

Dineshkumar Jain
Chartered Accountant
Shreeji Plaza, 4th floor Valkeshwari Nagri,
Opp. Dr. Takwani Hospital,
Jamnagar - 361 008

INDEPENDENT AUDITOR'S REPORT

To the Members of Khushbu Auto Finance Limited

Report on the Audit of the Financial Statements

Opinion

I have audited the accompanying financial statements of Khushbu Auto Finance Limited (hereinafter referred to as 'Company'), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss for the year then ended, the Cash Flow Statement, and a summary of significant accounting policies and other explanatory information.

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid financial statements, read together with the matter described in the Emphasis of matter paragraph, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including:-

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2022.
- (b) In the case of Statement of Profit and Loss, of the Profit for the year ended on that date.
- (c) Cash flow Statement for the year ended on that date.

Basis of Opinion

I conducted my audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. My responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am 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 my audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on financial statements.

Emphasis of Matter

I. Summary of Note on Accounts and Significant Accounting Policies (SAP): Note No. 1 and 2 to the financial statements

1. Attention is drawn to the Note No. 1(f) to the financial statements which states the management's estimation of impact of COVID-19 on financial statements of the company for the year ended March 31, 2022.

My opinion is not modified in respect of this matter.

II. Other Notes to Financial Statements

1. Note No. 25 regarding identification of Contingent Liability & Commitments to the extent information provided by the company and certified by the management as well as amount of total contingent liability certified by legal practitioner. I have not made detailed examination of records and have relied on the parties and figures disclosed based on management and expert.

My Opinion is not modified in respect of above matters.



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Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Management is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under the Act read with relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

Auditor's Responsibilities for the Audit of the Financial Statements

My responsibility is to express an opinion on these financial statements based on my audit.

I have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

I conducted my audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend upon the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies and the reasonableness of the accounting estimates made by the Company's Management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate, to provide a basis for my opinion on the financial statements.

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 Act, I give in the "Annexure-1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, I report that:-
 - a. I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit.
 - b. In my opinion proper books of account as required by law have been kept by the Company so far as it appears from my examination of those books.
 - c. The Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account. The company is having Tally ERP for maintenance of books of accounts through which Standard Trial Balance is being generated by the system.



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- d. In my opinion, the aforesaid financial statements comply with the Accounting Standards specified under the Act, read with relevant rules issued there under.
- e. The observations relating to the maintenance of accounts and other matters connected therewith are as stated in the Emphasis of Matter paragraph above.
- 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 my separate Report in "Annexure 2".
- g. (a) The respective Managements of the Company which is a company incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) 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 in any other person or entity, including foreign entity ("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 or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The respective Managements of the Company which is a company incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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.
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company which is a company incorporated in India whose financial statements have been audited under the Act, 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), as provided under (a) and (b) above, contain any material misstatement.
- h. 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 my opinion and to the best of my information and according to the explanations given to me:
- (i) The Company has disclosed the impact of pending litigations (if any) on its financial position in its financial statements.
- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses

Dineshkumar Jain
Chartered Accountant
Membership No. 039139


Place: Jamnagar
Date: 26th May, 2022
UDIN: 22039139AMUCIF3943



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Annexure-1 to Independent Auditor's Report

Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of my report of even date of Khushbu Auto Finance Limited

i. Fixed Assets

- (a) The Company is maintaining the Fixed Assets records containing full particulars including classification, quantitative details and location.
- (b) According to information provided by the management, the company has a program of physical verification every 3 Years and no material discrepancies were noticed on such verification. In my opinion, the frequency of verification is reasonable having regard to the size of the company and the nature of its assets.
- (c) Based on the information and explanation provided to me, I am of the opinion that there are no immovable properties and therefore this sub-clause is not applicable to the company.
- (d) Based on the information and explanation provided to me, the company has carried not out any revaluation activity of its Property Plant and Equipment and therefore this clause is not applicable to the company.
- (e) Based on information and explanation provided to me, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder and therefore this clause is not applicable to the company.

ii. Inventories

- (a) The Company is NBFC engaged in business of Finance and does not hold any physical inventories. Accordingly, this clause is not applicable to the company.
- (b) Based on information and explanation provided to me, the company has been sanctioned working capital limits in excess of limits specified in the order, in aggregate, from banks or financial institutions on the basis of security of current assets and the company has policy to submit quarterly statements which are in agreement with Books of Accounts after finalisation of accounts.

iii. Loans Provided

- (a) The provisions of this sub-clause of the order are not applicable to the Company as its principal business is to give loans
- (b) The Company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934. In my opinion and according to the information and explanations given to me, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees, provided during the year are, prima facie, not prejudicial to the Company's interest.
- (c) The Company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors repayments of principal and payment of interest by its customers as stipulated. In my opinion and according to the information and explanations given to me, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and in cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. According to the information and explanation made available to me, reasonable steps are taken by the Company for recovery thereof.



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- (d) The Company, being a NBFC, registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors and report total amount overdue including principal and/or payment of interest by its customers for more than 90 days. In cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in its periodic regulatory reporting. According to the information and explanation made available to me, reasonable steps are taken by the Company for recovery thereof.
- (e) Since the Company's principal business is to give loans. Accordingly, the provision of clause 3(iii)(e) of the Order is not applicable to it.
- (f) Based on my audit procedures, according to the information and explanation made available to me, 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 during the year.

iv. Loans, Investments, Guarantees and Securities

According to the information and explanation given to me, the Company has not granted any loans, made investments or provided guarantees in contravention of provisions of Section 185 of the Act. The provisions of Section 186 of the Act are not applicable to the Company.

v. Deposits

In my opinion and according to the information and explanations given to me, the Company being a non-banking financial company registered with the Reserve Bank of India, the provisions of sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted are not applicable to the Company. I am informed by the Management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.

vi. Cost Records

The Central Government has not prescribed maintenance of cost records under section 148 (1) of the Companies Act, 2013 therefore clause (vi) of paragraph 3 of "the Order" is not applicable to the Company.

vii. Statutory Dues

- (a) According to the information given to me, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Service Tax, GST, CESS and other applicable statutory dues with the appropriate authorities. As per information and explanations given to me there are no arrears of undisputed statutory dues outstanding as at 31st March, 2022, for the period of more than six months from the date they become payable.
- (b) According to the information and explanations to the extent provided to me, statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Service Tax, GST, CESS and other applicable statutory dues, which have not been deposited on account of dispute are Nil.

viii. Undisclosed Income

As informed to me and on basis of explanations provided to me, the company has not surrendered or disclosed any transaction not recorded in books of accounts as income during the year in the tax assessments under the Income Tax Act, 1961.



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ix. Repayment of Loans and Other Borrowings

- (a) In my opinion, the Company has not defaulted in repayment of loans or other borrowings to financial institutions, banks, government and dues to debenture holders or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to me and on the basis of my audit procedures, I report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority or any other lender.
- (c) In my opinion and according to the information and explanations given to me, the Company has not obtained the money by way of term loans from bank during the year and therefore this clause is not applicable to the company.
- (d) Company has availed bank borrowing in form of working capital facility which are renewable on yearly basis. Company has granted retail loans for a tenure of 3 years or more by utilising these facilities. However, as at 31st March, 2022 current assets of company is more than its current liabilities. Further, company has positive cumulative cash flow in its ALM for each bucket. Thus funds raised on short term basis are utilised for the purpose where the realisation is adequate for funds received on short term basis.
- (e) According to the information and explanations to the extent provided to me, the company has not obtained any funds from lenders to meet the obligations of its subsidiaries, associates and joint ventures.
- (f) According to the information and explanations to the extent provided to me, the company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and therefore this sub-clause is not applicable to the company.

x. IPO/FPO/Private Placement/Preferential Allotment

- (a) In my opinion and according to the information and explanations given to me, the Company has not raised money by way of Initial Public Offer or further Public Offer during the Year.
- (b) In my opinion and according to the information and explanations given to me, the Company has issued participative preference shares during the year on private placement basis in compliance with the provisions of Companies Act, 2013 and the proceeds have been used for the purposes for which the funds were raised.

xi. Fraud

- (a) During my 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 me, no fraud by the Company or any fraud on the company has been noticed or reported during the year.
- (b) No report has been filed by the me in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government under sub-section 12 of Section 143 of Companies Act, 2013.
- (c) I have not come across any whistle-blower complaints made in the company during the year.

xii. Nidhi Company

The Company is not a Nidhi Company as defined under section 406 of Companies Act, 2013. Therefore, clause (xii) of paragraph 3 of the order is not applicable to the Company.



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xiii. Related Party Transactions

In my opinion and according to the information and explanations given to me the Company is in compliance with section 188 and 177 of the Companies Act, 2013, where applicable, for all the transactions with related parties and the details of related party transactions have been disclosed in Note No. 30 to the financial statements.

xiv. Internal Audit

On the basis of Information and explanations given to me and on basis of my examination, the company is not liable to appoint Internal Auditors as per the provisions of the Act, and therefore this clause is not applicable to the company.

xv. Non-Cash Transactions with Directors

As per the information and explanation given to me, Company has not entered into any non-cash transactions with directors or persons connected with him/her.

xvi. NBFC Registration

- (a) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and the Company has obtained the required registration.
- (b) According to the information and explanations given to me, the Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid CoR from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) According to the information and explanations given to me, the Company is not a Core Investment Company ('CIC') as defined under the Regulations by the Reserve Bank of India.
- (d) As per information provided in course of my audit, the Group to which the Company belongs has no CIC's as defined in the Core Investment Companies (Reserve Bank) Directions, 2016.

xvii. Cash Losses

The Company has not incurred cash losses during the financial year covered by my audit and the immediately preceding financial year.

xviii. Resignation by Statutory Auditors

As informed to me and on basis of explanations provided to me, I am the statutory auditor from 4 preceding financial years. Therefore, clause (xviii) of paragraph 3 of "the order" is not applicable to the Company.

xix. Material Uncertainty

According to the information and explanations given to me and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, my knowledge of the Board of Directors and management plans and based on my examination of the evidence supporting the assumptions, nothing has come to my attention, which causes me to believe that any material uncertainty exists as on the date of the audit report indicating that the 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. I, however, state that this is not an assurance as to the future viability of the Company. I further state that my reporting is based on the facts up to the date of the audit report and I 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.



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xx. Corporate Social Responsibility

- (a) According to the information and explanations given to me and based on my examination of the records of the Company, it is not required to transfer any unspent amount pertaining to the year under report to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub section 5 of section 135 of the said Act.
- (b) According to the information and explanations given to me and based on my examination of the records of the Company, there is no amount which is remaining unspent under sub section 5 of section 135 of the Act pursuant to any ongoing CSR project.

xxi. Qualified/Adverse/Disclaimer Remarks

Reporting under clause xxi of the Order is not applicable at the standalone level of reporting.

Dineshkumar Jain
Chartered Accountant
Membership No. 039139


Place: Jamnagar
Date: 26th May, 2022
UDIN: 22039139AMUCIF3943



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Annexure - 2 to the Independent Auditors' Report of even date on the Financial Statements of Khushbu Auto Finance Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

I have audited the internal financial controls with reference to financial statements of Khushbu Auto Finance Limited (hereinafter referred to as 'Company') as of 31st March 2022 in conjunction with my audit of the 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 the internal control with reference to financial statements 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 Companies Act, 2013.

Auditors' Responsibility

My responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on my audit. I conducted my 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 I 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.

My 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. My 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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

A company's internal financial control 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 control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, or disposition of the company's assets that could have a material effect on the financial statements."



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Inherent Limitations of Internal Financial Controls with reference to financial statements

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 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

In my 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 31st March, 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Dineshkumar Jain
Chartered Accountant
Membership No. 039139



Place: Jamnagar
Date: 26th May, 2022
UDIN: 22039139AMUCIF3943



Balance Sheet as at 31st March, 2022

(Amt in lakhs)

Particulars	Notes	As at 31-Mar-2022	As at 31-Mar-2021
I EQUITY AND LIABILITIES			
1 Shareholders' Fund			
(a) Share Capital	3	5,768	3,940
(b) Reserves & Surplus	4	4,284	2,956
Sub-Total Shareholders' Fund		10,052	6,896
2 Non Current Liabilities			
(a) Long Term Borrowings	5	1,080	-
(b) Other Non- Current Liabilities	6	190	171
(c) Long Term Provisions	7	721	282
Sub-Total Non-Current Liabilities		1,991	453
3 Current Liabilities			
(a) Short-term borrowings	8	4,797	7,453
(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		123	8
(c) Other current liabilities	10	445	974
(d) Short term Provisions	11	693	317
Sub-Total Current Liabilities		6,058	8,752
TOTAL EQUITY & LIABILITIES		18,101	16,101
II ASSETS			
1 Non-Current Assets			
(a) Property, Plant and Equipment & Intangible Assets			
(i) Property, Plant and Equipment	12	73	63
(ii) Intangible assets	12	23	9
(b) Deferred Tax Assets	13	503	209
(c) Receivables under financing activity	14	10,368	7,199
Sub-Total - Non Current Assets		10,967	7,480
2 Current Assets			
(a) Receivables under financing activity	14	6,179	7,790
(b) Cash and cash equivalents	15	94	48
(c) Short-term Loans and Advances	16	222	118
(d) Other current assets	17	639	665
Sub-Total - Current Assets		7,134	8,621
TOTAL ASSETS		18,101	16,101

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


Dinesh Kumar Jain
Chartered Accountant
Membership No.: 039139



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


Chetankumar V.
Patel

Director

DIN: 00061443


Alpesh B.
Chandra

Director

DIN: 00061548




Anita N.
Chandra

Director &
CFO

DIN: 07610731


Bharti G. Ajudiya

Company Secretary

Place : Jamnagar

Date : 26th May, 2022

UDIN : 22039139AMUCIF3943



Statement of Profit & Loss for the year ended on 31st March, 2022

(Amt in lakhs)

Particulars	Notes	Year ended 31-Mar-2022	Year ended on 31-Mar-2021
I INCOME			
Income from operations	18	3,060	3,380
Other income	19	25	7
TOTAL REVENUE		3,085	3,387
II EXPENSES			
Employee benefits expense	20	419	300
Finance Costs	21	775	929
Depreciation and amortization expense	12	23	21
Loan Losses and Provisions	22	1,317	655
Other expenses	23	331	781
TOTAL EXPENSES		2,865	2,686
III Profit before tax (I-II)		220	701
IV Tax expenses			
Provision for Current Tax		352	222
Taxation of Earlier Years		-	-8
Deferred Tax Assets		-294	-42
Total Tax Expenses		58	172
V PROFIT/(LOSS) FOR THE YEAR		162	529
Earnings per equity share (Basic and Diluted)			
VI Nominal Value per share Rs.10	24	0.41	1.34

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

Dinesh Kumar Jain
Chartered Accountant

Membership No.: 039139



Chetankumar V. Patel

Chetankumar
V. Patel
Director

DIN: 00061443

Alpesh B. Chandra

Alpesh B. Chandra
Director

DIN: 00061548



Anita N. Chandra

Anita N.
Chandra
Director &
CFO

DIN: 07610731

Bharti G. Ajudiya

Bharti G. Ajudiya
Company Secretary

Place : Jamnagar

Date : 26th May, 2022

UDIN :22039139AMUCIF3943



CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH, 2022

(Amt in lakhs)

Particulars	Year ended on 31-March-2022	Year ended on 31-Mar-2021
A. Cash flow from operating activities		
Net profit before taxation	220	701
<u>Adjustment for:</u>		
Depreciation	23	21
Loan Losses & Provisions	1,317	637
Finance Cost	775	929
Operating Profit before working capital changes	2,335	2,288
<u>Movements in working capital:</u>		
Decrease/-Increase in Receivable from Finance Activities (Non Current and Current)	-1,513	-583
Decrease/-Increase in Loans and Advances and Other Current Assets (Long Term and Short Term)	-76	-260
Increase/-Decrease in Trade Payables	115	-71
Increase/-Decrease in other current & non-current liabilities & provisions	-1,104	-202
Sub-Total Movement in Working Capital	-2,578	-1,116
Net Cash generated from operations	-243	1,172
Direct taxes paid (net of refunds)	-307	-203
NET CASH FROM OPERATING ACTIVITIES	-550	969
B. Cash flow from investing activities		
Purchase of Fixed Assets	-48	-1
Proceeds from disposal of Investment in subsidiary	-	-
NET CASH FLOW FROM INVESTING ACTIVITIES	-48	-1
C. Cash flow form financing activities		
Finance Cost	-775	-929
Increase/-Decrease in Long term borrowing relating operation	1,080	-249
Increase/-Decrease in short term borrowing relating operation	-2,656	234
Premium on PPS set aside during the year	41	
Proceed from issue of PPS	2,954	
NET CASH CLOW FROM FINANCING ACTIVITIES	644	-944



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CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH, 2022

(Amt in lakhs)

Particulars	Year ended on 31-March-2022	Year ended on 31-Mar-2021
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	46	24
Cash and cash equivalents at the beginning of the year	48	-
Cash and cash equivalents at the end of the year	94	48
Components of cash and cash equivalents as at the		
Cash and cheques on hand	26	13
Investment		
With bank		
- In current account & cash credit	68	35
TOTAL	94	48

The figures of the previous year have been re-grouped wherever found necessary.

As per our report of even date

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

Dinesh Kumar Jain
Chartered Accountant
Membership No.: 039139



Chetankumar V. Patel
Director
DIN: 00061443

Alpesh B. Chandra
Director
DIN: 00061548



Anita N. Chandra
Director &
CFO
DIN: 07610731

Bharti G. Ajudiya
Company
Secretary

Place : Jamnagar
Date : 26th May, 2022

UDIN : 22039139AMUCIF3943

KHUSHBU AUTO FINANCE LIMITED

Notes on Accounts & Significant Accounting Policies

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 classified 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 26th May 2022, 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 Note No.30 forming part of these Financial Statements.
- (c) The disclosures required in terms RBI Circular DNBS (PD).CC.No.03/12.05.001/08-09 dated September 17, 2008 w.r.t. Asset Liability Management are given in the Note No.33 forming part of these Financial Statements.
- (d) The Company is wholly owned subsidiary of ATUL AUTO LIMITED with effect from 1st september 2021 during the year whereas the share of the company has been transferred from existing shareholders to the said parent company.

(e) 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.

(f) Impact of COVID-19

The Covid-19 pandemic has affected several countries across the world, including India. Consequent lockdowns and varying restrictions imposed by the government across several jurisdictions in which the Company operates has considerably impacted company's business operations during the year ended March 31, 2022.

In accordance with the Reserve bank of India (RBI) guidelines related to "COVID-19 regulatory package" dated March 27, 2020 and subsequent guidelines on EMI moratorium dated April 17, 2020 and May 23, 2020 the Company has offered moratorium to its customers based on the eligibility for EMIs falling due between March 1, 2020 to August 31, 2020. Further, the Company offered resolution plans to its customers pursuant to RBI's guideline 'Resolution framework for Covid-19 related stress' dated August 6, 2020 and 'Resolution framework for Covid-19 related stress' dated May 5, 2021.

The impact of COVID-19 pandemic on Company's operations and financial metrics, will depend on the future developments, which are highly uncertain. Management continues to monitor the evolving situation on an ongoing basis and management has considered events up to the date of these financial statements, to determine the financial implications.



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2 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) Property Plant and Equipments

Property Plant and Equipments 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.

(c) Depreciation Property Plant and Equipments and Intangible 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	05
Motor Car	08
Other Vehicles	10
Computer end user device	03
Computer server	06
Intangible Assets	05

(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.



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(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 guidelines applicable to NBFCs. 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 certainty of its ultimate collection.

ii. Reversal of Interest capitalised

Interest capitalised at the time of restructuring of advances as per RBI's guideline 'Resolution framework for Covid-19 related stress' dated August 6, 2020, has been reversed to the extent the loan falls under the category on non performing asset and the same has been disclosed under the "Sundry Liabilities Account" as per the instruction given in the guidelines.

iii. 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.

(j) Provision on Non Performing Asset :

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.



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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.

Collateral repossessed

The Company generally does not use the assets repossessed for the internal operations. The underlying loans in respect of which collaterals have been repossessed with an intention to realize by way of sale are considered as NPA. The Company resorts to regular repossession of collateral provided against vehicle loans. As per the Company's accounting policy, collateral repossessed are not recorded on the balance sheet.

Write-offs

Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference recorded as an expense in the period of write off. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

Restructured, rescheduled and modified loans

The Company sometimes makes concessions or modifications to the original terms of loans such as changing the instalment value or changing the tenor of the loan, as a response to the borrower's request. The Company considers the modification of the loan only before the loans gets credit impaired.

When the loan has been renegotiated or modified but not derecognised, the Company also complied with the RBI Circular No. DOR.No.BP.BC/4/21.04.048/2020-21 dated 06.08.2020.

The Company has complied with the RBI Circular No. RBI/202122/32DOR.STR.REC.12/21.04.048/2021-22 for the restructuring of its advances as per the guidance given in the circular.

The Company has reversed the provision made for advances restructured before 1 year from the reporting date in compliance with the circular No. DOR.No.BP.BC/4/21.04.048/2020-21 dated. 06th of August, 2020.

(k) 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.

(l) 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.

(m) 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.

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(a) 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.

(o) Accounting Policy for Participative preference share

The company has issued Participative Preference Shares(PPS) in accordance with the MoU between Atul Auto Limited, the company and its promoters on following Terms

1. PPS shall be redeemable at the end of 5 years from the date of issue.
2. Redemption price shall be the Book value on the latest audited/ limited review balance sheet on the date of redemption.
3. The PPS shall carry fixed dividend at the rate of 0.001% per annum.
4. In the event of declaration of dividend to Equity shareholders, the PPS holders shall be entitled to same rate of dividend.
5. In the event of winding up of company, the PPS holders shall carry preferential right on distribution of assets.
6. In the event of winding up of company, the PPS holders shall have preferential right with regard to repayment of capital over and above the equity shareholders.
7. PPS holders shall not carry any voting rights.
8. PPS are measured at book value of Equity shares at the end of reporting period. At the time of issue of PPS, the difference between the issue price and its value at initial recognition is set aside from balance of surplus in profit and loss.
9. Subsequently, at each reporting period, PPS is measured at book value of Equity share in accordance with terms of MoU and the differential gain/(loss) is recognised in statement of profit and loss account.

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KHUSHBU AUTO FINANCE LIMITED

Notes forming part of Financial Statements for the year ended on 31st March, 2022

(Amt in Lakhs)

Note No.	Particulars		31-Mar-22	31-Mar-21
3	SHARE CAPITAL			
a	<u>Authorized Share Capital</u>			
	Equity Shares of Rs. 10 each	Amt	4,000	4,000
		No of Shares	400	400
	Preference Shares of Rs. 10 each	Amt	1,830	-
		No of Shares	183	-
	Issued, Subscribed & Paid up Share Capital			
	<u>Equity Share of Rs. 10 each</u>	Amt	3,940	3,940
		No of Shares	394	394
	<u>Preference Share of Rs. 10 each</u>	Amt	1,828	-
		No of Shares	183	-
	TOTAL		5,768	3,940
b	<u>Reconciliation of the shares outstanding at the beginning and at the end of the reporting period - Equity Shares</u>			
	At the beginning of the period	Amt	3,940	3,940
		No of Shares	394	394
	Issue during the year	Amt	-	-
		No of Shares	-	-
	At the end of the Year	Amt	3,940	3,940
		No of Shares	394	394
	<u>Reconciliation of the shares outstanding at the beginning and at the end of the reporting period - Preference Shares</u>			
	At the beginning of the period	Amt	-	-
		No of Shares	-	-
	Issue during the year	Amt	1,828	-
		No of Shares	183	-
	At the end of the Year	Amt	1,828	-
		No of Shares	183	-
	Outstanding at the end of the period	Amt	5,768	3,940
		No of Shares	577	394
c	<u>Terms/Rights attached to Equity Shares</u>			
	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	<u>Details of Equity shareholders holding more than 5% shares in the company</u>		During the Year 21-22	
		<u>Number of Shares</u>	<u>% of Total holding</u>	<u>% Change during the year</u>
	Atul Auto Ltd	3,94,00,000	100%	70.00%
	Manju Vijay Kedia	-	0%	17.00%
	Jayantibhai J. Chandra	-	0%	7.51%
	Kedia Securities Pvt. Ltd.	-	0%	5.33%
	<u>Details of Equity shareholders holding more than 5% shares in the company</u>		During the Year 20-21	
		<u>Number of Shares</u>	<u>% of Total holding</u>	<u>% Change during the year</u>
	Atul Auto Ltd	1,18,20,000	30.00%	0.00%
	Manju Vijay Kedia	66,98,000	17.00%	0.00%
	Jayantibhai J. Chandra	29,59,460	7.51%	0.00%
	Kedia Securities Pvt. Ltd.	20,99,605	5.33%	0.00%
	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.			



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KHUSHBU AUTO FINANCE LIMITED

Notes forming part of Financial Statements for the year ended on 31st March, 2022

(Amt in Lakhs)

Note No.	Particulars	31-Mar-22	31-Mar-21
c	During the year under consideration, the company has made an issue of 1,82,79,400 number of Participative Preference Shares ('PPS') having face value of Rs. 10 each at the price of Rs. 16.16 per share with the following terms and conditions:		
	1. PPS shall be redeemable at the end of 5 years from the date of issue.		
	2. Redemption price shall be the Book value on the latest audited/ limited review balance sheet on the date of redemption.		
	3. The PPS shall carry fixed dividend at the rate of 0.001% per annum.		
	4. In the event of declaration of dividend to Equity shareholders, the PPS holders shall be entitled to same rate of dividend.		
	5. In the event of winding up of company, the PPS holders shall carry preferential right on distribution of assets.		
	6. In the event of winding up of company, the PPS holders shall have preferential right with regard to repayment of capital over and above the equity shareholders.		
	7. PPS holders shall not carry any voting rights.		

f Details of Preference shareholders holding as Promoters of the Company

	Number of Shares	% of total holding
Manishaben Atulkumar Chandra	10,74,238	5.88%
Jayantibhai Chandra	29,59,460	16.19%
Mrs. Anita N. Chandra	24,884	0.14%
Krunal Jayantilal Chandra Huf	1,50,132	0.82%
Patel Ashokkumar Jamnadas Huf	7,34,520	4.02%
Hirenkumar V Patel Huf	7,47,794	4.09%
Chandra Jayantibhai Jagjivandas Huf	30,198	0.17%
Patel Mahendrakumar Jamnadas Huf	1,65,567	0.91%
Niraj Jayantilal Chandra Huf	1,34,456	0.74%
Patel Chetankumar Vasantrai Huf	3,54,313	1.94%
Tithi Krunal Chandra	50,158	0.27%
Prafullaben Jayantibhai Chandra	1,95,325	1.07%
Nandan Chetanbhai Patel	1,14,705	0.63%
Dharmendrabhai Jagjivandas Chandra	14,06,808	7.70%
Ashokkumar Jamnadas Patel	51,612	0.28%
Ramaben Dayalal Patel	2,000	0.01%
Dayalal Gordhandas Patel	2,000	0.01%
Minaben Ashokkumar Patel	1,52,164	0.83%
Krishnaben Chetankumar Patel	37,352	0.20%
Hiren Vasantrai Patel	1,30,432	0.71%
Rekhaben Maheshbhai Chandra	2,42,371	1.33%
Maheshbhai Jagjivandas Chandra	8,72,463	4.77%
Bharat Jagjivandas Chandra	2,98,324	1.63%
Ushaben Dharmendrabhai Chandra	1,26,464	0.69%
Alpesh Bharatbhai Chandra	19,05,907	10.43%
Kapilaben Bharatbhai Chandra	28,912	0.16%
Harishbhai Jagjivandas Chandra	12,95,736	7.09%
Harshaben Harishbhai Chandra	32,371	0.18%
Chetankumar Vasantrai Patel	4,26,923	2.34%
Mahendrakumar Jamnadas Patel	3,89,197	2.13%
Manishaben Mahendrakumar Patel	4,28,005	2.34%
Hetal Alpesh Chandra	2,90,000	1.59%
Kajal Hirenbhai Patel	50,588	0.28%
Divya Maheshbhai Chandra	2,33,549	1.28%
Rishi Atulbhai Chandra	12,36,371	6.76%
Samarth Atulbhai Chandra	5,99,518	3.28%
Devarshi D Chandra	4,00,000	2.19%
Yagna Maheshbhai Chandra	6,93,548	3.79%
Pranav Harishbhai Chandra	2,05,035	1.12%
Saroj N Patel	2,000	0.01%
Gectaben Bhagwanji Khant Patel	2,000	0.01%
Umeshchandra Bhagwanji Patel	2,000	0.01%



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KHUSHBU AUTO FINANCE LIMITED

Notes forming part of Financial Statements for the year ended on 31st March, 2022

(Amt in Lakhs)

Note No.	Particulars	31-Mar-22	31-Mar-21
4	RESERVES & SURPLUS		
a	<u>Reserve Fund in terms of section 45IC(1) of the Reserve Bank Of India Act, 1934</u>		
	Balance as per last financial statements	805	699
	Add: Set aside during the year	32	106
	Closing Amount	837	805
b	<u>Securities Premium Account</u>		
	Equity Share Security Premium	965	965
c	<u>Preference Share Premium A/c</u>		
	Premium received from issue of PPS	1,126	-
	Add: Set aside from surplus in statement in Profit and loss account	191	-
	Add: Premium recognised as expense during the year	41	-
	Closing Amount	1,358	-
d	<u>General Reserve</u>	2	2
e	<u>Surplus in the Statement of Profit and Loss</u>		
	Balance as per last financial statement	1,184	761
	Add: Profit/(Loss) during the year	161	529
	Less: Transfer to Reserve Fund in terms of section 45IC(1) of the Reserve Bank Of India Act, 1934	-32	-106
	Less: Set aside to Premium fund for participative preference share	-191	-
	Closing Amount	1,122	1,184
	TOTAL	4,284	2,956
5	LONG TERM BORROWINGS		
	<u>Inter Corporate Deposit (Unsecured Loan)</u>		
	Khushbu Auto Private limited	1 080	-
	<u>ICD from Khushbu Auto Private Limited</u>		
	ICD from Khushbu Auto Private Limited is unsecured and repayable after 31 st March, 2023 or earlier date at the option of the borrower and it carries a interest rate of 9.00% p.a.		
6	OTHER NON CURRENT LIABILITIES		
	Security Deposit	190	171
	TOTAL	190	171
7	LONG TERM PROVISIONS		
	General Provision on Standard Assets	26	15
	General Provision on Restructured Advances as per RBI notification dated 05.05.2021	83	-
	General Provision on Restructured Advances as per RBI notification dated 06.08.2020	-	64
	Provision for Non Performing Assets as per RBI norms	613	203
	TOTAL	721	282
8	SHORT TERM BORROWINGS		
	<u>Secured Borrowings from Bank</u>		
	<u>Cash Credit</u>		
	ICICI Bank	787	1,073
	IDBI Bank	10	-
	<u>Working Capital on Demand Loan Account</u>		
	Yes Bank	3,500	4,000
	IDBI Bank	-	700
	ICICI Bank	500	1,000
	<u>Current maturities of DCB Term Loan</u>	-	249
	<u>Inter Corporate Deposit (Unsecured Loan)</u>		
	Khushbu Auto Private limited	-	431
	TOTAL	4,797	7,453



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KHUSHBU AUTO FINANCE LIMITED

Notes forming part of Financial Statements for the year ended on 31st March, 2022

(Amt in Lakhs)

Note No.	Particulars	31-Mar-22	31-Mar-21
----------	-------------	-----------	-----------

Terms & Conditions of Short Term Borrowings from Banks

Cash Credit:

a Yes Bank

Cash Credit facility is secured by way of first pari passu charge on stock on hire purchase, installments receivables and entire current assets of the borrower and corporate guarantee given by Atul Auto Limited, holding 100% equity share in the company. It carries rate of interest @ 3 months MCLR + 1% for year ended on 31.03.2021 & external benchmark rate + 6.27% for the year ended on 31.03.2022.

b ICICI Bank

Cash Credit facility is secured by way of first pari passu charge on stock on hire purchase, installments receivables and entire current assets of the borrower and corporate guarantee given by Atul Auto Limited, holding 100% equity share in the company. It carries rate of interest @ 6 month MCLR + 1.65% and is repayable on demand.

c IDBI Bank

Cash Credit facility is secured by way of first pari passu charge on stock on hire purchase, installments receivables and entire current assets of the borrower and corporate guarantee given by Atul Auto Limited, holding 100% equity share in the company. It is repayable on demand and carries rate of interest @ 1.70 + 1 year MCLR for the year ended on 31.03.2021 & MCLR (Y) + 2.35% for the year ended on 31.03.2022.

d 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. The same is satisfied during the year.

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 27th March, 2020.

e Working Capital on Demand Loan (WC DL)

WC DL is secured as per securities covered under cash credit. Rate of interest is to be decided at the time of draw down of WC DL and maximum tenure for repayment is 90 days.

Inter-Corporate Deposit from Khushbu Auto Private Limited

ICD from Khushbu Auto Private Limited is unsecured and repayable on demand. It carries interest @ 9% p.a.

9 TRADE PAYABLES

Trade payables

Total outstanding dues of Micro Enterprises and Small Enterprises
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises

	123	8
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TOTAL	123	8
--------------	------------	----------

Trade payables due for payment During the year 20-21

The following ageing schedule shall be given

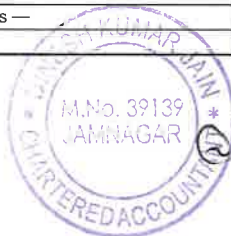
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Particulars					
(i) MSME					
(ii) Others	123	-	-	-	123
(iii) Disputed dues — MSME					
(iv) Disputed dues — Others					

Trade payables due for payment

During the year 21-22

The following ageing schedule shall be given

	Less than 1	1-2 years	2-3 years	More than 3 years	Total
Particulars					
(i) MSME					
(ii) Others	8	-	-	-	8
(iii) Disputed dues — MSME					
(iv) Disputed dues — Others					



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KHUSHBU AUTO FINANCE LIMITED

Notes forming part of Financial Statements for the year ended on 31st March, 2022

(Amt in Lakhs)

Note No.	Particulars	31-Mar-22	31-Mar-21		
	<u>Details of dues to Micro, small and Medium Enterprises as per MSMED Act, 2006</u>				
	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	OTHER CURRENT LIABILITIES				
	Statutory Dues	17	29		
	Security Deposits	6	199		
	Expenses Payable	217	552		
	Payable against loan disbursement to asset vendor	106	133		
	Sundry liabilities Account(Interest Capitalised)(Refer Para (j) of Note 2.2 to the Financial Statement)	29	-		
	Other	69	61		
	TOTAL	445	974		
11	SHORT TERM PROVISIONS				
	<u>Provision for Employee Benefits</u>				
	Provision for Gratuity	11	7		
	<u>Others</u>				
	Provision for Delinquency Fund Expenses	-	14		
	Income Tax of earlier years	1	-		
	<u>Provisions on Financial Assets</u>				
	Provisions on receivables from Income Distribution Partners	404	203		
	General Provision on Standard Assets	5	19		
	General Provision on Restructured Advances as per RBI notification dated 06.08.2020	-	45		
	General Provision on Restructured Advances as per RBI notification dated 05.05.2021	196	-		
	<u>Income Tax Provision</u>				
	Provision for Income Tax (Net of Advance Tax & TDS)	76	29		
	TOTAL	693	317		
13	DEFERRED TAX ASSETS				
	On Provisions on Loans/ Receivables	303	126		
	On Gratuity Provision	3	2		
	On Interest Income recognised as per ICDS	191	77		
	Others	6	4		
	TOTAL	503	209		
14	RECEIVABLES UNDER FINANCING ACTIVITIES				
		Non Current 2022	Non Current 2021	Current 2022	Current 2021
	Secured against hypothecation of automobiles				
	Standard Assets	6,298	5,025	4,821	6,098
	Sub-Standard Assets	3,465	1,050	-	-
	Doubtful Assets	593	283	-	-
	Loss Assets	12	1	-	-
		10,368	6,359	4,821	6,098
	Business loan secured by immovable properties				
	Standard Assets	-	840	1,358	1,692
	TOTAL	10,368	7,199	6,179	7,790
15	CASH & CASH EQUIVALENT				
	Balances with Banks				
	-In Current Accounts & Cash Credits			68	35
	Cash on Hand			26	13
	TOTAL			94	48



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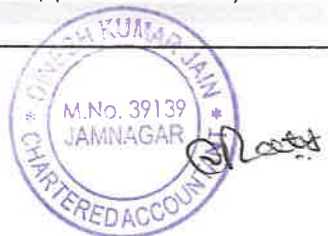


KHUSHBU AUTO FINANCE LIMITED

Notes forming part of Financial Statements for the year ended on 31st March, 2022

(Amt in Lakhs)

Note No.	Particulars	31-Mar-22	31-Mar-21
16	SHORT-TERM LOANS AND ADVANCES		
	Unsecured Considered Good		
	Deposits	2	8
	Balances with Government Authorities	72	51
	Other receivables	148	59
	TOTAL	222	118
17	OTHER CURRENT ASSETS		
	i. Receivable from Collection Agent / Income Distribution Partners		
	Considered Good	104	136
	Considered Doubtful	393	362
	ii. Other Receivables Unsecured Considered Good		
	Interest accrued	137	144
	Other receivables	5	23
	TOTAL	639	665
18	REVENUE FROM OPERATIONS		
	Finance activity		
	a) Financing charges	2,691	3,117
	b) Service and administration charges	112	50
	Other operating revenue		
	Finance Subvention / Incentive	54	57
	Penal Interest Income	197	152
	Other Misc Income	6	4
	TOTAL	3,060	3,380
19	OTHER INCOME		
	Interest on Income Tax Refund	-	7
	Insurance Commission Income	25	-
	TOTAL	25	7
20	EMPLOYEE BENEFIT EXPENSES		
	Salary, Wages & Bonus	343	254
	Contribution to Other funds	26	16
	Staff Welfare	50	30
	TOTAL	419	300
21	FINANCE COSTS		
	Interest on Working Capital	528	672
	Interest on Security Deposit of Income Distribution Partners	118	110
	Corporate Guarantee fees	60	75
	Term Loan Interest	6	51
	Loan Processing Fees	12	9
	Interest on Income Tax	9	9
	Premium on PPS (Refer Para (j) of Note 2.2 to the Financial Statements)	41	-
	Bank Charges	1	3
	TOTAL	775	929
22	LOAN LOSSES AND PROVISIONS		
	Bad Debts Written Off & Loan Losses	521	428
	Provision on Receivables from Income Distribution Partners	200	159
	General provision on Restructured Advances (Refer Para (j) of Note 2.2 to the Financial Statement)	170	109
	Delinquency Fund Expense	19	18
	General provision for Standard Assets	-3	3
	Provision for NPA (as per RBI norms)	410	1
	Moratorium provision/ (Reversal of Provision) on Retail Loans & Business Loans	-	-63
	TOTAL	1,317	655



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KHUSHBU AUTO FINANCE LIMITED

Notes forming part of Financial Statements for the year ended on 31st March, 2022

(Amt in Lakhs)

Note No.	Particulars	31-Mar-22	31-Mar-21
23	OTHER EXPENSES		
	Commission to Income Distribution Partners	24	564
	Rates & Taxes	56	48
	Sourcing and Credit Cost	35	35
	Recovery Cost	30	30
	Rent Expenses	22	29
	IT & Communication Cost	19	16
	Legal & Consultancy Charges	26	14
	Donation / CSR Expenses	15	13
	Travelling	44	9
	Office Expenses	7	7
	Insurance	1	7
	Repairs & Maintenance	18	4
	Auditor's Remuneration	3	3
	Other General & Admin	31	2
	TOTAL	331	781

Payment to auditors includes
Statutory Audit Fees

3 3
3 3

24 EARNING PER SHARE

Net profit as per P & L (Rs. In lakhs)	162	529
Weighted Average No. of share	394	394
Earning Per Share	0.41	1.34

25 CONTINGENT LIABILITIES NOT ACKNOWLEDGED AS DEBT

Particulars	2021-22	2020-21
Outstanding amount of share of loan given by finance company to end user and guaranteed by the holding company (Atul Auto Limited)	987	1,208
Total		1,208

26 PROVISION FOR GRATUITY

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.

The following table summarizes 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.

Particulars	2021-22	2020-21
Net employee benefit expenses recognised in the employee cost		
Current Service cost	-	4
Interest cost on benefit obligation	1	1
Expected return on Plan assets	-	-1
Net Actuarial (Gain)/Loss recognised in the year	-3	-2
Net benefit Expense	-2	2
Benefit Asset / Liability		
Present Value of Defined Benefit Obligation	25	20
Fair Value of Plan Assets	-7	-7
Plan (Asset)/Liability	18	13
Changes in the present value of defined benefit obligation are as follows		
Opening Defined benefit obligation	20	19
Interest cost	1	1
Current Service cost	7	4
Benefit paid	-	-1
Actuarial (Gain)/Loss on obligation	-3	-3
Closing Defined benefit obligation	25	20



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KHUSHBU AUTO FINANCE LIMITED
Notes forming part of Financial Statements for the year ended on 31st March, 2022

(Amt in Lakhs)

Note No.	Particulars	31-Mar-22	31-Mar-21
	Changes in the fair value of plan assets are as follows		
	Opening fair value of plan assets	7	7
	Expected return	-	1
	Contribution by Employer	-	-
	Benefit paid	-	-1
	Actuarial Gain/(Loss)	-	-
	Closing fair value of plan assets	7	7
	Discount rate	7.00%	7.00%
	Interest rate	6.84%	6.84%

27 OTHER NOTES

Previous year's figures have been regrouped/reclassified wherever necessary, to conform to current year's classification.

28 Details of MSME accounts restructured as per instructions given in RBI Circulars No. RBI/2018-19/100 DBR.No.BP.BC.18/21.04.048/2018-19.

Financial year 2021-22

	No. of accounts restructured	Amount Outstanding (₹ in lakhs)	Provision(₹ in lakhs)
As per RBI Circular 'Resolution Framework COVID19 Scheme 1.0	1,716	1,803	-
As per RBI Circular 'Resolution Framework COVID19 Scheme 2.0	1,654	1,906	195

Financial year 2020-21

	No. of accounts restructured	Amount Outstanding (₹ in lakhs)	Provision(₹ in lakhs)
As per RBI Circular 'Resolution Framework COVID19 Scheme 1.0	1,716	2,188	109

29 ADDITIONAL REGULATORY INFORMATION

(i) Title deeds of Immovable Properties not held in name of the Company
 The Company does not own any immovable property in its own name.

(ii) The Company has not revalued any of its property, plant and equipment during the year

(iii) Disclosures regarding Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,)

Type of Borrower

Amount of loan or Percentage to the advance in the total Loans and nature of loan Advances in the outstanding nature of loans

Promoters
 Directors
 KMPs
 Related Parties

-
-
-
-

(iv) Capital-Work in progress (CWIP)

The Company does not have capital work in progress assets.

(v) Intangible assets under development

The Company does not have intangible assets under development.

(vi) The company does not own any Benami property

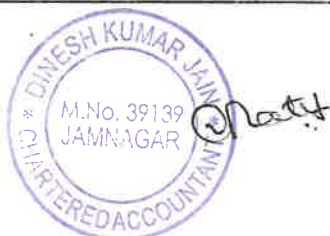
(vii) In respect of the borrowing by the company quarterly statements being submitted to the banks or financial institution are in agreement with the books of accounts.

(viii) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

(ix) The Company does not have any relationship with Struck off Companies.

(x) The Company has not created any charge during the year

(xi) Compliance with number of layers of companies is not applicable to the company



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KHUSHBU AUTO FINANCE LIMITED

Notes forming part of Financial Statements for the year ended on 31st March, 2022

(Amt in Lakhs)

Note No.	Particulars	31-Mar-22	31-Mar-21
	(xii) The disclosures regarding relevant Ratios have been given as per the annexure attached to the notes.		
	(xiii) Corporate Social Responsibility (CSR) KAFL's CSR initiatives and activities are aligned to the requirements of Section 135 of the Act.		
	Particulars	Amount ₹	Amount ₹
	Amount required to be spent by the company during the year,	15	13
	Amount of expenditure incurred,	15	13
	Shortfall at the end of the year,	-	-
	Total of previous years shortfall,	-	-
	Reason for shortfall,	N.A	N.A
	Nature of CSR activities	Donation to trust for Education, Preventive Healthcare and Eradicating hunger and poverty	Donation to trust for Education, Preventive Healthcare and Eradicating hunger and poverty
	Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard, -Donation to Atul Chandra Charitable Trust	15	13
	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	N.A	N.A



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KHUSHBU AUTO FINANCE LIMITED

Notes forming part of Financial Statements for the year ended on 31st March, 2022

NOTE NO. 12: FIXED ASSETS

(Amt. In Lakhs)

Particulars	Tangible Fixed Assets						Total	Intangible Assets
	Furniture & Fixtures	Other Assets (P & M)	Office Equipment	Computer	Vehicles			
Cost								
As at 31st March, 2020	50	25	13	61	37	186	22	
Additions	0	-	1	0	-	2	-	
Disposals	-	-	-	-	-	-	-	
As at 31st March, 2021	50	25	14	61	37	188	22	
Additions	10	6	1	9	-	26	22	
Disposals	-	-	-	-	-	-	-	
As at 31st March, 2022	60	31	15	70	37	213	44	
Depreciation								
As at 31st March, 2020	15	7	4	50	32	108	9	
Additions	4	2	3	7	1	17	4	
Disposals	-	-	-	-	-	-	-	
As at 31st March, 2021	19	9	7	57	33	125	13	
Additions	5	2	3	5	1	15	8	
Disposals	-	-	-	-	-	-	-	
As at 31st March, 2022	24	11	10	62	34	140	21	
Impairment Loss								
As at 31st March, 2020	-	-	-	-	1	1	-	
Charge for the year	-	-	-	-	-	-	-	
As at 31st March, 2021	-	-	-	-	1	1	-	
Net Block								
As at 31st March, 2020	35	18	10	11	4	78	14	
As at 31st March, 2021	31	16	7	4	3	63	9	
As at 31st March, 2022	36	20	5	8	3	73	23	



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KHUSHBU AUTO FINANCE LIMITEDNotes forming part of Financial Statements for the year ended on 31st March, 2022

(Amt. In Lakhs)

NOTE NO. 30 RELATED PARTY DISCLOSURE**(a) Name of Related Parties:**

Investor Company	1 Atul Auto Limited	Holding Company
Key Management Personnel	1 Alpesh B. Chandra 2 Mahesh J. Chandra 3 Chetankumar V. Patel 4 Anita N. Chandra 5 Bharti G. Ajudiya	Director Director Director Director & CFO Company Secretary
Enterprises owned or significantly influenced by key personal management or their relatives	1 Khushbu Auto Private Limited 2 Atul Greentech Private Limited (AGPL) 3 Atul Motors Pvt Ltd 4 Atul Chandra Charitable Trust 5 New Chandra Motorcycle Agency	Common Director Enterprise Owned by Holding Company Common Director Enterprise owned or significantly influenced by relative of Key Managerial Personnel Enterprise owned or significantly influenced by relative of Key Managerial Personnel

(b) Transaction with Related Parties:

		2021-22	2020-21
Atul Auto Limited	1 Rent 2 Corporate Guarantee Fees 3 Finance Subvention Income 4 Reimbursement of Loss	7 71 13 72	6 88 42 -
Khushbu Auto Private Limited	1 Inter Corporate Deposits (ICD at the Beginning of the year : Rs. 431 Lakhs ICD taken during the year : Rs. 1,234.25 Lakhs ICD repaid during the year : Rs. 593 Lakhs ICD at the end of the year : Rs. 1079 Lakhs) 2 Interest Paid on the above ICD 3 Vehicle Repairing Expense Balance at year end as below : Payable to Khushbu Auto Private Limited On account of Inter Corporate Deposits and Interest thereon Rs. 1080 Lakhs	60 0.11	- -
Atul Motors Pvt Ltd	1 Vehicle Repairing Expense 2 Purchase of Furniture and other Fixed Assets Balance at year end as below : Payable to AMPL Rs.0.14 Lakh	0.29 15.68	- -
Atul Chandra Charitable Trust	1 CSR Expenditure	15	13
Atul Greentech private limited	1 Inter Corporate Deposits (ICD given during the year : Rs. 1,225 Lakhs ICD repayment received during the year : Rs. 1225 Lakhs Income Receivable(Closing Balance at the end of the year : Rs. 10,652) 2 Interest received on the above ICD Balance at year end as below : Receivable from AGPL Rs.0.11 Lakh	49	-



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KHUSHBU AUTO FINANCE LIMITEDNotes forming part of Financial Statements for the year ended on 31st March, 2022

(Amt. In Lakhs)

NOTE NO. 30 RELATED PARTY DISCLOSURE

New Chandra Motor Cycle agency Jamnagar	1 Dealer Deposit	0.02	-
	Balance at year end as below :		
	Payable to NCMCA Rs. 1.05 Lakh		
Key Management Personnel	1 Remuneration to Chief Financial Officer	6	7
	2 Remuneration to Company Secretary	2	2
Holdings by related parties	Following is the list of related parties having holding in participative preference share of 10 each issued by the company		
	1 Jayantibhai Chandra	296	-
	2 Mrs. Anita N. Chandra	2	-
	3 Chandra Jayantibhai Jagjivandas Huf	3	-
	4 Niraj Jayantilal Chandra Huf	13	-
	5 Patel Chetankumar Vasantrai Huf	35	-
	6 Nandan Chetanbhai Patel	11	-
	7 Dharmendrabhai Jagjivandas Chandra	141	-
	8 Krishnaben Chetankumar Patel	4	-
	9 Hiren Vasantrai Patel	13	-
	10 Rekhaben Maheshbhai Chandra	24	-
	11 Maheshbhai Jagjivandas Chandra	87	-
	12 Bharat Jagjivandas Chandra	30	-
	13 Alpesh Bharatbhai Chandra	191	-
	14 Kapilaben Bharatbhai Chandra	3	-
	15 Harishbhai Jagjivandas Chandra	130	-
	16 Chetankumar Vasantrai Patel	43	-
	17 Hetal Alpesh Chandra	29	-
	18 Divya Maheshbhai Chandra	23	-
	19 Yagna Maheshbhai Chandra	69	-
	20 Krunal Jayantilal Chandra Huf	15	-
	21 Patel Ashokkumar Jamnadas Huf	73	-
	22 Hirenkumar V Patel Huf	75	-
	23 Chandra Jayantibhai Jagjivandas Huf	17	-
	24 Patel Mahendrakumar Jamnadas Huf	5	-
	25 Niraj Jayantilal Chandra Huf	20	-
	26 Patel Chetankumar Vasantrai Huf	5	-
	27 Tithi Krunal Chandra	39	-



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KHUSHBU AUTO FINANCE LIMITED

Notes forming part of Financial Statements for the year ended on 31st March, 2022

NOTE NO. 31: Financial Ratios

Sr. No.	Particulars	Numerator	Denominator	Year 21-22	Year 20-21	% Variance	Reason for variance
1	Current Ratio	Current Asset	Current Liabilities	1.18	0.99	19.55%	-
2	Debt/Equity Ratio	Total Debt	Shareholder's Equity	0.58	1.08	-45.90%	Refer Note 1 Below**
3	Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	2.16	5.35035	-59.59%	Refer Note 2 Below**
4	Return On Equity ratio	Net Profits after taxes - Preference Dividend (if any)	Average Shareholder's Equity	4%	13%	-69.43%	Refer Note 2 Below**
5	Inventory Turnover ratio	N.A	N.A	-	-	-	-
6	Trade receivable turnover ratio	N.A	N.A	-	-	-	-
7	Trade payable turnover ratio	N.A	N.A	-	-	-	-
8	Net Capital Turnover ratio	N.A	N.A	-	-	-	-
9	Net Profit Ratio	Net Profit	Net Sales	6.01%	17%	-64.59%	Refer Note 2 Below**
10	ROCE	Earning before interest and taxes	Capital Employed	6.24%	11%	-45.07%	Refer Note 2 Below**
11	Return on Investment	N.A	N.A	-	-	-	-

****Notes**

1. During the year company has issued PIS of Rs. 2953.951 lacs (including premium). Hence Debt Equity ratio of company is reduced significantly from 1.08 to 0.58

Major borrower of the company are from lower income/no income group which has been affected on account of second wave of COVID19 For FY 2020-21 RBI has given relief by way of moratorium and resolution framework scheme 1.0 upto 31st march 2021. However, for FY 2021-22 RBI has given relief by resolution framework 2.0 upto 30th September 2021. Hence, For FY 21-22 Loan, losses and provision has been increase to Rs. 1317 Lakhs which has adversely affected (i) Return on equity ratio, (ii) Net profit ratio, (iii) ROCE Ratio and (iv) Debt Service Coverage Ratio.



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KHUSHBU AUTO FINANCE LIMITEDNotes forming part of Financial Statements for the year ended on 31st March, 2022**NOTE NO. 32 : DISCLOSURE IN TERMS OF NON-BANKING FINANCIAL (NON-DEPOSIT ACCEPTING OR HOLDING) COMPANIES PRUDENTIAL NORMS (RESERVE BANK) DIRECTIONS, 2016****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 lakhs)

Liabilities side

	Amount outstanding	Amount overdue
(1) Loans and advances availed by the non- banking financial company inclusive of interest accrued thereon but not paid :		
Debitures : Secured	-	-
(a) Debitures : Unsecured (other than falling within the meaning of public deposits*)	-	-
(b) Deferred Credits	-	-
(c) Term Loans	-	-
(d) Inter-corporate loans and borrowing	1,080	-
(e) Commercial Paper	-	-
(f) Public Deposit*	-	-
(g) Other Loans - Working Capital Finance from Banks (* Please refer Note 1 below)	4,797	-
(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	-	-
(c) Other Public deposits (* Please refer 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	1,358
(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	-



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KHUSHBU AUTO FINANCE LIMITED

Notes forming part of Financial Statements for the year ended on 31st March, 2022

NOTE NO. 32 : DISCLOSURE IN TERMS OF NON-BANKING FINANCIAL (NON-DEPOSIT ACCEPTING OR HOLDING) COMPANIES PRUDENTIAL NORMS (RESERVE BANK) DIRECTIONS, 2016

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 lakhs)

(iii) Other loans counting towards AFC activities:

(a) Loans where assets have been repossessed	12
(b) Loans other than (a) above	15,177

(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)	



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KHUSHBU AUTO FINANCE LIMITEDNotes forming part of Financial Statements for the year ended on 31st March, 2022**NOTE NO. 32 : DISCLOSURE IN TERMS OF NON-BANKING FINANCIAL (NON-DEPOSIT ACCEPTING OR HOLDING) COMPANIES PRUDENTIAL NORMS (RESERVE BANK) DIRECTIONS, 2016****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 lakhs)

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

Category	Amount net of provisions		Total
	Secured	Unsecured	
1. Related Parties **			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	15,625	-	15,625
Total	15,625	-	15,625

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

(Please refer 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 refer Note 3)

(8) Other information

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	4,799
(ii) Net Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	4,070
(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



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KHUSHBU AUTO FINANCE LIMITED

Notes forming part of Financial Statements for the year ended on 31st March, 2022

NOTE NO. 33 ASSET-LIABILITY MANGEMENT

Maturity pattern of certain items of assets and liabilities as at 31st March, 2022

(As per RBI Circular Master Direction DNBR.PD.007/03.10.119/2016-17 dated September 01, 2016)

Particulars	(Amt. in lakhs)								
	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	More than 5 year	Total
A. INFLOW									
Cash & Cash Equivalents	94	-	-	-	-	-	-	-	94
Advances (Receivables under financing activity)	488	487	489	1,336	3,168	5,409	3,940	306	15,624
Property, Plant & Equipment	-	-	-	-	-	-	-	74	74
Intangible Assets	-	-	-	-	-	-	-	23	23
Deferred Tax Assets	-	-	-	-	-	503	-	-	503
Other Receivables	-	-	-	-	456	-	-	-	456
Sub-total	582	487	489	1,336	3,624	5,912	3,940	403	16,774
Cumulative Total Inflows	582	1,070	1,558	2,894	6,519	12,431	16,371	16,774	16,774
B. OUTFLOWS									
Equity Capital	-	-	-	-	-	-	-	3,940	3,940
Reserves & Surplus (excluding Preference Share Premium)	-	-	-	-	-	-	-	2,924	2,924
Redeemable Preference Share Capital (Including Preference Share Premium)	-	-	-	-	-	-	3,187	-	3,187
DDP deposits & Other Deposits	-	-	-	-	-	190	-	-	190
Long term borrowing	-	-	-	-	-	1,080	-	-	1,080
Short term borrowing*	-	-	-	-	4,797	-	-	-	4,797
Trade Payable and Others	106	17	-	-	533	-	-	-	656
Sub-total	106	17	-	-	5,330	1,270	3,187	6,864	16,774
Cumulative Total Outflows	106	123	123	123	5,453	6,723	9,910	16,774	16,774
GAP	476	470	489	1,336	-1,706	4,642	753	-6,461	0
CUMULATIVE GAP	476	947	1,435	2,771	1,066	5,708	6,461	0	0

(*) As at 31st March, 2022, the company has undrawn working capital facility of Rs. 5,203 lakhs.



Sharma

Butel

Ghandia

