b>68,130.82</b>
<b>Financial Liabilities</b>					
1 Trade payables	0.34	-	-	0.34	0.34
2 Debt securities (Unlisted)	2,482.75	-	-	2,482.75	2,532.56
3 Borrowings (other than debt securities)	22,452.26	-	-	22,452.26	22,455.32
4 Lease liabilities	330.27	-	-	330.27	330.27
5 Other financial liabilities	854.89	-	-	854.89	854.89
<b>Total</b>	<b>26,120.51</b>	<b>-</b>	<b>-</b>	<b>26,120.51</b>	<b>26,173.38</b>

**40.A.3 As at April 01, 2019**

	At Amortised cost	FVTPL	FVTOCI	Total carrying Value	Total Fair value
<b>Financial Assets</b>					
1 Cash and cash equivalents	1,036.52	-	-	1,036.52	1,036.52
2 Trade receivables	214.33	-	-	214.33	214.33
3 Loans	26,396.14	-	-	26,396.14	26,396.14
4 Other financial assets	51.13	-	-	51.13	51.13
<b>Total</b>	<b>27,698.12</b>	<b>-</b>	<b>-</b>	<b>27,698.12</b>	<b>27,698.12</b>
<b>Financial Liabilities</b>					
1 Trade payables	7.40	-	-	7.40	7.40
2 Borrowings (other than debt securities)	14,011.70	-	-	14,011.70	14,011.70
3 Lease liabilities	291.58	-	-	291.58	291.58
4 Other financial liabilities	493.37	-	-	493.37	493.37
<b>Total</b>	<b>14,804.05</b>	<b>-</b>	<b>-</b>	<b>14,804.05</b>	<b>14,804.05</b>

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**Auxilio Finserve Private Limited**

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

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

**40.B Fair value hierarchy of financial instruments**

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

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

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

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

**40.B.1 Financial instruments valued at carrying value:**

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

**40.B.2 Valuation techniques used to determine fair value:**

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

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

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

**i) Investments in Mutual Funds**

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

**ii) Loans**

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

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

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

**40.B.3 Transfers between Levels**

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



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**Auxilo Finserve Private Limited**  
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**41. Financial Risk Management**

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

**Risk management framework**

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

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

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

**41.A Credit Risk**

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

**41.A.i Credit risk management**

Credit risk for loan receivables is managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. Further, a major portion of exposure is secured by way of property and fixed deposits.

The impairment for financial assets are based on assumptions about risk of default and expected loss rates. These assumptions and estimates are assessed by the Company at every reporting date. Financial assets are written off when there is no reasonable expectation of recovery, however, the Company continues to attempt to recover the receivables.

**41.A.ii Collateral and other credit enhancements**

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

Collateral held varies, but may include:

- Fixed Deposits
- Residential and commercial real estate property
- Land

The Company's policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by the Company since the prior period.

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**Auxilo Finserve Private Limited**  
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**41. Financial Risk Management (Continued)**

**41.A.iii Other Financial Assets**

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

**41.A.iv Financial Asset Received as Collaterals**

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

	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
Fair value of financial assets accepted as collateral against the loans that the Company is permitted to adjust in the absence of default	949.53	1,163.17	538.39
above comprising of :			
- Advance from customers	626.81	617.19	344.98
- as Fixed deposit held as collateral	322.72	545.98	193.41

**41.A.v (v) Offsetting financial assets and liabilities**

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

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

Particulars	Effect of offsetting on the balance sheet				Maximum exposure
	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Netting potential not recognised on the balance sheet - Financial collateral *	
<b>As at March 31, 2021</b>					
<b>Financial Assets</b>					
Loans	53,403.82	-	53,403.82	949.53	52,454.29
Bank balances other than cash and cash equivalents	125.15	-	125.15	117.34	7.81
<b>Financial Liabilities</b>					
Borrowings	16,608.82	-	16,608.82	117.34	16,491.48
Other Financial Liabilities	763.59	-	763.59	626.81	136.78
<b>As at March 31, 2020</b>					
<b>Financial Assets</b>					
Loans	48,997.17	-	48,997.17	1,163.17	47,834.00
Bank balances other than cash and cash equivalents	118.00	-	118.00	117.34	0.66
<b>Financial Liabilities</b>					
Borrowings	22,452.26	-	22,452.26	117.34	22,334.92
Other Financial Liabilities	854.89	-	854.89	617.19	237.70
<b>As at April 01, 2019</b>					
<b>Financial Assets</b>					
Loans	26,502.87	-	26,502.87	538.39	25,964.48
<b>Financial Liabilities</b>					
Other Financial Liabilities	493.37	-	493.37	344.98	148.39

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

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

**41.A.vi Impairment of financial assets**

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

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

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

**a) Credit quality analysis and credit exposure**

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

**Probability of default**

Cibil Score Range	B2C			B2B		
	Risk category	PD	Weighted Buckets (Based on DPD)	Risk category	PD	
Above 700	Low	0.03%-0.04%	0-2	Low	0.14%-0.46%	
650-700	Medium	0.07%	2-4	Medium	0.99%	
Below 650*	High	0.66%-100%	Greater than 4*	High	4.85%-100%	

\*Includes loan with increased credit risk

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

**B2C**

Cibil Score Range	March 31, 2021		
	Stage 1	Stage 2	Stage 3
Above 700	28,568.96	-	-
650-700	6,217.15	-	-
Below 650*	1,021.12	563.49	24.74
<b>Gross exposure</b>	<b>35,807.23</b>	<b>563.49</b>	<b>24.74</b>

**B2B**

Weighted Buckets (Based on DPD)	March 31, 2021		
	Stage 1	Stage 2	Stage 3
0-2	14,710.75	-	-
2-4	951.46	-	-
Greater than 4*	669.15	-	677.00
<b>Gross exposure</b>	<b>16,331.36</b>	<b>-</b>	<b>677.00</b>

\*Includes loan with increased credit risk

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(Currency : Indian Rupees in lakhs)

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

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

**b) Credit quality of Loans**

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

**Credit quality of Loans**

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
<b>B2C - Cibil Score Range</b>								
Above 700	32,776.11	-	-	32,776.11	28,464.17	-	-	28,464.17
650-700	6,361.91	-	-	6,361.91	3,783.81	-	-	3,783.81
Below 650*	1,245.14	564.00	24.74	1,833.88	7,715.77	-	-	7,715.77
<b>Gross exposure (A)</b>	<b>40,383.16</b>	<b>564.00</b>	<b>24.74</b>	<b>40,971.90</b>	<b>39,963.75</b>	-	-	<b>39,963.75</b>
Less: ECL (B)	13.78	52.56	14.50	80.84	150.17	-	-	150.18
<b>Net exposure (C) = (A - B)</b>	<b>40,369.38</b>	<b>511.44</b>	<b>10.24</b>	<b>40,891.06</b>	<b>39,813.57</b>	-	-	<b>39,813.57</b>
<b>B2B - Weighted Buckets (Based on DPD)</b>								
0-2	15,054.12	-	-	15,054.12	12,770.40	-	-	12,770.40
2-4	964.09	-	-	964.09	983.48	-	-	983.48
Greater than 4	669.15	-	677.00	1,346.15	1,939.02	-	-	1,939.02
<b>Gross exposure (D)</b>	<b>16,687.36</b>	-	<b>677.00</b>	<b>17,364.36</b>	<b>15,692.90</b>	-	-	<b>15,692.90</b>
Less: ECL (E)	68.48	-	266.92	335.40	188.03	-	-	188.03
<b>Net exposure (F) = (D - E)</b>	<b>16,618.88</b>	-	<b>410.08</b>	<b>17,028.96</b>	<b>15,504.87</b>	-	-	<b>15,504.87</b>
<b>Total Gross exposure (G) = (A + D)</b>	<b>57,070.52</b>	<b>564.00</b>	<b>701.74</b>	<b>58,336.26</b>	<b>55,656.65</b>	-	-	<b>55,656.65</b>
Less: ECL (H) = (B + E)	82.26	52.56	281.42	416.24	338.20	-	-	338.21
<b>Net exposure (I) = (G - H)</b>	<b>56,988.26</b>	<b>511.44</b>	<b>420.32</b>	<b>57,920.02</b>	<b>55,318.44</b>	-	-	<b>55,318.44</b>
<b>Loans (Refer Schedule 6)</b>	<b>52,138.59</b>	<b>563.49</b>	<b>701.74</b>	<b>53,403.82</b>	<b>48,997.17</b>	-	-	<b>48,997.17</b>
Committed lines of credit (Refer Schedule 32)	4,931.93	0.51	-	4,932.44	6,659.48	-	-	6,659.48
<b>Total Gross Exposure</b>	<b>57,070.52</b>	<b>564.00</b>	<b>701.74</b>	<b>58,336.26</b>	<b>55,656.65</b>	-	-	<b>55,656.65</b>
<b>Gross carrying amount</b>								
Loans and advances carried at amortised cost								
Loans to students (B2C)	35,807.23	563.49	24.74	36,395.46	33,792.56	-	-	33,792.56
Loans to educational institutions (B2B)	16,331.36	-	677.00	17,008.36	15,204.61	-	-	15,204.61
<b>Total</b>	<b>52,138.59</b>	<b>563.49</b>	<b>701.74</b>	<b>53,403.82</b>	<b>48,997.17</b>	-	-	<b>48,997.17</b>
<b>Expected credit loss</b>								
Loans and advances carried at amortised cost								
Loans to students (B2C)	13.78	52.56	14.50	80.84	150.17	-	-	150.17
Loans to educational institutions (B2B)	68.48	-	266.92	335.40	188.03	-	-	188.03
<b>Total</b>	<b>82.26</b>	<b>52.56</b>	<b>281.42</b>	<b>416.24</b>	<b>338.20</b>	-	-	<b>338.20</b>
<b>Net carrying amount</b>								
Loans and advances carried at amortised cost								
Loans to students (B2C)	35,793.45	510.93	10.24	36,314.62	33,642.39	-	-	33,642.39
Loans to educational institutions (B2B)	16,262.88	-	410.08	16,672.96	15,016.58	-	-	15,016.58
<b>Total</b>	<b>52,056.33</b>	<b>510.93</b>	<b>420.32</b>	<b>52,987.58</b>	<b>48,658.97</b>	-	-	<b>48,658.97</b>

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

**41A. Credit Risk (Continued)**

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

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

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

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

Particulars	As at March 31, 2021					As at March 31, 2020				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount opening balance	48,997.17	-	-	-	48,997.17	26,502.87	-	-	-	26,502.87
New Assets Originated or Purchased	10,169.14	-	-	-	10,169.14	26,697.78	-	-	-	26,697.78
Assets derecognised or repaid (excluding write offs)	(5,762.49)	-	-	-	(5,762.49)	(4,203.48)	-	-	-	(4,203.48)
Transfer to Stage 1	-	-	-	-	-	-	-	-	-	-
Transfer to Stage 2	(1,265.24)	1,265.24	-	-	-	-	-	-	-	-
Transfer to Stage 3	-	(701.74)	701.74	-	-	-	-	-	-	-
Changes to Contractual Cash Flows due to modification not resulting into derecognition	-	-	-	-	-	-	-	-	-	-
Amounts written off	-	-	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	52,138.58	563.50	701.74	-	53,403.82	48,997.17	-	-	-	48,997.17

**e) Reconciliation of ECL balance is given below**

Particulars	As at March 31, 2021					As at March 31, 2020				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
ECL Allowance - Opening Balance	338.21	-	-	-	338.21	106.73	-	-	-	106.73
New Assets Originated or Purchased	17.45	-	-	-	17.45	198.61	-	-	-	198.61
Assets derecognised or repaid (excluding write offs)	(14.23)	-	-	-	(14.23)	(5.97)	-	-	-	(5.97)
Transfer to Stage 1	-	-	-	-	-	-	-	-	-	-
Transfer to Stage 2	(8.46)	8.46	-	-	-	-	-	-	-	-
Transfer to Stage 3	-	(6.18)	6.18	-	-	-	-	-	-	-
Impact on year end ECL of Exposures transferred between Stages during the year and reversal of ECL on account of recovery	(250.71)	50.28	275.24	-	74.81	38.84	-	-	-	38.84
ECL Allowance - Closing Balance	82.36	52.56	281.42	-	416.24	338.21	-	-	-	338.21

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

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

**f) Cash and cash equivalents**

	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
Cash and cash equivalents	12,894.34	12,286.13	1,036.52

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

**g) Collateral held**

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

Particulars	Principal type of collateral held	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
Loans to students (B2C)	Property and Fixed deposits	39.51%	37.86%	40.19%
Loans to educational institutions (B2B)	Property	100.00%	100.00%	100.00%

**h) Inputs, assumptions, techniques used for estimating impairment**

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

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

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

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

**Determining Significant Increase in Credit Risk (SICR)**

To determine if the risk of default of a financial instrument has increased significantly since initial recognition, the current risk of default at the reporting date compared with the risk of default at initial recognition. Assessment of whether there has been a significant increase in credit risk required at each reporting date.

All restructured facilities (where restructuring is done on account of decrease in credit worthiness) shall be classified as stage 2 for a minimum period of 12 months from the date of restructuring.

**Stage 1**

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

**Stage 2**

Loans: The following staging criteria based on Days Past Due (DPDs) is used for the portfolio of loans as per Ind AS 109:  
Stage 1 to Stage 2: 30 Days Past Due or more as criteria for Stage 2 classification.

**Stage 3**

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

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

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

Balances with banks:

Following is the staging criteria for investments:

- (i) For facilities with rating grade AAA to B, three notch downgrades (without modifiers) shall be taken as stage 2
- (ii) Any financial instrument with rating grade CCC or below classified as Stage 2 at origination.

**Assessment of reduction in Credit Risk -**

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

Transitioning from Stage 2 to Stage 1:

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

Transitioning from Stage 3 to Stage 2/Stage 1:

Credit exposures may transition from stage 3 to stage 2 / stage 1, no longer meet the definition of default / credit impaired and remain as current 3 months and if the factors that previously triggered an exposure to move to stage 3 are no longer met.

**The key inputs into the measurement of ECL are the term structure of the following variables:**

- Probability of defaults (PDs)
- Loss given default (LGD)
- Exposure at default (EAD) i.e., the total expected exposure in the event of a default.

Probability of default

The Probability of Default (PD) defines the probability that the borrower will default on its obligations in the future. Ind AS 109 requires the use of separate PDs for:

1. Stage 1, i.e., 12-month duration
2. Stage 2, i.e., Lifetime but not credit impaired
3. Stage 3, i.e., Lifetime and credit impaired

LGD (loss given default)

LGD is calculated as per the Basel II guidelines by first classifying collateral as per eligible criteria and then applying appropriate LGD % to each collateral type. Collaterals are verified against the threshold criteria, post clearance of the threshold criteria collateral, capping is calculated against the given loan portfolio.

The classification of each collateral is done into 5 basic categories:

**Financial collateral:** A zero loss is considered for this category of collaterals. The category generally includes cash (as well as certificates of deposit or comparable instruments, including fixed deposit receipts, issued by the lending bank), deposit with the bank which is incurring the counterparty exposure.

**Financial Receivables:** Eligible financial receivables are claims with an original maturity of less than or equal to one year where repayment will occur through the commercial or financial flows related to the underlying assets of the borrower. This includes both self-liquidating debts arising from the sale of goods or services linked to a commercial transaction and general amounts owed by buyers, suppliers, renters, national and local governmental authorities, or other non-affiliated parties not related to the sale of goods or services linked to a commercial transaction. Eligible receivables do not include those associated with securitizations, sub-participations or any derivatives.

**Commercial or Residential Real Estate (CRE/RRE):** Eligible CRE/RRE collaterals for exposures to corporate, sovereign and banks are the ones where the risk of the borrower is not materially dependent upon the performance of the underlying property or project, but rather on the underlying capacity of the borrower to repay the debt from other sources. As such, repayment of the facility is not materially dependent on any cash flow generated by the underlying CRE/RRE serving as collateral. An LGD percentage of 35% is considered for CRE and 50% and for RRE type of collaterals. The collaterals are further stressed by capping off to the extent of 140%.

**Other Eligible Collateral:** This category includes industrial properties, land etc. An LGD percentage of 40% considered for this type of collaterals. The collaterals are further stressed by capping off to the extent of 140%.

**Unsecured:** In case of loan portfolios with no collateral or collaterals not falling in the above broad categories considered unsecured and LGD percentage of 65% is applied.

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**Auxilo Finserve Private Limited**  
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**41. Financial Risk Management (Continued)**

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

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

i) Macro economic indicator	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
GDP growth	12.50%	2.80%	7.00%
j) ECL Sensitivity to change in PD rates due to change in GDP	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
increase by 10%	(19.59)	(36.69)	-
decrease by 10%	25.25	40.25	-

**\*k) Covid -19 Provision**

In accordance with the COVID-19 Regulatory Packages announced by the RBI on March 27, 2020, April 17, 2020 and May 23, 2020, the Company, in accordance with its board approved policy, offered a moratorium on the repayment of the instalments and / or interest, as applicable, due between March 1, 2020 and August 31, 2020 to all eligible borrowers classified as standard, even if overdue, as on February 29, 2020. In respect of such accounts that were granted moratorium, the asset classification remain stand still during the moratorium period. The Company made the provisions of Rs. 19.65 lakhs (Previous Year Rs. 19.65 lakhs) on such accounts where the moratorium was granted. The Company has utilised the provisions against the slippages to Stage III during the year. (Refer note 49.21 in RBI Disclosure)

**l) Expected Credit Loss prior to April 01, 2019**

As at the April 1, 2019, the Company had expected a risk of default of 0.40%, as defined in the "Non-Banking Financial Company Non - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016" to be the best estimate of the expected credit losses on its loan receivables from financing activities.

Since the Company did not have sufficient historical data as of April 1, 2019, the management was unable to apply a robust ECL model and had recognised provisions to the extent prescribed by the income recognition and asset classification norms laid down by the RBI.

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**4L. Financial Risk Management (Continued)**  
**4L.B Liquidity risk**

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

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

As at March 31, 2021

Particulars	Total	Contractual cash flows							
		Up to 1 month	Over 1 month to 2 months	Over 2 months to 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	3 - 5 years	More than 5 years
<b>Financial liabilities</b>									
Debt securities	11,933.40	5.27	-	798.56	184.59	1,138.70	9,485.45	320.83	-
Borrowings (other than debt securities)	16,608.82	511.40	277.43	340.28	1,118.99	2,449.66	9,532.62	2,034.64	343.71
Lease Liabilities	267.61	15.11	13.30	13.42	40.96	86.02	100.80	-	-
Other financial liabilities	763.59	-	135.08	-	-	1.70	-	-	626.81
<b>Total</b>	<b>29,573.42</b>	<b>529.87</b>	<b>425.81</b>	<b>1,152.26</b>	<b>1,344.54</b>	<b>3,676.08</b>	<b>19,118.87</b>	<b>2,355.47</b>	<b>970.52</b>
<b>Financial assets</b>									
Cash and cash equivalents	12,894.34	5,886.01	1,502.42	5,505.91	-	-	-	-	-
Bank balance other than cash and cash equivalents above	125.05	-	-	-	-	-	-	125.05	-
Trade receivables	41.25	-	-	41.25	-	-	-	-	-
Loans	52,987.58	648.77	647.51	650.34	1,998.10	4,245.88	18,243.92	14,983.13	11,569.93
Other Financial Assets	79.23	-	1.01	-	-	-	76.59	-	1.63
<b>Total</b>	<b>66,127.45</b>	<b>6,534.78</b>	<b>2,150.94</b>	<b>6,197.50</b>	<b>1,998.10</b>	<b>4,245.88</b>	<b>18,320.51</b>	<b>15,108.18</b>	<b>11,571.56</b>

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4L. *Financial Risk Management (Continued)*

(B) *Liquidity risk (continued)*

As at March 31, 2020		Contractual cash flows							
Particulars	Total	Up to 1 month	Over 1 month to 2 months	Over 2 months to 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	3 - 5 years	More than 5 years
<b>Financial liabilities</b>									
Trade payables	0.34	-	0.34	-	-	-	-	-	-
Debt securities	2,482.75	-	-	-	357.14	357.14	1,428.57	339.90	-
Borrowings (other than debt securities)	22,452.26	1,101.52	283.86	346.01	1,589.62	3,190.06	10,629.60	5,311.59	-
Lease Liabilities	330.27	11.08	11.21	11.31	35.40	72.05	189.22	-	-
Other financial liabilities	854.89	-	232.12	-	-	5.58	-	-	617.19
<b>Total</b>	<b>26,120.51</b>	<b>1,112.60</b>	<b>527.53</b>	<b>357.32</b>	<b>1,982.16</b>	<b>3,624.83</b>	<b>12,247.39</b>	<b>5,651.49</b>	<b>617.19</b>
<b>Financial assets</b>									
Cash and cash equivalents	12,286.13	11,285.74	-	1,000.39	-	-	-	-	-
Bank balance other than cash and cash equivalents above	117.97	-	-	-	-	-	-	-	117.97
Trade receivables	70.36	-	-	70.36	-	-	-	-	-
Loans	48,658.97	68.43	70.64	164.96	1,734.21	3,478.65	15,438.13	14,666.57	13,037.38
Other financial assets	74.26	-	1.05	-	-	-	72.71	-	0.50
<b>Total</b>	<b>61,207.69</b>	<b>11,354.17</b>	<b>71.69</b>	<b>1,235.71</b>	<b>1,734.21</b>	<b>3,478.65</b>	<b>15,510.84</b>	<b>14,666.57</b>	<b>13,155.85</b>

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4L. **Financial Risk Management (Continued)**

(B) **Liquidity risk (continued)**

As at April 01, 2019

Particulars	Total	Contractual cash flows							
		Up to 1 month	Over 1 month to 2 months	Over 2 months to 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	3 - 5 years	More than 5 years
<b>Financial liabilities</b>									
Trade payables	7.40	-	7.40	-	-	-	-	-	-
Borrowings (other than debt securities)	14,011.70	454.55	-	1,800.00	7,654.55	90.91	4,011.69	-	-
Lease liabilities	291.58	7.41	7.48	7.54	23.03	48.20	178.20	19.72	-
Other financial liabilities	493.37	-	146.30	-	-	2.09	-	-	344.98
<b>Total</b>	<b>14,804.05</b>	<b>461.96</b>	<b>161.18</b>	<b>1,807.54</b>	<b>7,677.58</b>	<b>141.20</b>	<b>4,189.89</b>	<b>19.72</b>	<b>344.98</b>
<b>Financial assets</b>									
Cash and cash equivalents	1,036.52	1,036.52	-	-	-	-	-	-	-
Trade receivables	214.33	-	-	214.33	-	-	-	-	-
Loans	26,396.14	76.78	71.19	71.19	220.48	478.16	3,198.68	5,589.06	16,690.60
Other financial assets	51.13	-	1.20	-	-	-	49.93	-	-
<b>Total</b>	<b>27,698.12</b>	<b>1,113.30</b>	<b>72.39</b>	<b>285.52</b>	<b>220.48</b>	<b>478.16</b>	<b>3,248.61</b>	<b>5,589.06</b>	<b>16,690.60</b>

\* For financial liabilities undiscounted cash flows have been provided

41.C **Market risk**

Market risk is the risk that changes in market prices and is exposed to risks such as

- a) Currency risk
- b) Prepayment risk
- c) Interest rate risk

which will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a) **Currency risk**

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

b) **Prepayment Risk**

Prepayment risk is the risk that the Company will incur a financial loss because its customers and counterparties repay or request repayment earlier than expected particularly in case of fixed rate loans when interest rates fall. Most of the financial assets are at floating rates of interest, however there are financial liabilities which are having fixed interest rates. The Company is exposed to prepayment risk in term of fixed interest rate liability. Please refer to interest rate risk section for prepayment risk on account of fixed rate liabilities.

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

**e) Interest rate risk**

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

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

	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
<b>Fixed rate instruments</b>			
Financial Assets	13,140.43	12,549.27	1,301.98
Financial Liabilities	(4,763.27)	(5,730.40)	(9,815.98)
<b>Floating rate instruments</b>			
Financial Assets	53,403.82	48,997.17	26,502.87
Financial Liabilities	(24,810.15)	(20,390.11)	(4,988.07)

**Fair value sensitivity analysis for fixed-rate instruments**

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

**Cash flow sensitivity analysis for variable-rate instruments**

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

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Cash Flow Sensitivity (Variable rate instruments (net))</b>		
Decrease by 100 bps:	(285.94)	(286.07)
Increase by 100 bps:	285.94	286.07

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

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**42 Maturity analysis of assets and liabilities**

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	As at March 31, 2021			As at March 31, 2020			As at April 01, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>I Assets</b>									
<b>A. Financial assets</b>									
a) Cash and cash equivalents	12,894.34	-	12,894.34	12,286.13	-	12,286.13	1,036.52	-	1,036.52
b) Other Bank balances	-	125.05	125.05	-	117.97	117.97	-	-	-
c) Trade receivables	41.25	-	41.25	70.36	-	70.36	214.33	-	214.33
d) Loans	8,190.60	44,796.98	52,987.58	5,516.80	43,142.08	48,658.97	917.80	25,478.34	26,396.14
e) Other financial assets	1.01	78.22	79.23	1.05	73.21	74.26	1.20	49.93	51.13
<b>B. Non-financial assets</b>									
a) Current tax assets (net)	-	97.55	97.55	-	58.68	58.68	-	13.44	13.44
b) Deferred tax assets (Net)	-	128.05	128.05	-	189.65	189.65	-	367.56	367.56
c) Property, plant and equipment	-	123.59	123.59	-	164.14	164.14	-	181.12	181.12
d) Right of use asset	156.21	87.90	244.11	146.08	166.30	312.38	109.41	182.17	291.58
e) Intangible assets under development	-	-	-	-	-	-	76.01	-	76.01
f) Other intangible assets	-	93.43	93.43	-	112.32	112.32	-	21.58	21.58
g) Other non-financial assets	131.52	7.21	138.73	86.59	10.13	96.72	46.72	23.05	69.77
<b>Total Assets</b>	<b>21,414.93</b>	<b>45,537.98</b>	<b>66,952.91</b>	<b>18,107.10</b>	<b>44,034.48</b>	<b>62,141.58</b>	<b>2,401.99</b>	<b>26,317.19</b>	<b>28,719.18</b>
<b>II Liabilities</b>									
<b>A. Financial liabilities</b>									
a) Trade payables	-	-	-	0.34	-	0.34	7.40	-	7.40
b) Debt securities	2,127.12	9,896.28	11,933.40	744.28	1,768.47	2,483.75	-	-	-
c) Borrowings (other than debt securities)	4,697.85	11,919.97	16,608.82	6,511.07	15,941.19	22,452.26	10,000.01	4,911.69	14,911.70
d) Lease liabilities	166.81	100.80	267.61	141.05	189.22	330.27	93.66	197.92	291.58
e) Other financial liabilities	136.78	626.81	763.59	237.70	617.19	854.89	148.39	344.95	493.37
<b>B. Non-financial Liabilities</b>									
a) Provisions	5.74	72.17	77.91	-	44.41	44.41	-	27.14	27.14
b) Other non-financial liabilities	34.53	14.07	48.60	58.81	32.14	90.95	45.56	28.59	74.15
<b>Total Liabilities</b>	<b>7,168.83</b>	<b>22,531.10</b>	<b>29,699.93</b>	<b>7,663.25</b>	<b>18,592.62</b>	<b>26,255.87</b>	<b>10,295.02</b>	<b>4,610.32</b>	<b>14,905.34</b>

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**Auxilo Finserve Private Limited**

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**43. Capital Management**

The primary objectives of the capital management policy is to ensure that the Company continuously complies with capital requirements required by regulator, maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to fund growth or comply with regulatory capital requirement, Company depends on internal accrual or may raise additional capital. Company may adjust the amount of dividend payment to shareholders, return capital to shareholders.

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

For Capital-to-Risk Weighted Assets (CRAR) as required by Regulator- Refer Note 49.1

**44. Net debt reconciliation**

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

	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents	12,894.66	12,286.56
Bank balances other than cash and cash equivalents (including interest receivable)	125.15	118.00
Debt securities (including interest accrued)	11,933.40	2,482.75
Borrowings other than debt securities (including interest accrued)	16,608.82	22,452.26
<b>Net Debt</b>	<b>15,522.41</b>	<b>12,530.45</b>

- b) **Movement in Net Debt during the year**

	Financial Assets		Liabilities from financing activities		Total
	Cash and cash equivalents	Bank balances other than cash and cash equivalents	Debt securities	Borrowings other than debt securities	
<b>Net debt as at March 31, 2020</b>	12,286.56	118.00	2,482.75	22,452.26	12,530.45
Cashflows inflows	2,771.52	7.15	11,628.06	1,969.94	10,819.33
Cashflows outflows	2,163.42	-	2,916.67	7,947.75	8,701.00
Interest expense	-	-	1,028.74	2,150.64	3,179.38
Interest paid during the year	-	-	289.48	2,016.27	2,305.75
<b>Net debt as at March 31, 2021</b>	<b>12,894.66</b>	<b>125.15</b>	<b>11,933.40</b>	<b>16,608.82</b>	<b>15,522.41</b>
<b>Net debt as at March 31, 2019</b>	1,036.52	-	-	14,011.70	12,975.18
Cashflows inflows	32,059.66	118.00	2,480.86	28,156.97	(1,539.83)
Cashflows outflows	20,809.62	-	-	19,797.35	(1,012.27)
Interest expense	-	-	38.78	1,674.63	1,713.41
Interest paid during the year	-	-	36.89	1,593.69	1,630.58
<b>Net debt as at March 31, 2020</b>	<b>12,286.56</b>	<b>118.00</b>	<b>2,482.75</b>	<b>22,452.26</b>	<b>12,530.45</b>

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**45. Transfer of Financial Assets**

**Transferred financial assets that are not derecognised in their entirety - Securitisation**

The Company has transferred a pool of loan receivables backed by underlying assets by entering into securitisation transactions with the Special Purpose Vehicle Trusts (SPV Trust) for consideration received in cash at the inception of the transaction.

The Company, being Originator of these loan receivables, also acts as Servicer with a responsibility of collection of receivables from its borrowers and depositing the same in Collection and Pay out Account maintained by the SPV Trust for making scheduled pay outs to the investors in Pass Through Certificates (PTCs) issued by the SPV Trust. These securitisation transactions also requires the Company to provide for first loss credit enhancement in various forms, such as cash collateral, over collateral of Pool principal and excess interest spread (EIS) as credit support in the event of shortfall in collections from underlying loan contracts. By virtue of existence of credit enhancement, the Company is exposed to credit risk, being the expected losses that will be incurred on the transferred loan receivables to the extent of the credit enhancement provided.

In view of the above, the Company has retained substantially all the risks and rewards of ownership of the financial asset and thereby does not meet the derecognition criteria as set out in Ind-AS 109. Consideration received in this transaction is presented as 'Borrowing under Securitisation' under Note 15.

The following table provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
<b>Assignment</b>			
Carrying amount of transferred assets measured at amortised cost	1,677.16	1,927.06	-
Carrying amount of associated liabilities (Debt securities - measured at amortised cost)*	1,538.62	2,062.15	-
Fair value of assets	1,677.16	1,927.06	-
Fair value of associated liabilities	1,589.97	2,091.85	-
Net position at Fair Value	87.19	(164.79)	-

\*inclusive of EIR impact

**46. Foreign exchange earnings/outflow**

The foreign exchange earnings and outflow Current year is Rs. Nil. (Previous year: Rs. Nil)

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**47. First-time adoption of Ind AS**

**a) Transition to Ind AS**

For the purposes of reporting as set out in Note 1, the Company has transitioned its basis of accounting from Indian generally accepted accounting principles ("IGAAP") to Ind AS. The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended March 31, 2021, the comparative information presented in these financial statements for the year ended March 31, 2020 and in the preparation of an opening Ind AS balance sheet at April 1, 2019 (the "transition date").

In preparing the opening Ind AS balance sheet, the Company has adjusted amounts reported in financial statements prepared in accordance with IGAAP. An explanation of how the transition from IGAAP to Ind AS has affected the financial performance, cash flows and financial position is set out in the following tables and the notes that accompany the tables. On transition, the Company did not revise estimates previously made under IGAAP except where required by Ind AS.

**b) Optional exemptions availed**

Ind AS 101 First Time Adoption of Indian Accounting Standards' allows first-time adopters certain voluntary exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

**i) Deemed cost for property, plant and**

The Company has elected to continue the carrying value for all of its property, plant and equipment and intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost at the date of transition.

**ii) Share-based payments**

The Company has elected not to apply Ind AS 102 Share-based payment to equity instruments that vested before the date of transition to Ind AS. Accordingly, the Company has measured only the unvested stock options on the date of transition as per Ind AS 102.

**c) Ind AS mandatory exceptions**

The Company has applied the following exceptions from full retrospective application of Ind AS as mandatorily required under Ind AS 101:

**i) Estimates**

On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:

- Fair valuation of financial instruments carried at FVTPL and/or FVOCI
- Impairment of financial assets based on the expected credit loss model

**ii) De-recognition of financial assets and liabilities**

As per Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, an entity may apply the derecognition requirements retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has elected to apply the derecognition principles of Ind AS 109 prospectively from the date of transition to Ind AS.

**iii) Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

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47. **First-time adoption of Ind AS**

d) **Reconciliations between previous GAAP and Ind AS**

Ind AS 101 requires a first time adopter to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

i) **Reconciliation of Balance Sheet as per previous GAAP and Ind AS**

Particulars	As at March 31, 2020			As at April 01, 2019		
	Previous GAAP	Adjustments	Ind AS	Previous GAAP	Adjustments	Ind AS
<b>ASSETS</b>						
<b>Financial Assets</b>						
Cash and cash equivalents	12,286.56	(0.43)	12,286.13	1,036.52	-	1,036.52
Bank balance other than cash and cash equivalents	118.00	(0.03)	117.97	-	-	-
Derivative financial instruments	-	-	-	-	-	-
Trade receivables	70.40	(0.04)	70.36	214.33	-	214.33
Loans	47,161.34	1,497.63	48,658.97	26,576.26	(180.12)	26,396.14
Other financial assets	157.65	(83.39)	74.26	63.82	(12.69)	51.13
	<b>59,793.95</b>	<b>1,413.74</b>	<b>61,207.69</b>	<b>27,890.93</b>	<b>(192.81)</b>	<b>27,698.12</b>
<b>Non-financial assets</b>						
Current tax assets (net)	58.68	-	58.68	13.44	-	13.44
Deferred tax assets (net)	64.05	125.60	189.65	-	367.56	367.56
Property, Plant and Equipment	164.13	0.01	164.14	181.12	-	181.12
Right of use - Asset	-	312.38	312.38	-	291.58	291.58
Intangible assets under development	-	-	-	76.01	-	76.01
Other intangible assets	112.33	(0.01)	112.32	21.59	(0.01)	21.58
Other non-financial assets	458.30	(361.58)	96.72	96.04	(26.27)	69.77
	<b>857.49</b>	<b>76.40</b>	<b>933.89</b>	<b>388.20</b>	<b>632.86</b>	<b>1,021.06</b>
<b>Total Assets</b>	<b>60,651.44</b>	<b>1,490.14</b>	<b>62,141.58</b>	<b>28,279.13</b>	<b>440.05</b>	<b>28,719.18</b>
<b>LIABILITIES AND EQUITY</b>						
<b>LIABILITIES</b>						
<b>Financial liabilities</b>						
Derivative financial instruments	-	-	-	-	-	-
Trade payables	0.34	-	0.34	7.40	-	7.40
Debt securities	2,500.69	(17.94)	2,482.75	-	-	-
Borrowings (other than Debt securities)	20,927.72	1,524.54	22,452.26	14,045.06	(33.36)	14,011.70
Lease Liabilities	-	330.27	330.27	-	291.58	291.58
Other financial liabilities	854.92	(0.03)	854.89	493.37	-	493.37
	<b>24,283.67</b>	<b>1,836.84</b>	<b>26,120.51</b>	<b>14,545.83</b>	<b>258.22</b>	<b>14,804.05</b>
<b>Non-financial Liabilities</b>						
Provisions	44.41	-	44.41	27.14	-	27.14
Other non-financial liabilities	77.28	13.67	90.95	63.04	11.11	74.15
	<b>121.69</b>	<b>13.67</b>	<b>135.36</b>	<b>90.18</b>	<b>11.11</b>	<b>101.29</b>
<b>EQUITY</b>						
Equity share capital	34,406.22	-	34,406.22	15,000.00	-	15,000.00
Other equity	1,839.86	(360.37)	1,479.49	(1,356.88)	170.72	(1,186.16)
<b>Total equity</b>	<b>36,246.08</b>	<b>(360.37)</b>	<b>35,885.71</b>	<b>13,643.12</b>	<b>170.72</b>	<b>13,813.84</b>
<b>Total Liabilities &amp; Equity</b>	<b>60,651.44</b>	<b>1,490.14</b>	<b>62,141.58</b>	<b>28,279.13</b>	<b>440.05</b>	<b>28,719.18</b>

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**Auxilo Finserve Private Limited**  
**Notes to the financial statements for the year ended March 31, 2021**  
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**47. First-time adoption of Ind AS**

**ii) Reconciliation of Statement of Total comprehensive income for the year ended March 31, 2020 as per previous GAAP and Ind AS**

Particulars	Previous GAAP	Adjustments	Ind AS
<b>Revenue from operations</b>			
Interest income	5,593.90	(312.87)	5,281.03
Fees and commission income	85.76	-	85.76
Net gain on fair value changes	100.28	-	100.28
Other operating revenue	-	-	-
<b>Total revenue from operations</b>	<b>5,779.94</b>	<b>(312.87)</b>	<b>5,467.07</b>
Other income	105.00	5.81	110.81
<b>Total income</b>	<b>5,884.94</b>	<b>(307.06)</b>	<b>5,577.88</b>
<b>Expenses</b>			
Finance costs	1,725.39	52.26	1,777.65
Impairment on financial instruments	108.37	123.66	232.03
Employee benefits expenses	1,601.56	154.02	1,755.58
Depreciation, amortisation and impairment expenses	90.52	122.74	213.26
Others expenses	1,368.83	(316.58)	1,052.25
<b>Total expenses</b>	<b>4,894.67</b>	<b>136.10</b>	<b>5,030.77</b>
<b>Profit/(loss) before tax</b>	<b>990.27</b>	<b>(443.16)</b>	<b>547.11</b>
<b>Tax expense:</b>			
- Current tax	60.68	-	60.68
- Deferred tax	(64.05)	242.20	178.15
<b>Total tax expense</b>	<b>(3.37)</b>	<b>242.20</b>	<b>238.83</b>
<b>Profit/(loss) for the period</b>	<b>993.64</b>	<b>(685.36)</b>	<b>308.28</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit and loss			
- Remeasurements of post-employment benefit obligations	-	(0.96)	(0.96)
- Income tax relating to these items	-	0.24	0.24
<b>Other comprehensive income for the period</b>	<b>-</b>	<b>(0.72)</b>	<b>(0.72)</b>
<b>Total comprehensive income for the period</b>	<b>993.64</b>	<b>(686.08)</b>	<b>307.56</b>

**iii) Reconciliation of Equity between previous GAAP and Ind AS:**

	Notes	As at March 31, 2020	As at April 01, 2019
<b>Equity as per previous GAAP</b>		<b>36,246.08</b>	<b>13,643.12</b>
Adjustments:			
ESOP cost under Ind AS		(372.24)	(217.26)
EIR impact on financial assets	v(b)	(355.47)	(208.71)
Impact of Ind AS 116	v(c)	(17.88)	-
EIR Impact on financial liabilities	v(d)	(2.81)	(5.05)
Provision for Impairment loss allowance on loan assets	v(e)	(123.66)	-
Securitisation transaction impact		(4.27)	-
Fair Value of Security Deposit	v(a)	(0.35)	(0.55)
Lease reserves	v(g)	1.01	17.47
Tax impact of Ind AS adjustments	v(f)	143.06	367.56
<b>Total adjustments</b>		<b>(732.61)</b>	<b>(46.54)</b>
ESOP Reserve		372.24	217.26
<b>Total equity as per Ind AS</b>		<b>35,885.71</b>	<b>13,813.84</b>

**iv) Reconciliation of Total comprehensive income as per Previous GAAP and Ind AS :**

	Year Ended March 31, 2020
<b>Net profit after tax as per previous GAAP</b>	<b>993.64</b>
Adjustments:	
ESOP cost under Ind AS	(154.98)
EIR impact on financial assets	(146.76)
Impact of Ind AS 116	(17.88)
EIR Impact on financial liabilities	2.24
Provision for Impairment loss allowance on loan assets	(123.66)
Securitisation transaction impact	(4.28)
Fair Value of Security Deposit	0.20
Lease reserves	1.01
Others	0.72
Tax impact of Ind AS adjustments	(241.97)
<b>Net profit for the year ended under Ind AS</b>	<b>308.28</b>
Other comprehensive income (net of tax) attributable to owners of the Company	(0.72)
<b>Total comprehensive income as per Ind AS (attributable to owners of the Company)</b>	<b>307.56</b>

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**Auxilo Finserve Private Limited**  
**Notes to the financial statements for the year ended March 31, 2021**

(Currency : Indian Rupees in lakhs)

**47. First-time adoption of Ind AS**

**v) Notes to first-time adoption:**

**a) Interest free lease deposits**

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets except Trade Receivables are required to be initially recognised at fair value. Accordingly, the Company has fair valued these security deposits under Ind AS. The difference between the fair value and transaction value of the security deposit on initial recognition is recognised as prepaid rent and the same has been reduced from security deposit. Subsequently the interest unwinding is done on the security deposit amount and recognised as interest income under the head other income and prepaid rent is amortised as finance cost with respect to time value.

**b) Loan Assets**

Under previous GAAP, transaction income earned on loan assets was recognised upfront while under Ind AS, such income (net of expenses) are included in the initial recognition amount of financial assets and recognised as interest income using the effective interest method.

**c) Ind AS 116 - leases**

Under previous GAAP, payments made under operating leases (net of any incentives received from the lessor) were charged to statement of profit and loss on a straight-line basis over the period of the lease unless, the payments are structured to increase in line with expected general inflation, to compensate for the lessor's expected inflationary cost increases.

Ind AS 116 requires recognition of an asset (the right-of-use the leased item) and a financial liability to pay rentals. In the Statement of Profit and Loss, lessees presents interest expense on the lease liability and depreciation on the right-of-use asset.

**d) Borrowings and subordinated debt instruments (Transaction cost)**

Under previous GAAP, transaction costs incurred on debt instruments and borrowings was expensed over the tenure of the borrowing on straight line basis.

Under Ind AS, such costs are reduced from the carrying amount of financial liability on its initial recognition. These costs are recognised as interest expense

**e) Expected Credit loss**

Under the previous GAAP, provisions against loans and advances were made as per the prudential norms specified by the RBI. In accordance with Ind AS 109, the Company is required to recognise provisions by applying the expected credit loss model. Accordingly, the Company has reversed all outstanding provisions created against advances under the previous GAAP and recognised an amount for expected credit losses on its loans and other financial assets with a corresponding adjustment to profit and loss and consequently, equity.

**f) Deferred tax**

Under the Previous GAAP, the deferred tax was accounted based on timing differences impacting the Statement of Profit and Loss for the period. DTA was recognized only when and to the extent there is a reasonable certainty of its realization. Unabsorbed depreciation or carry forward of losses then in such a case deferred tax asset should be to the extent there is a virtual certainty supported by convincing evidence.

Deferred tax under Ind AS has been recognised for temporary differences between tax base and the book base of the relevant assets and liabilities. Deductible temporary differences are recognized to the extent of the probability of taxable profits in future periods. Deferred tax impact has been considered on the adjustments made on transition to Ind AS.

**g) Remeasurements of post-employment benefit obligations**

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of statement of profit and loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year.

**h) Reversal of Lease Equalisation Reserve**

Under the erstwhile Accounting Standards, the Lease Equalisation Reserve was created, However upon implementation of "Ind AS 116-Lease" this reserve is no longer required. Hence the same has been reversed.

**Effect of Ind AS adoption on the statement of cash flows for the year ended March 31, 2020**

Particulars	Previous GAAP	Adjustments	Ind AS
Net cash from/(used in) operating activities	(19,423.23)	(1,504.39)	(20,927.62)
Net cash from/(used in) investing activities	11.90	(0.01)	11.89
Net cash from/(used in) financing activities	30,661.37	1,504.40	32,165.77
Net increase/(decrease) in cash and cash equivalents	<b>11,250.04</b>	-	<b>11,250.04</b>
Cash and cash equivalents at the beginning of the year	1,036.52	-	1,036.52
Cash and cash equivalents at the end of the year	12,286.56	(0.43)	12,286.13

**48. Events after reporting date**

There have been no major events which will cause changes to any numbers reported in the financial statements.

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**Auxilo Finserve Private Limited**

**Notes to the financial statements for the year ended March 31, 2021**

(Currency : Indian Rupees in lakhs)

**49. Regulatory disclosures - RRI**

The following additional information is disclosed in the terms of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 as amended.

The additional disclosure notes required by the Reserve Bank of India (RBI) are prepared under Indian Accounting Standards (Ind AS) issued by Ministry of Corporate Affairs (MCA), unless otherwise stated.

**49.1 Capital to risk assets ratio (CRAR)#**

	As at March 31, 2021	As at March 31, 2020
CRAR (%)	67.01%	73.95%
CRAR - Tier I capital (%)	66.27%	73.49%
CRAR - Tier II Capital (%)	0.74%	0.46%
Amount of Subordinated debt raised as tier II capital	-	-
Amount raised by issue of perpetual debt instruments	-	-

#The Company has adopted Ind AS from accounting year beginning on April 01, 2020 with the effective transition date April 01, 2019. Capital adequacy ratio as on March 31, 2020 are not recomputed as per Ind AS and shown as per previous GAAP.

**49.2 Investments**

The Company has Nil investments as on March 31, 2021 and March 31, 2020.

**49.3 Derivatives**

The Company has not entered into any forward rate agreements, interest rate swaps, exchange traded interest rate derivatives.

**49.4 Asset liability management**

**(A) Maturity pattern of certain items of assets and liabilities As at March 31, 2021**

A.i	Assets			
	Loans	Investments	Fixed Deposits	Foreign Currency Assets
1 day to 7 days	119.82	-	5,300.32	-
8 day to 14 days	203.85	-	-	-
15 day to 30/31 days (One month)	325.10	-	-	-
Over One months to 2 months	647.51	-	1,502.42	-
Over 2 months up to 3 months	650.34	-	5,505.91	-
Over 3 months to 6 months	1,998.10	-	-	-
Over 6 months to 1 year	4,245.88	-	-	-
Over 1 year to 3 years	18,243.92	-	-	-
Over 3 years to 5 years	14,983.13	-	125.05	-
Over 5 years	11,569.93	-	-	-
	<b>52,987.58</b>	<b>-</b>	<b>12,433.70</b>	<b>-</b>
A.ii	Liabilities			Foreign Currency Liabilities
	Borrowings and Debt Securities	Deposits #		
1 day to 7 days	-	-	-	-
8 day to 14 days	-	-	-	-
15 day to 30/31 days (One month)	516.76	-	-	-
Over One months to 2 months	277.43	-	-	-
Over 2 months up to 3 months	1,138.84	-	-	-
Over 3 months to 6 months	1,303.58	-	-	-
Over 6 months to 1 year	3,588.36	-	-	-
Over 1 year to 3 years	19,018.07	-	-	-
Over 3 years to 5 years	2,355.47	-	-	-
Over 5 years	343.71	-	-	-
	<b>28,542.22</b>	<b>-</b>	<b>-</b>	<b>-</b>

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**Auxilo Finserve Private Limited**  
Notes to the financial statements for the year ended March 31, 2021  
(Currency : Indian Rupees in lakhs)

**49. Regulatory disclosures - RRI**

**(B) Maturity pattern of certain items of assets and liabilities As at March 31, 2020**

B.i	Loans	Investments	Assets	
			Fixed Deposits	Foreign Currency Assets
1 day to 7 days	6.99	-	-	-
8 day to 14 days	41.09	-	4,501.74	-
15 day to 30/31 days (One month)	20.35	-	5,001.95	-
Over One months to 2 months	70.64	-	-	-
Over 2 months up to 3 months	164.96	-	1,000.39	-
Over 3 months to 6 months	1,734.21	-	-	-
Over 6 months to 1 year	3,478.65	-	-	-
Over 1 year to 3 years	15,438.13	-	-	-
Over 3 years to 5 years	14,666.57	-	-	-
Over 5 years	13,037.38	-	117.97	-
	<b>48,658.97</b>	<b>-</b>	<b>10,622.05</b>	<b>-</b>
B.ii	Borrowings and Debt Securities	Liabilities Deposits#	Foreign Currency Liabilities	
1 day to 7 days	-	-	-	-
8 day to 14 days	-	-	-	-
15 day to 30/31 days (One month)	1,101.52	-	-	-
Over One months to 2 months	283.86	-	-	-
Over 2 months up to 3 months	346.01	-	-	-
Over 3 months to 6 months	1,946.76	-	-	-
Over 6 months to 1 year	3,547.20	-	-	-
Over 1 year to 3 years	12,058.17	-	-	-
Over 3 years to 5 years	5,651.49	-	-	-
Over 5 years	-	-	-	-
	<b>24,935.01</b>	<b>-</b>	<b>-</b>	<b>-</b>

# This pertains to inter corporate deposits

**49.5 Exposures**

The Company has Nil exposure to residential mortgages, commercial real estate, Investments in mortgage backed securities (MBS) and other securitised exposures and capital markets as on as on March 31, 2021 and March 31, 2020.

**49.6 Details of financing of parent Company products:**

Details of financing of parent Company products: Nil (Previous year : Nil)

**49.7 Details of single borrower limit and borrower group limit exceeded by the Company:**

During the year ended March 31, 2021 and March 31, 2020 the Company's credit exposure to single borrowers and group borrowers were within the limits prescribed by the RBI."

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**Auxilo Finserve Private Limited**

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

(Currency : Indian Rupees in lakhs)

**49. Regulatory disclosures - RBI**

**49.8 Unsecured advances**

The portfolio of Company include unsecured loans. Details of loans are provided in Note 6. During the year, the Company has not given any advance against collateral of rights, licenses, authority, etc. (Previous year : Nil).

**49.9 Registration obtained from other financial sector regulators**

The Company is registered with following other financial sector regulators (Financial regulators as described by Ministry of Finance):

- i) Ministry of Corporate Affairs
- ii) Securities and Exchange Board of India (SEBI)

**49.10** Disclosure of penalties imposed by RBI and other regulators- Rs. Nil (Previous year - Rs. Nil)

**49.11 Related party transactions**

All material transactions with related parties are reflected in Note - 37

**49.12** Details of transaction with non executive directors - Rs. Nil (Previous year - Rs. Nil)

Non-Executive Directors have no pecuniary relationship with the Company, except receiving sitting fees for the meetings attended.

**49.13 Provisions and contingencies**

	As at March 31, 2021	As at March 31, 2020
<b>Breakup of provisions and contingencies shown under the head other expenses in the Statement of Profit and loss</b>		
Provision towards Stage 3	281.42	-
Provision made towards tax expenses	357.06	238.59
Provision for Stage 1/Stage 2 Assets including restructured and others	(203.38)	232.03
Provision for Stage 1 other financial assets	-	0.56
Other Provision and Contingencies *	174.30	171.29
<b>*Other provisions and contingencies</b>		
Provision for gratuity expense	16.17	12.83
Provision for compensated absences	17.36	3.48
Provision for ESOP	140.77	154.98
<b>Total</b>	<b>174.30</b>	<b>171.29</b>

**49.14 Draw down from reserves**

During the current year the Company has not drawn from any reserve. (Previous year : Nil)

**49.15 Concentration of deposits, advances, exposures and NPA assets**

	As at March 31, 2021	As at March 31, 2020
<b>A. Concentration of advances</b>		
Total Advances to twenty largest borrowers	7,654.26	6,982.32
% of Advances to twenty largest borrowers to Total Advances	14.33%	14.25%
<b>B. Concentration of exposures</b>		
Total Exposures to twenty largest borrowers / Customers	7,743.06	7,162.75
% of Exposures to twenty largest borrowers / Customers to Total Advances	14.50%	14.62%
<b>C. Concentration of NPA Advances</b>		
Total Exposures to top Four NPA Assets	694.73	-

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**Auxilo Finserve Private Limited**

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

(Currency : Indian Rupees in lakhs)

**49. Regulatory disclosures - RRI**

**D. Sector-wise NPA Assets**

% of NPA assets to Total Advances in that sector

Sectors	As at	As at
	March 31, 2021	March 31, 2020
Agriculture and allied activities	0.00%	0.00%
MSME	0.00%	0.00%
Corporate borrowers	0.00%	0.00%
Services	0.00%	0.00%
Unsecured loans - Bill discounting	0.00%	0.00%
Auto loans	0.00%	0.00%
Other loans	1.31%	0.00%

**E. Concentration of deposits**

The Company is a Non Deposit Accepting Systemically Important NBFC. Accordingly, the Company has not accepted any deposits during the current and previous year. Also there are no outstanding deposits from earlier years (Previous Year : Nil).

**49.16 Movement in non-performing assets (NPAs)**

The following table sets forth, for the periods indicated, the details of movement of Stage 3 assets net of provision (Also refer note 6.b)

	As at	As at
	March 31, 2021	March 31, 2020
<b>(i) Net NPAs to net advances (%)</b>	0.79%	0.00%
<b>(ii) Movement of NPAs (gross)</b>		
(a) Opening balance	-	-
(b) Additions during the year	701.74	-
(c) Reductions during the year	-	-
(d) Closing balance	<b>701.74</b>	-
<b>(iii) Movement of net NPAs</b>		
(a) Opening balance	-	-
(b) Additions during the year	420.32	-
(c) Reductions during the year	-	-
(d) Closing balance	<b>420.32</b>	-
<b>(iv) Movement of provisions for NPAs (excluding provision on standard assets)</b>		
(a) Opening Balance	-	-
(b) Additions during the year	281.42	-
(c) Write off/ write back of excess provision	-	-
(d) Closing balance	<b>281.42</b>	-

**49.17 Customer complaints**

	For the year ended	For the year ended
	March 31, 2021	March 31, 2020
i) No. of complaints pending at the beginning of the year	0	0
ii) No. of complaints received during the year	51	56
iii) No. of complaints redressed during the year	51	56
iv) No. of complaints pending at the end of the year	0	0

**49.18 Rating assigned by credit rating agencies**

Rating Agency: CARE Ratings Limited (Formerly known as Credit Analysis and Research Limited)

Instrument Type	Rating Date	Rating Assigned
Long Term Bank Facilities	August 12, 2019	CARE A-
	September 27, 2019	CARE A-
	December 16, 2019	CARE A-
	February 7, 2020	CARE A-
	November 18, 2020	CARE A-
	December 30, 2020	CARE A-
Non Convertible Debentures	February 7, 2020	CARE A-
	May 15, 2020	CARE A-
	June 29, 2020	CARE A-
	September 10, 2020	CARE A-
	December 30, 2020	CARE A-
Market Linked Debentures	September 10, 2020	CARE PPMLD A-
	December 30, 2020	CARE PPMLD A-

Note : There has been no change in the Credit Rating assigned during the year.

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**Auxilo Finserve Private Limited**

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

(Currency : Indian Rupees in lakhs)

**49. Regulatory disclosures - RBI (Continued)**

**49.19 Disclosures relating to assignment and securitisation**

**49.19.1** The Company has not entered into any securitisation transactions during the current year. (Previous year : Refer note below )

No.		As at March 31, 2021	As at March 31, 2020
1	No of SPVs sponsored by the NBFC for securitisation transactions	1	1
2	Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	1,955.73	2,346.88
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of	-	-
	(a) Off-Balance Sheet exposures		
	First loss	-	-
	Others	-	-
	(b) On-Balance Sheet exposures		
	First loss	117.34	117.34
	Others	293.36	293.36
4	Amount of exposures to securitisation transactions other than MRR	-	-
	(a) Off-Balance Sheet exposures		
	(i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	(ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
	(b) On-Balance Sheet exposures		
	(i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	(ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-

**49.19.2 Outstanding amount of assigned assets as per books of the Special Purpose Vehicle sponsored**

The Company has not entered into any assignment transactions during the current year. (Previous year : Nil).

**49.19.3 Details of financial assets sold to securitisation/reconstruction Company for asset reconstruction**

The Company has not sold any financial assets to securitisation/reconstruction Company for asset reconstruction during the year ended March 31, 2021 and March 31, 2020.

**49.20 Details of non-performing financial assets purchased / sold by the Company**

The Company has neither purchased nor sold non performing assets during the year ended March 31, 2021 and March 31, 2020.

**49.21 Disclosure as per the circular no DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 issued by Reserve Bank of India on "COVID 19 regulatory package - Asset Classification and provisioning"**

	As at March 31, 2021	As at March 31, 2020
Amounts in SMA/overdue categories, where the moratorium/deferment was extended	393.10	393.10
Amount where asset classification benefits is extended	-	-
Provision Created	39.31	19.66
Less: Provisions adjusted during the against slippages	(39.31)	-
Residual provisions	-	19.66

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**Auxilo Finserve Private Limited**

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

(Currency: Indian Rupees in lakhs)

**49. Regulatory disclosures - RBI (Continued)**

**49.22 Comparison of Regulatory Provision for NPA and Impairment Provision as per Ind AS  
As at March 31, 2021**

Asset Classification as per RBI Norms	as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
<b>Performing</b>						
Standard	Stage-1	52,138.58	82.26	52,056.32	209.66	(127.40)
	Stage-2	563.50	52.56	510.94	43.28	9.28
<b>Sub total</b>		<b>52,702.08</b>	<b>134.82</b>	<b>52,567.26</b>	<b>252.94</b>	<b>(118.12)</b>
<b>Non Performing Assets (NPA)</b>						
Substandard	Stage-3	701.74	281.42	420.32	70.95	210.47
Doubtful						
up to 1 year	Stage-3	-	-	-	-	-
1 to 3 Years	Stage-3	-	-	-	-	-
More than 3 years	Stage-3	-	-	-	-	-
<b>Sub total for Doubtful</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Loss	Stage-3	-	-	-	-	-
<b>Subtotal for NPA</b>		<b>701.74</b>	<b>281.42</b>	<b>420.32</b>	<b>70.95</b>	<b>210.47</b>
Other items	Stage-1	-	-	-	-	-
Other items	Stage-2	-	-	-	-	-
Other items	Stage-3	-	-	-	-	-
<b>Total</b>	<b>Stage-1</b>	<b>52,138.58</b>	<b>82.26</b>	<b>52,056.32</b>	<b>209.66</b>	<b>(127.40)</b>
	<b>Stage-2</b>	<b>563.50</b>	<b>52.56</b>	<b>510.94</b>	<b>43.28</b>	<b>9.28</b>
	<b>Stage-3</b>	<b>701.74</b>	<b>281.42</b>	<b>420.32</b>	<b>70.95</b>	<b>210.47</b>
<b>Total</b>	<b>Total</b>	<b>53,403.82</b>	<b>416.24</b>	<b>52,987.58</b>	<b>323.89</b>	<b>92.35</b>

As at March 31, 2020

Asset Classification as per RBI Norms	as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
<b>Performing</b>						
Standard	Stage-1	48,997.17	338.20	48,658.97	197.28	140.92
	Stage-2	-	-	-	-	-
<b>Sub total</b>		<b>48,997.17</b>	<b>338.20</b>	<b>48,658.97</b>	<b>197.28</b>	<b>140.92</b>
<b>Non Performing Assets (NPA)</b>						
Substandard	Stage-3	-	-	-	-	-
Doubtful						
up to 1 year	Stage-3	-	-	-	-	-
1 to 3 Years	Stage-3	-	-	-	-	-
More than 3 years	Stage-3	-	-	-	-	-
<b>Sub total for Doubtful</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Loss	Stage-3	-	-	-	-	-
<b>Subtotal for NPA</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other items	Stage-1	-	-	-	-	-
Other items	Stage-2	-	-	-	-	-
Other items	Stage-3	-	-	-	-	-
<b>Total</b>	<b>Stage-1</b>	<b>48,997.17</b>	<b>338.20</b>	<b>48,658.97</b>	<b>197.28</b>	<b>140.92</b>
	<b>Stage-2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Stage-3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>Total</b>	<b>48,997.17</b>	<b>338.20</b>	<b>48,658.97</b>	<b>197.28</b>	<b>140.92</b>

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**Auxilo Finserve Private Limited**

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

(Currency: Indian Rupees in lakhs)

**49.23 Disclosure of Restructured Accounts**  
(as required by RBI guidelines under reference DNBS. CO. PD. No. 367 / 03.10.01 / 2013-14 dated January 23, 2014)

Sl No	Type of Restructuring → Asset Classification → Details ↓		Standard	Sub Standard	Doubtful / Loss	Total
1	Restructured Accounts as on April 1 of the Financial Year (opening figures)	No. of borrowers Amount outstanding Provision thereon	- - -	- - -	- - -	- - -
2	Fresh restructuring during the year	No. of borrowers Amount outstanding* Provision thereon	6 424.29 43.08	- - -	- - -	6 424.29 43.08
3	Recovery	No. of borrowers Amount outstanding Provision thereon	- - -	- - -	- - -	- - -
4	Upgradations to restructured standard category during the Financial Year	No. of borrowers Amount outstanding Provision thereon	- - -	- - -	- - -	- - -
5	Restructured standard advances which cease to attract higher provisioning and / or additional risk	No. of borrowers Amount outstanding Provision thereon	- - -	- - -	- - -	- - -
6	Down gradations of restructured accounts during the Financial Year	No. of borrowers Amount outstanding Provision thereon	- - -	- - -	- - -	- - -
7	Write-offs of restructured accounts during the Financial Year	No. of borrowers Amount outstanding Provision thereon	- - -	- - -	- - -	- - -
8	Restructured Accounts as on March 31 of the Financial Year (closing figures)	No. of borrowers Amount outstanding Provision thereon	6 424.29 43.08	- - -	- - -	6 424.29 43.08

\* Outstanding as on 31 March 21

**One time restructuring**

Details of resolution plan implemented under the Resolution Framework for COVID-19 related Stress as per RBI circular (RBI/2020-21/16 DOR.No.BP.BC/3/21.04.04/8/2020-21) dated August 6, 2020 are given below.

Type of borrower	(A) Number of borrowers where resolution plan has been implemented under this window	(B) Exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan
Personal Loans	6	422.20	-	-	43.08
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	6	422.20	-	-	43.08

\* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at April 1, 2020 (A)	Of (A), aggregate debt that slipped into NPA during the year	Of (A) amount written off during the year	Of (A) amount paid by the borrowers during the year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at March 31, 2020
Personal Loans	-	-	-	-	424.29
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	-	-	-	-	424.29

\* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**Auxilo Finserve Private Limited**

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

(Currency: Indian Rupees in lakhs)

**49. Regulatory disclosures - RBI (Continued)**

**49.24 Disclosure on liquidity risk under RBI circular no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies from March 31, 2020 onwards**

**49.24.a Funding Concentration based on significant counterparty (borrowings, debt securities)**

Particulars	As at March 31, 2021	As at March 31, 2020
No. of Significant Counterparties*	10	5
Amount (₹ in lakh)#	26,551.13	23,202.65
Percentage of funding concentration to total deposits	-	-
Percentage of funding concentration to total liabilities#	89.40%	88.37%

**49.24.b Top 20 large deposits**

Not applicable

**49.24.c Top 10 Borrowings**

Particulars		As at March 31, 2021	As at March 31, 2020
Total amount of top 10 borrowings (₹ in lakh)#	Banks	14,142.80	19,202.65
Percentage of amount of top 10 borrowings to total borrowings	Banks	53.27%	82.76%
Total amount of top 10 borrowings (₹ in lakh)#	Financial Institutions	1,125.00	1,500.00
Percentage of amount of top 10 borrowings to total borrowings	Financial Institutions	4.24%	6.46%
Total amount of top 10 borrowings (₹ in lakh)#	Non Convertible Debentures	11,283.33	2,500.00
Percentage of amount of top 10 borrowings to total borrowings	Non Convertible Debentures	42.50%	10.77%

**49.24.d Funding concentration based on significant instrument / product\*\*:**

Particulars	As at March 31, 2021		As at March 31, 2020	
	₹ in lakh	% of Total liabilities #	₹ in lakh	% of Total liabilities #
a) Term loan	15,267.80	51.41%	20,702.65	78.85%
b) Non convertible debentures	11,283.33	37.99%	2,500.00	9.52%

# Total Liabilities represents total liabilities as per balance sheet less total equity

**49.24.e Stock Ratios:**

Particulars	As at March 31, 2021	As at March 31, 2020
i) Commercial Papers to Total Liabilities	Nil	Nil
ii) Commercial Papers to Total Assets	Nil	Nil
iii) Commercial Papers to Public funds	Nil	Nil
iv) NCD(Original Maturity < 1yrs.) to Total Liabilities	Nil	Nil
v) NCD(Original Maturity < 1yrs.) to Total Assets	Nil	Nil
vi) NCD(Original Maturity < 1yrs.) to Public funds	Nil	Nil
vii) Other Short Term Liabilities to Total Liabilities ##	1.02%	1.44%
viii) Other Short Term Liabilities to Total Assets ##	0.45%	0.61%
ix) Other Short Term Liabilities to Public funds ##	Nil	Nil

# All the above numbers are excluding notional Ind AS adjustments.

## Other short term liabilities include all the financial liabilities maturing within next 12 months other than Commercial Paper and NCDs

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**Auxilo Finserve Private Limited**

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

(Currency : Indian Rupees in lakhs)

**49. Regulatory disclosures - RBI (Continued)**

**49.24.f Institutional set-up for liquidity risk management:**

The Company's Board of Directors assume the overall responsibility for management of liquidity risk.

Risk Management Committee (RMC) shall have overall responsibility of evaluating liquidity risks faced by the entity and will act as per mandate of the Board in managing the liquidity risk and adherence to this framework through itself and the various sub-committees reporting into it.

Asset Liability Committee (ALCO) reports into the RMC which in turn is supported by Asset Liability Management Support Group in managing the overall liquidity risk of the Company.

**49.25 Overseas assets**

The Company did not have any Joint Ventures and Subsidiaries abroad as at March 31, 2021 (March 31, 2020: Nil)

**49.26** Based on the RBI circular RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22 dated April 07, 2021 the Company is required to refund/adjust the 'interest on interest' charged to the borrowers during the moratorium period, i.e. March 1, 2020 to August 31, 2020. The Company has computed the amount of interest on interest based on the methodology prescribed by Indian Banks' Association which is approximating to Rs. 24.67 lakhs. The Company is in process of providing the credit to the respective customer. Meanwhile, the Company has adjusted the interest income to that extent.

**49.27 Scheme of Ex-gratia payment**

The Government of India has announced the Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts (March 1, 2020 to August 31, 2020) (the 'Scheme') on October 23, 2020, which mandates ex-gratia payment to certain categories of borrowers by way of crediting the difference between simple interest and compound interest for the period between March 1, 2020 to August 31, 2020 by respective lending institutions. Management has computed the amount of ex-gratia and passed it on to the respective customer. The amount calculated and refunded is Rs 55.35 lakhs.

**49.28 Reporting of Frauds**

The Company has not reported any fraud during the current year ( Previous year : Nil)

50. Previous year previous GAAP figures have been regrouped / reclassified to make them comparable with Ind AS presentation.

As per our report of even date attached.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration No.: 012754NN500016

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PARERA** Digitally signed  
by RUSSELL IVAN  
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Date: 2021.05.12  
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**Russell I Parera**  
Partner  
Membership No. - 042190

Mumbai  
May 12, 2021

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

**MANISH  
BALKISHAN  
CHOKHANI** Digitally signed by  
MANISH BALKISHAN  
CHOKHANI  
Date: 2021.05.12  
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**Manish Chokhani**  
Director  
DIN - 00204011

Mumbai  
May 12, 2021

**NEERAJ  
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SAXENA** Digitally signed by  
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Date: 2021.05.12  
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**Neeraj Saxena**  
MD & CEO  
DIN - 07951705

**HARSHA  
SAKSENA** Digitally signed by  
HARSHA SAKSENA  
Date: 2021.05.12  
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**Harsha Saksena**  
Chief Financial Officer

**Deepika  
Thakur  
Chauhan** Digitally signed by  
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CHAUHAN  
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**Deepika Thakur Chauhan**  
Company Secretary

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**Auzilo Finserve Private Limited**  
Notes to the financial statements for the year ended March 31, 2021  
(Currency: Indian Rupees in lakhs)

**Annexure - I**

Schedule to the Balance Sheet of "Auzilo Finserve Private Limited" (as required in terms of paragraph 19 of Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016

Particulars	As at March 31, 2021			As at March 31, 2020		
	Amount outstanding	Amount overdue	Total	Amount outstanding	Amount overdue	Total
<b>Liabilities side :</b>						
<b>1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:</b>						
(a) Debentures : Secured	11,933.40	-	11,933.40	-	-	-
Unsecured	-	-	-	2,482.75	-	2,482.75
(other than falling within the meaning of public deposits)						
(b) Deferred credits	-	-	-	-	-	-
(c) Term loans	15,070.20	-	15,070.20	20,390.11	-	20,390.11
(d) Inter-corporate loans and borrowing	-	-	-	-	-	-
(e) Commercial paper	-	-	-	-	-	-
(f) Public deposits	-	-	-	-	-	-
(h) Other loans (Borrowings)	1,538.62	-	1,538.62	2,062.15	-	2,062.15
<b>2) Break-up of (f) (f) above [Outstanding public deposits inclusive of interest accrued thereon but not paid]</b>						
(a) In the form of Unsecured debentures	-	-	-	-	-	-
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-	-	-
(h) Other public deposits	-	-	-	-	-	-
<b>Assets side :</b>						
<b>3) Break-up of loans and advances including bills receivables [other than those included in (4) below]</b>						
(a) Secured	31,376.06	-	31,376.06	28,713.44	-	28,713.44
(b) Unsecured	22,027.76	-	22,027.76	20,283.73	-	20,283.73
<b>4) Break up of Leased assets and stock on hire and other assets counting towards AFC activities</b>						
(i) Lease assets including lease rentals under sundry debtors :						
(a) Financial lease	-	-	-	-	-	-
(b) Operating lease	-	-	-	-	-	-
(ii) Stock on hire including hire charges under sundry debtors :						
(a) Assets on hire	-	-	-	-	-	-
(b) Repossessed assets	-	-	-	-	-	-
(iii) Other loans counting towards AFC activities :						
(a) Loans where assets have been repossessed	-	-	-	-	-	-
(b) Loans other than (a) above	-	-	-	-	-	-
<b>5) Break-up of Investments :</b>						
<b>Current Investments :</b>						
<b>1. Quoted</b>						
(i) Shares : (a) Equity	-	-	-	-	-	-
(b) Preference	-	-	-	-	-	-
(ii) Debentures and bonds	-	-	-	-	-	-
(iii) Units of mutual funds	-	-	-	-	-	-
(iv) Government securities	-	-	-	-	-	-
(v) Others (please specify)	-	-	-	-	-	-
<b>2. Unquoted</b>						
(i) Shares : (a) Equity	-	-	-	-	-	-
(b) Preference	-	-	-	-	-	-
(ii) Debentures and bonds	-	-	-	-	-	-
(iii) Units of mutual funds	-	-	-	-	-	-
(iv) Government securities	-	-	-	-	-	-
(v) Others (please specify)	-	-	-	-	-	-

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**Aaxilo Finserve Private Limited**  
Notes to the financial statements for the year ended March 31, 2021  
(Currency: Indian Rupees in lakhs)

**Annexure - I**

Schedule to the Balance Sheet of "Aaxilo Finserve Private Limited" (as required in terms of paragraph 19 of Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016)

Particulars	As at March 31, 2021			As at March 31, 2020		
	Amount outstanding	Amount overdue	Total	Amount outstanding	Amount overdue	Total
<b>Long term investments :</b>						
1. Quoted						
(i) Shares : (a) Equity	--	--	--	--	--	--
(b) Preference	--	--	--	--	--	--
(ii) Debentures and bonds	--	--	--	--	--	--
(iii) Units of mutual funds	--	--	--	--	--	--
(iv) Government securities	--	--	--	--	--	--
(v) Others (please specify)	--	--	--	--	--	--
2. Unquoted						
(i) Shares : (a) Equity	--	--	--	--	--	--
(b) Preference	--	--	--	--	--	--
(ii) Debentures and bonds	--	--	--	--	--	--
(iii) Units of mutual funds	--	--	--	--	--	--
(iv) Government securities	--	--	--	--	--	--
(v) Others (please specify)	--	--	--	--	--	--
<b>6) Borrower group-wise classification of assets financed as in (3) and (4) above:</b>	<b>Amount net of provision (Refer note 22)</b>			<b>Amount net of provision (Refer note 22)</b>		
<b>Category</b>	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
1. Related Parties						
(a) Subsidiaries	--	--	--	--	--	--
(b) Companies in the same group	--	--	--	--	--	--
(c) Other related parties	--	--	--	--	--	--
2. Other than related parties	31,376.06	22,027.76	53,403.82	28,713.44	20,283.73	48,997.17
<b>Total</b>	<b>31,376.06</b>	<b>22,027.76</b>	<b>53,403.82</b>	<b>28,713.44</b>	<b>20,283.73</b>	<b>48,997.17</b>
<b>7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)</b>						
<b>Category</b>	<b>Market Value / Break up or fair value of NAV</b>	<b>Book Value (Net of provisions)</b>	<b>Total</b>	<b>Market Value / Break up or fair value of NAV</b>	<b>Book Value (Net of provisions)</b>	<b>Total</b>
1. Related Parties						
(a) Subsidiaries	--	--	--	--	--	--
(b) Companies in the same group	--	--	--	--	--	--
(c) Other related parties	--	--	--	--	--	--
2. Other than related parties	--	--	--	--	--	--
<b>Total</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>8) Other Information</b>						
<b>Particulars</b>	<b>Amount</b>	<b>Amount</b>	<b>Total</b>	<b>Amount</b>	<b>Amount</b>	<b>Total</b>
(i) Gross non-performing assets:						
(a) Related parties	--	--	--	--	--	--
(b) Other than related parties	701.74	--	701.74	--	--	--
(ii) Net non-performing assets:						
(a) Related parties	--	--	--	--	--	--
(b) Other than related parties	420.32	--	420.32	--	--	--
(iii) Assets acquired in satisfaction of debt	--	--	--	--	--	--

Placement Memorandum  
Date: February 15, 2024  
Only

Private & Confidential  
For Private Circulation

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Please note that the Auditor's Reports alongwith the requisite schedules, footnotes, summary etc have been attached under **Annexure X** of this Placement Memorandum.

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

## ANNEXURE VI: ILLUSTRATION OF BOND CASH FLOWS

Issuer	<b>Auxilo Finserve Private Limited</b>
Face Value (per security)	Rs.1,00,000 (Rupees One Lakh only)
Date of Allotment	February 21, 2024
Redemption	Bullet, at Par
Coupon Rate	9.90% p.a. payable quarterly
Frequency of the Coupon	Quarterly and on Redemption
Day Count Convention	Actual/Actual

### Cash Flow Per Debenture

- **If Call or Put Option is not exercised**

Month	Payment Dates	Net Cash Flow	Principal	Interest	Principal O/s	
0	21-Feb-24	(100,000.00)			100,000.00	
3	21-May-24	2,434.43	-	2,434.43	100,000.00	Leap year
6	21-Aug-24	2,495.34	-	2,495.34	100,000.00	
9	21-Nov-24	2,495.34	-	2,495.34	100,000.00	
12	21-Feb-25	2,495.34	-	2,495.34	100,000.00	
15	21-May-25	2,413.97	-	2,413.97	100,000.00	
18	21-Aug-25	2,495.34	-	2,495.34	100,000.00	
21	21-Nov-25	2,495.34	-	2,495.34	100,000.00	
24	21-Feb-26	2,495.34	-	2,495.34	100,000.00	
27	21-May-26	2,413.97	-	2,413.97	100,000.00	
30	21-Aug-26	2,495.34	-	2,495.34	100,000.00	
33	21-Nov-26	2,495.34	-	2,495.34	100,000.00	
36	21-Feb-27	102,495.34	100,000.00	2,495.34	-	

- **If Call or Put Option is exercised**

Month	Payment Dates	Net Cash Flow	Principal	Interest	Principal O/s	
0	21-Feb-24	(100,000.00)			100,000.00	
3	21-May-24	2,434.43	-	2,434.43	100,000.00	Leap year
6	21-Aug-24	2,495.34	-	2,495.34	100,000.00	
9	21-Nov-24	2,495.34	-	2,495.34	100,000.00	
12	21-Feb-25	2,495.34	-	2,495.34	100,000.00	
15	21-May-25	2,413.97	-	2,413.97	100,000.00	
18	21-Aug-25	2,495.34	-	2,495.34	100,000.00	
21	21-Nov-25	2,495.34	-	2,495.34	100,000.00	
24	21-Feb-26	102,495.34	100,000.00	2,495.34	-	

\* The cash flow above is subject to the Business Day Convention.

**Note: Financial Year is considered while calculating leap year**

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**ANNEXURE VII: DUE DILIGENCE CERTIFICATE**

Attached separately

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**ANNEXURE VIII: TERMS AND CONDITIONS OF DEBENTURE TRUSTEE  
AGREEMENT**

Attached separately.

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

## ANNEXURE IX: IN-PRINCIPLE APPROVAL RECEIVED FROM BSE



DCS/COMP/PG/IP-PPDI/454/23-24

February 15, 2024

Auxilo Finserve Private Limited  
Office No.63, 6th Floor  
Kalpataru Square, Kondivita Road  
Andheri East, Mumbai-400059

Dear Sir/Madam

Re: Private Placement of 5000 Secured, Rated, Listed, Redeemable, Taxable, Non-convertible Debentures of face value of Rs.1 Lakh each aggregating to Rs.50 crores (Base Issue) with an option to retain additional subscription / green shoe option of Rs.25 crores aggregating to total Issue Size of Rs.75 Crores Only (the "Issue")

We acknowledge receipt of your application on the on-line portal on February 14, 2024 seeking in-principle approval for issue of captioned security. In this regard, the Exchange is pleased to grant in-principle approval for listing of captioned security subject to fulfilling the following conditions at the time of seeking listing:

1. Filing of listing application.
2. Payment of fees as may be prescribed from time to time.
3. Compliance with SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 and circulars issued thereunder and also Compliance with provisions of Companies Act 2013.
4. Receipt of Statutory & other approvals & compliance of guidelines issued by the statutory authorities including SEBI, RBI, DCA etc. as may be applicable.
5. Compliance with change in the guidelines, regulations, directions, circulars of the Exchange, SEBI or any other statutory authorities, documentary requirements from time to time.
6. Compliance with below mentioned circular dated June 10, 2020 issued by BSE before opening of the issue to the investors:  
<https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20200610-31>
7. Issuers, for whom use of EBP is not mandatory, specific attention is drawn towards compliance with Chapter XV of SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 and BSE Circular No 20210519-29 dated May 19, 2021. Accordingly, Issuers of privately placed debt securities in terms of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 or ILDM Regulations for whom accessing the electronic book platform (EBP) is not mandatory shall upload details of the issue with any one of the EBPs within one working day of such issuance. The details can be uploaded using the following links [Electronic Issuance - Bombay Stock Exchange Limited \(bseindia.com\)](#).

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8. It is advised that Face Value of NCDs issue through private placement basis should be kept as per Chapter V of SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021

9. Issuers are hereby advised to comply with signing of agreements with both the depositories as per Regulation 7 of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021.

10. Company is further requested to comply with SEBI Circular SEBI/HO/DDHS/DDHS-RACPOD1/CIR/P/2023/56 dated April 13, 2023, (if applicable) read along with BSE Circular <https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20230428-18> and ensure compliance of the same.

This In-Principle Approval is valid for a period of 1 year from the date of issue of this letter or period of 1 year from the date of opening of the first offer of debt securities under the General Information Document, whichever ever applicable. The Exchange reserves its right to withdraw its in-principle approval at any later stage if the information submitted to the Exchange is found to be incomplete/incorrect/misleading/false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 and circulars issued thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Guidelines/Regulations issued by the statutory authorities etc. Further, it is subject to payment of all applicable charges levied by the Exchange for usage of any system, software or similar such facilities provided by BSE which the Company shall avail to process the application of securities for which approval is given vide this letter.

Yours faithfully,  
For BSE Limited

  
Rupal Khandelwal  
Deputy General Manager

  
Prasad Bhide  
Senior Manager

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

## ANNEXURE X: AUDITORS REPORT

### Auditors Review Report on unaudited financial from April 1, 2023 to September 30, 2023:

## NANGIA & CO LLP

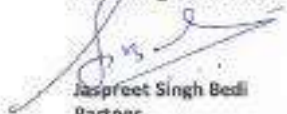
Independent Auditor's Review Report on unaudited financial results of Auxilo Finserve Private Limited Pursuant to Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To,  
The Board of Directors  
Auxilo Finserve Private Limited

1. We have reviewed the accompanying statement of unaudited financial results of Auxilo Finserve Private Limited ("the Company") for the quarter ended September 30, 2023 and year to date from April 01, 2023 to September 30, 2023 together with the notes thereon (the "Statement") being submitted by the Company pursuant to the requirements of Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS 34) "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. **Conclusion**

Based on our review conducted as above, nothing has come to our attention that cause us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS 34) "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Regulations, including the manner in which it is to be disclosed or that it contains material misstatement.

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

  
Jaspreet Singh Bedi  
Partner  
Membership No.: 601788  
UDIN: 23601788BGVLYV7705

Place: Mumbai  
Date: November 03, 2023

4<sup>th</sup> Floor, Iconic Tower, Urmi Estate, 95 Ganpatrao Kadam Marg, Lower Parel (West), Mumbai - 400013, India  
p: +91 22 6173 7000

LLP Registration NO: AAJ-1379  
Bolds - New Delhi - Gurugram - Mumbai - Bengaluru - Chennai - Pune - Dehradun

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

## **Auditors Report FY 2022-23:**

### **NANGIA & CO LLP** CHARTERED ACCOUNTANTS

#### **INDEPENDENT AUDITOR'S REPORT**

To the Members of Auxilo Finserve Private Limited

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

##### **Opinion**

We have audited the Ind AS Financial Statements of Auxilo Finserve Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit including Other Comprehensive Income, its Cash Flows and the Changes in Equity for the year ended on that date.

##### **Basis for Opinion**

We conducted our audit of the Ind AS Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS Financial Statements.

##### **Key Audit Matters**

Key audit matters are those matters that in our professional judgment, were of most significance in our audit of the Ind AS Financial Statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report.

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

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Noida - New Delhi - Gurugram - Mumbai - Bengaluru - Chennai - Pune - Dehradun

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**NANGIA & CO LLP**  
 CHARTERED ACCOUNTANTS

Key audit matters	How our audit addressed the key audit matter
<p><b>(a) Impairment of loan assets as at balance sheet date (expected credit losses)</b>  <b>As described in Note 2.08A, Note 6 and 40.A of the Ind AS Financial Statements</b></p> <p>Ind AS 109: Financial Instruments ("Ind AS 109") requires the Company to provide for impairment of its loan assets using the expected credit loss (ECL) approach. ECL involves an estimation of probability-weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances. In this process, a significant degree of judgement has been applied by the management for:</p> <ul style="list-style-type: none"> <li>a) Defining Staging of loans (i.e. classification in 'significant increase in credit risk' ("SICR") and 'default' categories);</li> <li>b) Grouping of borrowers based on homogeneity by using appropriate statistical techniques;</li> <li>c) Estimation of behavioural life;</li> <li>d) Estimation of losses for loan products with no / minimal historical default; and</li> <li>e) Management overlay for macro-economic factors and estimation of their impact on the credit quality.</li> </ul> <p>In the view of such high degree of management's judgement involved in estimation of ECL, it is identified as key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Evaluated the Company's accounting policies in respect of loans and ECL provisioning against the same</li> <li>• Evaluated the management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation</li> <li>• Assessed the criteria and tested sample for staging of loans based on their past-due status and to evaluate compliance with requirement of Ind AS 109.</li> <li>• Tested the ECL model, including assumptions and underlying computation. Tested the input data used for determining the Probability of default and loss given default rates and agreed the data with the underlying books of account and records.</li> <li>• Tested the arithmetical accuracy of computation of ECL provision performed by the Company.</li> <li>• Read and assessed adequacy of the disclosures included in the financial statements in respect of ECL with the requirements of Ind AS 107 Financial Instruments: Disclosure ("Ind AS 107") and Ind AS 109.</li> </ul>
<p><b>(b) Information technology ('IT') systems and controls</b></p> <p>The financial accounting and reporting systems of the Company are fundamentally reliant on IT systems and IT controls to process significant transaction volumes. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure appropriate financial reporting</p> <p>Therefore, due to the pervasive nature and complexity of the IT environment, the assessment of the general IT controls and the application controls specific to the accounting and preparation of the financial information is considered to be a key audit matter.</p>	<p>Our audit procedures, with support from IT specialists, included the following:</p> <ul style="list-style-type: none"> <li>• Tested the design and operating effectiveness of IT access controls over the information systems that are critical to financial reporting.</li> <li>• Tested IT general controls (such as logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorised.</li> <li>• Tested the Company's periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorisation.</li> <li>• In addition to the above, we tested the design and operating effectiveness of certain application controls (automated and IT dependent manual controls) that were considered as key internal controls over financial reporting.</li> <li>• Where deficiencies were identified, we tested compensating controls or performed alternate procedures</li> </ul>

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**NANGIA & CO LLP**  
CHARTERED ACCOUNTANTS

**Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the Board's Report ("other information"), but does not include the Ind AS Financial Statements and our auditor's report thereon.

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

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

**Management's Responsibility for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including Other Comprehensive Income, Cash Flows and Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS Financial Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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**NANGIA & CO LLP**  
CHARTERED ACCOUNTANTS

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

- Identify and assess the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS Financial Statements, including the disclosures and whether the Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS Financial Statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because of the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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**NANGIA & CO LLP**  
CHARTERED ACCOUNTANTS

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

2. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, and the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2";
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position- Refer note 31 to Ind AS Financial Statements
  - ii. The Company did not have any long- term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. (a) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the note 45 to the financial statements, during the year no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
  
(b) The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the note 45 to the financial statements, during the year no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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**NANGIA & CO LLP**  
CHARTERED ACCOUNTANTS

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

- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
- v. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. April 1, 2023, reporting under this clause is not applicable.
- vi. The Company has not declared or paid any dividend during the year.

For Nangia & Co. LLP  
Chartered Accountants  
FRN No. 002391C/NS09069

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

Place: Mumbai  
Date: May 02, 2023

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**NANGIA & CO LLP**  
CHARTERED ACCOUNTANTS

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

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

- (i) (a)(A) The Company has maintained proper records showing full particulars, including quantitative details and the situation of Property, Plant and Equipment.
- (a)(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Property, Plant and Equipment of the Company have been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) The title deed of the immovable property as disclosed in Note 10 to the financial statements, is held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year ended March 31, 2023.
- (e) According to information and explanations given to us, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) As disclosed in note 13 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks are in agreement with the books of accounts of the Company.
- (iii) (a) The Company's principal business is to give loans accordingly, Clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) Based on our examination and the information and explanations given to us, in respect of the loans, in our opinion, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest.
- (c) In respect of loans granted to students pursuing education and provide infrastructure or working capital loan to the educational institutions, the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular except in the following cases:

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

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CHARTERED ACCOUNTANTS

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

No. of cases	Principal overdue (In Rs Lakhs)	Interest overdue (In Rs Lakhs)	Total Overdue (In Rs Lakhs)	Remarks, if any
43	2,428.41	363.47	2,791.88	-

(e) The Company's principal business is to give loans. Accordingly, the provision of Clause 3(iii)(e) of the Order is not applicable to the Company.

(f) According to information and explanations given to us, the Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to Promoters, related parties as defined in clause 2(76) of Companies Act, 2013.

- (iv) The Company has not granted any loans or provided any guarantee or security in connection with any loan taken by parties covered under section 185. Therefore, the provisions of section 185 are not applicable to the Company. The Company is registered as Non-Banking Financial Company with the Reserve Bank of India. Therefore, the provisions of Section 186, except subsection (1) of Section 186, of the Act are not applicable to the Company. Further, the Company has not made any investment to the parties covered under Section 186 of the Companies Act, 2013 and accordingly the provisions of Clause 3(iv) of the said Order in respect of Section 186(1) is not applicable.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) The Company is not in the business of sale of any goods or provision of such services as prescribed. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including goods and services tax, provident fund, employee's state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of statutory dues referred to in sub-clause (a) as at March 31, 2023 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. In Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income tax Act, 1961	Demand u/s 156	1.37	AY 2018-2019	Assessing officer (Rectification appeal filed u/s 154 of the Income tax Act, 1961)

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CHARTERED ACCOUNTANTS

- (viii) According to the information and explanations given to us, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.  
(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.  
(c) According to the information and explanations given to us, term loans were applied for the purpose for which the loans were obtained.  
(d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.  
(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.  
(f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) According to the information and explanations are given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.  
(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) According to the information and explanations are given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the year.  
(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by a secretarial auditor or by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.  
(c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- (xii) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clauses 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations are given to us, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.



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- (xiv) (a) According to the information and explanations are given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence the requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) According to the information and explanations given to us and audit procedures performed by us, the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.
- (b) The Company has conducted non-banking financial activities during the year and the Company holds a valid Certificate of Registration from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India. Accordingly, the requirement to report on clause 3(xv)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us, there is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xv)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year respectively.
- (xviii) The previous statutory auditors of the Company have resigned during the year and we have taken into consideration the issues, objections or concerns raised by the outgoing auditors.
- (xix) On the basis of the financial ratios disclosed in note 40.B to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 35 to the financial statements.

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CHARTERED ACCOUNTANTS

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 35 to the financial statements.

(xxi) The Company does not prepare consolidated financial statements, hence the requirement to report on clause 3(xxi) of the Order is not applicable to the Company.

For Nangia & Co. LLP  
Chartered Accountants  
FRN No. 002391C/N560069

  
Jaspreet Singh Bedi  
Partner  
Membership No.: 601788  
UDIN: 23601788BGVLHU7497

Place: Mumbai  
Date: May 02, 2023

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**NANGIA & CO LLP**  
CHARTERED ACCOUNTANTS

**"ANNEXURE 2" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF AUXILO FINSERVE PRIVATE LIMITED**

**Report on the Internal Financial Controls under Clause (l) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

**To  
The Member of  
Auxilo Finserve Private Limited**

We have audited the internal financial controls over financial reporting of Auxilo Finserve Private Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

4<sup>th</sup> Floor, Iconic Tower, Urmi Estate, 95 Ganpatrao Kadam Marg, Lower Parel (West), Mumbai - 400013, India  
p: + 91 22 6173 7000

LLP Registration NO. AAJ-1379  
Noida - New Delhi - Gurugram - Mumbai - Bengaluru - Chennai - Pune - Dehradun

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**NANGIA & CO LLP**  
CHARTERED ACCOUNTANTS

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS Financial Statements.

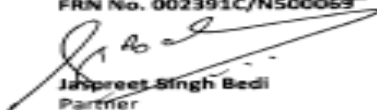
**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Nangia & Co. LLP  
Chartered Accountants  
FRN No. 002391C/N500059



Jaipreet Singh Bedi  
Partner  
Membership No.: 601788  
UDIN: 236017888GVLHU7497

Place: Mumbai  
Date: May 02, 2023

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

## **Auditors Report FY 2021-22:**

### **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, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
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, 2022, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity 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.

#### **Key audit matters**

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Mumbai - 400 028  
T: +91 (22) 66691500, F: +91 (22) 66547804 / 07

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/IN500016 (ICAI registration number before conversion was 012754N)

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## Price Waterhouse Chartered Accountants LLP

Key audit matter	How our audit addressed the key audit matter
<p><b>Assessment of the Expected Credit Loss (ECL) provision in respect of Loans given</b></p> <p>(Refer Note 2.09A (iv) for accounting policy and Note 6 and 40.A for ECL provision)</p> <p>The Company has given loans aggregating to Rs. 76,929.44 lakhs as at March 31, 2022, which are carried at amortised cost and has recognized provision for expected credit losses (ECL) of Rs. 942.16 lakhs against such loans.</p> <p>ECL provision has been determined in accordance with Ind AS 109 'Financial Instruments' and requires exercise of judgement by the management in the following key areas :</p> <ul style="list-style-type: none"> <li>- assumptions used in the ECL model such as the financial condition of the counterparty, probability of default, expected future cash flows, expected loss in case of default.</li> <li>- identification of exposures with a significant increase in credit risk from initial recognition of loans.</li> </ul> <p>We focussed on this area because of the significance of the balances in the financial statements and involvement of management judgement to assess the amount of provision required.</p>	<p>We carried out following procedures in respect of ECL provision:</p> <ul style="list-style-type: none"> <li>- Understood from the management, the process followed by them and evaluated the design and tested operating effectiveness of controls in respect of loans given by the Company and the ECL provision against the same.</li> <li>- Assessed the Company's accounting policy in respect of loans and ECL provisioning against the same.</li> <li>- Inquired with management their rationale for the significant assumptions used like assessment of financial condition of the counterparty, probability of default, expected future cash flows, expected loss in case of default, which are used in making the assessment of ECL provision.</li> <li>- With the involvement of auditor's expert, assessed the appropriateness of the assumptions and judgement made by management used to calculate ECL provision.</li> <li>- On a sample basis, checked key data inputs used to compute the ECL provision to assess their accuracy and completeness.</li> <li>- On a sample basis, checked the mathematical accuracy of the ECL provision by performing recalculations.</li> <li>- Checked the adequacy of the disclosures in the financial statements.</li> </ul> <p>Based on above audit procedures performed, we did not note any significant exceptions to Expected Credit Loss (ECL) provision in respect of financial assets.</p>



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### 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.

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 no 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, changes in equity 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.

### Auditor's 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.



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## Price Waterhouse Chartered Accountants LLP

9. As part of an audit in accordance with SAs, 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.
  - 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.
12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



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### Report on other legal and regulatory requirements

13. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
14. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 31 to the financial statements;
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 6 to the financial statements;
    - 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, 2022;
    - iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 45 to the Financial Statements, no funds have been advanced or loaned or invested either from borrowed funds or share premium or any other sources or kind of funds by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the



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Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 45 to the Financial Statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries ; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The Company has not declared or paid any dividend during the year.

15. 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



Russell I Parcia

Partner  
Membership Number 042190

UDIN: 22042190AJFSRZ2573  
Mumbai  
May 19, 2022

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## Price Waterhouse Chartered Accountants LLP

### Annexure A to Independent Auditors' Report

Referred to in paragraph 14(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, 2022

### 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, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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 ("the Guidance Note") 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.

### Auditor's 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 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.

### 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



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## Price Waterhouse Chartered Accountants LLP

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.

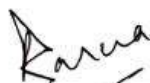
### **Inherent Limitations of Internal Financial Controls with reference to financial statements**

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 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, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016



Russell I Parera  
Partner  
Membership Number 042190

UDIN : 22042190AJFSRZ2573  
Mumbai  
May 19, 2022

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## Price Waterhouse Chartered Accountants LLP

### Annexure B to Independent Auditors' Report

Referred to in paragraph 13 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, 2022

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.  
(B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) The title deed of the immovable property as disclosed in Note 10 to the financial statements, is held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.
- ii. (a) The Company is in the business of rendering services and, consequently, does not hold any inventory. Therefore, the provisions of clause 3(ii)(a) of the Order are not applicable to the Company.
- (b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of account. (Also refer Note 13 to the Financial Statements)
- iii. (a) The Company's principal business is to give loans and it is registered with Reserve Bank of India (RBI) under section 45-IA as a non-banking financial company. Accordingly, the provisions of clause 3(iii)(a) of the Order are not applicable to the Company.
- (b) Based on our examination and the information and explanations given to us, in respect of the loans, in our opinion, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest. Further, the Company has not made any investments or stood guarantee or provided security to any other parties.



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## Price Waterhouse Chartered Accountants LLP

- (c) In respect of the loans, the schedule of repayment of principal and payment of interest has been stipulated by the Company. Considering that the Company is a non-banking financial company engaged in the business of granting loans to students pursuing education and provide infrastructure or working capital loan to educational institutions., the entity-wise details of the amount, due date for payment and extent of delay (that has been suggested in the Guidance Note on CARO 2020 issued by the Institute of Chartered Accountants of India for reporting under this clause) have not been reported because it is not practicable to furnish such details owing to the voluminous nature of data generated in the normal course of the Company's business. Further, except for the instances where there are delays or defaults in repayment of principal and/ or interest and in respect of which the Company has recognised necessary provisions in accordance with the principles of Indian Accounting Standards (Ind AS) and the guidelines issued by the Reserve Bank of India ("RBI") for Income Recognition and Asset Classification (which has been disclosed by the Company in Note 47.21 to the financial statements), the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable.
- (d) In respect of the loans/ advances in nature of loans, the total amount overdue for more than ninety days as at March 31, 2022 is Rs. 1,247.01 lakhs. In such instances, in our opinion, based on information and explanations provided to us, reasonable steps have been taken by the Company for the recovery of the principal amounts and the interest thereon. Refer Note 40.A in the financial statements for details of number of cases and the amount of principal and interest overdue as at March 31, 2022.
- (e) The Company's principal business is to give loans and it is registered with Reserve Bank of India (RBI) under section 45-IA as a non-banking financial company. Accordingly, the provisions of clause 3(iii)(e) of the Order are not applicable to the Company.
- (f) The loans granted during the year had stipulated the scheduled repayment of principal and payment of interest and the same were not repayable on demand. Further, no loans or advances in the nature of loans were granted during the year to Promoters, related parties as defined in clause (76) of section 2 of the Act.
- iv. The Company has not granted any loans or provided any guarantee or security in connection with any loan taken by parties covered under section 185. Therefore, the provisions of section 185 are not applicable to the Company. The Company is registered as Non-Banking Financial Company with the Reserve Bank of India. Therefore, the provisions of Section 186, except subsection (1) of Section 186, of the Act are not applicable to the Company. Further, the Company has not made any investment to the parties covered under Section 186 of the Companies Act, 2013 and accordingly the provisions of Clause 3(iv) of the said Order in respect of Section 186(1) is not applicable.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. Further, the provisions of sub-section (1) of Section 73 are not applicable to the Company as it is a non-banking financial company registered with RBI, engaged in the business of giving loans.
- 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.



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## Price Waterhouse Chartered Accountants LLP

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of statutory dues referred to in sub-clause (a) as at March 31, 2022 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Demand u/s 156	2.05	AY 2018-19	Assessing Officer (Rectification appeal filed u/s 154 of Income Tax Act, 1961)

viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix. (a) 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 other borrowings or in the payment of interest to any lender during the year.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained except for the Rs. 6,506.32 lakhs kept as fixed deposits with banks which were pending to be utilised as the term loans were raised at the end of the financial year. (Also refer Note 14.5 to the financial statements)

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.



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## Price Waterhouse Chartered Accountants LLP

- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) 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, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) 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, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has not entered into transactions with related parties during the year under section 177 and 188 of the Act. Accordingly, the reporting under clause 3(xiii) of the Order to this extent is not applicable to the Company. However, as per Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, details in respect of other related parties have been disclosed in the financial statements.
- (xiv) (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) 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.
- (b) The Company has conducted non-banking financial activities during the year and the Company holds a valid Certificate of Registration from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

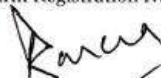


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## Price Waterhouse Chartered Accountants LLP

- (d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 40.B to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.
- (xx) As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016



Russell I Pareira  
Partner  
Membership Number 042190

UDIN: 22042190AJFSRZ2573  
Mumbai  
May 19, 2022

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## **Auditors Report FY 2020-21:**

### **Price Waterhouse Chartered Accountants LLP**

#### **Independent Auditors' Report**

#### **To the Members of Auxilio Finserve Private Limited**

#### **Report on the audit of the financial statements**

##### **Opinion**

1. We have audited the accompanying financial statements of Auxilio Finserve Private Limited ("the Company"), which comprise the balance sheet as at March 31, 2021, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
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, 2021, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity 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 these 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**

4. We draw your attention to Note 2.08 in 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. In view of the 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.

##### **Key audit matters**

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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## Price Waterhouse Chartered Accountants LLP

### INDEPENDENT AUDITOR'S REPORT

To the Members of Auxilio Finserve Private Limited  
Report on audit of the financial statements  
Page 2 of 5

Key audit matter	How our audit addressed the key audit matter
<p><b>Assessment of the Expected Credit Loss (ECL) provision in respect of Loans given</b> (Refer Note 2.09A (iv) for accounting policy and Note 6 and 41.A for ECL provision)</p> <p>The Company has given loans aggregating to Rs. 53,403.82 lakhs as at March 31, 2024, which are carried at amortised cost and has recognized provision for expected credit losses (ECL) of Rs. 416.24 lakhs against such loans.</p> <p>ECL provision has been determined in accordance with Ind AS 109 'Financial Instruments' and requires exercise of judgement by the management in the following key areas :</p> <ul style="list-style-type: none"> <li>- assumptions used in the ECL model such as the financial condition of the counterparty, probability of default, expected future cash flows, expected loss in case of default.</li> <li>- identification of exposures with a significant increase in credit risk from initial recognition of loans.</li> </ul> <p>We focussed on this area because of the significance of the balances in the financial statements and involvement of management judgement to assess the amount of provision required.</p>	<p>We carried out following procedures in respect of ECL provision:</p> <ul style="list-style-type: none"> <li>- Understood from the management, the process followed by them and evaluated the design and tested operating effectiveness of controls in respect of loans given by the Company and the ECL provision against the same.</li> <li>- Assessed the Company's accounting policy in respect of loans and ECL provisioning against the same.</li> <li>- Discussed with management their rationale for the significant assumptions used like assessment of financial condition of the counterparty, probability of default, loss given default and exposure at default, which are used in making the assessment of ECL provision.</li> <li>- With the involvement of auditor's expert, assessed the appropriateness of the assumptions and judgement made by management used to calculate ECL provision.</li> <li>- On a sample basis, checked key data inputs used to compute the ECL provision to assess their accuracy and completeness.</li> <li>- On a sample basis, checked the mathematical accuracy of the ECL provision by performing recalculations.</li> <li>- Checked the adequacy of the disclosures in the financial statements.</li> </ul> <p>Based on above audit procedures performed, we did not note any significant exceptions to Expected Credit Loss (ECL) provision in respect of financial assets.</p>

### Other Information

6. 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.

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.

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## Price Waterhouse Chartered Accountants LLP

### INDEPENDENT AUDITOR'S REPORT

To the Members of Auxilio Finserve Private Limited  
Report on audit of the financial statements  
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#### **Responsibilities of management and those charged with governance for the financial statements**

7. 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, changes in equity 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.
8. 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**

9. 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.
10. As part of an audit in accordance with SAs, 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.
  - 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(5)(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

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## Price Waterhouse Chartered Accountants LLP

### INDEPENDENT AUDITOR'S REPORT

To the Members of Auxilio Finance Private Limited  
Report on audit of the financial statements  
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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.
11. 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.
  12. 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.
  13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matter

14. The financial information of the Company for the year ended March 31, 2020 and the transition date opening balance sheet as at April 1, 2019 included in these Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2020 and March 31, 2019 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated June 10, 2020, and April 19, 2019 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not modified in respect of above matters

#### Report on other legal and regulatory requirements

15. 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.
16. 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;

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## Price Waterhouse Chartered Accountants LLP

### INDEPENDENT AUDITOR'S REPORT

To the Members of Auxilio Finserve Private Limited  
Report on audit of the financial statements  
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- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls 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 as at March 31, 2021, which would impact its financial position, refer to note 31 of the financial statements;
    - ii. Provision has been made in the financial statements, as required by the applicable laws and accounting principles generally accepted in India, for material foreseeable losses, on long-term contracts, including derivative contracts - Refer Note 6 to the financial statements;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2021;
    - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2021.
17. 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

RUSSELL Digitally signed  
by RUSSELL  
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IVAN  
PARERA Date: 2021.02.12  
20:52:17 +05:30

Russell I Pareira  
Partner  
Membership Number 042190

UDIN: 21042190AAAACD8122  
Mumbai  
May 12, 2021

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## **Price Waterhouse Chartered Accountants LLP**

### **Annexure A to Independent Auditors' Report**

Referred to in paragraph 16(f) of the Independent Auditors' Report of even date to the members of Auxilo Finserve Private Limited on the standalone financial statements for the year ended March 31, 2023

Page 1 of 2

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### **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, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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.

#### **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

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

## Price Waterhouse Chartered Accountants LLP

### Annexure A to Independent Auditors' Report

Referred to in paragraph 16(f) of the Independent Auditors' Report of even date to the members of Auxilio Finserve Private Limited on the standalone financial statements for the year ended March 31, 2021

Page 2 of 2

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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, 2021, 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

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Russell I. Parera

Partner  
Membership Number 042190

UDIN: 21042190AAAACD8122  
Mumbai  
May 12, 2021

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

## Price Waterhouse Chartered Accountants LLP

### Annexure B to Independent Auditors' Report

Referred to in paragraph 15 of the Independent Auditors' Report of even date to the members of Auxilio Finserve Private Limited (the Company) on the financial statements as of and for the year ended March 31, 2021

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- 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 10 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 and professional tax though there have been slight delay in one instance and is regular in depositing undisputed statutory dues, including employees' state insurance, income tax, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities.

Further, for the period April 01, 2020 to May 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. 35/2020 - Central Tax dated April 03, 2020 on fulfilment of conditions specified therein.

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

## Price Waterhouse Chartered Accountants LLP

### Annexure B to Independent Auditors' Report

Referred to in paragraph 15 of the Independent Auditors' Report of even date to the members of Auxilio Finance Private Limited on the financial statements as of and for the year ended March 31, 2021

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- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax as at March 31, 2021 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. In Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Demand u/s 156	2.05	AY 2018-19	Assessing Officer (Rectification appeal filed u/s 154 of Income Tax Act, 1961)

- 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 17 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 Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- 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.

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

## Price Waterhouse Chartered Accountants LLP

### Annexure B to Independent Auditors' Report

Referred to in paragraph 15 of the Independent Auditors' Report of even date to the members of Auxilio  
Finserve Private Limited on the financial statements as of and for the year ended March 31, 2021

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xvi. The Company is required to, and has been registered under Section 45-1A 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

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Russell I Parera  
Partner  
Membership Number: 042190

UDIN: 21042190AAAACD8122

Place: Mumbai  
Date: May 12, 2021