Auxilo Finserve Private Limited (Revised)

November 11, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	1,808.52	CARE A+; Stable	Reaffirmed
Non-convertible debentures	200.00	CARE A+; Stable	Assigned
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	Reaffirmed
Non-convertible debentures	25.00	CARE A+; Stable	Reaffirmed
Non-convertible debentures	30.00	CARE A+; Stable	Reaffirmed
Commercial paper	100.00	CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings for Auxilo Finserve Private Limited's (Auxilo's) long-term bank facilities and non-convertible debentures (NCDs) are recommended to be reaffirmed at CARE A+; Stable, and commercial paper (CP) at CARE A1+. Ratings continue to be supported by strong and resourceful promoters, Akash Bhanshali and Balrampur Chini Mills Limited (BCML), who actively oversee business operations and are committed to supporting business needs. Ratings also take cognisance of the improving scale of operations, strengthening capitalisation metrics, improving profitability, and the management's experience in the education loan business.

However, ratings are constrained by Auxilo's product concentration risk, as the company largely focuses on specialised lending, limited portfolio seasoning, and a moderately diversified resource profile. Ratings also consider the inherent asset-liability tenure mismatches due to the relatively longer tenure of education loans. This is partially mitigated by high prepayments, as the behavioural tenure of these loans are lower than the contracted tenure. Auxilo's ability to enhance its borrowing profile and secure longer-term borrowings will be crucial for improving its business profile.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors: Factors that could individually or collectively lead to positive rating action/upgrade:

- Significant increase in scale of operations while maintaining stable asset quality and increasing the seasoning of the loan portfolio.
- Improving financial performance with return on total assets (ROTA) of 3% or above on a sustained basis.

Negative factors: Factors that could individually or collectively lead to negative rating action/downgrade:

- Major dilution in promoters' shareholding/linkage 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%.
- Deteriorating profitability metrices, with return on total assets (ROTA) of below 1.5% on a sustained basis.
- Increase in leverage beyond 4.5x on a sustained basis.

Analytical Approach: Standalone

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

Outlook: Stable

The Stable outlook reflects CareEdge Ratings' expectation that Auxilo will maintain healthy asset quality and comfortable profitability metrics while continuing to increase its scale of operations with expected capital support from existing investors.

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Detailed description of key rating drivers:

Key strengths

Resourceful promoters overseeing operations with propensity of providing support
Auxilo is promoted by Mr. Akash Bhanshali, through his family LLP, ELME Advisors LLP, and co-invested by BCML. Mr. Akash Bhanshali, a chartered accountant, leads the principal investments unit at Enam Holdings Private Limited. Established in 1975, BCML is one of India's largest integrated sugar manufacturers, reporting a total revenue of ₹5,447.54 crore and a profit after tax (PAT) of ₹343.88 crore in FY25.

In FY24, Auxilo raised ₹470 crore from external investors. Additionally, in FY25, the company onboarded new investor - Jade Inclusion Limited (LeapFrog Investments) along with existing investors, Trifecta Leaders Fund I and Xponentia Opportunities Limited, infusing additional capital of ₹250 crore, ₹14.25 crore, and ₹34.79 crore, respectively. Post the two capital infusion rounds, on a fully diluted basis, Akash Bhanshali and BCML's stake reduced from 87.80% as of March 2023 to 59.98% as on August 31, 2024, with each holding a 29.99% stake. This position remains as on September 30, 2025. Despite the dilution, both shareholders remain actively involved in the company's strategic decision-making, regularly monitoring its performance and are committed to provide necessary capital when required. They continue to control the board and management. Additionally, they have supported the company through regular capital infusions, totalling ~₹350 crore since inception. Dilution in their combined stake below 51% will be a key rating monitorable.

Comfortable capitalisation levels
As on September 30, 2025, Auxilo's capitalisation levels remain robust, with a capital adequacy ratio (CAR) of 30.03% and a Tier-I CAR of 29.81%, respectively, compared to 29.99% and 29.17% as on March 31, 2025, respectively. In FY25, the company raised ~₹300 crore. This and internal accruals elevated the tangible net worth (TNW) from ₹982.57 crore in FY24 to ₹1,387.49 crore in FY25. However, gearing increased slightly and stood at 2.46x as of March 2025 compared to 2.39x as of March 2024, owing to an increase in borrowings. As on September 30, 2025, TNW further increased to ₹1,448.34 crore and gearing stood at 2.68x.

CareEdge Ratings anticipates Auxilo's capitalisation levels will remain healthy, supported by regular capital infusions and overall gearing expected to stay below 4.5x in the medium term.

Improving earnings profile
Auxilo began its business operations in October 2017, with FY19 marking its first full year of operations. ROTA has shown consistent improvement since inception and profitability metrics have been on an upward trend year-over-year (y-o-y), driven by enhanced pre-provisioning operating profit (PPOP), which is aligned with increased scale of operations. Despite a reduction in fee and other income (as a percentage of average total assets), ROTA improved from 2.61% in FY24 to 2.73% in FY25, supported by reduction in operating expenses as operating leverage benefits began to materialise.

Credit costs increased to 0.36% in H1FY26 from 0.31% in FY25 and 0.26% in FY24, owing to revision in ECL model and increased provisioning. However, this continues to remain healthy due to low delinquency levels. Auxilo's ROTA slightly reduced to 2.42% in H1FY26.

Going forward, the company's ability to raise funds at competitive rates and exhibit improvement in the operational efficiency while scaling operations from current level would be key to improve earnings from current levels.

Key weaknesses

Product and geographic concentration risk
Auxilo focuses on the education sector, providing loans to students traveling both abroad and within India for higher education. Additionally, they offer loans to educational institutions for domestic purposes. In FY23, the company also began funding students pursuing specialised courses. However, ~96% portfolio consists of education loans to students traveling abroad, exposing it to concentration risk. These loans also experience seasonal demand linked to admission cycles at various institutions. Consequently, drop in the demand for overseas education loans, increased competition, or reduced employability could affect the company's disbursal rates and hence profitability.

In terms of geography, the portfolio is concentrated with top three countries forming 85.68% of assets under management (AUM) as on September 30, 2025. The US forms 44.29% AUM as on September 30, 2025, followed by UK (25.02%) and Canada (16.37%). Considering the company's portfolio is concentrated in overseas education funding, the US, Canada, and the UK are expected to continue to form major proportion of Auxilo's portfolio and the economic conditions are key monitorables as assets side risks continue to exist due to uncertain global economic scenario. Any decline in demand for overseas education loans or weakening employability could potentially impact the company's disbursal levels and hence its profitability.

Small scale of operations; albeit improving

Auxilo commenced its operations in October 2017, focusing on higher education loans, loans to educational institutions, and loans for pursuing specialised courses. In FY25, the company reported a y-o-y growth of 47.47%, reaching an AUM of ₹4,338.71 crore, up from ₹2,942.10 crore in FY24. As on September 30, 2025, the AUM stood at ₹4,875.60 crore, with higher education loans forming up 96.41% AUM, followed by education institution loans (3.42%) and skill development loans (0.17%). Despite the notable growth of 75.83% in FY24, 47.47% in FY25 and 12.37% in H1FY26 (not annualised), the company's scale of operations remains small though improving.

The company's progress in this sector is bolstered by a diverse range of sourcing channels spanning seven cities in India. These channels include education counsellors and aggregators, and direct acquisition through the company's sales team, website, and marketing campaigns. Auxilo predominantly finances STEM courses, which constitute 72.50% of its total overseas education loan portfolio, while non-STEM accounts for the remaining 27.50%.

The overseas education financing market is a niche segment largely funded by specialised non-banking financial companies (NBFCs) and is experiencing growth due to an increasing number of students opting to pursue higher education abroad. Auxilo's ability to gain market share and improve its leadership position will be key monitorable.

Limited portfolio seasoning with asset quality susceptible to risk inherent in unsecured loans

While the company began its operations in H2FY18, significant growth in the loan book was achieved starting from FY22. Its AUM has reported compounded annual growth rate (CAGR) growth of ~78% in the last three fiscal years, ending FY25. Overseas education loans, which constitute 96.41% of the overall portfolio as of September 2025, have a contracted tenure of ~10 years. As of September 2025, ~77% of these loans are under principal moratorium, indicating a moderate seasoning of the portfolio.

Generally, higher education loans have a two-year principal moratorium (more or less per the study period), followed by a one-year grace period (depending on case-to-case basis) before the repayment cycle begins. However, Auxilo has experienced a high level of prepayments, averaging 15%, with the average tenure of these loans ranging from five to six years, thus benefitting the company. This trend reflects factors such as a robust credit underwriting process that evaluates the quality of students, their employment prospects, and the credentials of co-borrowers. Although only 9.81% loans are secured, Auxilo mandatorily has a co-borrower as a risk mitigant for its higher education loan business segment.

The asset quality metrics remain stable, with gross non-performing assets (GNPA) and net non-performing assets (NNPA) at 0.55% and 0.08% as of September 2025. The asset quality risk is negated largely with the company adopting student-led approach in its lending practices with estimated earning potential of students derived through combination of student's academic track record, track record of university, and employment opportunities of the course and the country. The company has governance structure in place with regular reviews at all levels. Continuous monitoring is carried out based on external environment, customer data and bureau trends and analytics driven early warning signals, propensity to bounce models, and credit loss forecasting models, among others. Additionally, mandatory requirement of a co-borrower who is an earning family member provides comfort.

CareEdge Ratings observes, since the company has clocked majority growth over last three years, sustenance of asset quality is yet to be seen and is key monitorable as assets side risks continue to exist due to uncertain global economic scenario.

Adequate resource profile with inherent asset liability tenure mismatches arising due to longer tenure of education loans

Auxilo has an adequate debt profile, sourcing funds from private sector banks, public sector banks, NBFCs, and financial institutions (FIs). As of September 2025, these funds were raised in the form of term loans (81.89%), NCDs (11.38%), securitisation (4.62%), and external commercial borrowings (ECBs) (2.12%). Majority borrowings were sourced from banks, with private sector banks accounting for ~47% total borrowings, followed by public sector banks (~31%), NBFCs (~11%), and others

(~11%). The company has increasingly diversified its lender base and has a diversified lender base network of 44 banks, FIs, and NBFCs as on September 30, 2025.

Despite inherent asset-liability tenure mismatches due to the longer tenure of loans extended, this is partially offset by higher prepayments. CareEdge Ratings notes that for higher education loans, although the contracted tenure is ~10 years, the actual behavioural tenure is shorter, ranging from five to six years, which benefits the company. According to the asset liability management (ALM) statement dated September 30, 2025, there are no negative cumulative mismatches in buckets except one to three years bucket. Liquidity is supported by regular equity infusions from promoters and investors. CareEdge Ratings expects Auxilo to maintain liquidity through borrowings and equity to address mismatches that may arise.

Liquidity: Adequate

Per ALM dated September 30, 2025 (excluding off Balance Sheet items such as contingent liabilities in outflows), Auxilo has no negative cumulative mismatches across time buckets till one year. In 1–3 years bucket, there is a negative mismatch, indicating a net funding gap — liabilities maturing exceed loans in this window. This signals moderate liquidity risk in the medium term — the NBFC will depend on: Refinancing / rollovers. As on September 30, 2025, Auxilo has cash and cash equivalents and liquid investments of ₹567.84 crore and advances of ₹344.57 crore against contractual debt obligations of ₹606.77 crore for the next six months. CareEdge Rating believes that the cash and expected inflows from advances will meet the company's expected outflows.

Applicable criteria

Definition of Default
Factoring Linkages Parent Sub JV Group
Rating Outlook and Rating Watch
Financial Ratios - Financial Sector
Short Term Instruments
Non Banking Financial Companies

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Financial services	Financial services	Finance	Non-banking financial company (NBFC)

Incorporated on October 4, 2016, Auxilo (earlier known as Stellenyak General Finance Private Limited) is promoted by Akash Bhanshali (via ELME Advisors LLP) and BCML, the second-largest sugar manufacturing company in India. These two are the strategic investors in the company, with both parties holding an equal share of 29.99% each (on a fully diluted basis) as on June 30, 2025. On May 3, 2017, it was granted the Certificate of Registration by the Reserve Bank of India (RBI) to carry on its NBFC (non-deposit) business and the company commenced operations in October 2017. Auxilo has received multiple tranches of capital infusion over the years and has also raised equity of ₹470 crore from TATA Capital Growth Fund II, Xponentia Opportunities Fund II, Trifecta Leaders Fund I, and ICICI Bank in FY24 and ₹300 crore from Jade Inclusion Limited (LeapFrog Investments), Trifecta, and Xponentia Opportunities.

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 September 30, 2025, Auxilo's AUM stood at ₹4,875.60 crore.

Standalone financials of Auxilo:

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	September 30, 2025 (UA)
Total income	367.33	543.64	345.24
PAT	69.22	111.94	61.79
Interest coverage (times)$	1.50	1.56	1.47
Adjusted total assets*	3,363.64	4,849.17	5,381.59
Net NPA (%)	0.50	0.08	0.08

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	September 30, 2025 (UA)
ROTA (%)	2.61	2.73	2.42^

A: Audited UA: Unaudited; Note: these are latest available financial results
*Adjusted total assets: Total assets adjusted for deferred tax assets and intangible assets
$Calculated as EBITDA/Finance Cost
^Ratio has been annualised

Status of non-cooperation with previous CRA:
Not applicable

Any other information:
Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of 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 and Rating Outlook
Commercial Paper-Commercial Paper (Standalone) (Proposed)	-	-	-	-	100.00	CARE A1+
Debentures-Non-Convertible Debentures	INE605Y07130	29-Nov-2023	9.90	29-Nov-2026	75.00	CARE A+; Stable
Debentures-Non-Convertible Debentures	INE605Y07148	19-Dec-2023	9.90	18-Dec-2026	25.00	CARE A+; Stable
Debentures-Non-Convertible Debentures	INE605Y07148	27-Feb-2024	9.90	18-Dec-2026	25.00	CARE A+; Stable
Debentures-Non-Convertible Debentures	INE605Y07148	11-Jul-2024	9.90	18-Dec-2026	25.00	CARE A+; Stable
Debentures-Non-Convertible Debentures	INE605Y07155	21-Feb-2024	9.90	21-Feb-2027	50.00	CARE A+; Stable
Debentures-Non-Convertible Debentures	INE605Y07171	31-Jul-2024	9.90	31-Jul-2027	25.00	CARE A+; Stable

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Debentures-Non-Convertible (Proposed)	-	-	-	-	205.00	CARE A+; Stable
Fund-based - LT-Cash Credit	-	-	-	-	16.00	CARE A+; Stable
Fund-based - LT-Term Loan	-	-	-	30-Jun-2031	1,386.07	CARE A+; Stable
Fund-based - LT-Term Loan (Proposed)	-	-	-	-	406.45	CARE A+; Stable

Annexure-2: Rating history for 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 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Term Loan	LT	1792.52	CARE A+; Stable	1)CARE A+; Stable (04-Apr-25)	1)CARE A+; Stable (12-Sep-24)	1)CARE A+; Stable (19-Mar-24) 2)CARE A+; Stable (07-Mar-24) 3)CARE A+; Stable (15-Feb-24) 4)CARE A+; Stable (25-Jan-24) 5)CARE A+; Stable (07-Dec-23) 6)CARE A+; Stable (24-Nov-23) 7)CARE A+; Stable (03-Oct-23)	1)CARE A; Stable (04-Jan-23)

							8)CARE A+; Stable (08-Sep-23) 9)CARE A; Stable (06-Apr-23)	
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)
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)
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)
5	Commercial Paper-Commercial Paper (Standalone)	ST	100.00	CARE A1+	1)CARE A1+ (04-Apr-25)	1)CARE A1+ (12-Sep-24)	1)CARE A1+ (19-Mar-24) 2)CARE A1+ (07-Mar-24) 3)CARE A1+ (15-Feb-24) 4)CARE A1+ (25-Jan-24) 5)CARE A1+ (07-Dec-23) 6)CARE A1+ (24-Nov-23) 7)CARE A1+ (03-Oct-23)	-
6	Debentures-Non-Convertible Debentures	LT	75.00	CARE A+; Stable	1)CARE A+; Stable (04-Apr-25)	1)CARE A+; Stable (12-Sep-24)	1)CARE A+; Stable (19-Mar-24)	-

							2)CARE A+; Stable (07-Mar-24) 3)CARE A+; Stable (15-Feb-24) 4)CARE A+; Stable (25-Jan-24) 5)CARE A+; Stable (07-Dec-23) 6)CARE A+; Stable (24-Nov-23)	
7	Debentures-Non-Convertible Debentures	LT	25.00	CARE A+; Stable	1)CARE A+; Stable (04-Apr-25)	1)CARE A+; Stable (12-Sep-24)	1)CARE A+; Stable (19-Mar-24) 2)CARE A+; Stable (07-Mar-24) 3)CARE A+; Stable (15-Feb-24) 4)CARE A+; Stable (25-Jan-24) 5)CARE A+; Stable (07-Dec-23)	-
8	Fund-based - LT-Cash Credit	LT	16.00	CARE A+; Stable	1)CARE A+; Stable (04-Apr-25)	1)CARE A+; Stable (12-Sep-24)	1)CARE A+; Stable (19-Mar-24) 2)CARE A+; Stable (07-Mar-24) 3)CARE A+; Stable (15-Feb-24) 4)CARE A+; Stable (25-Jan-24)	-
9	Debentures-Non-Convertible Debentures	LT	75.00	CARE A+; Stable	1)CARE A+; Stable	1)CARE A+; Stable	1)CARE A+; Stable (19-Mar-24)	-

					(04-Apr-25)	(12-Sep-24)	2)CARE A+; Stable (07-Mar-24) 3)CARE A+; Stable (15-Feb-24)	
10	Debentures-Non-Convertible Debentures	LT	25.00	CARE A+; Stable	1)CARE A+; Stable (04-Apr-25)	1)CARE A+; Stable (12-Sep-24)	1)CARE A+; Stable (19-Mar-24) 2)CARE A+; Stable (07-Mar-24) 3)CARE A+; Stable (15-Feb-24)	-
11	Debentures-Non-Convertible Debentures	LT	30.00	CARE A+; Stable	1)CARE A+; Stable (04-Apr-25)	1)CARE A+; Stable (12-Sep-24)	1)CARE A+; Stable (19-Mar-24)	-
12	Debentures-Non-Convertible Debentures	LT	200.00	CARE A+; Stable				

LT: Long term; ST: Short term

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

Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Commercial Paper-Commercial Paper (Standalone)	Simple
2	Debentures-Non-Convertible Debentures	Simple
3	Debentures-Non-Convertible Debentures	Complex
4	Fund-based - LT-Cash Credit	Simple
5	Fund-based - LT-Term Loan	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

Media Contact Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in **Relationship Contact** Pradeep Kumar V Senior Director **CARE Ratings Limited** Phone: 044-28501001 E-mail: pradeep.kumar@careedge.in	**Analytical Contacts** Vineet Jain Senior Director **CARE Ratings Limited** Phone: 912267543623 E-mail: vineet.jain@careedge.in Jitendra Meghrajani Associate Director **CARE Ratings Limited** Phone: 022-67543526 E-mail: Jitendra.Meghrajani@careedge.in Pooja Biyani Analyst **CARE Ratings Limited** E-mail: Pooja.biyani@careedge.in

About us:
Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

For detailed Rating Report and subscription information,
please visit www.careratings.com