



BALANCE SHEET AS AT 31st MARCH, 2020

(Amt. In Lacs)

Particulars	Notes	As at 31-Mar-2020	As at 31-Mar-2019
I EQUITY AND LIABILITIES			
1 Shareholders Fund			
(a) Share Capital	3	3,940.00	3,940.00
(b) Reserves & Surplus	4	2,426.71	2,106.38
Sub-Total Shareholder's Fund		6,366.71	6,046.38
2 Non Current Liabilities			
(a) Long Term Borrowings	5	249.41	749.47
(b) Other Non- Current Liabilities	6	557.91	395.82
(c) Long Term Provisions	7	13.89	12.37
Sub-Total Non-Current Liabilities		821.21	1,157.66
3 Current Liabilities			
(a) Short-term borrowings	8	6,718.66	5,987.39
(b) Trade payables			
Total outstanding dues of Micro Enterprises and Small Enterprises	9	-	-
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		103.76	239.53
(c) Other current liabilities	10	801.77	734.21
(d) Short term Provisions	11	427.23	336.12
Sub-Total Current Liabilities		8,051.42	7,297.25
TOTAL EQUITY & LIABILITIES		15,239.34	14,501.28
II ASSETS			
1 Non-Current Assets			
(a) Property, Plant and Equipments			
(i) Tangible assets	12	77.99	88.44
(ii) Intangible assets		13.53	7.56
(b) Non- Current Investments	13	-	5.00
(c) Deferred Tax Assets	14	167.84	102.37
(d) Receivables under financing activities	15	6,455.72	4,947.89
Sub-Total - Non Current Assets		6,715.08	5,151.25
2 Current Assets			
(a) Receivables under financing activity	15	8,230.40	9,031.94
(b) Cash and cash equivalents	16	24.08	15.29
(c) Short-term Loans and Advances	17	151.25	200.04
(d) Other current assets	18	118.53	102.76
Sub-Total - Current Assets		8,524.26	9,350.03
TOTAL ASSETS		15,239.34	14,501.28

Summary of Notes to Accounts & Significant Accounting Policies 1 & 2

The notes referred to above forms an integral part of the Balance Sheet.

As per our report of even date

For, Dineshkumar Jain
Chartered Accountants

For and on behalf of Board of Directors of
Khushbu Auto Finance Limited

Dineshkumar Jain
Membership No.: 039139

Alpeshbhai B. Chandra Director DIN: 00061548	Chatankumar V. Patel Director DIN: 00061443
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Anitaben N. Chandra Director & CFO DIN: 07610731	Bhartiben G. Ajudiya Company Secretary
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Place : Jamnagar

Date : 26th June, 2020



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31st March, 2020

(Amt. In Lacs)

Particulars	Notes	FY ended on 31-Mar-2020	FY ended on 31-Mar-2019
I INCOME			
Revenue from operations	19	3,264.56	3,097.56
Other income	20	-	5.98
TOTAL REVENUE		3,264.56	3,103.54
II EXPENSES			
Employee benefits expense	21	382.59	318.72
Finance Costs	22	932.70	909.23
Depreciation and amortization expense	12	22.71	17.24
Loan Losses and Provisions	23	824.29	238.12
Other expenses	24	665.59	557.64
TOTAL EXPENSES		2,827.90	2,040.95
III Profit before tax (I-II)		436.66	1,062.59
IV Tax expense			
Provision for Current Tax		156.00	30.00
Taxation of Earlier Years		25.81	5.39
Deferred Tax Assets		-65.48	262.75
	Total	116.33	298.14
V PROFIT/(LOSS) FOR THE YEAR		320.33	764.44
VI Earnings per equity share	25	0.81	1.94

Summary of Notes to Accounts & Significant Accounting Policies 1 & 2
 The notes referred to above forms an integral part of the Profit & Loss Account
 As per our report of even date

For, Dineshkumar Jain
 Chartered Accountants

For and on behalf of Board of Directors of
 Khushbu Auto Finance Limited

Dineshkumar Jain
 Membership No.: 039139

Alpeshbhai B. Chandra	Chatankumar V. Patel
Director	Director
DIN: 00061548	DIN: 00061443

Anitaben N. Chandra	Bhartiben G. Ajudiya
Director & CFO	Company Secretary
DIN: 07610731	

Place : Jamnagar
 Date : 26th June, 2020



CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH, 2020

(Amt. In Lacs)

PARTICULAR	FY ended on 31-Mar-2020	FY ended on 31-Mar-2019
A. Cash flow from operating activities		
Net profit before taxation	436.66	1,062.59
<u>Adjustment for:</u>		
Depreciation	22.71	17.34
Provision for NPA and Bad Debts written off (net of recoveries)	761.77	240.37
Moratorium provision	63.19	-
General Provision on Standard assets	-0.67	7.60
Finance Cost	932.70	909.23
Share Issue Expenses	-	0.10
Operating Profit before working capital changes	2,216.37	2,237.22
<u>Movements in working capital:</u>		
Decrease/-Increase in Receivable from Finance Activities (Long Term and Short Term)	-677.81	-2,544.65
Decrease/-Increase in Loans and advances and other current assets (Long Term and Short Term)	-34.82	1.83
Increase/-Decrease in Trade Payables	-135.77	-25.97
Increase/-Decrease in other current & non-current liabilities & provisions	-588.62	-912.68
Sub-Total Movement in Working Capital	-1,437.02	-3,481.47
Net Cash generated from operations	779.35	-1,244.25
Direct taxes paid (net of refunds)	-55.84	-65.51
NET CASH FROM OPERATING ACTIVITIES	723.51	-1,309.76
B. Cash flow from investing activities		
Purchase of Fixed Assets	-18.23	-79.28
Proceeds from sale of fixed assets	-	0.06
Proceeds from disposal of Investment in subsidiary	5.00	-
NET CASH FLOW FROM INVESTING ACTIVITIES	-13.23	-79.22
C. Cash flow form financing activities		
Share Issue Expenses	-	-0.10
Interest Paid	-932.70	-909.23
Increase/-Decrease in Long term borrowing relating operation	-500.06	-1,250.53
Increase/-Decrease in short term borrowing relating operation	731.27	375.43
NET CASH CLOW FROM FINANCING ACTIVITIES	-701.49	-1,784.43
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	8.79	-3,173.42
Cash and cash equivalents at the beginning of the year	15.29	3,188.71
Cash and cash equivalents at the end of the year	24.08	15.29
Components of cash and cash equivalents as at the end of the year		
Cash and cheques on hand	9.24	12.39
Investment		-
With bank		
- On current account	14.84	2.90
TOTAL	24.08	15.29

As per our report of even date

For Dinesh Kumar Jain
Chartered Accountants

For and on behalf of Board of
Khushbu Auto Finance Limited

Dinesh Kumar Jain
Membership No.: 039139

Alpesh B. Chandra
Director
DIN: 00061548

Chatankumar V. Patel
Director
DIN: 00061443

Place: Jamnagar

Anitaben N. Chandra
Director & CFO

Bhartiben G. Ajudiya
Company Secretary

Date : 26th June, 2020

DIN: 07610731

KHUSHBU AUTO FINANCE LIMITED**Financial Year ended on 31-Mar-2020****(Amt. In Lacs)**

Note No. Particulars

<u>12</u>	<u>Tangible Fixed Assets</u>	<u>Furniture & Fixtures</u>	<u>Other Assets (P & M)</u>	<u>Office Equipment</u>	<u>Computer</u>	<u>Vehicle</u>	<u>Total</u>	<u>Intangible Assets</u>
	Cost							
	As at 31st March, 2019	46.12	24.80	11.35	58.19	36.84	177.31	13.15
	Additions	4.23	-	1.84	3.02	-	9.10	9.13
	Disposals	-	-	-	-	-	-	-
	As at 31st March, 2020	50.35	24.80	13.19	61.21	36.84	186.40	22.28
	Depreciation							
	As at 31st March, 2019	10.68	4.65	1.21	40.05	31.39	87.97	5.59
	Additions	4.13	2.13	2.36	10.33	0.60	19.55	3.16
	Disposals	-	-	-	-	-	-	-
	As at 31st March, 2020	14.80	6.78	3.57	50.38	31.99	107.52	8.75
	Impairment Loss							
	As at 31st March, 2019	-	-	-	-	0.89	0.89	-
	Charge for the year							
	As at 31st March, 2020	-	-	-	-	0.89	0.89	-
	Net Block							
	As at 31st March, 2019	35.44	20.16	10.15	18.14	4.55	88.44	7.56
	As at 31st March, 2020	35.55	18.03	9.63	10.83	3.95	77.99	13.53

1 Note on Accounts**(a) Corporate information**

Khushbu Auto Finance Limited, incorporated on 19-08-1994 is a Non Banking Finance Company registered with Reserve Bank of India with registration certificate no. 01.00311. The company is mainly engaged in the business of lending. Khushbu Auto Finance Limited has a lending portfolio of three-wheeler vehicle loan in urban and rural India, and business loan in real estate sector.

The Company has been reclassified as NBFC-Investment and Credit Company (NBFC-ICC) in accordance with RBI, vide the circular - 'Harmonisation of different categories of NBFCs' issued on 22 February 2019.

The audited financial statements were subject to review and recommendation of Audit Committee and approval of Board of Directors. On 26 June 2020, Board of Directors of the Company approved and recommended the audited financial statements for consideration and adoption by the shareholders in its Annual General Meeting.

- (b)** The disclosures required in terms of Paragraph 18 of the Non-Banking financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016 are given in the Annexure forming part of these Financial Statements.

2 Basis of Preparation

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 3 of the Companies (Accounts) Rules, 2014.

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

Further, the Company follows prudential norms for Income Recognition, assets classification and provisioning for Non-performing assets as well as contingency provision for Standard assets as prescribed by The Reserve Bank of India (RBI) for Non-Banking Financial Companies.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

2.1 Summary of significant accounting policies**(a) Use of estimates**

The Preparation of financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets and liabilities in future periods.

(b) Tangible fixed assets

Fixed assets 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 expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, 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.

Notes on Accounts & Significant Accounting Policies**(c) Depreciation on tangible fixed assets**

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives under section 123 of the Companies Act, 2013

Useful lives of assets estimated by management (years)

Furniture and fixtures	10
Office Equipment	5
Motor Car	8
Other Vehicles	10
Computer end user devise	3
Computer server	6
Intangible Assets	5

(d) Income taxes

Income tax expense is accrued in accordance with AS 22 - 'Accounting for taxes on income' which includes current taxes and deferred taxes. Deferred taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available.

Current tax and deferred tax are charged to profit and loss account of the year. Deferred tax is measured based on the tax rate and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities across various countries of operation are not netted off as the company does not have a legal right to set off

Deferred tax are recognised for all timing differences of the current year and un-reversed timing differences of earlier years. Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realised against future taxable profits.

Tax expense comprises both current and deferred taxes. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable profit will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

(e) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting 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.

(f) Segment Reporting

The company is engaged primarily in the business of asset financing activities and accordingly there are no separate reportable segments as per Accounting Standard 17 dealing with Segment Reporting.

(g) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Further, in accordance with the guidelines issued by The Reserve Bank of India for Non-Banking Financial Companies, income on business assets classified as Non-performing Assets, is recognised on receipt basis. Unrealized interest recognized as income in the previous period is reversed in the month in which the loan is classified as Non-performing.

i. Interest Income and other penal charges

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the applicable contracted rate. Interest Income on Non Performing Assets are reversed as per the RBI norms on NBFC. Penal charges on business loan are charged when default are made by the borrower as per loan agreement executed. Penal charges on asset finance loan are charged where there is reasonable certainty. However, when ultimate collection of the same lacks reasonable certainty, revenue recognition is postponed to the extent of uncertainty

ii. Subvention Income

Revenue is recognised when company has financed three wheelers of Atul Auto Ltd as per terms and condition agreed upon.

(h) Income from Loans:

Interest Income from loan transactions is accounted for by applying the interest rate implicit in such contracts

(i) Provisions

A provision is recognized when the company has a present obligation as a result of 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. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Provisions for non-performing assets are made in conformity with RBI guidelines.

Non-performing loans are written off / provided for, as per management estimates, subject to the minimum provision required as per Non-Banking Financial Company –Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 as and when amended. Delinquencies on assets securitised/assigned are provided for based on management estimates.

Provision on standard assets is made as per Non-Banking Financial Company –Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 as and when amended

Provisions for assets on which moratorium for repayment are granted in conformity with RBI Circular dated 17th April, 2020.

Provisioning is made for such assets which would otherwise (i.e., without availing the benefit related to asset classification) have been marked as NPA and the said provisioning is not made for accounts which otherwise would have continued to be under standard category.

These provisions shall be adjusted later on against the provisioning requirements for actual slippages in such accounts. The residual provisions at the end of the financial year, if any will be written back or adjusted against the provisions required for all other accounts. The provisions shall not be considered for arriving NPA provision till they are adjusted against the provision required for other accounts. Also, till such adjustments, these provisions shall not be netted from gross advance and shown separately in the balance sheet.

(j) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

(k) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

(l) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

The Company has created Employee Group Gratuity Fund which has taken a Group Gratuity Insurance Policy from Life Insurance Corporation of India (LIC). Premium on the above policy as intimated by LIC is charged to the profit and loss account. The adequacy of balances available is compared with actuarial valuation obtained at the period-end and shortfall, if any, is provided for in the profit and loss account.

(m) Impairment

The carrying value of assets/cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life to their present value based on an appropriate discount factor.

The company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

		(Amt. In Lacs)	
Note No.	Particulars	31.03.2020	31.03.2019
3	SHARE CAPITAL	Amount	Amount
a	Authorized Share Capital		
	Equity Shares of Rs. 10 each	Amt 4,000.00	4,000.00
	Equity Shares of Rs. 10 each	No of Shares 400.00	400.00
	Issued, Subscribed & Paid up Share Capital		-
	Equity Shares of Rs. 10 each	Amt 3,940.00	3,940.00
		No of Shares 394.00	394.00
	TOTAL SHARE CAPITAL	3,940.00	3,940.00
b	Reconciliation of the shares outstanding at the beginning and at the end of the reporting period - Equity Shares		
	At the beginning of the period	Amt 3,940.00	3,940.00
		No of Shares 394.00	394.00
	Issue during the year	Amt -	-
		No of Shares -	-
	Outstanding at the end of the period	Amt 3,940.00	3,940.00
		No of Shares 394.00	394.00
c	Terms/Rights attached to Equity Shares		
	The company has only one class of equity shares having a per share value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share.		
	In the event of liquidation of the company, the holders of equity shares will be entitled to receive 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 shareholders.		
d	Details of shareholders holding more than 5% shares in the company		
		<u>No and % of total holding</u>	<u>No and % of total holding</u>
	Atul Auto Ltd	% of holding 30.00%	30.00%
		No of Shares 118,20,000	118,20,000
	Vijay Kishanlal Kedia	% of holding 17.67%	17.67%
		No of Shares 69,62,395	69,62,395
	Manju Vijay Kedia	% of holding 17.00%	17.00%
		No of Shares 66,98,000	66,98,000
	Kedia Securities Pvt. Ltd.	% of holding 5.33%	5.33%
		No of Shares 20,99,605	20,99,605
	As per records of the company, including its register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.		
4	RESERVES & SURPLUS		
a	Reserve Fund in terms of section 45IC(1) of the Reserve Bank Of India Act, 1934		
	Balance as per last financial statement	634.91	482.02
	Add: set aside during the year	64.07	152.89
	Closing Balance	698.97	634.91
b	Securities Premium Account	965.00	965.00
c	General Reserve	1.50	1.50
d	Surplus in the Statement of Profit and Loss		
	Balance as per last financial statement	504.97	-106.59
	Add: Profit/(Loss) during the year	320.33	764.44
	Less: Transfer to Reserve Fund	-64.07	-152.89
	Closing Balance	761.23	504.97
	TOTAL RESERVE & SURPLUS	2,426.71	2,106.38
5	LONG TERM BORROWINGS		
	From Bank	249.41	749.47
	TOTAL LONG TERM BORROWINGS	249.41	749.47
	Terms & Conditions of Long Term Borrowings from bank		
	Particulars	No. of Installments	
	From DCB Bank		
	Loan is to be repayable in 36 equal monthly installments after 3 months moratorium from the date of disbursement interest to be serviced as and when due.	12	
		12	500.00
		6	249.41
			500.00
			-
			249.47
	Bank Loan is secured by pari passu charges on entire current assets including receivables of the company with minimum assets cover of 1.25 times. It carries rate of interest @ 6 month MCLR + 0.75% p.a. Company has not availed moratorium in repayment of principal and interest as per RBI Circular dated 27 th March, 2020.		

		(Amt. In Lacs)	
Note No.	Particulars	31.03.2020	31.03.2019
6	<u>OTHER NON CURRENT LIABILITIES</u>		
	Security Deposit	557.91	395.82
7	<u>LONG TERM PROVISIONS</u>		
	General Provision on Standard Assets	13.89	12.37
8	<u>SHORT TERM BORROWINGS</u>		
	Secured Borrowings from Bank		
	<u>Cash Credit</u>		
	Yes Bank	2,766.10	1,327.88
	ICICI Bank	2,452.55	168.61
	IDBI Bank	-	990.89
	<u>Working Capital on Demand Loan Account</u>		
	IDBI Bank	1,500.00	1,500.00
	ICICI Bank	-	2,000.00
	TOTAL BORROWINGS	6,718.66	5,987.39
	<u>Terms & Conditions of Short Term Borrowings from Banks</u>		
	Borrowing from Yes Bank		
	Cash Credit :		
	Cash Credit facility is secured by way of First Pari passu charge on stock on hire, installments receivables and entire current assets of the borrower and corporate guarantee. It carries rate of interest @ 3 month MCLR + 1.00% and is repayable on demand.		
	Borrowing from IDBI Bank		
	Cash Credit :		
	Cash Credit facility is secured against first pari passu charge on the entire current assets including book debts, stocks, raw materials and receivables of the company and corporate guarantee given by Atul Auto Ltd, holding 30% equity share in the company. It carries rate of interest @ 1.70% + 1 year MCLR and is repayable on demand.		
	Working Capital on Demand Loan (WCDL) :		
	WCDL is secured as per securities covered under cash credit, Rate of interest is to be decided at the time of draw down of WCDL and maximum tenure for repayment is 90 days.		
	Borrowing from ICICI Bank		
	Cash Credit :		
	Cash Credit facility is secured by way of first pari passu charge by way of the hypothecation of the company's standard asset portfolio of loans receivables and book debts with other participating banks and a corporate guarantee given by Atul Auto Ltd, holding 30% equity share in the company. It carries rate of interest @ 6 month MCLR + 1.65% and is repayable on demand.		
	Working Capital on Demand Loan (WCDL) :		
	WCDL is secured as per securities covered under cash credit, Rate of interest is to be decided at the time of draw down of WCDL and maximum tenure for repayment is 90 days.		
9	<u>TRADE PAYABLES</u>		
	<u>Trade payables</u>		
	Total outstanding dues of Micro Enterprises and Small Enterprises	-	-
	Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	103.76	239.53
		<u>103.76</u>	<u>239.53</u>
	Details of dues to Micro, small and Medium Enterprises as per MSMED Act, 2006		
	The Company has initiated the process of obtaining the confirmation from suppliers who have registered under the Micro, Small and Medium enterprise development Act, 2006 (MSMED Act, 2006) based on the information available with the company, the balance due to micro and small enterprise as defined under the MSMED Act, 2006 is Nil. No interest has been paid or payable under MSMED Act, 2006 during the year.		
	There are no dues payable to MSME in view of the business of the company.		
10	<u>OTHER CURRENT LIABILITIES</u>		
	Statutory Dues	11.34	26.71
	Security Deposite	15.38	36.91
	Current Maturities of Long term Debt	500.00	500.00
	Other	275.05	170.58
	TOTAL	801.77	734.21

		(Amt. In Lacs)		
Note No.	Particulars	31.03.2020	31.03.2019	
<u>11</u>	SHORT TERM PROVISIONS			
	<u>Provision for Employee Benefits</u>			
	Provision for Bonus	9.44		0.83
	Provision for Salary	19.98		0.95
	Staff conveyance Payable	1.61		-
	Provident Fund payable	2.24		-
	ESIC Payable	0.55		-
	Provision for Gratuity	7.54		7.54
	<u>Others</u>			
	General Provision on Standard Assets	17.72		19.90
	Provision Against non performing assets (NPAs)	202.26		253.79
	Provision on IDP receivables	44.57		53.11
	Moratorium Provision on Automobiles laon	10.42		
	Moratorium Provision Business loan	52.77		
	Provision for Income Tax (net of advance tax & tds)	58.12		-
	TOTAL	427.23		336.12
<u>13</u>	NON CURRENT INVESTMENTS			
	Investment in wholly owned subsidiary- Sanand Home Finance Ltd. (50,000 equity shares of Rs.10/- each)	-		5.00
<u>14</u>	DEFERRED TAX ASSETS			
	On NPA Provision	86.70		94.36
	On Gratuity Provision	2.10		2.10
	On Interest Income recognised as per ICDS	77.57		4.15
	Others	1.48		1.76
	TOTAL	167.84		102.37
<u>15</u>	RECEIVABLES UNDER FINANCING ACTIVITIES			
		<u>Non Current</u>	<u>Non Current</u>	<u>Current</u>
		<u>2020</u>	<u>2019</u>	<u>2020</u>
		<u>2020</u>	<u>2019</u>	<u>2019</u>
	Secured against hypothecation of automobiles			
	Standard Assets	5,923.93	4,345.11	4,802.79
	Sub-Standard Assets			1,664.65
	Doubtful Assets			54.94
	Loss Assets			1.62
		5,923.93	4,345.11	6,524.00
	Business loan secured by immovable properties			
	Standard Assets	531.79	602.78	1,413.23
				2,289.00
				-
	Receivable from Collection Agent / IDP			293.17
	Considered Good			248.60
	Considered Doubtful			44.57
	TOTAL	6,455.72	4,947.89	8,230.40
<u>16</u>	CASH & CASH EQUIVALENT			
	Balances with Bank			
	on Current Accounts & Cash Credits			14.84
	Cash on Hand			9.24
	TOTAL			24.08
<u>17</u>	SHORT-TERM LOANS AND ADVANCES			
	Unsecured Considered Good			
	Deposits			8.12
	Balances with Government Authorities			72.79
	Other receivables			70.34
	TOTAL			151.25
<u>18</u>	OTHER CURRENT ASSETS			
	Unsecured Considered Good			
	Interest accrued			118.15
	Other			0.37
	TOTAL			118.53

		(Amt. In Lacs)	
Note No.	Particulars	31.03.2020	31.03.2019
<u>19</u>	<u>REVENUE FROM OPERATIONS</u>	<u>31.03.2020</u>	<u>31.03.2019</u>
	Finance activity		
	a) Financing charges	2,830.10	2,783.47
	b) Service and administration charges	71.24	131.85
	Other operating revenue		
	Finance Subvention / Incentive	184.77	86.39
	Penal Interest Income	170.45	94.48
	Other Misc Income	7.99	1.38
	TOTAL	3,264.56	3,097.56
<u>20</u>	<u>OTHER INCOME</u>		
	Other Income	-	0.05
	Gain on sale of Mutual Fund	-	5.92
	TOTAL	-	5.98
<u>21</u>	<u>EMPLOYEE BENEFIT EXPENSES</u>		
	Salary, Wages & Bonus	315.18	266.17
	Contribution to provident and other funds	20.96	18.67
	Staff Welfare	46.46	33.88
	TOTAL	382.59	318.72
<u>22</u>	<u>FINANCE COSTS</u>		
	Bank Charges	4.36	3.53
	Loan Processing Fees	5.29	19.67
	Interest on Working Capital	686.34	368.72
	Term Loan Interest	102.97	382.80
	Corporate Guarantee fees	77.68	73.62
	Interest on Security Deposit	56.06	56.12
	Interest on Income Tax	-	4.76
	TOTAL	932.70	909.23
<u>23</u>	<u>LOAN LOSSES AND PROVISIONS</u>		
	NPA Provision Reversal	-60.06	-953.11
	Moratorium Provision	63.19	-
	General provision for Standard Assets	-0.67	7.60
	Bad Debts Written Off & Loan Losses	821.83	1,183.64
	TOTAL	824.29	238.12
<u>24</u>	<u>OTHER EXPENSES</u>		
	Repairs & Maintenance	8.89	6.76
	Insurance	3.24	1.21
	Legal & consultancy Charges	20.68	19.25
	Auditor's Remuneration	6.66	7.98
	Rent Expenses	46.83	28.87
	Travelling	18.92	22.00
	IT & Communication Cost	18.67	20.61
	Sourcing and Credit Cost	29.75	35.77
	Office Expenses	9.83	9.34
	Recovery Cost	31.44	52.47
	Dealer Incentive	385.17	308.42
	Rates & Taxes	58.76	40.54
	Share Issue	-	0.10
	Donation	15.00	1.00
	Other General & Admin	11.76	3.32
	TOTAL	665.59	557.64
	Payment to auditors includes		
	Statutory Audit Fees	2.52	2.75
	Limited Review	3.30	-
	Tax Audit Fees	-	1.75
	Certification	-	0.75
	Taxation matters	-	2.25
	Audit Reimbursement	0.84	0.48
	Total	6.66	7.98

		(Amt. In Lacs)	
Note No.	Particulars	31.03.2020	31.03.2019
<u>25</u>	<u>EARNING PER SHARE</u>		
	Net profit as per P & L	320.33	764.44
	Weighted Average No. of share	394.00	394.00
	TOTAL	0.81	1.94
<u>26</u>	<u>PROVISION FOR GRATUITY</u>		
	<p>The company has a defined benefit gratuity plan. Every employee who has completed five years or more service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.</p> <p>The following table summaries the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans.</p>		
	Particulars	2019-20	2018-19
	Net employee benefit expenses recognised in the employee cost		
	Current Service cost	4.55	4.18
	Interest cost on benefit obligation	1.17	1.00
	Expected return on Plan assets	-0.51	-0.47
	Net Actuarial (Gain)/Loss recognised in the year	-2.21	-2.18
	Net benefit Expense	3.01	2.53
	Benefit Asset / Liability		
	Present Value of Defined Benefit Obligation	19.24	16.10
	Fair Value of Plan Assets	-6.76	-6.26
	Plan (Asset)/Liability	12.49	9.84
	Changes in the present value of defined benefit obligation are as follows		
	Opening Defined benefit obligation	16.10	13.36
	Interest cost	1.17	1.00
	Current Service cost	4.55	4.18
	Benefit paid	-	-
	Actuarial (Gain)/Loss on obligation	-2.57	-2.44
	Closing Defined benefit obligation	19.24	16.10
	Changes in the fair value of plan assets are as follows		
	Opening fair value of plan assets	6.26	5.82
	Expected return	0.51	0.47
	Contribution by Employer	0.36	0.23
	Benefit paid	-	-
	Actuarial Gain/(Loss)	-0.37	-0.27
	Closing fair value of plan assets	6.76	6.26
	Discount rate	7.25%	8.00%
	Interest rate	7.44%	8.00%
<u>27</u>	<u>OTHER NOTES</u>		
	<p>a During the current year, wholly owned subsidiary of company get closed and is in process of strike off, hence company has not prepared consolidated financial statement as at 31st March, 2020.</p> <p>b Previous year's figures have been regrouped/reclassified wherever necessary, to conform to current year's classification.</p> <p>c The COVID-19 pandemic has resulted in a significant decrease in economic activity across the country. All offices of the Company were closed from March 25, 2020 following the countrywide lockdown due to COVID-19. The Company has since obtained required permissions and restarted its all offices partially. Based on assessment of the impact of COVID-19 on the operations of the Company and its loan book, management has made general provision on assets to whom moratorium are granted in terms of RBI Circular dated 17th April, 2020.</p>		

KHUSHBU AUTO FINANCE LIMITED

Financial Year ended on 31-Mar-2020

(Amt. In Lacs)

Note No. Particulars

28 RELATED PARTY DISCLOSUREa Name of Related Parties

Investor Company : 1 Atul Auto Limited

Investment in Subsidiary companies : 1 Sanand Home Finance Ltd.

31-Mar-20**31-Mar-19**

-

5.00

Key Management Personnel :

1 Alpesh B. Chandra

Director

2 Mahesh J. Chandra

Director

3 Anita N. Chandra

Director

4 Chatankumar V. Patel

Director

5 Anita N. Chandra

CFO

6 Bhartiben G. Ajudiya

Compnay Secretary

Enterprises owned or significantly influenced
by key personal management or their relatives :

1 Khushbu Auto Private Limited

(b) Transaction with Related Parties

Atul Auto Limited

1 Rent

2019-20

15.05

2018-19

8.50

2 Corporate Guarantee Fees

77.68

73.62

3 Finance Subvention Income

183.30

86.39

Key Management Personnel

1 Remuneration to Chief Financial Officer

7.20

8.97

2 Remuneration to Company Secretary

1.28

-

KHUSHBU AUTO FINANCE LIMITED

Annex I

Schedule to the Balance Sheet of a non-deposit taking non-banking financial company

(AS REQUIRED IN TERMS OF PARAGRAPH 19 OF NON-BANKING FINANCIAL COMPANY - NON-SYSTEMATICALLY IMPORTANT NON DEPOSIT TAKING COMPANY (RESERVE BANK) DIRECTIONS, 2016)

(Amt. in Lacs)

Particulars			
Liabilities side :			
(1)	Loans and advances availed by the non- banking financial company inclusive of interest accrued thereon but not paid:	Amount outstanding	Amount overdue
	Debentures : Secured	-	-
(a)	Debentures : Unsecured (other than falling within the meaning of public deposits*)	-	-
(b)	Deferred Credits	-	-
(c)	Term Loans	749.41	-
(d)	Inter-corporate loans and borrowing	-	-
(e)	Commercial Paper	-	-
(f)	Public Deposit*		
(g)	Other Loans - Working Capital Finance from Banks	6,718.66	-
	* Please see Note 1 below		
(2)	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :		
(a)	In the form of Unsecured debentures	-	-
(b)	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
(c)	Other Public deposits	-	-
	* Please see Note 1 below	-	-
Assets side :		Amount outstanding	
(3)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :		
(a)	Secured		1,945.02
(b)	Unsecured		-
(4)	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		
	(i) Lease assets including lease rentals under sundry debtors :		
(a)	Financial lease		-
(b)	Operating lease		-
	(ii) Stock on hire including hire charges under sundry debtors:		
(a)	Assets on hire		-
(b)	Repossessed Assets		-
	(iii) Other loans counting towards AFC activities		
(a)	Loans where assets have been repossessed		504.46
(b)	Loans other than (a) above		12,236.64

KHUSHBU AUTO FINANCE LIMITED

(5)	Break-up of Investments :		
	Current Investments :		
	1. Quoted :		
	(i)	Shares :	
		(a) Equity	-
		(a) Preference	-
	(ii)	Debentures and Bonds	-
	(iii)	Units of mutual funds	-
	(iv)	Government Securities	-
	(v)	Others (please specify)	-
	2. Unquoted :		
	(i)	Shares :	
		(a) Equity	-
		(a) Preference	-
	(ii)	Debentures and Bonds	-
	(iii)	Units of mutual funds	-
	(iv)	Government Securities	-
	(v)	Others (please specify)	-
	Long Term investments :		
	1. Quoted :		
	(i)	Shares :	
		(a) Equity	-
		(a) Preference	-
	(ii)	Debentures and Bonds	-
	(iii)	Units of mutual funds	-
	(iv)	Government Securities	-
	(v)	Others (please specify)	-
	2. Unquoted :		
(i)	Shares :		
	(a) Equity	-	
	(a) Preference	-	
(ii)	Debentures and Bonds	-	
(iii)	Units of mutual funds	-	
(iv)	Government Securities	-	
(v)	Others (please specify)	-	

KHUSHBU AUTO FINANCE LIMITED

(6) Borrower group-wise classification of assets financed as in (3) and (4) above :

Please see Note 2 below

Category		Amount net of provisions		
		Secured	Unsecured	Total
1. Related Parties **				
(a)	Subsidiaries	-	-	-
(b)	Companies in the same group	-	-	-
(c)	Other related parties	-	-	-
2. Other than related parties		14,159.08	248.60	14,407.68
Total		14,159.08	248.60	14,407.68

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Please see note 3 below

Category		Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties **			
(a)	Subsidiaries	-	-
(b)	Companies in the same group	-	-
(c)	Other related parties	-	-
2. Other than related parties		-	-
Total		-	-

** As per Accounting Standard of ICAI (Please see Note 3)

(8) Other information

Particulars		Amount
(i)	Gross Non-Performing Assets	
(a)	Related parties	-
(b)	Other than related parties	1,765.79
(ii)	Net Non-Performing Assets	
(a)	Related parties	-
(b)	Other than related parties	1,518.95
(iii)	Assets acquired in satisfaction of debt	-

Notes:

- As defined in point xix of paragraph 3 of Chapter -2 of these Directions.
- Provisioning norms shall be applicable as prescribed in these Directions.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (5) above.
- General provision has been made in terms of RBI Circular dated 17.04.2020 for moratorium accounts are not netted off from outstanding balance

KHUSHBU AUTO FINANCE LIMITED**ASSETS LIABILITY MANAGEMENT AS AT 31 MARCH, 2020****(Amt. In Lacs)**

Particulars	Upto 1 Month	Over 1 month upto 2 month	Over 2 month upto 3 month	Over 3 month upto 6 month	Over 6 month upto 1 Year	Over 1 year upto 3 Year	Over 3 year upto 5 Year	Total
A. INFLOW								
Advances (Receivables under financing activity)	2,218.77	128.67	465.33	2,082.72	3,041.73	6,218.46	237.26	14,392.95
Other Receivables	411.33	-	-	-	-	-	-	411.33
Sub-total	2,630.10	128.67	465.33	2,082.72	3,041.73	6,218.46	237.26	14,804.28
Cumulative Total Inflows	2,630.10	2,758.77	3,224.11	5,306.83	8,348.56	14,567.01	14,804.28	
B. OUTFLOWS								
IDP deposits & Other Deposits	25.79	-	0.32	8.65	72.42	284.17	181.94	573.29
Long tern borrowing	41.67	41.67	41.67	125.00	250.00	249.41	-	749.41
Short tern borrowing	2,766.10	1,500.00	-	-	2,452.55	-	-	6,718.66
Trade Payable and Others	358.66	-	-	-	-	-	-	358.66
Sub-total	3,192.22	1,541.67	41.99	133.65	2,774.97	533.58	181.94	8,400.02
Cumulative Total Outflows	3,192.22	4,733.89	4,775.88	4,909.53	7,684.50	8,218.08	8,400.02	
GAP	-562.12	-1,412.99	423.34	1,949.07	266.76	5,684.87	55.33	6,404.26
CUMULATIVE GAP	-562.12	-1,975.12	-1,551.77	397.30	664.06	6,348.93	6,404.26	

(*) Working Capital of Yes bank is due for renewal and is under process following the countrywide lockdown due to COVID-19 pandemic