

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, 2023, 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, 2023.
- (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.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Board's Report including Annexure to Board's Report, but does not include the financial statements and my auditor's report thereon.

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

In connection with the audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially



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inconsistent with the financial statements, or my knowledge obtained during the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information; I required to report that fact. I have nothing to report in this regard.

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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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



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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.
 - d. In my opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Accounts) Rules, 2014;
 - e. On the basis of written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In my opinion and according to the information and explanations given to me, the managerial remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act, read with Schedule V of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by me.
 - g. 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".



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- 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 does not have any long-term contracts including derivative contracts; hence the question of any material foreseeable losses does not arise;
 - (iii) No amounts were required to be transferred to the Investor Education and Protection fund by the company.
3. As required under Rule 11(e) of the Companies (Audit and Auditors) Rule, 2014, I report that
- a. The management has represented that, other than as disclosed in the notes to the accounts,
 - i) The reporting entity has not used an intermediary or
 - ii) The reporting entity has not acted as an intermediary for advancing / loaning to / investing funds in ultimate beneficiary / ultimate beneficiary / ultimate beneficiary identified by the funding party or has not provided any guarantee / security or the like on behalf of the ultimate beneficiary / funding party
 - b. I have performed audit procedures and examined the appropriateness of such representation given by the management as per the requirement of Rule 11(e)(i) and (ii). Based on such examination, I report that nothing come to my notice that has caused me to believe that the above mentioned representation contains any material misstatement.
4. The Company has not been declared and paid any dividend during the financial year hence provision prescribed under section 123 of The Companies Act, 2013 read with Rule 11(f) of the Companies (Audit and Auditors) Rule, 2014 is not applicable.


Dineshkumar Jain

Chartered Accountant

Membership No. 039139



Place: Jamnagar

Date: 19th May, 2023

UDIN: 23039139BGZMEB5381

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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 not carried 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.



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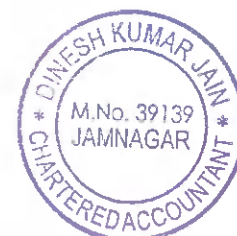
- (c) The Company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors 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.
- (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 180 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.



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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, 2023, 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 as under:-

Name of Statute	Nature of the dues	Period	Amount Demanded (in Lakh)	Amount Deposited (in Lakh)	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	2017-18	46*	-	Commissioner (Appeals)

* Demand for Rs. 46 lakh (excluding interest amount on demand) outstanding is in respect of assessment order passed on 29.03.2023.

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.

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 obtained the money by way of term loans from bank during the year and has also made timely repayment.



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- (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, 2023 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) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

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.

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. 32 to the financial statements.



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xiv. Internal Audit

- a. The Company has an internal audit system commensurate with the size and nature of its business.
- b. The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by me.

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 Certificate of Registration 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.




Dineshkumar Jain
Chartered Accountant
Membership No. 039139

Place: Jamnagar

Date: 19th May, 2023

UDIN: 23039139BGZMEB5381

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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 2023 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.



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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.

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, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.


Dineshkumar Jain
Chartered Accountant
Membership No. 039139



Place: Jamnagar

Date: 19th May, 2023

UDIN: 23039139BGZMEB5381

Khushbu Auto Finance Limited
(CIN : U74999GJ1994PLC022816)

Standalone Balance Sheet as at 31 March 2023

(All amounts are in Indian Rupees in lakhs)

Sr. No.	Particulars	Note	As at 31 March 2023	As at 31 March 2022
I	EQUITY AND LIABILITIES			
1.	Shareholders' funds			
a.	Share Capital	3	5,768	5,768
b.	Reserves and surplus	4	4,854	4,284
	Total Shareholders' funds		10,622	10,052
	Liabilities			
2.	Non-current Liabilities			
a.	Long-term borrowings	5(a)	1,111	1,080
b.	Other Long term liabilities	6	289	219
c.	Provisions	7(a)	982	1,126
	Total Non-current Liabilities		2,382	2,425
3.	Current Liabilities			
a.	Short-term borrowings	5(b)	6,751	4,797
b.	Trade Payables	8		
	Total outstanding dues of Micro Enterprises and Small Enterprises		-	-
	Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		213	123
c.	Other Current Liabilities	9	243	361
d.	Short-term provisions	7(b)	76	343
	Total Current Liabilities		7,283	5,624
	Total Equity and Liabilities		20,287	18,101
II.	ASSETS			
1.	Non-current Assets			
a.	Property, Plant and Equipment and Intangible assets			
	(i) Property, Plant and Equipment	10	61	73
	(ii) Intangible assets	10	16	23
b.	Deferred Tax Assets	11	473	503
c.	Receivables under Financing Activities	12	12,234	10,368
d.	Other Non Current Assets	13	192	403
	Total Non-current Assets		12,976	11,370
2.	Current Assets			
a.	Receivables under Financing Activities	12	6,934	6,179
b.	Cash and Cash Equivalents	14	45	94
c.	Short Term Loans and Advances	15	55	144
d.	Other Current Assets	16	277	314
	Total Current Assets		7,311	6,731
	Total Assets		20,287	18,101

The notes on account form integral part of the financial statements 1 to 36

As per our report of even date


Dinesh Kumar Jain
Chartered Accountant



Membership No.: 039139

PLACE: JAMNAGAR
DATE: 19.05.2023
UDIN: 23039139BGZMEB5381

For and On behalf of Khushbu Auto Finance Limited

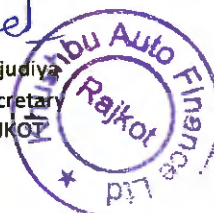

Chetankumar Patel
Director


Anita N. Chandra
Whole Time Director and
CFO

(DIN: 0061443)
PLACE: RAJKOT

(DIN: 0061482)
PLACE: LONDON


Bharati G. Ajudiya
Company Secretary
PLACE: RAJKOT



Khushbu Auto Finance Limited
(CIN : U74999GJ1994PLC022816)


Statement of Profit and Loss for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs)

Sr.No.	Particulars	Note	For the year ended	For the year ended
			31 March 2023	31 March 2022
	Revenue			
I	Revenue from Operations	17		
	a. Revenue from Financing Activity		3,306	2,802
	b. Other Operating Income		320	258
II	Other Income	18	3	25
III	Total Income (I+II)		3,629	3,085
	Expenses			
IV	a. Employee Benefits Expense	19	489	374
	b. Finance Costs	20	962	775
	c. Loans Losses and Provisions	21	962	1,317
	d. Depreciation and Amortisation Expense	10	22	23
	e. Other expenses	22	593	377
	Total Expenses (IV)		3,028	2,866
V	Profit/(Loss) before Exceptional and extraordinary Items and tax (III-IV)		601	219
VI	Exceptional Items			
VII	Profit/(Loss) before extraordinary Items and tax (III-IV)		601	219
VIII	Extraordinary Items			
IX	Profit/(Loss) before tax (VII-VIII)		601	219
X	Tax Expenses	23		
	Current Tax		171	351
	Income Tax of Previous Years		19	1
	Deferred Tax		22	(294)
XI	Profit/(Loss) for the Year (IX-X)		389	161
11	Earnings Per Share			
	Basic & Diluted	24	0.99	0.41



The notes on account form integral part of the financial statements
As per our report of even date

1 to 36


Dinesh Kumar Jain
Chartered Accountant
Membership No.: 039139



For and On behalf of Khushbu Auto Finance Limited

 
Chetankumar Patel **Anita N. Chandra**
Director Whole Time Director
and CFO
(DIN: 0061443) (DIN: 0061482)
PLACE: RAJKOT PLACE: LONDON

PLACE: JAMNAGAR
DATE: 19.05.2023
UDIN: 23039139BGZMEB5381


Bharati G. Ajudya
Company Secretary
PLACE: RAJKOT




Khushbu Auto Finance Limited
(CIN : U74999GJ1994PLC022816)

Cash Flow Statement for the year ended on 31st March, 2023

(All amounts are in Indian Rupees in lakhs)

Sr. No.	Particulars	Year ended on 31 March 2023	Year ended on 31 March 2022
A.	Cash flow from operating activities		
	Net profit before taxation	601	219
	<u>Adjustment for:</u>		
	Depreciation	22	23
	Loan Losses & Provisions	962	1,317
	Finance Cost	962	775
	Operating Profit before working capital changes	2,547	2,334
	<u>Movements in working capital:</u>		
	Decrease/-Increase in Receivable from Finance Activities	(2,538)	(1,513)
	Decrease/-Increase in Loans and Advances and Other Current Assets (Long Term and Short Term)	339	(76)
	Increase/-Decrease in Trade Payables	90	115
	Increase/-Decrease in other current & non-current liabilities & provisions	(1,563)	(1,104)
	Sub-Total Movement in Working Capital	(3,672)	(2,578)
	Net Cash generated from operations	(1,125)	(244)
	Direct taxes paid (net of refunds)	(125)	(307)
	NET CASH FROM OPERATING ACTIVITIES	(1,250)	(551)
B.	Cash flow from investing activities		
	Purchase of Fixed Assets	(3)	(47)
	Proceeds from disposal of Investment in subsidiary	-	-
	NET CASH FLOW FROM INVESTING ACTIVITIES	(3)	(47)
C.	Cash flow from financing activities		
	Finance Cost	(962)	(775)
	Increase/-Decrease in Long term borrowing relating operation	31	1,080
	Increase/-Decrease in short term borrowing relating operation	1,954	(2,656)
	Premium on PPS set aside during the year	181	41
	Proceed from issue of PPS	-	2,954
	NET CASH CLOW FROM FINANCING ACTIVITIES	1,204	644
	NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(49)	46
	Cash and cash equivalents at the beginning of the year	94	48
	Cash and cash equivalents at the end of the year	45	94
	Components of cash and cash equivalents as at the end of the year		
	Cash and cheques on hand	24	26
	Investment		
	With bank		
	- In current account & cash credit	21	68
	TOTAL	45	94


The figures of the previous year have been re-grouped wherever found necessary.
As per our report of even date


Dinesh Kumar Jain
Chartered Accountant


Membership No.: 039139

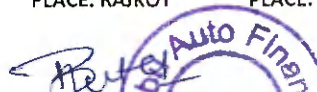
PLACE: JAMNAGAR
DATE: 19.05.2023
UDIN: 23039139BGZMEB5381

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


Chetankumar Patel
Director

(DIN: 0061443)
PLACE: RAJKOT


Anita N. Chandra
Whole Time
Director and CFO
(DIN: 0061482)
PLACE: LONDON


Bharati G. Ajadliya
Company Secretary
PLACE: RAJKOT

Khushbu Auto Finance Limited
(CIN : U74999GJ1994PLC022816)

Notes to the financial statements for the year ended 31 March 2023

1 Note on Accounts

1 Corporate information

- (a) 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 & two-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 19th May 2023, 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. 33 forming part of these Financial Statements.

- (c) The disclosures required in terms RBI Circular DNBS (PD).CC.No.15/02.01/2000-2001 dated June 27, 2001 w.r.t. Asset Liability Management are given in the Note No. 34 forming part of these Financial Statements.

(d) 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 if any.

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

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure, and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

(c) Depreciation on tangible/intangible fixed assets

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

Useful lives of assets estimated by management (years)

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



Khushbu Auto Finance Limited
(CIN : U74999GJ1994PLC022816)

Notes to the financial statements for the year ended 31 March 2023

(d) Income taxes

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

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

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

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

(e) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

(f) Segment Reporting

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

(g) Revenue Recognition

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

i. Interest Income and other penal charges

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

ii. 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.

iv. Documentation Charges

Revenue is recognised when company disburse loan to the borrower as per the loan agreement.

(h) 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.



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Khushbu Auto Finance Limited
(CIN : U74999GJ1994PLC022816)

Notes to the financial statements for the year ended 31 March 2023

(i) Provision on Non Performing Asset :

a. 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.

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

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

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

c. 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.

d. 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.

e. 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 restructuring of advances as complied as per the circular dated 05/05/2021 as per the instruction the said provision was required to be maintained for the period of 1 Year from the application of the said circular.

(j) Contingent Liabilities

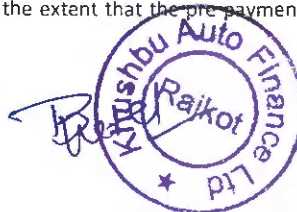
A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an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

(k) Cash and cash equivalents

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

(l) Retirement and other employee benefits

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



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Khushbu Auto Finance Limited
(CIN : U74999GJ1994PLC022816)

Notes to the financial statements for the year ended 31 March 2023

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

(m) Impairment

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

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

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

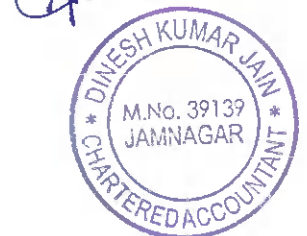
After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

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

(n) Accounting Policy for Participative preference share

The company has issued in FY 2021-22 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.
10. The Company recognise expenses/(income) in respect of premium on PPS payable to the extent of increase/(decrease) in book value of shares of the company in statement of profit and loss under the head finance cost.



Khushbu Auto Finance Limited
(CIN : U74999GJ1994PLC022816)

Notes to the financial statements for the year ended 31 March 2023

(All amounts are in Rupees in lakhs except in No of Shares in Note no. 3)

Particulars	As at		As at	
	31 March 2023		31 March 2022	
3. (a) Authorised Shares				
Equity Shares of Rs. 10 each	No. of Shares	400,00,000		400,00,000
	Amount(Rs.)	4,000		4,000
Preference Shares of Rs. 10 each	No. of Shares	183,00,000		183,00,000
	Amount(Rs.)	1,830		1,830
Issued Subscribed and Paid up Shares				
Equity Shares of Rs. 10 each	No. of Shares	394,00,000		394,00,000
	Amount(Rs.)	3,940		3,940
Preference Shares of Rs. 10 each	No. of Shares	182,79,400		182,79,400
	Amount(Rs.)	1,828		1,828
Total Share Capital		5,768		5,768

(b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period - Equity Shares

	As at		As at	
	31 March 2023		31 March 2022	
	No.	Amount	No.	Amount
At Beginning of the period	3,94,00,000	3,940	3,94,00,000	3,940
Outstanding at the End of the period	3,94,00,000	3,940	3,94,00,000	3,940

(c) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period - Preference Shares

	As at		As at	
	31 March 2023		31 March 2022	
	No.	Amount	No.	Amount
At Beginning of the period	1,82,79,400	1,828	-	-
Issued during the period	-	-	1,82,79,400	1,828
Outstanding at the End of the period	1,82,79,400	1,828	1,82,79,400	1,828

(d) Terms/Rights attached to Equity Shares

The company has only one class of equity shares having a value of ₹ 10/- per share. 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.

(e) Terms/Rights attached to Preference Shares

- PPS shall be redeemable at the end of 5 years from the date of issue.
- Redemption price shall be the Book value on the latest audited/ limited review balance sheet on the date of redemption.
- The PPS shall carry fixed dividend at the rate of 0.001% per annum.
- In the event of declaration of dividend to Equity shareholders, the PPS holders shall be entitled to same rate of dividend.
- In the event of winding up of company, the PPS holders shall carry preferential right on distribution of assets.
- 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.
- PPS holders shall not carry any voting rights.

(f) Details of Equity Shareholders in the company

Atul Auto Limited

As at		As at	
31 March 2023		31 March 2022	
No. of Shares	% of Holding	No. of Shares	% of Holding
3,94,00,000	100%	3,94,00,000	100%

The following are the registered shareholder Whose Beneficial Shareholder is Atul Auto Limited.

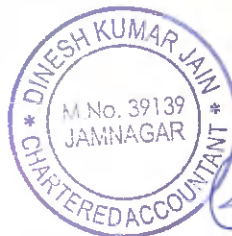
- Manishaben Atulkumar Chandra
- Jayantibhai Chandra
- Maheshbhai Jagjivandas Chandra
- Alpesh Bharatbhai Chandra
- Chetankumar Vasantrai Patel
- Mahendrakumar Jamnadas Patel

(Each person mentioned above holds 1 Share in Khushbu Auto Finance Limited.)

(g) Details of Preference Shareholders

Alpesh Bharatbhai Chandra
Ashokkumar Jamnadas Patel
Bharat Jagjivandas Chandra
Chandra Jayantibhai Jagjivandas Hur
Chetankumar Vasantrai Patel

As at		As at	
31 March 2023		31 March 2022	
No. of Shares	% of Holding	No. of Shares	% of Holding
19,05,907	10.43%	19,05,907	10.43%
51,612	0.28%	51,612	0.28%
2,98,324	1.63%	2,98,324	1.63%
30,198	0.17%	30,198	0.17%
4,26,923	2.34%	4,26,923	2.34%



Alpesh

Manish

Khushbu Auto Finance Limited
(CIN : U74999GJ1994PLC022816)

Notes to the financial statements for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
5. Borrowings		
(a) Long Term Borrowings		
Secured Borrowings		
Term Loan	1,111	-
Unsecured Borrowings		
Inter Corporate Deposit	-	1,080
Total (a)	1,111	1,080
(b) Short Term Borrowings		
Secured Borrowings		
Cash Credits (Repayable on demand)	2,084	797
Working Capital Demand Loans	4,000	4,000
Current Maturities of Long Term Borrowings	667	-
Total (b)	6,751	4,797
Total Borrowings (a) + (b)	7,862	5,877

5.1 Terms & Conditions

A. Inter Corporate Deposits

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

B. Term Loan

IDFC First Bank Limited Rs. 1778 lakhs (P.Y. Rs. Nil)

The Loan is secured by pari passu charge on Borrower's receivables arising out of loan, lease and trade advances, All other books debt, Receivables from pass through certificates in which company has invested(if any), Other current assets arising from time to time and charged to other lenders with a security cover of 1.25x. It carries Interest rate 3 months MCLR + Margin of 1.7% pa with minimum pricing of 9.90%. The loan shall be repaid in 36 equal monthly instalments of Rs. 55,55,555/- post 3 months of moratorium.

C. Cash Credit

a. Yes Bank

Cash Credit facility is secured by way of first pari passu charge on stock on hire purchase, instalments 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 & external benchmark lending rate + 5.75%

b. ICICI Bank

Cash Credit facility is secured by way of first pari passu charge on stock on hire purchase, instalments 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 @ Repo Rate + Spread of 4.10% and is repayable on demand and is valid till 26 July 2023.

c. IDBI Bank

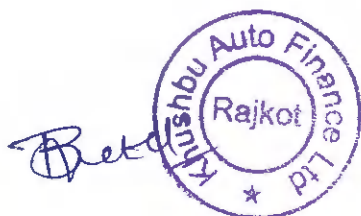
Cash Credit facility is secured by way of first pari passu charge on stock on hire purchase, instalments receivables and entire current assets of the borrower and corporate guarantee given by Atul Auto Limited, holding 100% equity share in the company. It is repayable on demand and carries rate of interest @ 1.70 + 1 year MCLR for the year ended on 31.03.2021 & MCLR (Y) + 2.35% for the year ended on 31.03.2023.

d. IDFC First Bank

Cash Credit facility is secured by way of first pari passu charge on stock on hire purchase, instalments 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 margin of 1.1% p.a with minimum rate of interest of 9.90% + 12 months MCLR.

e. Working Capital on Demand Loan (WCDL) :

WCDL is secured as per securities covered under cash credit. Rate of interest is to be decided at the time of draw down of WCDL and maximum tenure for repayment is 180 days.



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Khushbu Auto Finance Limited
(CIN : U74999GJ1994PLC022816)

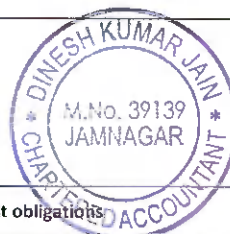
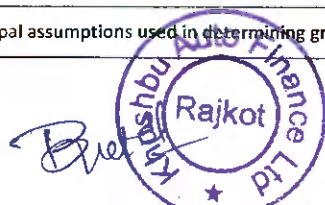
Notes to the financial statements for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
7. Provisions		
(a) Non -Current Provisions		
General Provision on Standard Assets	20	26
General Provision on Restructured Advances as per RBI notification dated 05.05.2021	-	83
Provision for Non Performing Assets as per RBI norms	772	613
Provision for balances of Income Distribution Partners	190	404
Total (a)	982	1,126
(b) Current Provisions		
Employee Benefit Provisions		
Provision for Gratuity	17	11
Provision on Asset Under Management		
General Provision on Standard Assets	17	5
General Provision on Restructured Advances as per RBI notification dated 05.05.2021	-	196
Provision for Non Performing Assets as per RBI norms	8	
Provision for Income Taxes		
Current Year Provision (Net of Advance Tax and TDS)	-	76
Provision for Income Tax of Earlier Years	-	1
Other Provisions		
Provision on Loan guaranteed to Cholamandalam Investment and Finance Company Limited	23	-
IDP Commission Provision	11	54
Total (b)	76	343
Total Provisions (a) + (b)	1,058	1,469

6.1 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 The following table summaries the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans.

Net Employee Benefit Expense recognized in the employee cost	As at 31 March 2023	As at 31 March 2022
Current Service Cost	6	-
Interest cost on benefit obligation	1	1
Expected return on plan assets	(1)	-
Net Actuarial (Gain)/Loss recognised in the year	(1)	(3)
Net Benefit Expenses	5	(2)
Benefit asset/liability	As at 31 March 2023	As at 31 March 2022
Present Value of defined benefit obligation	22	25
Fair Value of Plan Assets	(5)	(7)
Plan (Asset)/Liability	17	18
Changes in the present value of the defined benefit obligation	As at 31 March 2023	As at 31 March 2022
Opening defined benefit obligation	25	20
Interest Cost	1	1
Current service cost	6	7
Benefit paid during the year	2	-
Actuarial (gains)/losses on obligation	(12)	(3)
Closing defined benefit obligation	22	25
Changes in the fair value of plan assets	As at 31 March 2023	As at 31 March 2022
Opening fair value of plan assets	7	7
Expected return	(1)	-
Contribution by employer	-	-
Benefit paid during the year	2	-
Actuarial gains/(losses)	(3)	-
Closing fair value of plan assets	5	7
The principal assumptions used in determining gratuity benefit obligations	As at 31 March 2023	As at 31 March 2022



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Khushbu Auto Finance Limited
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Notes to the financial statements for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs)

Discount rate	7.48%	7.00%
Expected rate of return on assets	7.27%	6.84%

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand of the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Particulars	As at 31 March 2023	As at 31 March 2022
6 Other non-current liabilities		
Security Deposits	206	190
Sundry Liabilities Account (Interest Capitalised) (Refer Para (g) of Note 2 to the Financial Statements)	83	29
	289	219

Particulars	As at 31 March 2023	As at 31 March 2022
8. Trade Payables		
Total outstanding dues of micro small and medium enterprises	-	-
Total outstanding dues other than Micro small and medium enterprises	213	123
	213	123

8.1 Payables to MSME

The principal amount due to suppliers
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006
The amount of interest due and payable for the period of delay in making payment.
The amount of interest accrued and remaining unpaid at the end of each accounting year.
The amount of further interest remaining due and payable even in the succeeding years as per Section 23 of MSMED Act, 2006.

Particulars	As at 31 March 2023	As at 31 March 2022
	-	-
	-	-
	-	-
	-	-
	-	-

8.2 The age wise analysis of the Trade Payables as per Sub Ledger is given below:-

Particulars	Financial Year 2022-23				
	(Amount in Rs.)				
	Outstanding for following periods from due date of payment				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	-	-	-	-	-
(ii) Others	129	84	-	-	213
(iii) Disputed Dues- MSME	-	-	-	-	-
(iv) Disputed Dues- Others	-	-	-	-	-



Khushbu Auto Finance Limited
(CIN : U74999GJ1994PLC022816)

Notes to the financial statements for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs)

Particulars	Financial Year 2021-22				
	(Amount in Rs.)				
	Outstanding for following periods from due date of payment				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	-	-	-	-	-
(ii) Others	123	-	-	-	123
(iii) Disputed Dues- MSME	-	-	-	-	-
(iv) Disputed Dues- Others	-	-	-	-	-

Particulars	As at 31 March 2023	As at 31 March 2022
-------------	------------------------	------------------------

9. Other current liabilities

Statutory Dues Payable	17	17
Security Deposits	2	6
Advance from Customers	11	13
Expenses Payable	114	166
Payable against Loan Disbursement to Asset Vendors	97	106
Other Liabilities	2	53
	<u>243</u>	<u>361</u>



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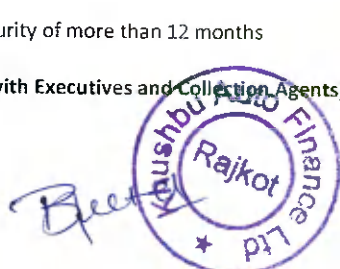
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Khushbu Auto Finance Limited
(CIN : U74999GJ1994PLC022816)
Notes to the financial statements for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
11. Deferred Tax Assets		
<u>On account of timing difference in</u>		
Provisions of Loans and Receivables	206	303
Provisions of Gratuity	6	3
Interest Income recognised as per ICDS	257	191
Others	4	6
Deferred Tax Assets	473	503
Particulars	As at 31 March 2023	As at 31 March 2022
12. Receivables under Financing Activities		
(A) Vehicle Loans Secured Against Hypothecation of Automobiles		
<u>Non Current Receivables</u>		
Standard Assets	7,641	6,298
Sub-standard Assets	3,208	3,465
Doubtful Assets	698	593
Loss Assets	44	12
<u>Current Receivables</u>		
Standard Assets	5,755	4,821
Total (A)	17,346	15,188
(B) Business Loans Secured by Immovable Properties		
<u>Non Current Receivables</u>		
Standard Assets	400	-
Sub-standard Assets	243	-
<u>Current Receivables</u>		
Standard Assets	1,099	1,358
Sub-standard Assets	80	-
Total (B)	1,822	1,358
Total Receivables from Financing Activities(A) + (B)	19,168	16,546
Particulars	As at 31 March 2023	As at 31 March 2022
13. Other non-current assets		
Deposits	2	2
Receivables from Income Distribution Partners	190	401
	192	403
Particulars	As at 31 March 2023	As at 31 March 2022
14. Cash and cash equivalents		
<u>Balances with banks</u>		
Balances with bank - In current account and cash credits including sweep-in-deposit	20	67
Fixed deposits having maturity of more than 12 months	1	1
Cash on hand (Incl. cash with Executives and Collection Agents)	24	26
	45	94



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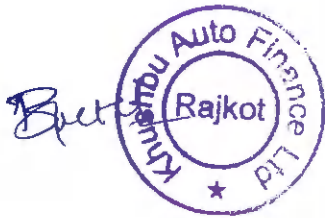
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Khushbu Auto Finance Limited
(CIN : U74999GJ1994PLC022816)

Notes to the financial statements for the year ended 31 March 2023

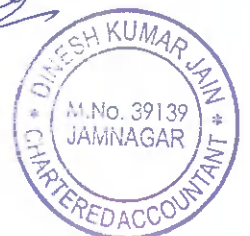
(All amounts are in Indian Rupees in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
15. Short Term Loans and Advances		
Unsecured Loans and Advances		
Balances with Government Authorities	49	73
Other Receivables	6	71
	55	144
Particulars	As at 31 March 2023	As at 31 March 2022
16. Other current assets		
Receivables from Collection Agents/Income Distribution Partners		
Considered Good	12	96
Considered Doubtful	-	-
Other Receivables		
Interest Accrued	170	136
Receivable from Atul Auto Limited	28	72
Subvention Income Receivable	57	-
Others	10	10
	277	314



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Khushbu Auto Finance Limited
(CIN : U74999GJ1994PLC022816)
Notes to the financial statements for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
17. Revenue from operations		
Financing Activity		
a) Financing charges	3,121	2,691
b) Service and administration charges	185	111
	<u>3,306</u>	<u>2,802</u>
Other operating revenue		
Finance Subvention / Incentive Income	107	54
Penal Interest Income	199	197
Other operating income	14	7
	<u>320</u>	<u>258</u>
	<u>3,626</u>	<u>3,060</u>
	For the year ended 31 March 2023	For the year ended 31 March 2022
18. Other income		
Interest Income tax refund	1	-
Insurance Commission Income	2	25
	<u>3</u>	<u>25</u>
	For the year ended 31 March 2023	For the year ended 31 March 2022
19. Employee benefits expense		
Salaries Wages and Bonus	443	343
Contribution towards employees benefit funds	41	25
Staff welfare expenses	5	6
	<u>489</u>	<u>374</u>
	For the year ended 31 March 2023	For the year ended 31 March 2022
20. Finance costs		
Interest Expenses		
Interest on Working Capital	432	528
Term Loan Interest	124	6
Interest on Security Deposit of Income Distribution Partners	33	54
Interest on Advances from LAP	3	4
Interest on Inter Corporate Deposits	99	60
Interest on Income Tax	10	9
Other Borrowing Cost		
Corporate Guarantee fees	60	60
Loan Processing Fees	18	12
Bank Charges	2	1
Premium on PPS (Refer Para (n) of Note 2 to the Financial Statements)	181	41
	<u>962</u>	<u>775</u>
	For the year ended 31 March 2023	For the year ended 31 March 2022
21. Loans Losses and Provisions		
Bad Debts Written Off & Loan Losses	1,282	521
Delinquency Fund Expense		19



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Khushbu Auto Finance Limited
(CIN : U74999GJ1994PLC022816)

Notes to the financial statements for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs)

Provisions		
Provision /(Reversal of Provision) on Receivables from Income Distribution Partners	(214)	200
General provision for Standard Assets	6	(3)
General provision on Restructured Advances (Refer Para (i) of Note 2 to the Financial Statements)	(278)	170
Provision for Non Performing Assets (as per RBI norms)	166	410
	<u>962</u>	<u>1,317</u>

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
22. Other expenses		
Commission to Income Distribution Partners	230	24
Rates & Taxes	51	56
Sourcing and Credit Cost	49	35
Recovery Cost	35	30
Rent Expenses	11	22
IT & Communication Cost	34	19
Legal & Consultancy Charges	12	26
Donation / CSR Expenses	9	15
Travelling Expenses	81	44
Office Expenses	2	3
Insurance	2	1
Repairs & Maintenance	9	22
Auditor's Remuneration for Statutory Audit	3	3
Other General & Admin	15	31
Internal Audit Fees	5	-
Power and Fuel	44	46
Director Sitting Fees	1	-
	<u>593</u>	<u>377</u>

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
23. Income Tax Expenses		
Income tax of Current Year	171	351
Income tax of Previous Years	11	1
Deferred Tax Expenses/(Income)	30	(294)
	<u>212</u>	<u>58</u>

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
24. Earnings per Share		
Net Profit attributable to Equity Shareholders	411	184
No. of Equity Shares	394	394
Earnings per Share	<u>1.04</u>	<u>0.47</u>



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Khushbu Auto Finance Limited
(CIN : U74999GJ1994PLC022816)

Notes to the financial statements for the year ended 31 March 2023

10. Property, Plant and Equipment and Intangible assets

(All amounts are in Indian Rupees in lakhs)

Particulars	Tangible Fixed Assets					Total	Intangible Assets
	Furniture & Fixtures	Other Assets (P & M)	Office Equipment	Computer	Vehicles		
Cost							
As at 31st March, 2021	50	25	14	61	37	187	22
Additions	10	6	1	9	-	26	22
Disposals	-	-	-	-	-	-	-
As at 31st March, 2022	60	31	15	70	37	213	44
Additions	-	-	1	2	-	3	-
Disposals	-	-	-	-	-	-	-
As at 31st March, 2023	60	31	16	72	37	216	44
Depreciation							
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
Additions	5	3	2	4	1	15	7
Disposals	-	-	-	-	-	-	-
As at 31st March, 2023	29	14	12	66	35	155	28
Net Block							
As at 31st March, 2021	31	16	7	4	4	62	9
As at 31st March, 2022	36	20	5	8	3	73	23
As at 31st March, 2023	31	17	4	6	2	61	16



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Khushbu Auto Finance Limited
(CIN : U74999GJ1994PLC022816)

Notes to the financial statements for the year ended 31 March 2023

25 CONTINGENT LIABILITIES NOT ACKNOWLEDGED AS DEBT

Particulars	2022-23	2021-22
(a) Outstanding amount of share of loan given by finance company to end user and guaranteed by the holding company (Atul Auto Limited)	742	987
(b) Disputed Liability for Income Tax Act for AY 2018-19	46	-
Total	788	987

26 OTHER NOTES

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

27 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 2022-23

No accounts were restructured during the year.

Financial year 2021-22

Particulars	No. of accounts	Amount Outstanding (₹	Provision
	restructured	in lakhs)	(₹ 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

28 Code on Social Security

The Code on Social Security, 2020 which received the President's assent on 28th September 2020 subsumes nine laws relating to Social security, retirement and employee benefits, including the Provident Fund and Gratuity. The effective date of the Code and rules thereunder are yet to be notified. The impact of the changes, if any, will be assessed and recognised post notification of the relevant date.

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) The Company has not granted Loans or Advances in the nature of loan to any promoters, Directors, KMPs and the related parties (As per Companies Act, 2013), which are repayable on demand or without specifying any terms or period of repayments.

(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.

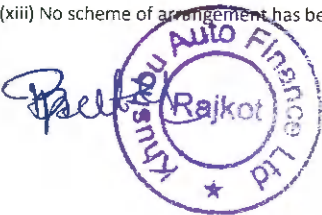
(ix) The Company does not have any relationship with Struck off Companies.

(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.

(xii) The disclosures regarding relevant Ratios have been given as per the note No. 31.

(xiii) No scheme of arrangement has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013.



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(xiv) The Company has not operated in any crypto currency or Virtual Currency transactions

(xv) During the year the Company has not disclosed or surrendered, any income other than the income recognised in the books of accounts in the tax assessments under Income Tax Act, 1961.

(xvi) 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 summaries the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans.

(xvii) Corporate Social Responsibility (CSR)

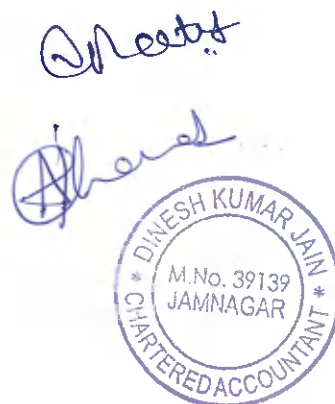
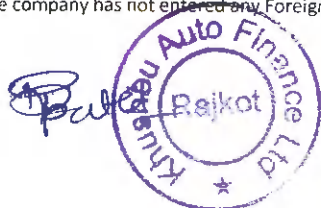
KAFI's CSR initiatives and activities are aligned to the requirements of Section 135 of the Act.

Particulars	Amount ₹	Amount ₹
Amount required to be spent by the company during the year,	9	15
Amount of expenditure incurred,	18	15
Excess Amount of expenditure Incurred	9	
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 Promoting Education, Preventive Healthcare and Eradicating hunger and poverty	Donation to trust for Promoting 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	18	15
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

In current year the company has spent Rs. 18 Lakhs out of which company is entitled to carry forward 9 lakhs in next year in accordance with Section 135 of Companies Act, 2013.

30 Forex Transaction

The company has not entered any Foreign Currency transaction during the year.



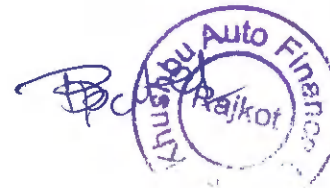
Khushbu Auto Finance Limited
(CIN : U74999GJ1994PLC022816)

31. Disclosure of Key Ratios

Particulars	Numerator	Denominator	F.Y. 2022-23	F.Y. 2021-22	Change %	Reason for variance
Current Ratio	Current Assets	Current Liabilities	1.00	1.20	-16%	
Debt Equity Ratio	Total Debt	Shareholder's Equity	0.74	0.58	27%	Refer Note 1 Below**
Debt Service Coverage Ratio	Earnings Available for Debt Service	Debt Service	1.43	2.16	-34%	Refer Note 1 Below**
Return on Equity Ratio	Profit available for Equity Shareholders	Average Shareholder's Equity	0.10	0.04	142%	Refer Note 2 Below**
Inventory Turnover Ratio	Total Turnover	Average Inventory	N.A.	N.A.	0%	
Trade Receivables Turnover Ratio	Credit Turnover	Average Trade Receivables	N.A.	N.A.	0%	
Trade Payables Turnover Ratio	Credit Purchases	Average Trade Payables	N.A.	N.A.	0%	
Net Capital Turnover Ratio	Total Turnover	Average Working Capital	N.A.	N.A.	0%	
Gross Profit Ratio	Gross Profit	Total Turnover	N.A.	N.A.	0%	
Net Profit Ratio	Net Profit	Total Turnover	12.46%	5.98%	108%	Refer Note 2 Below**
Return on Capital Employed	Earnings before Interest and Taxes	Shareholder's Equity + Total Debt	8.46%	6.24%	36%	Refer Note 2 Below**

****Notes**

1. During the year under consideration company has utilised borrowed fund for onward lending.
2. During the year Company's Assets Under Management is increased by 15%. Further, company's recovery from NPA accounts was also improved. This was resulted in favourable ratio of (i) Return on equity, (ii) ROCE and (iii) Debt Service Coverage.



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Khushbu Auto Finance Limited
(CIN : U74999GJ1994PLC022816)

Notes to the financial statements for the year ended 31 March 2023

32. Related Party Disclosures

(All amounts are in Indian Rupees in lakhs)

(a) Name of Related Parties

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

(b) Transaction with Related Parties

For the year ended 31 March 2023 For the year ended 31 March 2022

1. Investor Company

Atul Auto Limited

Rent	6	7
Corporate Guarantee Fees	60	71
Finance Subvention Income	57	13
Reimbursement of Loss	99	72
Vehicle Repairing Expenses	3	-

2. Enterprises owned or significantly influenced by key personal management or their relatives

Khushbu Auto Private Limited

Inter Corporate Deposits

(ICD at the Beginning of the year : Rs. 1079.62 Lakhs

ICD taken during the year : Rs. 610.25 Lakhs

ICD repaid during the year : Rs. 1689.87 Lakhs

Interest Paid on the above ICD 98 60

Atul Motors Pvt Ltd

Purchase of Furniture and other Fixed Assets - 16

Atul Chandra Charitable Trust

CSR Expenditure 18 15

Atul Greentech private limited

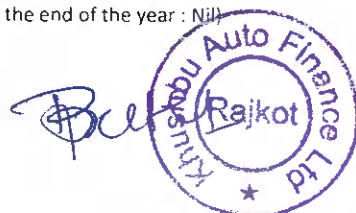
Inter Corporate Deposits

(ICD given during the year : Rs. 10,652

ICD repayment received during the year : Rs. 10,652

Income Receivable(Closing Balance at the end of the year : Nil)

Interest received on the above ICD - 49



32. Related Party Disclosures

(All amounts are in Indian Rupees in lakhs)

Atul Green Automotive Private Limited

Inter Corporate Deposits

(ICD taken during the year : Rs. 43 Lakhs

ICD repaid during the year : Rs.. 43 Lakhs

ICD at the end of the year : Nil)

Interest Paid on the above ICD

2

-

New Chandra Motor Cycle agency - Jamnagar

Subvention Income

1

-

3. Key Management Personnel

Remuneration to Chief Financial Officer

7

6

Remuneration to Company Secretary

2

2

(c) Balance outstanding as at the end of the yearFor the year ended
31 March 2023For the year ended
31 March 2022**1. Investor Company**

Atul Auto Limited

Receivable/(Payable)

55

(5)

2. Enterprises owned or significantly influenced by key personal management or their relatives

1. Khushbu Auto Private Limited

Payable

-

1,080

2. New Chandra Motor Cycle agency - Jamnagar

Payable

-

1

3. Key Management Personnel

1. Remuneration to Chief Financial Officer

1

1

(d) Shareholding as at the end of the yearFor the year ended
31 March 2023For the year ended
31 March 2022**Equity Share Holding**

Atul Auto Limited

Preference Share Holding

1. Jayantibhai Chandra

296

296

2. Mrs. Anita N. Chandra

2

2

3. Chandra Jayantibhai Jagjivandas Huf

3

3

4. Niraj Jayantilal Chandra Huf

13

13

5. Patel Chetankumar Vasantrai Huf

35

35

6. Nandan Chetanbhai Patel

11

11

7. Dharmendrabhai Jagjivandas Chandra

141

141

8. Krishnaben Chetankumar Patel

4

4

9. Hiren Vasantrai Patel

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10. Rekhaben Maheshbhai Chandra

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11. Maheshbhai Jagjivandas Chandra

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12. Bharat Jagjivandas Chandra

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13. Alpesh Bharatbhai Chandra

191

191

14. Kapilaben Bharatbhai Chandra

3

3

15. Harishbhai Jagjivandas Chandra

129

129

16. Chetankumar Vasantrai Patel

43

43

17. Hetal Alpesh Chandra

29

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18. Divya Maheshbhai Chandra

23

23

19. Yagna Maheshbhai Chandra

69

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20. Krunal Jayantilal Chandra Huf

15

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21. Patel Ashokkumar Jamnadas Huf

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22. Hirenkumar V Patel Huf

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23. Chandra Jayantibhai Jagjivandas Huf

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24. Patel Mahendrakumar Jamnadas Huf

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25. Niraj Jayantilal Chandra Huf

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26. Patel Chetankumar Vasantrai Huf

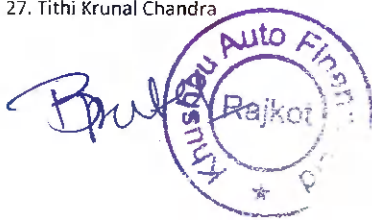
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27. Tithi Krunal Chandra

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Khushbu Auto Finance Limited
(CIN : U74999GJ1994PLC022816)

Notes to the financial statements for the year ended 31 March 2023

NOTE NO. 33 : 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)

Liabilities side

	2022-23	
	Amount outstanding	Amount overdue
(1) Loans and advances availed by the non- banking financial company inclusive of interest accrued thereon but not paid :		
Debentures : Secured		
(a) Debentures : Unsecured (other than falling within the meaning of public deposits*)		
(b) Deferred Credits		
(c) Term Loans	1,778	
(d) Inter-corporate loans and borrowing		
(e) Commercial Paper		
(f) Public Deposit*		
(g) Other Loans - Working Capital Finance from Banks (* Please refer Note 1 below)	6,084	
(2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :		
(a) In the form of Unsecured debentures		
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the		
(c) Other Public deposits (* Please refer Note 1 below)		

Assets side :

(3) Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :	Amount outstanding	
(a) Secured		1,822
(b) Unsecured		
(4) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities :		
(i) Lease assets including lease rentals under sundry debtors :		
(a) Financial lease		
(b) Operating lease		
(ii) Stock on hire including hire charges under sundry debtors:		
(a) Assets on hire		
(b) Repossessed Assets		
(iii) Other loans counting towards AFC activities:		
(a) Loans where assets have been repossessed		836
(b) Loans other than (a) above		16,510

(5) Break-up of Investments :

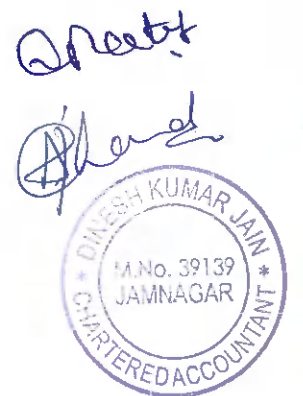
Current Investments :

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)



Khushbu Auto Finance Limited
(CIN : U74999GJ1994PLC022816)

Notes to the financial statements for the year ended 31 March 2023

NOTE NO. 33 : 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)

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)

(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	18,351	-	18,351
Total	18,351	-	18,351

(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	Total
1. Related Parties **	
(a) Subsidiaries	
(b) Companies in the same group	
(c) Other related parties	
2. Other than related parties	

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

(8) Other information

Particulars	
(i) Gross Non-Performing Assets	
(a) Related parties	
(b) Other than related parties	4,273
(ii) Net Non-Performing Assets	
(a) Related parties	
(b) Other than related parties	3,494
(iii) Assets acquired in satisfaction of debt	

Notes:

- 1 As defined in point xix of paragraph 3 of Chapter -2 of these Directions.
- 2 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
- 3 of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (5) above.



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KHUSHBU AUTO FINANCE LIMITED
(CIN : U74999GJ1994PLC022816)

Notes forming part of Financial Statements for the year ended on 31st March, 2023

NOTE NO. 34 ASSET-LIABILITY MANGEMENT

Maturity pattern of certain items of assets and liabilities as at 31st March, 2023

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

Particulars	(All amounts are in Indian Rupees 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	45	-	-	-	-	-	-	-	45
Advances									
(Receivables under financing activity)	489	593	562	1,671	3,594	7,173	3,871	315	18,268
Property, Plant & Equipment	-	-	-	-	-	-	-	61	61
Intangible Assets	-	-	-	-	-	-	-	16	16
Deferred Tax Assets	-	-	-	-	-	473	-	-	473
Other Receivables	-	-	-	-	332	2	-	-	334
Sub-total	534	593	562	1,671	3,926	7,648	3,871	392	19,197
Cumulative Total Inflows	534	1,127	1,689	3,360	7,286	14,934	18,805	19,197	19,197
B. OUTFLOWS									
Equity Capital	-	-	-	-	-	-	-	3,940	3,940
Reserves & Surplus (excluding Preference Share Premium)	-	-	-	-	-	-	-	3,315	3,315
Redeemable Preference Share Capital (Including Preference Share Premium)	-	-	-	-	-	-	3,367	-	3,367
IDP deposits & Other Deposits	-	-	-	-	2	206	-	-	208
Long term borrowing	56	56	56	167	333	1,111	-	-	1,779
Short term borrowing*	-	-	-	4,038	2,046	-	-	-	6,084
Trade Payable and Others	112	-	-	-	392	-	-	-	504
Sub-total	168	56	56	4,205	2,773	1,317	3,367	7,255	19,197
Cumulative Total Outflows	168	224	280	4,485	7,258	8,575	11,942	19,197	19,197
GAP	366	537	506	-2,534	1,153	6,331	504	-6,863	-
CUMULATIVE GAP	366	903	1,409	-1,125	28	6,359	6,863	-	-

*

(1) As at 31st March, 2023, the company has undrawn working capital facility of Rs. 4,416 lakhs.

(2) Outflow of Short Term borrowing is considered as per due date of reversal.



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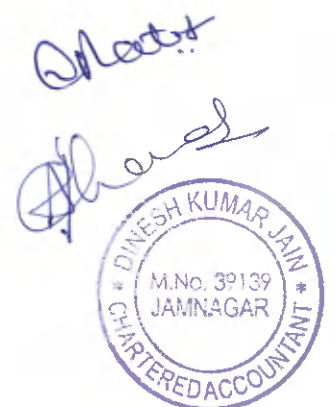
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Khushbu Auto Finance Limited
(CIN : U74999GJ1994PLC022816)
Notes to the financial statements for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
35 Exposure		
1 Exposure to real estate sector		
i) Direct Exposures		
a) Residential Mortgages – Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.	-	-
b) Commercial Real Estate – Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits	1,822	1,358
c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures –		
i. Residential	-	-
ii. Commercial Real Estate	-	-
ii) Indirect Exposure Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	-	-
Total Exposure to Real Estate Sector	1,822	1,358
2 Exposure to Capital Market There is no exposure to Capital Market		



Khushbu Auto Finance Limited
(CIN : U74999GJ1994PLC022816)
Notes to the financial statements for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs)

3 Sectoral Exposure

Sector	Current Year			Previous Year		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	-	-	-	-	-	-
2. Industry						
i. Commercial Vehicle Loan	5,244	1,204	22.96%	5,499	1,539	27.99%
ii. Loan Against Property	1,822	323	17.73%	1,358	-	-
Others	-	-	-	-	-	-
Total of Industry (i+ii+Others)	7,066	1,527	21.61%	6,857	1,539	22.44%
3. Services						
i. Passenger Vehicle Loan	9,933	2,096	21.10%	7,857	2,029	25.82%
Others	-	-	-	-	-	-
Total of Services (i+Others)	9,933	2,096	21.10%	7,857	2,029	25.82%
4. Personal Loans						
i. Two Wheeler Vehicle Loan	2,169	650	29.97%	1,832	502	27.40%
Others	-	-	-	-	-	-
Total of Personal Loans (i+Others)	2,169	650	29.97%	1,832	502	27.40%
5. Others, if any (please specify)						



Khushbu Auto Finance Limited
(CIN : U74999GJ1994PLC022816)

Notes to the financial statements for the year ended 31 March 2023

36 Disclosure of complaints

1 Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Sr. No.	Particulars	F.Y. 2022-23	F.Y. 2021-22
	Complaints received by the NBFC from its customers		
1	Number of complaints pending at beginning of the year	-	-
2	Number of complaints received during the year	1	-
3	Number of complaints disposed during the year	1	-
3.1	Of which, number of complaints rejected by the NBFC	-	-
4	Number of complaints pending at the end of the year	-	-
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman		
5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	NA	NA
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	NA	NA
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	NA	NA
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	NA	NA

2 Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
FY 2022-23					
Ground 1 - CIBIL not updated	-	1.00	100%	-	-
Ground 2	-	-	-	-	-
Ground 3	-	-	-	-	-
Ground 4	-	-	-	-	-
Ground 5	-	-	-	-	-
Other	-	-	-	-	-
Total	-	1.00	100%	-	-
FY 2021-22					
Ground 1 - CIBIL not updated	-	-	-	-	-
Ground 2	-	-	-	-	-
Ground 3	-	-	-	-	-
Ground 4	-	-	-	-	-
Ground 5	-	-	-	-	-
Other	-	-	-	-	-
Total	-	-	-	-	-

