

"Aparna", Behind Jeevandeep Hospital, Limda Lane, Jamnagar - 361 001, Gujarat, India.
Tel : +91 - 288 - 2665023 - 2665024
e-mail : info@maharishiandco.in

INDEPENDENT AUDITOR'S REPORT

To the Members of Khushbu Auto Finance Limited

Report on the Audit of the Financial Statements

Opinion

We 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, 2025, 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 our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the 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, 2025.
- (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

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions



Maharishi & Co.
Chartered Accountants

"Aparna", Behind Jeevandeep Hospital, Limda Lane, Jamnagar - 361 001, Gujarat, India.
Tel : +91 - 288 - 2665023 - 2665024
e-mail : info@maharishiandco.in

of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion 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 our auditor's report thereon.

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

In connection with the audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we required to report that fact.

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,

Sub





Maharishi & Co.
Chartered Accountants

"Aparna", Behind Jeevandeep Hospital, Limda Lane, Jamnagar - 361 001, Gujarat, India.
Tel : +91 - 288 - 2665023 - 2665024
e-mail : info@maharishiandco.in

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error

16/05/2024





Maharishi & Co.
Chartered Accountants

"Aparna", Behind Jeevandeep Hospital, Limda Lane, Jamnagar - 361 001, Gujarat, India.
Tel : +91 - 288 - 2665023 - 2665024
e-mail : info@maharishiandco.in

and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercised professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our

Feb



Maharishi & Co.

Chartered Accountants

"Aparna", Behind Jeevandeep Hospital, Limda Lane, Jamnagar - 361 001, Gujarat, India.

Tel : +91 - 288 - 2665023 - 2665024

e-mail : info@maharishiandco.in

conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Our responsibility is to express an opinion on these financial statements based on our audit. We 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.

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

Feb



"Aparna", Behind Jeevandeep Hospital, Limda Lane, Jamnagar - 361 001, Gujarat, India.
Tel : +91 - 288 - 2665023 - 2665024
e-mail : info@maharishiandco.in

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

We believe that the audit evidence we have obtained is sufficient and appropriate, to provide a basis for our 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, we 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, we report that:-
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet 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

"Aparna", Behind Jeevandeep Hospital, Limda Lane, Jamnagar - 361 001, Gujarat, India.
Tel : +91 - 288 - 2665023 - 2665024
e-mail : info@maharishiandco.in

maintenance of books of accounts through which Standard Trial Balance is being generated by the system.

- d. In our 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, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025, 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 our opinion and according to the information and explanations given to us, 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 us.
- 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 our separate Report in "Annexure 2".
- 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 our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations (if any) on its financial position in its financial statements.

Kup



"Aparna", Behind Jeevandeep Hospital, Limda Lane, Jamnagar - 361 001, Gujarat, India.
Tel : +91 - 288 - 2665023 - 2665024
e-mail : info@maharishiandco.in

- (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, We report that

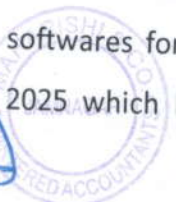
a. The management has represented that, other than as disclosed in the notes to the accounts,

- 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. We 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, we report that nothing come to notice that has caused us to believe that the above mentioned representation contains any material misstatement.

4. The Company has not 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.

5. Based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account for the financial year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility in respect of the





Maharishi & Co.
Chartered Accountants

"Aparna", Behind Jeevandeep Hospital, Limda Lane, Jamnagar - 361 001, Gujarat, India.
Tel : +91 - 288 - 2665023 - 2665024
e-mail : info@maharishiandco.in

application and the same has operated for all relevant transactions recorded in the softwares. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with in respect of the accounting software.

Company has preserved audit trail as per the statutory requirements for record retention as proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014.

For, Maharishi & Co.,

Chartered Accountants

ICAI Firm Registration No. 124872W



Kapil Sanghvi

Partner

Membership No. 141168

Place: Jamnagar

Date: 09/05/2025

UDIN: 25141168BMJH XK7848



"Aparna", Behind Jeevandeep Hospital, Limda Lane, Jamnagar - 361 001, Gujarat, India.
Tel : +91 - 288 - 2665023 - 2665024
e-mail : info@maharishiandco.in

Annexure-1 to Independent Auditor's Report-

Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our 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 our 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 us, we are 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 us, 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 us, 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.



"Aparna", Behind Jeevandeep Hospital, Limda Lane, Jamnagar - 361 001, Gujarat, India.
Tel : +91 - 288 - 2665023 - 2665024
e-mail : info@maharishiandco.in

- (b) Based on information and explanation provided to us, 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 of the Company.

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 our opinion and according to the information and explanations given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees, provided during the year are, prima facie, not prejudicial to the Company's interest.
- (c) The Company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors repayments of principal and payment of interest by its customers as stipulated. In our opinion and according to the information and explanations given to us, 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 us, reasonable steps are taken by the Company for recovery thereof.



A handwritten signature in blue ink, appearing to be "Kup" or similar.

"Aparna", Behind Jeevandeep Hospital, Limda Lane, Jamnagar - 361 001, Gujarat, India.
Tel : +91 - 288 - 2665023 - 2665024
e-mail : info@maharishiandco.in

- (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 120 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 us, 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 our audit procedures, according to the information and explanation made available to us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year.

iv. Loans, Investments, Guarantees and Securities

According to the information and explanation given to us, 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 our opinion and according to the information and explanations given to us, 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. We are informed by the

100%



"Aparna", Behind Jeevandeep Hospital, Limda Lane, Jamnagar - 361 001, Gujarat, India.
Tel : +91 - 288 - 2665023 - 2665024
e-mail : info@maharishiandco.in

Management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.

vi. Cost Records

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

vii. Statutory Dues

- (a) According to the information given to us, 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 us there are no arrears of undisputed statutory dues outstanding as at 31st March, 2025, 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 us, 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.




"Aparna", Behind Jeevandeep Hospital, Limda Lane, Jamnagar - 361 001, Gujarat, India.
Tel : +91 - 288 - 2665023 - 2665024
e-mail : info@maharishiandco.in

viii. Undisclosed Income

As informed to us and on basis of explanations provided to us, 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 our 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 us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority or any other lender.
- (c) In our opinion and according to the information and explanations given to us, the Company has obtained the money by way of term loans from bank during the year and has also made timely repayment.
- (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 to 4 years or more by utilising these facilities. However, as at 31st March, 2025 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 us, the company has not obtained any funds from lenders to meet the obligations of its subsidiaries, associates and joint ventures.

Kup



"Aparna", Behind Jeevandeep Hospital, Limda Lane, Jamnagar - 361 001, Gujarat, India.
Tel : +91 - 288 - 2665023 - 2665024
e-mail : info@maharishiandco.in

- (f) According to the information and explanations to the extent provided to us, 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 our opinion and according to the information and explanations given to us, 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 our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, 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 us 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) We 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.

Company.



Krupa

"Aparna", Behind Jeevandeep Hospital, Limda Lane, Jamnagar - 361 001, Gujarat, India.
Tel : +91 - 288 - 2665023 - 2665024
e-mail : info@maharishiandco.in

xiii. Related Party Transactions

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

xiv. Internal Audit

- 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 us.

xv. Non-Cash Transactions with Directors

As per the information and explanation given to us, 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 us, 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 us, the Company is not a Core Investment Company ('CIC') as defined under the Regulations by the Reserve Bank of India.

1 copy



"Aparna", Behind Jeevandeep Hospital, Limda Lane, Jamnagar - 361 001, Gujarat, India.
Tel : +91 - 288 - 2665023 - 2665024
e-mail : info@maharishiandco.in

(d) As per information provided in course of our 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 our audit and the immediately preceding financial year.

xviii. Resignation by Statutory Auditors

As informed to us and on basis of explanations provided to us, we are the statutory auditors from current 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 us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report 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. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.





Maharishi & Co.
Chartered Accountants

"Aparna", Behind Jeevandeep Hospital, Limda Lane, Jamnagar - 361 001, Gujarat, India.
Tel : +91 - 288 - 2665023 - 2665024
e-mail : info@maharishiandco.in

xx. Corporate Social Responsibility

According to the information and explanations given to us, the company is not liable to spent monies on Corporate Social Responsibility in accordance with Section 135 of the Act and therefore this clause is not applicable to the company.

xxi. Qualifications or adverse auditor remarks in other group companies

Reporting under clause xxi of the order is not applicable in respect of standalone financial statements.

For, Maharishi & Co.,

Chartered Accountants

ICAI Firm Registration No. 124872W

Kapil Sanghvi

Kapil Sanghvi

Partner

Membership No. 141168

Place: Jamnagar

Date: 09/05/2025

UDIN: 25141168BMJH XK7848



"Aparna", Behind Jeevandeep Hospital, Limda Lane, Jamnagar - 361 001, Gujarat, India.
Tel : +91 - 288 - 2665023 - 2665024
e-mail : info@maharishiandco.in

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")

We 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 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to

"Aparna", Behind Jeevandeep Hospital, Limda Lane, Jamnagar - 361 001, Gujarat, India.
Tel : +91 - 288 - 2665023 - 2665024
e-mail : info@maharishiandco.in

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.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system 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.

"Aparna", Behind Jeevandeep Hospital, Limda Lane, Jamnagar - 361 001, Gujarat, India.
Tel : +91 - 288 - 2665023 - 2665024
e-mail : info@maharishiandco.in

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 our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, Maharishi & Co.,

Chartered Accountants

ICAI Firm Registration No. 124872W



Kapil Sanghvi

Partner

Membership No. 141168

Place: Jamnagar

Date: 09/05/2025

UDIN: 25141168BMJHXX7848



Khushbu Auto Finance Limited
(CIN : U74999GJ1994PLC022816)

Standalone Balance Sheet as at 31 March 2025

(All amounts are in Indian Rupees in lakhs)

Sr. No.	Particulars	Note	As at 31 March 2025	As at 31 March 2024
I.	EQUITY AND LIABILITIES			
1.	Shareholders' funds			
a.	Share Capital	3	7,088	5,768
b.	Reserves and surplus	4	6,582	5,201
	Total Shareholders' funds		13,670	10,969
	Liabilities			
2.	Non-current Liabilities			
a.	Long-term borrowings	5(a)	2,044	1,667
b.	Other Long term liabilities	6	192	266
c.	Long-term provisions	7(a)	1,498	1,352
	Total Non-current Liabilities		3,734	3,285
3.	Current Liabilities			
a.	Short-term borrowings	5(b)	7,604	7,251
b.	Trade Payables	8		
	Total outstanding dues of Micro Enterprises and Small Enterprises		7	25
	Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		4	7
c.	Other Current Liabilities	9	280	377
d.	Short-term provisions	7(b)	63	74
	Total Current Liabilities		7,958	7,734
	Total Equity and Liabilities		25,362	21,988
II.	ASSETS			
1.	Non-current Assets			
a.	Property, Plant and Equipment and Intangible assets			
	(i) Property, Plant and Equipment	10	47	54
	(ii) Intangible assets	10	7	10
b.	Deferred Tax Assets (Net)	11	618	603
c.	Receivables under Financing Activities	12	15,677	13,289
d.	Other Non Current Assets	13	3	230
	Total Non-current Assets		16,352	14,186
2.	Current Assets			
a.	Receivables under Financing Activities	12	8,044	7,281
b.	Cash and Cash Equivalents	14	178	76
c.	Short Term Loans and Advances	15	44	52
d.	Other Current Assets	16	744	393
	Total Current Assets		9,010	7,802
	Total Assets		25,362	21,988

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

As per our report of even date

For Maharishi & Co.

Chartered Accountants

Firm Reg No :124872W

Kapil Sanghvi
Partner

Membership No.: 141168
PLACE: JAMNAGAR
DATE: 09/05/2025
UDIN: 25141168BMJHXK7848

For and On behalf of Khushbu Auto Finance Limited

Chetankumar Patel
Director

(DIN: 0061443)
PLACE : AHMEDABAD

Chinar R. Jethwani
Company Secretary
PLACE : DUBAI

Anita N. Chandra
Whole Time Director
and CFO
(DIN: 07610732)
PLACE : AHMEDABAD

Khushbu Auto Finance Limited
(CIN : U74999GJ1994PLC022816)

Statement of Profit and Loss for the year ended 31 March 2025

(All amounts are in Indian Rupees in lakhs)

Sr.No.	Particulars	Note	For the year ended 31 March 2025	For the year ended 31 March 2024
	Revenue			
I	Revenue from Operations	17		
	a. Revenue from Financing Activity		4,438	3,941
	b. Other Operating Income		762	337
II	Other Income	18	-	1
III	Total Income (I+II)		5,200	4,279
	Expenses			
IV	a. Employee Benefits Expense	19	775	650
	b. Finance Costs	20	1,015	1,027
	c. Loans Losses and Provisions	21	2,572	1,665
	d. Depreciation and Amortisation Expense	10	23	22
	e. Other expenses	22	599	581
	Total Expenses (IV)		4,984	3,945
V	Profit/(Loss) before Exceptional and extraordinary Items and tax (III-IV)		216	334
VI	Exceptional Items			
VII	Profit/(Loss) before extraordinary Items and tax (III-IV)		216	334
VIII	Extraordinary Items			
IX	Profit/(Loss) before tax (VII-VIII)		216	334
X	Tax Expenses	23		
	Current Tax		64	229
	Income Tax of Previous Years		-	(2)
	Deferred Tax		(15)	(130)
XI	Profit/(Loss) for the Year (IX-X)		167	237
XII	Earnings Per Share			
	Basic & Diluted	24	0.36	0.60

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

As per our report of even date

For Maharishi & Co.

Chartered Accountants

Firm Reg No :124872W

Kapil Sanghvi
Kapil Sanghvi

Partner

Membership No.: 141168

PLACE: JAMNAGAR

DATE: 09/05/2025

UDIN: 25141168BMJHXX7848

For and On behalf of Khushbu Auto Finance Limited

Chetankumar Patel
Chetankumar Patel
Director

(DIN: 0061443)

PLACE : AHMEDABAD

Anita N. Chandra
Anita N. Chandra
Whole Time Director
and CFO

(DIN: 07610732)

PLACE : AHMEDABAD

Chinar R. Jethwani
Chinar R. Jethwani
Company Secretary
PLACE : DUBAI

Khushbu Auto Finance Limited
(CIN : U74999GJ1994PLC022816)

Cash Flow Statement for the year ended on 31st March, 2025

(All amounts are in Indian Rupees in lakhs)

Sr. No.	Particulars	Year ended on 31 March 2025	Year ended on 31 March 2024
A.	Cash flow from operating activities		
	Net profit before taxation	216	334
	Adjustment for:		
	Depreciation	23	22
	Loan Provisions	177	363
	Bad Debts	2,395	1,302
	Proceed from issue of Equity Shares	49	110
	Finance Cost	1,015	1,027
	Operating Profit before working capital changes	3,875	3,158
	Movements in working capital:		
	Decrease/-Increase in Receivable from Finance Activities	(5,482)	(2,630)
	Decrease/-Increase in Loans and Advances and Other Current Assets (Long Term and Short Term)	(116)	(151)
	Increase/-Decrease in Trade Payables	(21)	(181)
	Increase/-Decrease in other current & non-current liabilities & provisions	(318)	42
	Sub-Total Movement in Working Capital	(5,937)	(2,920)
	Net Cash generated from operations	(2,062)	238
	Direct taxes paid (net of refunds)	(64)	(227)
	NET CASH FROM OPERATING ACTIVITIES	(2,126)	11
B.	Cash flow from investing activities		
	Purchase of Fixed Assets	(13)	(9)
	Proceeds from disposal of Investment in subsidiary	-	-
	NET CASH FLOW FROM INVESTING ACTIVITIES	(13)	(9)
C.	Cash flow from financing activities		
	Finance Cost	(1,015)	(1,027)
	Increase/-Decrease in Long term borrowing relating operation	377	556
	Increase/-Decrease in short term borrowing relating operation	353	500
		2,485	-
	NET CASH CLOW FROM FINANCING ACTIVITIES	2,200	29
	NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	61	31
	Cash and cash equivalents at the beginning of the year	76	44
	Cash and cash equivalents at the end of the year	178	76
	Components of cash and cash equivalents as at the end of the year		
	Cash and cheques on hand	50	44
	Investment		
	With bank		
	- In current account & cash credit	128	32
	TOTAL	178	76

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

As per our report of even date

For Maharishi & Co.

Chartered Accountants,

Firm Reg No :124872W

Kapil Sanghvi

Kapil Sanghvi

Partner

Membership No.: 141168

PLACE: JAMNAGAR

DATE: 09/05/2025

UDIN: 25141168BMJHXK7848

For and On behalf of Khushbu Auto Finance Limited



Chetankumar Patel
Chetankumar Patel
Director

(DIN: 0061443)
PLACE : AHMEDABAD

Anita N. Chandra
Anita N. Chandra
Whole Time Director
and CFO

(DIN: 07610732)
PLACE : AHMEDABAD

Chinar R. Jethwani
Chinar R. Jethwani
Company Secretary
PLACE : DUBAI

Khushbu Auto Finance Limited
(CIN : U74999GJ1994PLC022816)

Notes to the financial statements for the year ended 31 March 2025

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) under Base Layer in accordance with RBI, vide the Direction- 'Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued on 19 October 2023.

The audited financial statements were subject to review and recommendation of Audit Committee and approval of Board of Directors. On 09th May 2025, 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 31 of the Master Direction-Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 as amended from time to time are given in the Note No. 31 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. 33 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




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

Subsequent expenditure related to an item of Property, Plant and Equipment 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 Property, Plant and Equipments, 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 Property, Plant and Equipments 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



(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

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.

ii. Penal charges

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.

iii. 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.

iv. Subvention Income

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

v. 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.



Pratishtha

(i) Asset Classification and Provision on Non Performing Asset :

A Asset Classification

Asset Classification has been made as per para 14 of Master Direction-Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 as amended from time to time. The extant NPA classification norm stands changed to the overdue period of more than 90 days for applicable NBFCs. A glide path is provided to applicable NBFCs to adhere to the 90 days NPA norm as under: -

NPA Norms	Timeline
>150 days overdue	By March 31, 2024
>120 days overdue	By March 31, 2025
> 90 days	By March 31, 2026

Loan accounts classified as NPAs may be upgraded as 'standard' asset only if entire arrears of interest and principal are paid by the borrower. In case of borrowers having more than one credit facility, loan accounts shall be upgraded from NPA to standard asset category only upon repayment of entire arrears of interest and principal pertaining to all the credit facilities.

B 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 Master Direction-Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 as amended from time to time.

Provision on standard assets is made as per Master Direction-Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 as amended from time to time.

b. 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 is considered as loan accounts and classified as NPA or standard assets as per RBI Guidelines. 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.

c. 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 is 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.

d. 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.

(j) Contingent Liabilities

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

(k) Cash and cash equivalents

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

(l) Retirement and other employee benefits

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

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

(m) Impairment

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

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

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

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

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

(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.

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.

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.

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.



[Handwritten signature]

[Handwritten signature]

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

Particulars		As at 31 March 2025	As at 31 March 2024
Share Capital			
Authorised Shares			
Equity Shares of Rs. 10 each	No. of Shares Amount(Rs.)	5,37,00,000 5,370	4,00,00,000 4,000
Preference Shares of Rs. 10 each	No. of Shares Amount(Rs.)	1,83,00,000 1,830	1,83,00,000 1,830
Issued Subscribed and Paid up Shares			
Equity Shares of Rs. 10 each	No. of Shares Amount(Rs.)	5,26,00,000 5,260	3,94,00,000 3,940
Preference Shares of Rs. 10 each	No. of Shares Amount(Rs.)	1,82,79,400 1,828	1,82,79,400 1,828
Total Share Capital		7,088	5,768

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

	As at 31 March 2025		As at 31 March 2024	
	No.	Amount	No.	Amount
At Beginning of the period	3,94,00,000	3,940	3,94,00,000	3,940
Add: New Issue during the period	1,32,00,000	1,320		
Outstanding at the End of the period	5,26,00,000	5,260	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 31 March 2025		As at 31 March 2024	
	No.	Amount	No.	Amount
At Beginning of the period	1,82,79,400	1,828	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
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 i.e. 15th September, 2021.
- 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 31 March 2025		As at 31 March 2024	
No. of Shares	% of Holding	No. of Shares	% of Holding
5,26,00,000	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.)



[Handwritten signatures]



Khushbu Auto Finance Limited
(CIN : U74999GJ1994PLC022816)

Notes to the financial statements for the year ended 31 March 2025

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

Details of Preference Shareholders

	As at		As at	
	31 March 2025		31 March 2024	
	No. of Shares	% of Holding	No. of Shares	% of
Jayantibhai Chandra	29,59,460	16.19%	29,59,460	16.19%
Alpesh Bharatbhai Chandra	19,05,907	10.43%	19,05,907	10.43%
Dharmendrabhai Jagjivandas Chandra	-	-	14,06,808	7.7%
Harishbhai Jagjivandas Chandra	12,95,736	7.09%	12,95,736	7.09%
Rishi Atulbhai Chandra	12,36,371	6.76%	12,36,371	6.76%
Manishaben Atulkumar Chandra	4,86,865	2.66%	10,74,238	5.88%
Maheshbhai Jagjivandas Chandra	8,72,463	4.77%	8,72,463	4.77%
Hirenkumar V Patel Huf	7,47,794	4.09%	7,47,794	4.09%
Patel Ashokkumar Jamnadas Huf	7,34,520	4.02%	7,34,520	4.02%
Yagna Maheshbhai Chandra	6,93,548	3.79%	6,93,548	3.79%
Samarth Atulbhai Chandra	27,89,024	15.26%	5,99,518	3.28%
Manishaben Mahendrakumar Patel	4,28,005	2.34%	4,28,005	2.34%
Chetankumar Vasantrai Patel	4,26,923	2.34%	4,26,923	2.34%
Devarshi D Chandra	4,00,000	2.19%	4,00,000	2.19%
Mahendrakumar Jamnadas Patel	3,89,197	2.13%	3,89,197	2.13%
Patel Chetankumar Vasantrai Huf	3,54,313	1.94%	3,54,313	1.94%
Bharat Jagjivandas Chandra	2,98,324	1.63%	2,98,324	1.63%
Hetal Alpesh Chandra	2,90,000	1.59%	2,90,000	1.59%
Rekhaben Maheshbhai Chandra	2,42,371	1.33%	2,42,371	1.33%
Divya Maheshbhai Chandra	2,33,549	1.28%	2,33,549	1.28%
Pranav Harishbhai Chandra	2,05,035	1.12%	2,05,035	1.12%
Prafullaben Jayantibhai Chandra	-	-	1,95,325	1.07%
Patel Mahendrakumar Jamnadas Huf	1,65,567	0.91%	1,65,567	0.91%
Minaben Ashokkumar Patel	1,52,164	0.83%	1,52,164	0.83%
Krunal Jayantilal Chandra Huf	1,50,132	0.82%	1,50,132	0.82%
Niraj Jayantilal Chandra Huf	1,34,456	0.74%	1,34,456	0.74%
Hiren Vasantrai Patel	1,30,432	0.71%	1,30,432	0.71%
Ushaben Dharmendrabhai Chandra	1,26,464	0.69%	1,26,464	0.69%
Nandan Chetanbhai Patel	1,14,705	0.63%	1,14,705	0.63%
Ashokkumar Jamnadas Patel	51,612	0.28%	51,612	0.28%
Kajal Hirenbhai Patel	50,588	0.28%	50,588	0.28%
Tithi Krunal Chandra	50,158	0.27%	50,158	0.27%
Krishnaben Chetankumar Patel	37,352	0.2%	37,352	0.2%
Harshaben Harishbhai Chandra	32,371	0.18%	32,371	0.18%
Chandra Jayantibhai Jagjivandas Huf	30,198	0.17%	30,198	0.17%
Kapilaben Bharatbhai Chandra	28,912	0.16%	28,912	0.16%
Mrs. Anita N. Chandra	24,884	0.14%	24,884	0.14%
Dayalal Gordhandas Patel	2,000	0.01%	2,000	0.01%
Geetaben Bhagwanji Khant Patel	2,000	0.01%	2,000	0.01%
Ramaben Dayalal Patel	2,000	0.01%	2,000	0.01%
Saroj N Patel	2,000	0.01%	2,000	0.01%
Umeshchandra Bhagwanji Patel	2,000	0.01%	2,000	0.01%

As per records of the company, including its register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

4. Reserves and surplus

a. Reserve Fund in terms of section 45IC(1) of the Reserve Bank Of India Act, 1934

Balance at the beginning of the year	962	915
Additions during the year	33	47
Balance at the end of the year	995	962

b. Preference Shares Security Premium

Balance at the beginning of the year	1,649	1,539
Add. : Amount set aside from statement of P&L	49	110
Add. : Transfer from retained earning	-	-
Balance at the end of the year	1,698	1,649

c. Equity Shares Securities Premium

Balance at the beginning of the year	965	965
Additions during the year	1,175	-
Less: Utilised for Share Issue Expenses	(10)	-
Balance at the end of the year	2,130	965



[Signature]

[Signature]

Khushbu Auto Finance Limited
(CIN : U74999GJ1994PLC022816)

Notes to the financial statements for the year ended 31 March 2025

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

a. General reserve

Balance at the beginning of the year
Balance at the end of the year

2	2
<u>2</u>	<u>2</u>

b. Surplus

Balance of profit and loss at the beginning of the year
Add: Profit/(Loss) for the year
Less: Transferred to Reserve Fund as mentioned in (a)
Balance at the end of the year

1,623	1433
167	237
(33)	(47)
<u>1,757</u>	<u>1,623</u>
<u>6,582</u>	<u>5,201</u>

Total other equity



[Signature]

[Signature]

Khushbu Auto Finance Limited
(CIN : U74999GJ1994PLC022816)

Notes to the financial statements for the year ended 31 March 2025

(All amounts are in Indian Rupees in lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
5. Borrowings		
(a) Long Term Borrowings		
Secured Borrowings		
Term Loan from Bank	2,044	1,667
Total (a)	2,044	1,667
(b) Short Term Borrowings		
Secured Borrowings from Bank		
Cash Credits (Repayable on demand)	63	418
Working Capital Demand Loans	2,300	5,500
Current Maturities of Long Term Borrowings	2,141	1,333
Unsecured Borrowings		
Inter Corporate Deposit	3,100	-
Total (b)	7,604	7,251
Total Borrowings (a) + (b)	9,648	8,918

5.1 Terms & Conditions

A. Term Loan

1 IDFC First Bank Limited Rs. 444 lakhs (P.Y. Rs.1111 lakhs)

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. Corporate guarantee given by Atul Auto Limited, holding 100% equity share in the company. 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.

2 IDFC First Bank Limited Rs. 1167 lakhs (P.Y. Rs.1889 lakhs)

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. Corporate guarantee given by Atul Auto Limited, holding 100% equity share in the company. It carries Interest rate 12 months MCLR + 0.45% spread p.a. p.m. The loan shall be repaid in 36 equal monthly instalments of Rs. 55,55,555/- from succeeding month of first disbursement. Repayment on the last day on the month.

3 IDFC First Bank Limited Rs. 2574 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 10.50% p.a. linked to EBLR. Currently as defined by the bank, the EBLR rate is equal to Repo rate + 2.5% . First Trench for Rs. 15 Crore disbursed in Sep, 2024 and Second Trench of Rs. 15 Crore disbursed in Dec, 2024. The loan shall be repaid in 36 equal monthly instalments of Rs. 85,78,430/- from succeeding month from second disbursement. Repayment on the last day on the month.

B. 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 @ EBLR + 4.5%

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 02-01-2026.



[Signature]

[Signature]

Khushbu Auto Finance Limited
(CIN : U74999GJ1994PLC022816)

Notes to the financial statements for the year ended 31 March 2025

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 MCLR (Y) + 2.35% up to 17-07-2025.

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 interest rate is EBLR plus 1.2%.

* Debit Balance of Cash Credit facility is shown as Balances with banks in Note no. 14 Cash and Cash Equivalents

C. Working Capital on Demand Loan (WCDL) (As sub limit to CC) :

a. Yes Bank

WCDL is secured as per securities covered under cash credit. Rate of interest as may be as mutually agreed by borrower & Yes Bank from time to time linked to EBLR and maximum tenure for repayment is 180 days. The Facility Amount is Rs. 50,00,00,000/-

b. ICICI Bank

WCDL is secured as per securities covered under cash credit. Rate of interest as may be as mutually agreed by borrower & ICICI Bank from time to time linked to Repo Rate plus Spread p.a. and maximum tenure for repayment is 90 days. The Facility Amount is Rs. 25,00,00,000/-

c. IDFC Bank

WCDL is secured as per securities covered under cash credit. Rate of interest as may be as mutually agreed by borrower & IDFC Bank from time to time linked to EBLR and maximum tenure for repayment is 180 days. The Facility Amount is Rs. 10,00,00,000/-

Particulars	As at 31 March 2025	As at 31 March 2024
-------------	------------------------	------------------------

7. Provisions

(a) Non -Current Provisions

General Provision on Standard Assets	27	22
Provision for Non Performing Assets as per RBI norms	1,471	1,143
Provision on balances of Income Distribution Partners	-	187
Total (a)	1,498	1,352

(b) Current Provisions

Employee Benefit Provisions

Provision for Gratuity	9	31
------------------------	---	----

Provision on Asset Under Management

General Provision on Standard Assets	20	18
Provision for Non Performing Assets as per RBI norms	-	-

Other Provisions

Provision on Loan guaranteed to Cholamandalam Investment and Finance Company Limited	21	25
IDP Commission Provision	13	-
Total (b)	63	74

Total Provisions (a) + (b)	1,561	1,426
-----------------------------------	--------------	--------------

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 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.

Net Employee Benefit Expense recognized in the employee cost	As at 31 March 2025	As at 31 March 2024
Current Service Cost	14	11
Interest cost on benefit obligation	2	2



[Signature]

[Signature]

Khushbu Auto Finance Limited
(CIN : U74999GJ1994PLC022816)

Notes to the financial statements for the year ended 31 March 2025

Expected return on plan assets	-	-
Net Actuarial (Gain)/Loss recognised in the year	(3)	2
Net Benefit Expenses	13	15

Benefit asset/liability	As at 31 March 2025	As at 31 March 2024
Present Value of defined benefit obligation	46	34
Fair Value of Plan Assets	(37)	(3)
Plan (Asset)/Liability	9	31

Changes in the present value of the defined benefit obligation	As at 31 March 2025	As at 31 March 2024
Opening defined benefit obligation	34	22
Interest Cost	2	2
Current service cost	14	11
Benefit paid during the year	(1)	(3)
Actuarial (gains)/losses on obligation	(3)	2
Closing defined benefit obligation	46	34

Changes in the fair value of plan assets	As at 31 March 2025	As at 31 March 2024
Opening fair value of plan assets	3	5
Expected return	-	-
Contribution by employer	35	-
Benefit paid during the year	(1)	(3)
Actuarial gains/(losses)	-	1
Closing fair value of plan assets	37	3

The principal assumptions used in determining gratuity benefit obligations	As at 31 March 2025	As at 31 March 2024
Discount rate	6.79%	7.21%
Expected rate of return on assets	7.21%	7.48%

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 2025	As at 31 March 2024
--------------------	--------------------------------	--------------------------------

6 Other non-current liabilities

Security Deposits	128	192
Sundry Liabilities Account (Interest Capitalised) (Refer Para (g) of Note 2 to the Financial Statements)	64	74
	192	266



[Signature]

[Signature]

Notes to the financial statements for the year ended 31 March 2025

Particulars	As at 31 March 2025	As at 31 March 2024
8. Trade Payables		
Total outstanding dues of micro small and medium enterprises	7	25
Total outstanding dues other than Micro small and medium enterprises	4	7
	11	32

8.1 Payables to MSME

	As at 31 March 2025	As at 31 March 2024
The principal amount due to suppliers	7	25
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.	-	-

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

Particulars	Financial Year 2024-25 (Amount in Rs. Lakh)				
	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	7	-	-	-	7
(ii) Others	4	-	-	-	4
(iii) Disputed Dues- MSME	-	-	-	-	-
(iv) Disputed Dues- Others	-	-	-	-	-

Particulars	Financial Year 2023-24 (Amount in Rs. Lakh)				
	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	25	-	-	-	25
(ii) Others	7	-	-	-	7
(iii) Disputed Dues- MSME	-	-	-	-	-
(iv) Disputed Dues- Others	-	-	-	-	-

Particulars	As at 31 March 2025	As at 31 March 2024
-------------	------------------------	------------------------

9. Other current liabilities

Statutory Dues Payable	47	35
Security Deposits	-	4
Advance from Customers	12	25
Expenses Payable	98	137
Payable against Loan Disbursement to Asset Vendors	110	174
Other Liabilities	13	2
	280	377



[Signature]

[Signature]

Khushbu Auto Finance Limited
(CIN : U74999GJ1994PLC022816)

Notes to the financial statements for the year ended 31 March 2025

10. Property, Plant and Equipment and Intangible assets

(All amounts are in Indian Rupees in lakhs)

Particulars	Furniture & Fixtures	Other Assets (P & M)	Office Equipment	Computer	Vehicles	Total	Intangible Assets	Total Property, Plant and Equipment and Intangible assets
Cost								
As at 31st March, 2023	60	31	16	72	37	216	44	260
Additions	-	1	1	7	-	9	-	9
Disposals	-	-	-	-	-	-	-	-
As at 31st March, 2024	60	32	17	79	37	225	44	269
Additions	3	1	-	7	-	11	2	13
Disposals	-	-	-	-	-	-	-	-
As at 31st March, 2025	63	33	17	86	37	236	46	282
Depreciation								
As at 31st March, 2023	29	14	12	66	35	155	28	183
Additions	5	3	3	4	1	16	6	22
Disposals	-	-	-	-	-	-	-	-
As at 31st March, 2024	34	17	15	70	36	171	34	205
Additions	6	3	1	7	1	18	5	23
Disposals	-	-	-	-	-	-	-	-
As at 31st March, 2025	40	20	16	77	37	189	39	228
Net Block								
As at 31st March, 2023	31	17	4	6	2	61	16	77
As at 31st March, 2024	26	15	2	9	1	54	10	64
As at 31st March, 2025	23	13	1	9	-	47	7	54



Signature

Signature



Khushbu Auto Finance Limited
(CIN : U74999GJ1994PLC022816)

Notes to the financial statements for the year ended 31 March 2025

(All amounts are in Indian Rupees in lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
-------------	------------------------	------------------------

11. Deferred Tax Assets

On account of

Provisions of Loans and Receivables	325	284
Provisions of Gratuity	5	9
Interest Income recognised as per ICDS	282	305
Others	6	5
Deferred Tax Assets	618	603

Particulars	As at 31 March 2025	As at 31 March 2024
-------------	------------------------	------------------------

12. Receivables under Financing Activities

(A) Vehicle Loans Secured Against Hypothecation of Automobiles

Non Current Receivables

Standard Assets	10,632	8,675
Sub-standard Assets	2,759	2,353
Doubtful Assets	2,195	2,083
Loss Assets	18	

Current Receivables

Standard Assets	8,044	7,281
-----------------	-------	-------

Total (A)	23,648	20,392
------------------	---------------	---------------

(B) Business Loans Secured by Immovable Properties

Non Current Receivables

Standard Assets	-	-
Sub-standard Assets	73	178

Current Receivables

Standard Assets	-	-
Sub-standard Assets	-	-

Total (B)	73	178
------------------	-----------	------------

Total Receivables from Financing Activities(A) + (B)	23,721	20,570
---	---------------	---------------

12.1 Breakup of Receivables from Financing Activities

Non Current Receivables

Standard Assets	10,632	8,675
Sub-standard Assets	2,832	2,531
Doubtful Assets	2,195	2,083
Loss Assets	18	-
Total Non Current Receivables (A)	15,677	13,289

Current Receivables

Standard Assets	8,044	7,281
Total Current Receivables (B)	8,044	7,281

Total Receivables from Financing Activities (A) + (B)	23,721	20,570
--	---------------	---------------



[Signature]

[Signature]

Khushbu Auto Finance Limited
(CIN : U74999GJ1994PLC022816)
Notes to the financial statements for the year ended 31 March 2025

(All amounts are in Indian Rupees in lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
13. Other non-current assets		
Deposits	3	2
Receivables from Income Distribution Partners (Considered Doubtful)	-	228
	<u>3</u>	<u>230</u>
14. Cash and cash equivalents		
<u>Balances with banks</u>		
Balances with bank - In current account and cash credits including sweep-in-deposit	127	31
Fixed deposits having maturity of more than 12 months	1	1
Cash on hand (Incl. cash with Executives and Collection Agents)	50	44
	<u>178</u>	<u>76</u>
15. Short Term Loans and Advances		
<u>Unsecured Loans and Advances</u>		
Balances with Government Authorities	27	35
Loan and Advances to Staff	7	5
Advances to Suppliers	4	8
Other Short Term Loans and Advances	6	4
	<u>44</u>	<u>52</u>
16. Other current assets		
<u>Receivables from Collection Agents/Income Distribution Partners</u>		
Considered Good	4	12
<u>Other Receivables</u>		
Interest Accrued	538	269
Receivable from Holding Company	21	40
Subvention Income Receivable	159	66
Others	22	6
	<u>744</u>	<u>393</u>



[Signature]

[Signature]



Khushbu Auto Finance Limited
(CIN : U74999GJ1994PLC022816)

Notes to the financial statements for the year ended 31 March 2025

(All amounts are in Indian Rupees in lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
17. Revenue from operations		
Financing Activity		
a) Financing charges	3,926	3,436
b) Penal/Overdue Interest Income	327	308
c) Service and administration charges	185	197
	<u>4,438</u>	<u>3,941</u>
Other operating revenue		
Finance Subvention / Incentive Income	747	324
Other operating income	15	13
	<u>762</u>	<u>337</u>
	<u>5,200</u>	<u>4,278</u>
18. Other income		
Insurance Commission Income	-	1
	<u>-</u>	<u>1</u>
19. Employee benefits expense		
Salaries Wages and Bonus	689	579
Contribution towards employees benefit funds	74	63
Staff welfare expenses	12	8
	<u>775</u>	<u>650</u>
20. Finance costs		
Interest Expenses		
Interest on Working Capital Loan	367	548
Term Loan Interest	373	217
Interest on Security Deposit of Income Distribution Partners	9	19
Interest on Advances from LAP	-	1
Interest on Inter Corporate Deposits	138	27
Other Borrowing Cost		
Corporate Guarantee fees	73	76
Loan Processing Fees	4	27
Bank Charges	2	2
Premium on PPS (Refer Para (n) of Note 2 to the Financial Statements)	49	110
	<u>1,015</u>	<u>1,027</u>



[Signature]

[Signature]



Khushbu Auto Finance Limited
(CIN : U74999GJ1994PLC022816)

Notes to the financial statements for the year ended 31 March 2025

(All amounts are in Indian Rupees in lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
21. Loans Losses and Provisions		
Bad Debts Written Off & Loan Losses of Borrowers	2,395	1,089
Balance of Income Distribution Partner (IDP) Written Off	-	213
Provisions		
Provision /(Reversal of Provision) on Receivables from Income	-	(3)
General provision for Standard Assets	7	2
Provision for Non Performing Assets (as per RBI norms)	141	364
Provision for Non Performing Assets - Resale Customer	29	
	<u>2,572</u>	<u>1,665</u>

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
22 Other expenses		
Commission to Income Distribution Partners	172	187
Rates & Taxes	38	46
Sourcing and Credit Cost	69	58
Recovery Cost	59	45
Rent Expenses	18	14
IT & Communication Cost	53	39
Legal & Consultancy Charges	36	36
Donation / CSR Expenses	-	10
Travelling Expenses	37	44
Office Expenses	2	2
Insurance	12	11
Repairs & Maintenance	20	21
Auditor's Fee*	12	3
Other General & Admin	9	7
Internal Audit Fees	9	7
Power and Fuel	52	50
Director Sitting Fees	1	1
	<u>599</u>	<u>581</u>
*Auditor's Fee Break up		
Statutory Audit Fee	7	3
Tax Audit Fee	3	-
Limited Review Fee	2	-
Total	<u>12</u>	<u>3</u>

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
23. Income Tax Expenses		
Income tax of Current Year	64	229
Income tax of Previous Years	-	(2)
Deferred Tax Expenses/(Income)	(15)	(130)
	<u>49</u>	<u>97</u>

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
24. Earnings per Share		
Net Profit attributable to Equity Shareholders	167	237
Weighted Average number of Equity Shares outstanding during the year (absolute in number)	4,67,29,315	3,94,00,000
Face value per share in Rs.	10	10
Earnings per Share	<u>0.36</u>	<u>0.60</u>



[Signature]

[Signature]

Khushbu Auto Finance Limited
(CIN : U74999GJ1994PLC022816)

Notes to the financial statements for the year ended 31 March 2025

25 Contingent Liabilities not acknowledged as Debt

Particulars	2024-25	2023-24
(a) Outstanding amount of share of loan given by finance company to end user and guaranteed by the holding company (Atul Auto Limited)	47	195
(b) Disputed Liability for Income Tax Act for AY 2018-19	46	46
Total	93	241

26 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, where any proceeding has been initiated or pending against the Company for holding 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 created charge during the year is as under:

Charge Holder Name	Date of Creation	Amount
IDFC FIRST BANK LIMITED	21/09/2024	30,00,00,000

(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. 29.

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

(xiv) The Company has not advanced loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(xv) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(xvi) The Company does not have any Capital Commitment as on 31.03.2025.

(xvii) There have been no events after the reporting date that require disclosure in these financial statements.

(xviii) 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.

(xx) 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.

Particulars	2024-25	2023-24
Net employee benefit expenses recognised in the employee cost		
Current Service cost	14	11
Interest cost on benefit obligation	2	2
Expected return on Plan assets	-	-
Net Actuarial (Gain)/Loss recognised in the year	(3)	2
Net benefit Expense	13	15
Benefit Asset / Liability		
Present Value of Defined Benefit Obligation	46	34
Fair Value of Plan Assets	(37)	(3)
Plan (Asset)/Liability	9	31
Changes in the present value of defined benefit obligation are as follows		
Opening Defined benefit obligation	34	22
Interest cost	2	2
Current Service cost	14	11
Benefit paid	(1)	(3)
Actuarial (Gain)/Loss on obligation	(3)	2
Closing Defined benefit obligation	46	34
Changes in the fair value of plan assets are as follows		
Opening fair value of plan assets	3	5
Actual Return on Plan Assets	-	1
Employer Contribution	35	-
Benefit paid during the year	(1)	(3)
Closing fair value of plan assets	37	3
Discount rate	6.79%	7.21%
Interest rate	7.21%	7.48%

Qnatt

Phands



(xxi) Corporate Social Responsibility (CSR)

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

Particulars	Amount ₹	Amount ₹
Amount required to be spent by the company during the year,	N.A	10
Amount of expenditure incurred,		9
Excess Amount of expenditure Incurred		1
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
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		1
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 does not required to spent for CSR in accordance with Section 135 of Companies Act, 2013.

27 Forex Transaction

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

28 Other Notes

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



[Handwritten signature]

[Handwritten signature]

Khushbu Auto Finance Limited
(CIN : U74999GJ1994PLC022816)

29 Disclosure of Key Ratios

Particulars	Numerator	Denominator	F.Y. 2024-25	F.Y. 2023-24	Change %	Reason for variance
Current Ratio	Current Assets	Current Liabilities	1.13	1.01	12%	
Debt Equity Ratio	Total Debt	Shareholder's Equity	0.71	0.81	-13%	
Debt Service Coverage Ratio	Earnings Available for Debt Service	Debt Service	1.53	2.39	-36%	Refer Note 2 Below**
Return on Equity Ratio	Profit available for Equity Shareholders	Average Shareholder's Equity	0.04	0.06	-40%	Refer Note 1 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	4.25%	6.90%	-38%	Refer Note 1 Below**
Return on Capital Employed	Earnings before Interest and Taxes	Shareholder's Equity + Total Debt	5.28%	6.84%	-23%	Refer Note 1 Below**
Return on investment	Income from Investment	Cost of Investment	N.A.	N.A.	0%	

****Notes**

1. During the year Company has written off NPA files. This has resulted in an adverse ratio of (i) Return on equity, (ii) Net Profit Ratio and (iii) ROCE.
2. During the year Company has availed new Term Loan Facility. Hence, increase in Interest on Term loan compared to last year. This has resulted in an adverse ratio of Debt Service Coverage Ratio



Shakti

Shakti



Khushbu Auto Finance Limited
(CIN : U74999GJ1994PLC022816)
Notes to the financial statements for the year ended 31 March 2025

30. 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
	Aarti J. Juneja	Director (Upto 09.02.2025)
	Gurudeo Madhukar	Additional Director (w.e.f. 09.02.2025)
	Chinar R. Jethwani	Company Secretary (w.e.f. 01.12.2024)
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	Enterprise owned or significantly influenced by relative of Key Managerial Personnel
	Atul Chandra Charitable Trust	Enterprise owned or significantly influenced by relative of Key Managerial Personnel
	New Chandra Motorcycle Agency	Enterprise owned or significantly influenced by relative of Key Managerial Personnel
	Atul Automotives	Enterprise owned or significantly influenced by relative of Key Managerial Personnel
	Atul Motors Jam LLP	Enterprise owned or significantly influenced by relative of Key Managerial Personnel

(b) Transaction with Related Parties

	For the year ended 31 March 2025	For the year ended 31 March 2024
1. Investor Company		
<u>Atul Auto Limited</u>		
Rent	7	6
Corporate Guarantee Fees	73	76
Finance Subvention Income	612	322
Reimbursement of Loss (Income)	5	28
Vehicle Repairing Expenses	1	3
Interest on Inter Corporate Deposits	121	1
(ICD at the Beginning of the year : Nil)		
ICD taken during the year : Rs. 10,715.00 Lakhs		
ICD repaid during the year : Rs. 7,615.00 Lakhs		
ICD at the end of the year : Rs. 3,100.00 Lakhs		
2. Enterprises owned or significantly influenced by key personal management or their relatives		
<u>Khushbu Auto Private Limited</u>		
Inter Corporate Deposits		
(ICD at the Beginning of the year : Nil)		
ICD taken during the year : Rs. 3,080.00 Lakhs		
ICD repaid during the year : Rs. 3,080.00 Lakhs		
ICD at the end of the year : Nil)		
Interest Paid on the above ICD	18	27
Vehicle Repairing Expense	0	1
Finance Subvention Income	0	-
Vehicle Financed to Asset Vendor	1,369	1,190
<u>Atul Motors Pvt Ltd</u>		
Vehicle Repairing Expense	0	0



[Signature]

[Signature]



30. Related Party Disclosures

(All amounts are in Indian Rupees in lakhs)*

Atul Chandra Charitable Trust

CSR Expenditure

- 1

Atul Greentech private limited

Vehicle Financed to Asset Vendor

146 96

Resale of Seized Vehicle

- 1

RC Book Generation Income

0 0

Atul Automotives

Vehicle Repairing Expense

1 0

New Chandra Motor Cycle agency - Jamnagar

Amount Written Off

- 0

Atul Motors Jam LLP¹

Vehicle Repairing Expense

0 -

3. Key Management Personnel

Remuneration to Chief Financial Officer - Anita N. Chandra

7 7

Sitting Fees to Director - Aarti J. Juneja

1 1

Sitting Fees to Director - Gurudeo Madhukar Yadwadkar

0 -

Remuneration to Company Secretary

1 1

(c) Balance outstanding as at the end of the yearFor the year ended
31 March 2025For the year ended
31 March 2024**1. Investor Company**

Atul Auto Limited

Receivable/(Payable)

180 106

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

1. Atul Greentech private limited (For Vehicle Financed)

Payable

2 6

2. New Chandra Motor Cycle agency - Jamnagar

Payable

0 0

3. Khushbu Auto Private Limited (For Vehicle Financed)

Payable

0 -

3. Key Management Personnel

1. Remuneration to Chief Financial Officer

Payable

1 1

(d) Shareholding as at the end of the yearFor the year ended
31 March 2025For the year ended
31 March 2024**Equity Share Holding**

Atul Auto Limited

Preference Share Holding

Jayantibhai Chandra

296 296

Alpesh Bharatbhai Chandra

191 191

Dharmendrabhai Jagjivandas Chandra

- 141

Harishbhai Jagjivandas Chandra

129 129

Rishi Atulbhai Chandra

123 123

Manishaben Atulkumar Chandra

48 107

Maheshbhai Jagjivandas Chandra

87 87

Hirenkumar V Patel Huf

75 75

Patel Ashokkumar Jamnadas Huf

73 73

Yagna Maheshbhai Chandra

69 69

Samarth Atulbhai Chandra

279 60

Manishaben Mahendrakumar Patel

43 43

Chetankumar Vasantrai Patel

43 43

Devarshi D Chandra

40 40

Mahendrakumar Jamnadas Patel

39 39

Patel Chetankumar Vasantrai Huf

35 35

Bharat Jagjivandas Chandra

30 30

Hetal Alpesh Chandra

29 29



(CIN : U74999GJ1994PLC022816)

Notes to the financial statements for the year ended 31 March 2025

30. Related Party Disclosures

(All amounts are in Indian Rupees in lakhs)*

Rekhaben Maheshbhai Chandra	24	24
Divya Maheshbhai Chandra	23	23
Pranav Harishbhai Chandra	21	21
Prafullaben Jayantibhai Chandra	-	20
Patel Mahendrakumar Jamnadas Huf	17	17
Minaben Ashokkumar Patel	15	15
Krunal Jayantilal Chandra Huf	15	15
Niraj Jayantilal Chandra Huf	13	13
Hiren Vasantrai Patel	13	13
Ushaben Dharmendrabhai Chandra	13	13
Nandan Chetanbhai Patel	11	11
Ashokkumar Jamnadas Patel	5	5
Kajal Hirenbhai Patel	5	5
Tithi Krunal Chandra	5	5
Krishnaben Chetankumar Patel	4	4
Harshaben Harishbhai Chandra	3	3
Chandra Jayantibhai Jagjivandas Huf	3	3
Kapilaben Bharatbhai Chandra	3	3
Mrs. Anita N. Chandra	2	2
Dayalal Gordhandas Patel	0	0
Geetaben Bhagwanji Khant Patel	0	0
Ramaben Dayalal Patel	0	0
Saroj N Patel	0	0
Umeshchandra Bhagwanji Patel	0	0

* "0" Represent transactions below Rs. 50000/- and "-" represent NIL



Chandra

Chandra

Khushbu Auto Finance Limited
(CIN : U74999GJ1994PLC022816)

Notes to the financial statements for the year ended 31 March 2025

The disclosures as required by Master Direction-Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 as amended from time to time

31 Disclosure as per Para 31 and Annex-VIII of Master Direction-Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023

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

(All amounts are in Indian Rupees in lakhs)

Liabilities side

	<u>2024-25</u>
	Amount
(1) Loans and advances availed by the non- banking financial company inclusive of interest accrued thereon but not paid :	Amount overdue outstanding
Debentures : Secured	
(a) Debentures : Unsecured	
(other than falling within the meaning of public deposits*)	
(b) Deferred Credits	
(c) Term Loans	
(d) Inter-corporate loans and borrowing	4,185
(e) Commercial Paper	3,100
(f) Public Deposit*	
(g) Other Loans - Working Capital Finance from Banks	
(* Please refer Note 1 below)	2,363
(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	
(b) Unsecured	73
(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	1,182
(b) Loans other than (a) above	22,466

(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)



Debut

Shank

Khushbu Auto Finance Limited
(CIN : U74999GJ1994PLC022816)

Notes to the financial statements for the year ended 31 March 2025

The disclosures as required by Master Direction-Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 as amended from time to time

31 Disclosure as per Para 31 and Annex-VIII of Master Direction-Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023

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

(All amounts are in Indian Rupees in lakhs)

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	22,203	-	22,203
Total	22,203	-	22,203

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

Total

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

(8) Other information

Particulars	
(i) Gross Non-Performing Assets	
(a) Related parties	
(b) Other than related parties	5,045
(ii) Net Non-Performing Assets	
(a) Related parties	
(b) Other than related parties	3,574
(iii) Assets acquired in satisfaction of debt	

Notes:

- As defined in paragraph 5.1.26 of the Directions.
- Provisioning norms shall be applicable as prescribed in these Directions.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (5) above.



[Signature]

[Signature]

Khushbu Auto Finance Limited
(CIN : U74999GJ1994PLC022816)
Notes to the financial statements for the year ended 31 March 2025

The disclosures as required by Master Direction-Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 as amended from time to time

32 Disclosure as per Para 27 and Annex-VII of Master Direction-Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023

(All amounts are in Indian Rupees in lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
32.1 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.	73	178
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	<u>73</u>	<u>178</u>
32.2 Exposure to Capital Market There is no exposure to Capital Market		



[Handwritten signature]

[Handwritten signature]

Khushbu Auto Finance Limited
(CIN : U74999GJ1994PLC022816)

Notes to the financial statements for the year ended 31 March 2025

The disclosures as required by Master Direction-Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 as amended from time to time

32 Disclosure for Exposure as per Para 27 and Annex-VII of Master Direction-Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023

(All amounts are in Indian Rupees in lakhs)

32.3 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	8,608	1,131	13.14%	6,597	1,206	18.28%
ii. Loan Against Property	73	73	100.00%	178	178	100.00%
Others	-	-	-	-	-	-
Total of Industry (i+ii+Others)	8,681	1,204	13.87%	6,775	1,384	20.43%
3. Services						
i. Passenger Vehicle Loan	14,063	3,350	23.82%	11,921	2,681	22.49%
Others	-	-	-	-	-	-
Total of Services (i+Others)	14,063	3,350	23.82%	11,921	2,681	22.49%
4. Personal Loans						
i. Two Wheeler Vehicle Loan	977	491	50.26%	1,874	549	29.30%
Others	-	-	-	-	-	-
Total of Personal Loans (i+Others)	977	491	50.26%	1,874	549	29.30%
5. Others, if any (please specify)						

32.4 Intra-group exposures

There is no exposure to Intra-group.

32.5 Unhedged foreign currency exposures

There is no exposure to unhedged foreign currency.



Q. N. Patel

Shard

The disclosures as required by Master Direction-Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 as amended from time to time

34 Disclosure of complaint as per Para 27 and Annex-VII of Master Direction-Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023

(All amounts are in Indian Rupees in lakhs)

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

Sr. No.	Particulars	F.Y. 2024-25	F.Y. 2023-24
1	Complaints received by the NBFC from its customers		
2	Number of complaints pending at beginning of the year	-	-
3	Number of complaints received during the year	4.00	4.00
3.1	Number of complaints disposed during the year	4.00	4.00
4	Of which, number of complaints rejected by the NBFC	-	-
4	Number of complaints pending at the end of the year	-	-
5	Maintainable complaints received by the NBFC from Office of Ombudsman		
5.1	Number of maintainable complaints received by the NBFC from Office of Ombudsman		
5.2	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	NA	NA
5.3	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	NA	NA
6	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 2024-25					
Ground 1 - CIBIL not updated	-	1.00	-75%	-	-
Ground 2 - NOC not given for Loan Closure	-	3.00	300%	-	-
Ground 3	-	-	-	-	-
Ground 4	-	-	-	-	-
Ground 5	-	-	-	-	-
Other	-	-	-	-	-
Total	-	4.00	0%	-	-
FY 2023-24					
Ground 1 - CIBIL not updated	-	4.00	300%	-	-
Ground 2	-	-	-	-	-
Ground 3	-	-	-	-	-
Ground 4	-	-	-	-	-
Ground 5	-	-	-	-	-
Other	-	-	-	-	-
Total	-	4.00	300%	-	-



[Signature]

[Signature]



The disclosures as required by Master Direction-Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 as amended from time to time

35 Disclosure for Related Party as per Para 27 and Annex-VII of Master Direction-Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023

Sr. No.	Item/Related Party	1. Parent (as per ownership or control)		2. Subsidiaries		3. Associate		4. Director		5. Relative of Director		6. Other KMP		7. Relatives of Other KMP		8. Other		Total
		31.03.2025	31.03.2024	31.03.2025	31.03.2024	31.03.2025	31.03.2024	31.03.2025	31.03.2024	31.03.2025	31.03.2024	31.03.2025	31.03.2024	31.03.2025	31.03.2024	31.03.2025	31.03.2024	
(A)	Details of Related party transactions during the year ended																	
1	Borrowing	10,715	465	-	-	-	-	-	-	3,080	2,269	-	-	-	-	-	13,795	2,734
2	Deposit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Purchase of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Sale of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Interest paid	121	1	-	-	-	-	-	-	18	27	-	-	-	-	-	-	-
9	Interest received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	RC Book Generation Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Rent	7	6	-	-	-	-	-	-	-	-	-	-	-	-	0	0	0
12	Corporate Guarantee Fees	73	76	-	-	-	-	-	-	-	-	-	-	-	-	-	7	6
13	Finance Subvention Income	612	322	-	-	-	-	-	-	0	-	-	-	-	-	-	73	76
14	Reimbursement of Loss (Income)	5	28	-	-	-	-	-	-	-	-	-	-	-	-	-	612	322
15	Vehicle Repairing Expenses	1	3	-	-	-	-	-	-	2	1	-	-	-	-	-	5	28
16	Vehicle Financed to Asset Vendor	-	-	-	-	-	-	-	-	1,369	1,190	-	-	-	-	146	96	1,286
17	CSR Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1
18	Resale of Seized Vehicle	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Amount Written Off	-	-	-	-	-	-	-	-	-	0	-	-	-	-	-	-	0
20	Remuneration to Chief Financial Officer - Anita N. Chandra	-	-	-	-	-	-	7	7	-	-	-	-	-	-	-	7	7
21	Sitting Fees to Director - Anil J. Junjia	-	-	-	-	-	-	1	1	-	-	-	-	-	-	-	1	1
22	Remuneration to Company Secretary	-	-	-	-	-	-	-	-	-	-	1	1	-	-	-	1	1
(B)	Outstanding Balances as at																	
1	Borrowing	3,100	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Deposit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,100	-
3	Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C)	Maximum Outstanding balances for the year ended																	
1	Borrowing	10,715	465	-	-	-	-	-	-	3,080	2,269	-	-	-	-	-	13,795	2,734
2	Deposit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



Manish
Share

The disclosures as required by Master Direction-Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 as amended from time to time

36 Disclosure on Liquidity Risk as per Para 26 and Annex VI-A of Master Direction-Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023

(All amounts are in Indian Rupees in lakhs)

(i) Funding Concentration based on significant counterparty (both deposits and borrowings)

Sr No.	Number of Significant Counterparties	Amount (Lacs)	% of Total deposits	% of Total Liabilities
1	5	9,648	-	82.52%

(ii) Top 20 large deposits (amount in crore and percent of total deposits)- N.A.

(iii) Top 10 borrowings (amount in crore and percent of total borrowings)

Sr. No.	Amount (in crore)	% Total Borrowing
1	9,648.00	100.00%

(iv) Funding Concentration based on significant instrument/product

Sr No	Name of the instrument/product	Amount (Lacs)	% of Total Liabilities
1	Term Loan	4,185	35.79%
2	Cash Credit / Working Capital Demand Loans	2,363	20.21%
3	Inter Corporate Deposit	3,100	26.51%

(v) Stock Ratios:

(a) Commercial papers as a percent of total public funds, total liabilities and total assets : N.A.

(b) Non-convertible debentures (original maturity of less than one year) as a percent of total public funds, total liabilities and total assets : N.A.

(c) Other short-term liabilities, if any as a percent of total public funds, total liabilities and total assets

Particulars	%
Other short-term liabilities as % of total public funds	2.90%
Other short-term liabilities as % of total liabilities	2.39%
Other short-term liabilities as % of total assets	1.10%

(vi) Institutional set-up for liquidity risk management

The Company's ALCO monitors asset liability mismatches to ensure that there are no imbalances or excessive concentrations on either side of the balance sheet. The Company assess and monitor its liquidity risk by estimating the future inflows and outflows during the start of the year and planned accordingly the funding requirement. The Company continuously manages its liquidity by unutilized cash credit facility. The composition of the Company's liability mix ensures healthy asset liability maturity pattern and well diverse resource mix. As on 31 March 2025, the Company had liquidity buffer of around Rs. 178 lacs, and unutilized Cash Credit facility of around Rs. 8,137 lacs.



[Handwritten signature]

KHUSHBU AUTO FINANCE LIMITED
(CIN : U74999GJ1994PLC022816)

Notes forming part of Financial Statements for the year ended on 31st March, 2025

NOTE NO. 33 ASSET-LIABILITY MANGEMENT

Maturity pattern of certain items of assets and liabilities as at 31st March, 2025

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

Particulars	Upto 1 Month	Over 1 month upto 2 month	Over 2 month upto 3 month	Over 3 month upto 6 month	Over 6 month upto 1 Year	Over 1 year upto 3 Year	Over 3 year upto 5 Year	More than 5 year	Total
A. INFLOW									
Cash & Cash Equivalents	178	-	-	-	-	-	-	-	178
Advances									
(Receivables under financing activity)	678	682	676	1,987	4,001	8,961	4,129	1,025	22,139
Property, Plant & Equipment	-	-	-	-	-	-	-	47	47
Intangible Assets	-	-	-	-	-	-	-	7	7
Deferred Tax Assets	-	-	-	-	-	618	-	-	618
Other Receivables	-	-	-	-	788	3	-	-	791
Sub-total	856	682	676	1,987	4,789	9,582	4,129	1,079	23,780
Cumulative Total Inflows	856	1,538	2,214	4,201	8,990	18,572	22,701	23,780	23,780
B. OUTFLOWS									
Equity Capital	-	-	-	-	-	-	-	5,260	5,260
Reserves & Surplus (excluding Preference Share Premium)	-	-	-	-	-	-	-	4,884	4,884
Redeemable Preference Share Capital (Including Preference Share Premium)	-	-	-	-	-	-	-	-	-
IDP deposits & Other Deposits	-	-	-	-	-	3,526	-	-	3,526
Long term borrowing	197	197	197	591	959	128	-	-	128
Short term borrowing*	-	-	-	-	5,463	2,044	-	-	4,185
Trade Payable and Others	133	-	-	-	201	-	-	-	5,463
Sub-total	330	197	197	591	6,623	5,698	-	10,144	23,780
Cumulative Total Outflows	330	527	724	1,315	7,938	13,636	13,636	23,780	23,780
GAP	526	485	479	1,396	-1,834	3,884	4,129	-9,065	-
CUMULATIVE GAP	526	1,011	1,490	2,886	1,052	4,936	9,065	-	-

(1) As at 31st March, 2025, the company has undrawn working capital facility of Rs. 8,137 lakhs.

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

(3) WCCL is considered for 6 month to 1 Year bracket as it can be withdrawn within the limit of Cash Credit.



Signature

Signature