

ANNUAL REPORT

2025-26

**Building Trust.
Inspiring Futures.**

Empowering dreams.
Creating lasting homes.

**STRENGTHENING TODAY,
BUILDING TOMORROW.**

Your Dream Home
Our Mission



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Trust



Transparency



Growth



Commitment

Building Trust. Creating Futures.

EMPLOYEE

Engagement Activities



BUSINESS MEETS

Collaborating Today

Building a **Stronger Tomorrow**



FESTIVITIES

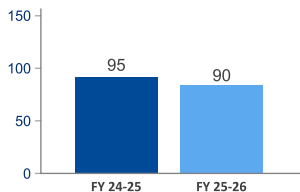


KEY PERFORMANCE HIGHLIGHTS



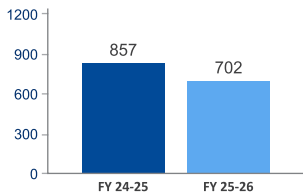
BRANCHES

FY 24-25 | FY 25-26
95 | 90



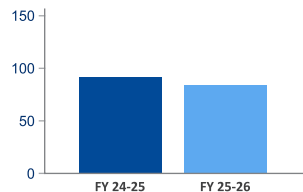
EMPLOYEES

FY 24-25 | FY 25-26
840 | 744



NET PROFIT

FY 24-25 | FY 25-26
9.92 Cr. | 4.97 Cr.



CAPITAL ADEQUACY RATIO

FY 24-25 | FY 25-26
54.33% | 53.42%

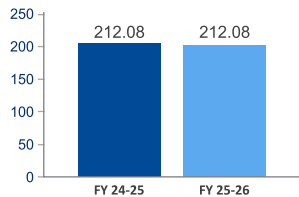


■ FY 24-25 ■ FY 25-26



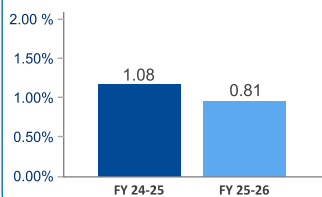
DISBURSEMENT

FY 24-25 | FY 25-26
465.95 Cr. | 240.23 Cr.



NON PERFORMING ASSET

FY 24-25 | FY 25-26
1.39% | 1.99%



CUMULATIVE DISBURSEMENT

FY 24-25

FY 25-26



NUMBER

18,750

20,649



AMOUNT

1,772.86 Cr.

2,013.09 Cr.



ASSET UNDER MANAGEMENT

FY 24-25

FY 25-26



AMOUNT

1,050.06 Cr.

1,110.16 Cr.

■ FY 24-25 ■ FY 25-26

CUSTOMER SATISFACTION OUR PRIDE



Our Promise:

*Turning Your Dream Home
into a Reality.*



At KIFS Housing Finance, we are dedicated to transforming your dream of owning a home into a tangible reality. We understand that a home is more than just a place - it's a deep-rooted emotion, a place of belonging, and a foundation for your future. That's why our promise stands firm:

"Your Dream Home is now a Reality."



Transparency lies at the heart of our customer relationships. By maintaining clear, honest, and consistent communication, we've built a strong foundation of trust, reflected in our high customer satisfaction and loyalty — as evidenced by our impressive Net Promoter Scores. Our unwavering commitment to customer service and a customer-first approach continue to be key drivers of our sustained growth.



Furthermore, our robust Customer Grievance **Redressal Policy** ensures that every concern is addressed promptly and effectively. At KIFS, customer satisfaction isn't just a goal — it's an integral part of our business philosophy.



At KIFS, customer satisfaction isn't just a goal-
it's an integral part of our business philosophy.

EXPANDING FOOTPRINT ACROSS INDIA



BOARD OF DIRECTORS



Mr. Rajesh Khandwala

Chairman and Managing Director

Mr. Rajesh P. Khandwala is a visionary and founder of the Khandwala Group. He is a Commerce Graduate having experience of over two and half decades in Capital Market activities. He is a dominant figure in Gujarat Capital Market and has contributed greatly to the Groups rise. He has rich and varied experience in the field of Primary Market, Secondary Market and Mutual Funds. He is an Independent thinker and a measured risk taker with a passion for equities. With his support in the business of housing finance, he is taking up the Company to the new heights.

Mr. Vimal P. Khandwala is a Commerce Graduate and has deep operational knowledge of more than 20 years in Capital Market activities. He has rich experience in Primary Market, Secondary Market, Derivatives and Arbitrage Operations, and Financial Management. With his strong operational skills Mr. Vimal keeps providing the group with the much needed controls for efficient business operations. With his support in the business of housing finance, he is taking up the Company to the new heights.

Mr. Vimal Khandwala

Managing Director



Mr. Kushal Khandwala

Whole Time Director

Mr. Kushal Khandwala is a graduate with a Master's degree from the University of Warwick, who possesses substantial expertise in the Finance sector and Non-Banking Financial Company (NBFC) funding. Following a 3-year tenure at one of the top 3 investment houses, he has been actively involved with the Khandwala Group, assuming a full-time role in overseeing the operations of KIFS Housing Finance.



Mr. Kumar Sharadindu had retired as MD & CEO of SBI Pension Fund(P) Ltd. and he was on the rank of CGM in SBI. Mr. Kumar was a general Manager at SBI Corporate Centre, Mumbai heading private equity business of the bank. He has held several crucial assignments in his banking career spanning more than three decades. He has held the key positions in the areas of credit, treasury, Risk and large corporate lending. He spent more than five years in treasury of the bank. He was also the head of Market Risk department of SBI.

In his rich experience, he has managed Pension AUM of \$20 Bn (Rupees 1,37,000 crores) and instrumental in introduction of policy by Pension Fund Regulatory and Development Authority (PFRDA) for transfer of self-managed Superannuation Funds of Central Public Sector Undertaking (CPSEs) to National Pension System (NPS). He has been part of Government delegation to UK to study UK Pension Industry as part of India-UK Technical assistance programme on Financial Services in India. Further, he strengthened bank capitalization through notable exits of Rs. 2061 crores from non-core investments with strong returns. Mr. Kumar managed a large team of more than 350 professionals across the region, overseeing Gross advances of Rs. 12,000 crores. He has been member of committees constituted by RBI to study and suggest the market risk related policies to be implemented in the Banks. He is serving as director of the Board of KOGTA Financial (INDIA) Ltd, and Aditya Birla Sun Life Pension Fund Management Limited.

Mr. Kumar Sharadindu

Independent Director



“ Strong Leadership.
Shared Vision.
Sustainable Growth.”





Mr. Vikas is a qualified Chartered Accountant (FCA) with more than 31 years of post-qualification experience. He is a partner with T.R. Chadha & Co LLP (TRC) since 1995 (more than 29 years) and is the CEO of the firm with more than 950 employees reporting to him. TRC is a 78 years old CA Firm with 11 offices All Over India and is considered in Top 10 CA Firms in India.



Mr. Vikas Kumar

Independent Director

He is a regular speaker/panelist at many conferences and seminars of Institute of Chartered Accountants of India (ICAI), Securities and Exchange Board of India (SEBI), Comptroller & Auditor General of India (CAG), etc on various topics including Financial Services Audits, Forensic Audits, Accounting Standards, etc. He is also a member / reviewer of the following committees / Boards of ICAI;

- Technical reviewer of Quality Review Board constituted by ICAI and Government of India
- Technical reviewer for best presented accounts in India and South Asian Federation of Accountants (SAFA)
- Member of the group for revision in Guidance note on audit of Banks and Long Form Audit Report (LFAR) for Banks
- Co-opted Member of the Committee on Career Counselling of ICAI

• Member of the Expert Panel for Addressing queries related to Statutory Audit pertaining to Auditing Aspects He has also done various inspections and special audits on behalf of SEBI, RBI, IRDA, etc. Mr. Vikas has excellent relations with the Regulators and engages with them on regular basis including doing various work on their behalf.

Mr. Vikas has been involved in various large and midcap groups advising them on various aspects including control improvements, process strengthening, cost management, etc. He has been involved with writing various accounting manual, audit manual, etc. for various companies. Mr. Vikas is an excellent motivator and helps organization build the culture and achieve the goals. His strength lies in analytical thinking, fast understanding, critical decision making and taking the team along.



Smt. Bhavna Govindbhai Desai, is a Bachelor in Commerce from Bombay University having over two decades of experience in shares and security market activities. Presently, she is associated with various

Ms. Bhavana Desai

Non- Executive Director



OUR CORE TEAM

1. Mr. Selvin Uthaman	Chief Executive Officer
2. Mr. Vikki Soni	Chief Financial Officer
3. Mr. Sandeep Verma	Head - Operations
4. Mr. Amit Shrivastava	Head - Legal
5. Mr. Dharmendra Doshi	Chief Compliance Officer
6. Mr. Gundopant Salokhe	Chief Information & Technology Officer
7. Mr. Amit Dongre	Chief Strategy Officer
8. Mr. Mangesh Amdekar	Technical Head



CORPORATE INFORMATION

A. COMPANY DETAILS

CIN: U65922GJ2015PLC085079

Reg. No.: DOR-00145 dated August 12, 2020 issued by the Reserve Bank of India in lieu of
COR No. 10.0145.16 dated October 27, 2016 issued by the National Housing Bank

LEI No.: 335800358RJYD5ZDXQ31

Website: www.kifshousing.com

B. REGISTERED & CORPORATE OFFICE ADDRESS

-: Registered Office :-

6th Floor, KIFS Corporate House, Beside Hotel Planet Landmark, Near Ashok Vatika Brts,
Iskon-Ambli Road, Bodakdev, Ambli, Ahmedabad, Gujarat - 380054

-: Corporate Office :-

C-902, Lotus Corporate Park, Graham Firth Compound, Western Express Highway, Goregaon (East),
Mumbai- 400063

C. BOARD OF DIRECTORS

■ Mr. Rajesh Khandwala	Chairman & Managing Director
■ Mr. Vimal Khandwala	Managing Director
■ Mr. Kushal Khandwala	Whole Time Director
■ Mr. Vikas Kumar,	Independent Director
■ Ms. Bhavana Desai	Non- Executive Director
■ Mr. Kumar Sharadindu	Independent Director

D. DETAILS OF COMMITTEES

Audit Committee	Nomination and Remuneration Committee
■ Mr. Vikas Kumar Chairman	■ Mr. Vikas Kumar Chairman
■ Mr. Kushal Khandwala Member	■ Ms. Bhavana Desai Member
■ Mr. Kumar Sharadindu Member (w.e.f. Sep 15, 2025)	■ Mr. Kumar Sharadindu Member (w.e.f. Sep 15, 2025)

CSR Committee	IT Strategy Committee
■ Mr. Vimal Khandwala Chairman	■ Mr. Vikas Kumar Chairman
■ Mr. Rajesh Khandwala Member	■ Ms. Bhavana Desai Member
■ Mr. Kushal Khandwala Member	■ Mr. Vimal Khandwala Member
■ Mr. Vikas Kumar Member	■ Mr. Kushal Khandwala Member

Asset Liability Management Committee			
■ Mr. Vimal Khandwala Chairman	■ Mr. Kumar Sharadindu Member (w.e.f. Sep 15, 2025)		
■ Mr. Rajesh Khandwala Member	■ Mr. Vikki Soni Member (Ceased w.e.f. Feb 25, 2026)		
■ Mr. Kushal Khandwala Member	■ Mr. Gundopant Salokhe Member (Ceased w.e.f. Feb 25, 2026)		
■ Mr. Vikas Kumar Member			

RISK MANAGEMENT COMMITTEE

■ Mr. Vimal Khandwala	Chairman	■ Mr. Vikki Soni	Member (Ceased w.e.f. Feb 25, 2026)
■ Mr. Kushal Khandwala	Member	■ Mr. Gundopant Salokhe	Member (Ceased w.e.f. Feb 25, 2026)
■ Mr. Vikas Kumar	Member	■ Mr. Saurabh Goel	Member (Ceased w.e.f. Feb 25, 2026)
■ Mr. Kumar Sharadindu	Member (w.e.f. Sep 15, 2025)		

CUSTOMER GRIEVANCE REDRESSAL COMMITTEE

■ Mr. Vimal Khandwala	Chairman
■ Mr. Kushal Khandwala	Member
■ Mr. Vikki Soni	Member
■ Mr. Sandeep Verma	Member
■ Mr. Gundopant Salokhe	Member (Ceased w.e.f. June 15, 2026)
■ Mr. Selvin Uthaman	Member (Inducted w.e.f. June 15, 2026)

WILFUL DEFAULTER IDENTIFICATION COMMITTEE

■ Mr. Kushal Khandwala	Chairman
■ Mr. Vikki Soni	Member
■ Mr. Amit Shrivastava	Member
■ Mr. Ajay Dubey	Member (Inducted w.e.f. June 15, 2026)
■ Mr. Saurabh Goel	Member (Ceased w.e.f. June 15, 2026)
■ Mr. Selvin Uthaman	Member (Inducted w.e.f. June 15, 2026)

BORROWING AND INVESTMENT COMMITTEE

■ Mr. Vimal Khandwala	Chairman
■ Mr. Rajesh Khandwala	Member
■ Mr. Kushal Khandwala	Member
■ Mr. Vikas Kumar	Member

WILFUL DEFAULTER REVIEW COMMITTEE

■ Mr. Vimal Khandwala	Chairman
■ Ms. Bhavana Desai	Member
■ Mr. Vikas Kumar	Member
■ Mr. Kumar Sharadindu	Member (Inducted w.e.f. Dec 26, 2025)

IT STEERING COMMITTEE

■ Mr. Kushal Khandwala	Chairman
■ Mr. Vikki Soni	Member
■ Mr. Gundopant Salokhe	Member
■ Mr. Dharmendra Doshi	Member
■ Mr. Saurabh Goel	Member (Ceased w.e.f. June 15, 2026)
■ Mr. Selvin Uthaman	Member (Inducted w.e.f. June 15, 2026)

INFORMATION SECURITY COMMITTEE

■ Mr. Kushal Khandwala	Chairman
■ Mr. Vikki Soni	Member
■ Mr. Gundopant Salokhe	Member
■ Mr. Dharmendra Doshi	Member
■ Mr. Saurabh Goel	Member (Ceased w.e.f. June 15, 2026)
■ Mr. Amit Dongre	Member (Inducted w.e.f. June 15, 2026)

E. KEY MANAGERIAL PERSONNEL

■ Mr. Rajesh Khandwala	—	Chairman and Managing Director
■ Mr. Vimal Khandwala	—	Managing Director
■ Mr. Kushal Khandwala	—	Whole Time Director
■ Mr. Selvin Uthaman	—	Chief Executive Officer (Appointed w.e.f. May 05, 2026)
■ Mr. Vikki Soni	—	Chief Financial Officer
■ Ms. Samrudhi Shetty	—	Company Secretary (Resigned w.e.f. March 12, 2026)
■ Ms. Monica Jain	—	Company Secretary (Appointed w.e.f. June 15, 2026)

*Mr. Selvin Uthaman was appointed as the Chief Executive Officer with effect from May 05, 2026.

Ms. Samrudhi Shetty served as the Company Secretary from March 20, 2023 to March 12, 2026.

Ms. Monica Jain was appointed as the Company Secretary with effect from June 15, 2026.

F. CHIEF COMPLIANCE OFFICER

Mr. Dharmendra Doshi

G. STATUTORY AUDITORS

M/s. J H Mehta & Company, Chartered Accountants

H. OPERATIONAL AUDITORS

M/s. Sanjay Vastupal & Co, Chartered Accountants

I. INTERNAL/ OPEARTIONAL AUDITORS

KKC & Associates LLP

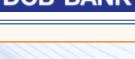
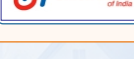
J. SECRETARIAL AUDITOR

M/s. Kiran Doshi & Co., Company Secretaries

K. REGISTRAR & TRANSFER AGENT

NSDL Database Management Limited ("NDML")

F. BANKS (LENDERS)

	National Housing Bank		LIC Housing Finance Limited
	State Bank of India		South Indian Bank
	Federal Bank Limited		HDFC Bank Limited
	IDBI Bank Limited		ICICI Bank Limited
	Karur Vysya Bank		Canara Bank Limited
	CSB Bank Limited		Kotak Mahindra Investments Limited
	Utkarsh Small Finance Bank		Capital Small Finance Bank
	Poonawalla Fincorp Limited		Tata Capital Limited
	Sundaram Home Finance Ltd.		Bajaj Finance Limited
	Indian Overseas Bank		Saraswat Co-Operative Bank Limited
	DCB Bank Limited		Union Bank of India

MESSAGE

FROM THE

MANAGING DIRECTORS

Dear Stakeholders,

Your Directors are pleased to present the 11th Annual Report of KIFS Housing Finance Limited together with the Audited Financial Statements for the financial year ended March 31, 2026.

The financial year 2025-26 was marked by resilience, disciplined execution and steady progress. Despite a dynamic macroeconomic environment and evolving market conditions, your Company continued to strengthen its position by delivering sustainable growth while remaining focused on prudent risk management, operational excellence and long-term value creation.

India's housing finance sector continues to offer significant opportunities, supported by favourable government policies, rapid urbanisation, rising disposable incomes and increasing aspirations for home ownership. The demand for affordable and mid-income housing remains robust, particularly across Tier II and Tier III cities. Your Company remains committed to serving these underserved segments by providing accessible, transparent and customer-centric housing finance solutions.

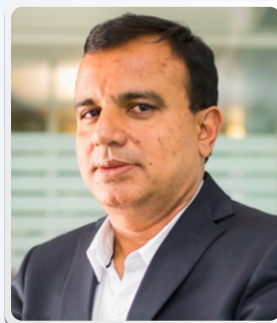
During the year under review, the Company continued to strengthen its operational capabilities through investments in technology, digital transformation and process automation. These initiatives have enhanced customer experience, improved operational efficiency, strengthened credit appraisal processes and reinforced the Company's risk management framework. With a branch network spanning over 90 locations across 11 States and Union Territories, the Company has further expanded its reach and strengthened its ability to serve customers efficiently.

Our employees remain our greatest strength. Their commitment, coupled with a culture of integrity, innovation, and accountability, has enabled us to deliver consistent value to our customers and stakeholders.

As we move forward, we remain committed to expanding access to affordable housing finance, embracing digital transformation, and creating sustainable value through responsible growth and sound financial practices.

On behalf of the Board of Directors, we sincerely thank our customers, employees, shareholders, lenders, regulators, and all our stakeholders for their continued trust and support and look forward to achieving new milestones together in the years ahead.

“ Together,
we build **trust**,
create **opportunities**,
and make home
ownership a **reality**. ”



Mr. Rajesh Khandwala

Chairman & Managing Director



Mr. Vimal Khandwala

Managing Director



**BUILDING TRUST.
CREATING HOMES.
TRANSFORMING LIVES.**

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 11th (Eleventh) Annual Report on the business and operational performance of KIFS Housing Finance Limited (hereinafter referred to as “the Company” or “KIFS” or “KHFL”), for the financial year ended March 31, 2026. This Report includes Audited Financial Statements and the Report of the Auditors, Management Discussion and Analysis Report (MDAR), Corporate Governance Report, Corporate Social Responsibility (CSR) Annual Report and other annexures, which form an integral part of this Report.

STATE OF AFFAIRS OF THE COMPANY

Your Company was established in November 2015 and received its registration with the National Housing Bank (NHB) on October 27, 2016. Since inception, the Company has remained steadfast in its mission to extend affordable retail housing loans to the Middle Income Group (MIG) and Low Income Group (LIG) segments of society.

Headquartered in Mumbai, with its registered office in Ahmedabad, Gujarat, the Company is governed by a Board of seasoned professionals who bring extensive expertise in finance, housing and risk management. Their collective guidance ensures that the Company's operations are strategically aligned with its vision of enabling inclusive housing finance across India.

Your Company offers financial solutions to individual and corporates for the purchase and renovation of homes and commercial spaces. The products comprises of home loans, loans against property, home construction loan, commercial property loan, plot and construction loan, home loan balance transfer, home improvement / renovation loan. These products are offered and available through a Hub-and-Spoke branch network model, which enables deep penetration into semi-urban and rural markets while maintaining operational efficiency. Through this strategic approach, the Company has been able to steadily scale its presence, build long-term relationships with customers, and create sustainable value for all stakeholders.

During the year, the Company registered itself as a corporate agent with Insurance Regulatory and Development Authority of India ('IRDAI') with effect from February 24, 2026, valid for a period of three years. The Company presently has tie-ups with Bajaj General Insurance Limited and Shriram General Insurance Company Limited and is looking to increase those in the near future. With this your Company will be able to offer life insurance products alongwith the loans thereby increasing the security of the loan increase its revenue.

FINANCIAL SUMMARYAND HIGHLIGHTS

During the year under review, your Company continued to demonstrate steady progress, supported by prudent financial management and a balanced growth strategy. Despite the evolving market dynamics, the Company delivered consistent results while maintaining focus on asset quality and operational efficiency.

A snapshot of the financial performance for the year ended 31st March, 2026, in comparison with the previous financial year ended 31st March, 2025, is provided below:

(Rupees in Crores except EPS)

Particulars	2025-26	2024-25
Total Revenue from Operations	165.05	137.76
Total Expenditure	158.00	125.20
Profit / (Loss) before provision for tax	7.05	12.55
Tax Expense	2.09	2.63
Net Profit / (Loss) after tax	4.97	9.92
Other comprehensive income/(loss)	0.11	0.13
Total Comprehensive Income	5.08	10.05
Earnings / (Loss) per Share (Basic & Diluted)	0.20	0.40

PERFORMANCE REVIEW

The Company's gross income for the Financial Year ended March 31, 2026 stood at Rs. 165.05 Cr, reflecting a growth of 19.81% over the previous year's income of Rs. 137.76 Cr. The Profit Before Tax (PBT) for the year was Rs. 7.05 Cr, while the Net Profit amounted to Rs. 4.97 Cr. The Company's Assets Under Management (AUM) reached Rs. 1110.16 Cr as on March 31, 2026 as compared to Rs. 1050.06 Cr as on March 31, 2025, demonstrating healthy business momentum.

DIVIDEND

Your Company is in a growth phase. Therefore, to fund your Company's planned business expansion there is a need to conserve resources for future expansion. Hence, the Board of Directors ("Board") has considered it prudent not to recommend any dividend for the financial year ended March 31, 2026. Also, the Board confirms that no interim dividend was declared and paid during the year under review.

ACCOUNTING METHOD

The Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind-AS), as prescribed under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), read with Section 133 of the Companies Act, 2013, along with other applicable provisions of the Act and relevant regulatory guidelines. The statements also adhere to the generally accepted accounting principles in India. Further details regarding the accounting treatment followed during the financial year are provided in the Notes to the Financial Statements.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes or commitments that would affect the financial position of the Company between the close of the financial year and the date of this Report.

OTHER MATERIAL CHANGES AND COMMITMENTS

The Company has appointed Mr. Selvin Uthaman as the Chief Executive Officer (CEO) to look after the day to day affairs of the Company, which will help us further strengthen the vision and achieve the required growth.

CHANGE IN NATURE OF BUSINESS

During the financial year under review, there was no change in the nature of business of the Company, and it continued to operate within its existing line of activities.

PUBLIC DEPOSITS

Your Company is a Non-Deposit accepting Housing Finance company. It has not accepted any deposits during the year under review. Accordingly, the provisions of Section 73 of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014, are not applicable to the Company.

REVIEW OF BUSINESS & OPERATIONS OF THE COMPANY

Your Company, KIFS Housing Finance Limited (KHFL), is registered as a Housing Finance Company with the National Housing Bank and the Reserve Bank of India to carry out housing finance activities in India. KHFL continues to maintain its strategic focus on the affordable housing finance segment, primarily serving the aspirations of low- and middle-income families who seek to own their homes.

The Company is engaged exclusively in the retail housing loan business, catering to customers belonging to the Middle Income Group (MIG) and Low Income Group (LIG) categories. Notably, the Company's entire loan book is 100% retail and organically built, with no exposure to purchased portfolios or builder loans, thereby ensuring transparency, quality and control over asset origination.

The business profile of KHFL is predominantly oriented towards the formal, salaried customer segment, as compared to the informal and self-employed categories. This strategic positioning reduces credit risk, as salaried customers typically represent a lower-risk profile. With an average ticket size of Rs. ₹12.46 lakh, the Company has maintained a granular loan portfolio that supports risk diversification and helps in keeping overall NPA levels under control.

FOIR & LTV ratios Band

The Company continues to maintain prudent underwriting standards, with an average customer-level Fixed Obligations to Income Ratio (FOIR) of 42.76% and an average Loan-to-Value (LTV) ratio of 43.37% across the portfolio. These parameters are monitored as part of the Company's Board-approved credit risk management framework and support the maintenance of a high-quality loan portfolio.

In terms of yields, the Company achieved an average yield of 13.39% in the Home Loan segment and 15.65% in the Non-Home Loan segment during the year.

Further, as on March 31, 2026, the Company has received NIL subsidy benefits from its Home Loan portfolio under various eligible government schemes.

The Company's growth has been driven by strong direct sourcing channels, complemented by a healthy network of Business Associates, enabling a deeper presence across cities and semi-urban markets. A consciously designed customer profile and product mix has further supported the portfolio quality, helping the Company maintain delinquencies at controlled levels.

Your Company has recorded an income of Rs. 165.05 Cr as against Rs. 137.76 Cr. in the previous year and the profit after tax is Rs. 4.97 Cr as against Rs. 9.92 Cr in the previous year.

HOLDING COMPANY

The Company does not have any Holding Company, Subsidiaries, Associates or Joint Ventures. KIFS International LLP holds the majority shareholding of your Company.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Since your Directors have neither declared any interim dividend during the year under review nor recommended any final dividend, there is no unpaid dividend of earlier years which has been transferred or due to be transferred to Investor Education and Protection Fund during the year.

TRANSFER TO RESERVES

During the year under review, your Company has transferred Rs. 2.23 Cr to Statutory Reserve as required under section 29C of National Housing Bank Act, 1987 ("NHB Act") equivalent to 20% of profit after tax or deduction claimed u/s 36(1)(viii) of Income Tax Act, 1961, whichever is higher.

CAPITAL STRUCTURE

During the year under review, there was no change in the authorized, subscribed and paid-up share capital of the Company.

The details of the Capital Structure are as follows:

Share Capital	Amount (in Rs.)
Authorized Share Capital as on March 31, 2025 (250,000,000 Equity Shares of Rs. 10 each)	250,00,00,000
Issued, Subscribed and Paid - up Capital as on March 31, 2026 (249,986,452 Equity Shares of Rs. 10 each)	249,98,64,520

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

A comprehensive review of the Company's performance is provided in the Management Discussion and Analysis Report, which forms an integral part of this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

A comprehensive review of the Company's performance is provided in the Management Discussion and Analysis Report, which forms an integral part of this Annual Report.

BOARD OF DIRECTORS:

The Board of Directors forms the apex of the Company's governance structure. It plays a pivotal role in setting broad strategic objectives, supporting senior management in the pursuit of these goals, and ensuring that the Company is equipped with well-managed resources. As the primary governance body, the Board remains committed to acting in the best interests of all stakeholders, upholding transparency, accountability and long-term value creation.

As on March 31, 2026, the Board of your Company comprised a total of six Directors, which includes three Non-Executive Directors, i.e., two Independent Director and one Woman Director and three Executive Directors also designated as Key Managerial Personnel (KMP). The composition of the Board is as under:

Sr. No.	Name of the Directors	DIN	Designation	Appointment date	Tenure
1	Mr. Rajesh Parmanand Khandwala	00477673	Chairman & Managing Director (Executive)	November 16, 2015	10.4 years
2	Mr. Vimal Parmanand Khandwala	00477768	Managing Director (Executive)	November 16, 2015	10.4 years
3	Mr. Kushal Jayesh Khandwala	03345686	Whole Time Director (Executive)	March 20, 2023	3 years
4	Ms. Bhavana Govindbhai Desai	06893242	Women Director (Non-Executive)	December 01, 2020	5.4 years
5	*Mr. Vikas Kumar	02213902	Independent Director (Non-Executive)	June 07, 2024	2.2 years
6	***Mr. Kumar Sharadindu	07341455	Independent Director (Non-Executive)	May 30, 2025	1.4 years

During the financial year under review, the following changes took place in the Board of your Company:

*Mr. Rajesh Khandwala (DIN: 00477673) was re-appointed as a Managing Director and Chairperson of the company by the Board of Directors through Board Resolution dated February 25, 2026 for a term of 5 years till February 24, 2031.

**Mr. Vimal Khandwala (DIN: 00477768) was re-appointment as a Managing Director of the Company by the Board of Directors through Board Resolution dated February 25, 2026 for a term of 5 years till February 24, 2031.

***Mr. Kumar Sharadindu (DIN: 07341455) was appointed as an Additional Director (Independent) of the Company on May 30, 2025 and his appointment as an Independent Director was regularized in the Extra Ordinary General Meeting of the Company held on May 30, 2025.

In terms of the Nomination and Remuneration Policy of the Company, the Nomination and Remuneration Committee after considering the parameters stated in the Policy, recommends appointment / re-appointments of the Directors on the Board of the Company.

Based on the declarations and confirmations received in terms of the provisions of Section 164 of the Companies Act, 2013 and the NHB/RBI Directions, none of the directors on the Board of your Company are disqualified from being appointed/ continuing as directors.

The Company has received declarations under section 184(1) of the Companies Act, 2013 ("Act") read with the rules prescribed therein from the Directors stating their interest or concern in other companies. The Company has also received necessary declaration from each Independent Director under Section 149 of the Act that they meet the criteria of independence as laid down in the Act.

Pursuant to provisions of Reserve Bank of India (Housing Finance Companies) Directions, 2025 – Chapter VIII (Corporate Governance); and Reserve Bank of India (Non-Banking Financial Companies – Governance) Directions, 2025 issued by RBI, the Company has received the requisite declarations and undertaking from all directors of the Company and all the directors of the Company have confirmed that they satisfy the Fit and Proper criteria.

Based on the declarations and confirmations received in terms of the provisions of Section 164 of the Act and the NHB Act / RBI Directions, none of the directors on the Board of your Company are disqualified from being appointed/ continuing as directors.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise. All the Independent Directors of the Company have registered their names with the data bank created for Independent Directors.

The details on the number of board/committee meetings held are provided in the Report of the Directors on Corporate Governance, which forms part of this report.

KEY MANAGERIAL PERSONNEL:

Pursuant to the provisions of Section 203 of the Companies Act, 2013 read with Rules made thereunder, following are the Key Managerial Personnel of the Company as on March 31, 2026:

SR NO.	KEY MANAGERIAL PERSONNEL
1	Mr. Rajesh Khandwala, Chairman and Managing Director
2	Mr. Vimal Khandwala, Managing Director
3	Mr. Kushal Khandwala, Whole Time Director
4	Mr. Vikki Soni, Chief Financial Officer
5	Mr. Samrudhi Shetty, Company Secretary (Till March 12, 2026)

During the Financial Year i.e. FY 2026-27:

Your Board has appointed Mr. Selvin Uthaman as the Chief Executive Officer (CEO) of the Company with effect from May 05, 2026.

Also, to fill the vacancy caused due to the resignation of the erstwhile Company Secretary, the Board has appointed Ms. Monica Praveen Jain as the Company Secretary (Key Managerial Personnel) of the Company with effect from June 15, 2026.

Chief Compliance Officer:

Pursuant to Reserve Bank of India (Non-Banking Financial Companies – Governance) Directions, 2025 – Chapter on Compliance Function and Chief Compliance Officer (CCO), Mr. Dharmendra Doshi, is the Chief Compliance Officer of the Company, performing such duties and functions as provided under the said circular issued by RBI.

EXTRACT OF ANNUAL RETURN:

Pursuant to the provisions of Sections 134(3)(a) and 92(3) of the Act, the Annual Return for the financial year ended March 31, 2026 is available on the website of the Company at the link: <https://kifshousing.com/financial-reports/>.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES PURSUANT TO SECTION 188 OF THE COMPANIES ACT, 2013:

In accordance with the provisions of Section 188 of the Act and Rules made thereunder, all the transactions are at arm's length basis, the details of which are included in the notes forming part of the financial statements. The particulars of contracts or arrangements with related parties as prescribed in Form No. AOC-2 of the Companies (Accounts) Rules, 2014, is annexed to this report in Annexure III to this report.

Copy of Related Party Transaction Policy of the Company, duly approved by the Board, is enclosed as Annexure II to the Boards Report. The Policy on Related Party Transactions can also be accessed at <https://kifshousing.com/governance-policies/>.

EVALUATION OF PERFORMANCE OF BOARD, ITS COMMITTEES, AND INDIVIDUAL DIRECTORS:

Pursuant to the Nomination, Remuneration & Evaluation Policy of the Company, the Board of your Company has carried out an annual evaluation of its own performance and that of its Committees as well as reviewed the performance of the Directors individually for Financial Year 2025-2026. The performance evaluation of the Non-Independent Directors and the Board as a whole, was carried out by the Independent Directors. The Independent Directors also carried out the evaluation of the Chairman of the Company, considering the views of Non-Executive Directors and also assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The Directors also carried out performance evaluation of the Managing Directors of the Company.

The evaluation was carried out through a rating based structured questionnaires covering various parameters which were different for different categories of Directors, in all it included questions/pointers with respect to appropriate expertise and experience, integrity, clear mission statements, policies, and Strategy formulation and execution, effective organization structure, ensuring that there is management focus on key functions, working relationships, Product/ Service Knowledge, Personal Qualities, Leadership, Financial Planning/ Performance, External Relations, Knowledge and Skill, Participation at Board/ Committee Meetings etc.

Suggestions emanating from the performance evaluation of the Board, its Committees, Chairman and Directors, if any, were reviewed by the Board.

Overall, the Board expressed its satisfaction with the evaluation parameters and the process as well as performance of all Directors, Committees and Board as a whole.

CORPORATE GOVERNANCE REPORT:

The Corporate Governance Report for the Financial Year 2025-2026 as stipulated in the RBI (NBFC – Financial Statements: Presentation and Disclosures) Directions, 2025 – Chapter III, Section C (Disclosure Requirements) forms part of the Annual Report and is annexed to this Report in Annexure IV.

GENERAL MEETINGS:

The 10th Annual General Meeting of your Company was held on September 22, 2025.

During the year under review, the 19th Extra-Ordinary General Meeting was held on May 30, 2025 and the 20th Extra- Ordinary General Meeting was held on October 06, 2025.

BOARD MEETINGS:

The Board comprises of distinguished professionals with diverse and complementing skill sets, experience in the housing finance sector, strategic leadership, finance and governance. A minimum of four Board Meetings are held in each financial year with a gap between two meetings not exceeding 120 days. Additional meetings are convened as required to attend business exigencies or urgent matters. During the year under review, the Six Board Meetings were held on 21st May, 2025, 30th May, 2025, 15th September, 2025, 05th October, 2025, 26th December, 2025 and 25th February, 2026.

The Composition of the Board and the attendance of the Directors at the meetings were as under:

Sr. No.	Name of the Directors	DIN	Designation	No. of Meetings attended out of 6
1	Mr. Rajesh Parmanand Khandwala	00477673	Chairman & Managing Director (Executive)	03
2	Mr. Vimal Parmanand Khandwala	00477768	Managing Director (Executive)	03
3	Mr. Kushal Jayesh Khandwala	03345686	Whole Time Director (Executive)	06
4	Ms. Bhavana Govindbhai Desai	06893242	Women Director (Non-Executive)	05
5	**Mr. Vikas Kumar	02213902	Independent Director (Non-Executive)	06
6	*Mr. Kumar Sharadindu	07341455	Independent Director (Non-Executive)	04

*Mr. Kumar Sharadindu (DIN: 07341455) was appointed as an, Independent Directors of the Company with effect from May 30, 2025.

AUDIT COMMITTEE:

During the year under review, the Audit Committee met four times on July 17, 2025, September 15, 2025, December 26, 2025 and February 25, 2026. .

The Composition of Committee and the attendance of the Members at the meetings were as under:

Sr. No.	Name of the Directors	Position	Designation	No. of Meetings attended out of 4
1	**Mr. Vikas Kumar	Chairman	Independent Director (Non-Executive)	04
2	Mr. Kushal Jayesh Khandwala	Member	Whole Time Director (Executive)	03
3	***Mr. Kumar Sharadindu	Member	Independent Director (Non-Executive)	02

*Mr. Kumar Sharadindu (DIN: 07341455) was appointed as a Member of the Committee with effect from September 15, 2025.

NOMINATION AND REMUNERATION COMMITTEE (NRC):

During the year under review, the Nomination and Remuneration Committee met three times i.e. on May 30, 2025, September 15, 2025 and February 25, 2026.

The Composition of Committee and the attendance of the Members at the meetings were as under:

Sr. No.	Name of the Directors	Position	Designation	No. of Meetings attended out of 3
1	**Mr. Vikas Kumar	Chairman	Independent Director (Non-Executive)	03
2	Ms. Bhavana Govindbhai Desai	Member	Non-Executive Director	02
3	***Mr. Kumar Sharadindu	Member	Independent Director (Non-Executive)	01

*Mr. Kumar Sharadindu (DIN: 07341455) was appointed as a Member of the Committee with effect from September 15, 2025.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR):

During the year under review, the CSR Committee met once on September 15, 2025.

The Composition of Committee and the attendance of the Members at the meeting were as under:-

Sr. No.	Name of the Directors	Position	Designation	No. of Meetings attended out of 1
1	Mr. Vimal Parmanand Khandwala	Chairman	Managing Director (Executive)	00
2	Mr. Kushal Jayesh Khandwala	Member	Whole Time Director (Executive)	01
3	Mr. Rajesh Parmanand Khandwala	Member	Managing Director (Executive)	01
4	**Mr. Vikas Kumar	Member	Independent Director (Non-Executive)	01

ASSET LIABILITY MANAGEMENT COMMITTEE (ALCO):

During the year under review, the Asset Liability Management Committee met three times i.e. on September 15, 2025, December 26, 2025 and February 25, 2026.

The Composition of Committee and the attendance of the Members at the meeting were as under:-

Sr. No.	Name of the Committee Members	Position	Designation	No. of Meetings attended out of 3
1	Mr. Vimal Parmanand Khandwala	Chairman	Managing Director (Executive)	02
2	***Mr. Vikas Kumar	Member	Independent Director (Non-Executive)	03
3	*Mr. Kumar Sharadindu	Member	Independent Director (Non-Executive)	02
4	Mr. Kushal Jayesh Khandwala	Member	Whole Time Director (Executive)	03
5	Mr. Vikki Soni	Member	Chief Financial Officer	03
6	Mr. Gundopant Salokhe	Member	Chief Information and Technology Officer	02
7	Mr. Rajesh Parmanand Khandwala	Member	Chairman & Managing Director (Executive)	03

*Mr. Kumar Sharadindu (DIN: 07341455) was appointed as a Member of the Committee with effect from September 15, 2025

BORROWING AND INVESTMENT COMMITTEE (BIC):

During the year under review, Investment Committee met Seven times i.e. on April 29, 2025, June 27, 2025, July 23, 2025, August 11, 2025, September 17, 2025, September 18, 2025 and January 29, 2026.

The Composition of Committee and the attendance of the Members at the meeting were as under:-

Sr. No.	Name of the Directors	Position	Designation	No. of Meetings attended out of 7
1	Mr. Vimal Parmanand Khandwala	Chairman	Managing Director (Executive)	04
2	Mr. Rajesh Parmanand Khandwala	Member	Chairman & Managing Director (Executive)	00
3	Mr. Kushal Jayesh Khandwala	Member	Whole Time Director (Executive)	07
4	*Mr. Kumar Sharadindu	Chairman & Member	Independent Director (Non-Executive)	03
5	Mr. Vikas Kumar	Member	Independent Director (Non-Executive)	06

*Mr. Kumar Sharadindu (DIN: 07341455) was appointed as a Member of the Committee with effect from September 15, 2025.

INFORMATION TECHNOLOGY (IT) STRATEGY COMMITTEE:

During the year under review, IT Strategy Committee met Four times i.e. on September 15, 2025, December 01, 2025, December 26, 2025 and February 25, 2026.

The Composition of Committee and the attendance of the Members at the meeting were as under:-

Sr. No.	Name of the Directors	Position	Designation	No. of Meetings attended out of 4
1	Mr. Vikas Kumar	Chairman	Independent Director (Non-Executive)	04
2	Mr. Vimal Parmanand Khandwala	Member	Managing Director (Executive)	03
3	Mr. Kushal Jayesh Khandwala	Member	Whole Time Director (Executive)	04
4	Ms. Bhavana Govindbhai Desai	Member	Non-Executive Director	03

RISK MANAGEMENT COMMITTEE (RMC):

During the year under review, the Risk Management Committee met three times in a year i.e. on September 15, 2025, December 26, 2025 and February 25, 2026.

The Composition of Committee and the attendance of the Members at the meeting were as under:-

Sr. No.	Name of the Directors	Position	Designation	No. of Meetings attended out of 3
1	Mr. Kushal Jayesh Khandwala	Chairman & Member	Whole Time Director (Executive)	03
2	Mr. Vimal Parmanand Khandwala	Member	Managing Director (Executive)	02

Sr. No.	Name of the Directors	Position	Designation	No. of Meetings attended out of 3
3	Mr. Vikki Soni	Member	Chief Financial Officer	03
4	Mr. Saurabh Goel	Member	Head-Credit and Risk	03
5	Mr. Gundopant Salokhe	Member	Chief Information and Technology Officer	02
6	*Mr. Kumar Sharadindu	Member	Independent Director (Non-Executive)	03
7	Mr. Vikas Kumar	Member	Independent Director (Non-Executive)	03

*Mr. Kumar Sharadindu (DIN: 07341455) was appointed as a Member of the Committee with effect from September 15, 2025.

CUSTOMER GRIEVANCE REDRESSAL COMMITTEE (CGRC):

During the year under review, the Customer Grievance Redressal Committee met three times in a year i.e. on September 15, 2025, December 26, 2025 and February 25, 2026.

The Composition of Committee and the attendance of the Members at the meeting were as under:-

Sr. No.	Name of the Directors	Position	Designation	No. of Meetings attended out of 3
1	Mr. Vimal Parmanand Khandwala	Chairman & Member	Managing Director (Executive)	02
2	Mr. Vikki Soni	Member	Chief Financial Officer	03
3	Mr. Gundopant Salokhe	Member	Chief Information and Technology Officer	02
4	Mr. Sandeep Verma	Member	Operations Head	03
5	Mr. Kushal Jayesh Khandwala	Member	Whole Time Director (Executive)	02

INFORMATION TECHNOLOGY (IT) STEERING COMMITTEE:

During the year under review, the Information Technology (IT) Steering Committee met four times i.e. on June 23, 2025, September 12, 2025, December 26, 2025 and February 25, 2026.

The Composition of Committee and the attendance of the Members at the meeting were as under:-

Sr. No.	Name of the Directors	Position	Designation	No. of Meetings attended out of 4
1	Mr. Kushal Jayesh Khandwala	Chairman & Member	Whole Time Director (Executive)	04
2	Mr. Vikki Soni	Member	Chief Financial Officer	04
3	Mr. Saurabh Goel	Member	Head-Credit and Risk	04
4	Mr. Gundopant Salokhe	Member	Chief Information and Technology Officer	04
5	Mr. Dharmendra Doshi	Member	Chief Compliance Officer	02

WILFUL DEFAULTER IDENTIFICATION COMMITTEE:

During the year under review, the Wilful Defaulter Identification Committee met three times i.e. on September 15, 2025, December 26, 2025 and February 25, 2026.

The Composition of Committee and the attendance of the Members at the meeting were as under:-

Sr. No.	Name of the Directors	Position	Designation	No. of Meetings attended out of 3
1	Mr. Kushal Jayesh Khandwala	Chairman & Member	Whole Time Director (Executive)	02
2	Mr. Vikki Soni	Member	Chief Financial Officer	03
3	Mr. Saurabh Goel	Member	Head-Credit and Risk	03
4	Mr. Amit Shrivastava	Member	Deputy Vice President- Legal	03
5	Mr. Ajay Dubey	Member	Collections Head	01

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

In accordance with the provisions of Section 135 of the Companies Act, 2013 and the rules framed thereunder, the Company has a Corporate Social Responsibility (CSR) Committee comprising Mr. Vimal Khandwala, Mr. Rajesh Khandwala, Mr. Kushal Khandwala and Mr. Vikas Kumar.

Mr. Vimal Khandwala is the Chairman of the Committee.

The CSR Committee is entrusted with the responsibility of reviewing the Company's CSR Policy, identifying the activities to be undertaken in line with the policy and establishing a transparent monitoring mechanism to ensure effective implementation of all CSR projects and initiatives.

Your Company was required to spend Rs. 44,45,341/- (Rupees Forty Four Lakhs Forty Five Thousand and Three Hundred Forty One) towards CSR activities during the year under review. Your Company approved the CSR expenditure of Rs. 44,46,000/- (Rupees Forty Four Lakhs Forty Six Thousand). Out of the total amount, Rs. 13,80,000/- (Rupees Thirteen Lakh and Eighty Thousand) was spent towards Hunger Free Palghar at Palghar, Mumbai an initiative by Govardhan Annakshetra, ISKON, Rs. 18,74,000/- (Rupees Eighteen Lakhs and Seventy Four Thousand) was contributed to Tata Memorial Hospital for the research purpose for the treatment of the Cancer Patients at Mumbai and Rs. 11,92,000/- (Rupees Eleven Lakhs and Ninety Two Thousand) was contributed to Sankara Nethralaya (unit of Medical Research Foundation) for purchase of equipment for the treatment of eye surgeries and assistance for the cataract eye surgery in Chennai.

Details of the composition of the CSR Committee and the CSR Policy have been provided in the Annual report on Corporate Social Responsibility disclosed "Annexure V" which forms an integral part of this Board's Report.

The Company's CSR Policy can be accessed at <https://kifshousing.com/governance-policies/>.

MEETING OF INDEPENDENT DIRECTORS:

During the Financial Year under review, a separate meeting of the Independent Directors without the presence of the Non-Independent Director and the Management of the Company, was held on February 25, 2026. All the Independent Directors were present at this meeting.

The Independent Directors, interalia, reviewed the performance of the Non-Independent Directors, the Board as a whole and the performance of the Chairman of the Board, taking into account the views of the Executive and the Non-Executive Directors. They also assessed the quality, quantity and timelines of information flowing between the Management and the Board, which is necessary for effective and reasonable performance of the Board's duties.

REMUNERATION OF DIRECTORS:

During the financial year under review, sitting fees as approved by the Board, has been paid to Mr. Vikas Kumar, Independent Director, Mr. Kumar Sharadindu, Independent Director and Ms. Bhavana Desai, Non-Executive Director for attending the Board and Committee Meetings.

Details of the sitting fees have been provided below:

Particulars of Remuneration	Non-Executive Independent Directors		Non-Executive Directors	Amount
	Mr. Vikas Kumar	Mr. Kumar Sharadindu	Ms. Bhavana Desai	
Fee for attending Board / Committee Meetings	7,50,000	3,50,000	1,00,000	12,00,000
Commission	-	-	-	-
Others*	-	-	-	-
Total Managerial Remuneration	7,50,000	3,50,000	1,00,000	12,00,000
Overall ceiling as per the Act	1% of the Net Profit of the Company			

Mr. Rajesh Khandwala and Mr. Vimal Khandwala, Managing Directors and Mr. Kushal Khandwala, Whole – Time Director did not receive any remuneration or sitting fees from the Company.

DISCLOSURE OF PARTICULARS OF EMPLOYEES AS REQUIRED UNDER RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES 2014.

The ratio of the remuneration of each director to the median remuneration of employees and other details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable as the Company is not a listed entity.

STATUTORY AUDITORS

In terms of Section 139 of the Act, M/s J H Mehta & Company (FRN: 106227W), Chartered Accountants, were appointed as Statutory Auditors of the Company in the 10th Annual General Meeting (AGM) of the Company held on September 22, 2025 by the Members of the Company through Ordinary Resolution to hold the office from the conclusion of the forthcoming AGM of the Company till the conclusion of the 13th AGM. The statutory auditors have confirmed they are not disqualified from continuing as auditors of the Company.

M/s J H Mehta & Company (FRN: 106227W), the Statutory Auditors of the Company have audited the books of accounts of the Company for the financial year ended March 31, 2026 and have issued the Auditors Report thereon. The Annual Accounts of the Company have been prepared on a going concern basis.

As per the provisions of the Reserve Bank of India (Housing Finance Companies) Directions dated November 28, 2025, partner of the audit firm is being rotated every three years. Your Directors confirm that the Statutory Audit Report for Financial Year 2025-26 does not contain any qualifications or reservations or adverse remarks.

In terms of the Reserve Bank of India (Housing Finance Companies) Directions dated November 28, 2025, the auditors have also submitted an additional report for FY 2025-26. There were no comments or adverse remarks in the said report.

REPORTING OF FRAUDS BY AUDITORS

During the year under review, the Statutory Auditors have not reported any instance of frauds committed in the Company as per Section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in the Report.

INTERNAL FINANCIAL CONTROLS

Your Company has an adequate system of internal control procedures which commensurate with the size and nature of business. Detailed procedural manuals are in place to ensure that all the assets are safeguarded, protected against loss and all transactions are authorized, recorded and reported correctly. The internal control systems of the Company are monitored and evaluated by Internal Auditors and their Audit reports are periodically reviewed by the Audit Committee of the Board.

Further, the Company has procedures in place for Internal Financial Control 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.

SECRETARIAL AUDITOR

The Secretarial Auditor of the Company have given a qualified report for the Financial Year 2025-26, accordingly, they have reported certain observations which are as under:

Sr. No.	Secretarial Audit Observations	Comments from the Board
1	<i>The Audit Committee of the Company was not duly constituted between period 1st April, 2025 to 14th September 2025, as per the requirement of Section 177 of the Companies Act, 2013. The composition of the Audit Committee did not meet the prescribed requirement of minimum number of Directors as well as minimum number of Independent Directors in Audit Committee.</i>	The Board has noted the non-compliance with the provision of Section 177 of the Companies Act, 2013 with respect to composition of the Audit Committee. The Company has always complied with the requirements of the constitution of the Committee in letter and spirit and will ensure due compliance going forward.
2	<i>The Nomination And Remuneration Committee of the Company was not duly constituted between period 1st April, 2025 to 14th September 2025, as per the requirement of Section 178 of the Companies Act, 2013. The composition of the Nomination And Remuneration Committee did not meet the prescribed requirement of minimum number of Directors as well as minimum number of Independent Directors in Nomination And Remuneration Committee.</i>	The Board has noted the non-compliance with the provision of Section 178 of the Companies Act, 2013 with respect to composition of the Nomination and Remuneration Committee. The Company has always complied with the requirements of the constitution of the Committee in letter and spirit and will ensure due compliance going forward.

The Secretarial Audit Report for the financial year 2025-26 is annexed to this report in Annexure VI.

INTERNAL AUDITOR

Your Company has appointed M/s KKC & Associates, LLP, as Internal Auditor of the Company, to conduct Internal Audit for the Financial Year 2025-2026.

The Company has outsourced and has in place external system which is designed to ensure operational efficiency, accuracy and promptness in financial reporting and compliance with laws and regulations. The internal control system is supported by an Internal Audit team outsourced which is responsible for independently evaluating the adequacy and effectiveness of all internal controls, risk management, governance systems and processes and is manned by team of qualified personnel.

The Internal Audit team during the course of its Audit also ascertains the extent of adherence to regulatory guidelines, legal requirements and operational processes and provides timely feedback to the Management for corrective action. Internal Audit Reports are obtained on a periodic basis, which are discussed with the Management and reviewed by the Audit Committee and Board.

The Risk Management Committee and the Audit Committee periodically review various risks associated with the business of the Company and ensure effectiveness of the internal controls in the Company. The Company's internal control system commensurate' with the size and the nature of its operations.

The Internal Audit Report's observations were duly reviewed and addressed by the Audit Committee.

RISK MANAGEMENT FRAMEWORK

As a lending institution, your Company is inherently exposed to various risks in the normal course of its operations. Recognizing this, the Company has established a comprehensive Risk Management Framework to ensure that risks are systematically identified, assessed and controlled. This enables the Company to conduct its business in a profitable, resilient and sustainable manner.

The Company's Risk Management Policy is designed to identify and mitigate risks that, in the opinion of the Board, may impact the business. The policy also seeks to promote risk awareness across all levels of the organization and integrate risk management practices into the corporate culture.

Business risk evaluation and monitoring is a continuous process within the Company. Regular assessments are conducted and reviewed by the Board of Directors to ensure proactive oversight. Further, a Risk Management Committee has been constituted to specifically monitor and review risks arising from the Company's business operations, as well as other associated risks impacting overall performance.

Your Company adheres to industry best practices for managing credit risk, market risk, and operational risk. A robust Risk Management Policy and programme are in place to ensure proactive monitoring, effective mitigation, and long-term sustainability of business growth.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

In compliance with the provisions of Section 177 of the Companies Act, 2013, read with the rules framed thereunder, your Company has established a Whistle-Blower and Vigil Mechanism Policy. This mechanism provides Directors and employees with a secure platform to report genuine concerns regarding unethical, unlawful, or improper practices and ensures that no adverse action is taken against individuals reporting such concerns in good faith.

KHFL is committed to fostering a culture of transparency, integrity, and accountability, where employees feel safe and encouraged to raise concerns about any wrongful conduct. The Company continues to conduct its affairs with the highest standards of professionalism, honesty, and ethical behavior.

The Whistle-Blower and Vigil Mechanism Policy serves as a formal channel for Directors and employees to report matters relating to unethical behaviour, actual or suspected fraud, violation of the Company's Code of Conduct, policies, or instances of victimization. The Policy also provides for adequate safeguards against victimization and ensures access to the Chairman of the Audit Committee for escalation of concerns, thereby strengthening the governance framework of the Company.

The Whistle-Blower Policy/ Vigil Mechanism is uploaded on the website of the Company at <https://kifshousing.com/governance-policies/>.

CODE OF CONDUCT

The Board of Directors has adopted a Code of Conduct for all its members, senior management personnel, and designated employees of the Company. The Code serves as a guiding framework for maintaining the highest standards of integrity, transparency, professionalism, and ethical conduct in all dealings of the Company.

PARTICULARS OF INVESTMENTS, LOANS & GUARANTEES UNDER SECTION 186 OF COMPANIES ACT, 2013.

As the Company is registered as a Housing Finance Company, the disclosure requirements under Section 186(1) of the Companies Act, 2013 with respect to loans made, guarantees given, and securities provided are not applicable, as such transactions are undertaken in the ordinary course of business.

DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

Your Company is committed to upholding the dignity of all employees, with a strong focus on providing a safe and respectful workplace for women employees. In line with this commitment, the Company has adopted a Policy on Prevention of Sexual Harassment (POSH) at the workplace, which provides for protection against sexual harassment and ensures a structured mechanism for redressal of complaints. An Internal Complaints Committee (ICC) has been constituted to address any such concerns in a fair, timely, and systematic manner.

During the financial year under review, no complaints were received under this policy.

The policy along with all other required details is placed on the notice board of the Company, the same can be accessed at <https://kifshousing.com/governance-policies/>.

REGISTRAR & TRANSFER AGENT

Your Company has appointed M/s. NSDL Database Management Limited as the Registrar and Share Transfer Agent.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTFLOW

CONSERVATION OF ENERGY

The Company's operations call for nominal energy consumption cost and there are no major areas where conservation measures could be applied on. However, the Company is making continuous efforts to conserve energy and optimize energy consumption practicable by economizing the use of power.

TECHNOLOGY ABSORPTION

Since the Company is engaged in financial services activities, it does not require adoption of specific technology and hence technology absorption is not applicable to the Company.

FOREIGN EXCHANGE EARNINGS AND OUTFLOW

- a) Foreign Exchange earnings – NIL
- b) Foreign Exchange outgo – NIL

DIRECTORS' RESPONSIBILITY STATEMENT

The Board acknowledges its responsibility for ensuring compliance with the provisions of Section 134(1)(c) read with Section 134(5) of the Companies Act, 2013 in the preparation of annual accounts for the year ended March 31, 2026 and states that-

- (i) In the preparation of the annual financial statements for the financial year ended March 31, 2026, the applicable Accounting Standards had been followed along with proper explanation relating to material departures, if any;
- (ii) Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit and Loss of the Company for that period;
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The Directors have ensured preparation of annual accounts on a going concern basis;

- (v) The Company has laid down internal financial controls. The Company has also assessed the adequacy of the Company's internal controls over financial reporting as of March 31, 2026 and have found them to be adequate and
- (vi) The Directors have revised and reviewed proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

SANCTIONS

During the year under review, loans sanctioned amounted to **Rs. 461.90 Crores** as compared to **Rs. 716.41 Crores** in the previous year. The cumulative sanctions as on March 31, 2026 stood at **Rs. 3004.54 Crores**, as against **Rs. 2542.94 Crores** in the previous year.

DISBURSEMENTS

Loan disbursements during the year were **Rs. 240.32 Crores** as compared to **Rs. 465.95 Crores** in the previous year. The cumulative disbursements as on March 31, 2026 were **Rs. 2013.18 Crores**, as against **Rs. 1772.86 Crores** in the previous year.

Assets Under Management (AUM)

As on March 31, 2026, the Company's AUM stood at **Rs. 1110.16 Crores**, comprising Home Loan and Loan against Property (LAP) portfolios, with a growing customer base of 13364 borrowers.

Non-Performing Assets (NPA)

As on March 31, 2026, 253 loan accounts out of a total of ~13364 loan accounts were classified as Non-Performing Assets, representing a **Gross NPA ratio of 1.99%**.

Region-wise classification of NPAs is as follows:

Region	Loan Count	% of the portfolio
Madhya Pradesh	82	0.65%
Maharashtra	61	0.48%
Gujarat	55	0.38%
Uttar Pradesh	27	0.22%
Rajasthan	12	0.13%
Chhattisgarh	7	0.05%
Uttarakhand	3	0.03%
Punjab	3	0.03%
Delhi	1	0.02%
Haryana	1	0.01%
Chandigarh	1	0.00%
Grand Total	253	1.99%

The relatively low delinquency levels reflect the Company's conscious strategy of maintaining a prudent credit profile and strong risk management practices.

COLLECTION/RECOVERY

Your Company has a dedicated Collections and Recovery team led by experienced professionals to manage the critical function of loan collections, especially in the low-income housing segment where collections can be challenging but are crucial for portfolio health.

The Company has established a robust in-house collection mechanism, supported by the entire sales team across all regions. The collection process is closely supervised by Regional Officers and the Head Office, ensuring effective monitoring of portfolio quality and timely recovery. KIFS Housing's collection framework covers the entire lifecycle of loan accounts from standard accounts (zero bucket to 3rd bucket) to Non-Performing Assets (NPAs) with real time updates on cheque bounces and returns through internal process controls.

To further enhance efficiency, the Company is streamlining collection processes via centralized mobilization, ensuring a unified approach to recovery. In cases of default, necessary legal actions are initiated in coordination with the Legal team, including the enforcement of rights under SARFAESI provisions, wherever applicable.

PRADHAN MANTRI AWAS YOJANA - URBAN (PMAY-U) 2.0.

The Pradhan Mantri Awas Yojana – Urban (PMAY-U) is a flagship initiative of the Government of India aimed at promoting affordable housing and achieving the vision of **Housing for All**. KIFS Housing Finance Limited (“KHFL”) has been an active participant in the implementation of the Credit Linked Subsidy Scheme (CLSS) under the earlier phase of PMAY, having executed the requisite Memorandum of Understanding (MoU) with the Government of India to facilitate eligible beneficiaries in the Economically Weaker Section (EWS), Low Income Group (LIG) and Middle Income Group (MIG) categories. Through its participation, the Company has assisted eligible borrowers in availing interest subsidies, thereby reducing their housing finance burden.

Pursuant to the announcement made in the Union Budget 2024-25, the Government of India launched **Pradhan Mantri Awas Yojana – Urban 2.0 (PMAY-U 2.0)** with effect from **1st September, 2024**. The scheme envisages extending central assistance to eligible urban households through various verticals for the construction, purchase, or rental of affordable housing, with the objective of addressing the housing requirements of one crore urban poor and middle-class families over a period of five years.

KHFL remains committed to supporting the Government's affordable housing initiatives and shall continue to facilitate eligible customers under the scheme, subject to the applicable guidelines, operational framework, and availability of benefits notified by the Government of India from time to time.

For the Financial Year 2025-26, KHFL did not receive any claims under the PMAY-U 2.0 scheme. However, the Company remains committed to extending the benefits of government housing initiatives to its customers in the coming years and will actively participate in this renewed mission as the scheme gains traction.

Disclaimer: *The availability of benefits under PMAY-U 2.0 is subject to the applicable Government notifications, eligibility conditions, and operational guidelines. Sanction of any subsidy or assistance shall be solely at the discretion of the competent Government authorities. KHFL acts only as a facilitating financial institution and does not guarantee the sanction, amount, or disbursement of any subsidy under the scheme.*

WILFUL DEFAULTERS

In compliance with Reserve Bank of India (Housing Finance Companies) Directions, 2025 and more particularly in Reserve Bank of India (Non-Banking Financial Companies – Treatment of Wilful Defaulters and Large Defaulters) Directions, 2025, the Company reports that there were no wilful defaulters or customers during the financial year under review.

As mandated by these circulars, the Company is a member of four Credit Information Companies (CICs), namely:

- Credit Information Bureau (India) Limited
- Equifax Credit Information Services Private Limited
- CRIF High Mark Credit Information Services Private Limited
- Experian Credit Information Company of India Private Limited

The Company ensures timely and accurate reporting of all customer credit information to these CICs, in line with regulatory requirements.

GRIEVANCE REDRESSAL SYSTEM

Your Company places a strong emphasis on customer experience, aiming to ensure transparency in all operations and communications. All customer complaints received across branches and front-end channels are managed through a centralized complaints management system, enabling efficient tracking and timely resolution.

The Company has established a well-defined grievance handling mechanism to ensure that redressal is not only prompt but also satisfactory to the customer. The Redressal team is well-trained and continuously coached to handle complaints effectively, maintaining patience and sensitivity, particularly for customers who may not be technologically adept and require additional support.

Under the Grievance Redressal Policy, complaints are escalated systematically to Branch Heads and the Head of Operations if unresolved at initial levels. Complaints received from regulatory and supervisory authorities are tracked separately to ensure timely compliance and resolution.

Disclosure of Complaints as required under Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs is attached herewith as Annexure VII.

REPORT ON LEGAL AND TECHNICAL RISK

The primary function of the Company is to advance housing and retail loans, secured by land or building as collateral. Any legal defects in the underlying property could potentially expose the Company to legal, financial, and operational risks.

To mitigate such risks, the Company has established a robust legal due diligence framework, led by an experienced Head of Operations with significant expertise in the retail asset and mortgage sector. The dedicated Operations and Legal team conducts thorough due diligence of all property documents, involving in-house lawyers and Heads of Departments with sector-specific expertise.

To ensure compliance with regional and local laws, detailed studies of state-specific regulations are maintained and periodically updated to reflect any changes. For specialized or complex matters, the Company engages subject-matter consultants to perform independent due diligence, including cross-valuation, root cause analysis, and end-to-end assessments. Additionally, legal opinions are obtained and searches for encumbrances are conducted through empanelled advocates, ensuring that all collateral is legally sound and properly documented.

SPECIAL PURPOSE AUDIT

During the year, the Board reviewed the findings of a Special Purpose Audit conducted in relation to matters arising from the Company's First Investigation Report concerning two customers at its Solapur Branch. The audit identified certain process and operational gaps, internal control weaknesses, and areas requiring improvement. Based on the audit recommendations, the Company has initiated corrective and preventive measures, including strengthening internal controls, enhancing monitoring mechanisms, and reinforcing compliance and information security practices. The Board noted that the audit did not establish any evidence of direct collusion or intentional misconduct on the part of the Company's current internal employees. The Company has further strengthened the overall process of sourcing, underwriting, evaluation and post disbursement monitoring.

TOTAL BORROWINGS

A. DEBENTURES

As on March 31, 2026, the Company had no outstanding Non-Convertible Debentures (NCDs), and no NCDs were issued during the financial year under review.

B. REFINANCE FROM NATIONAL HOUSING BANK

During the financial year 2025-2026, your Company had not received any refinance sanction from National Housing Bank (NHB). However, Refinance Sanction from National Housing Bank was received vide letter no. HO/ROD/DOC/2026/06756 dated 08-05-2026 for an amount of Rs.75,00,00,000/- (Rupees Seventy Five Crores only).

C. BANK TERM LOAN & OTHERS

During the financial year under review, KHFL received sanctions and disbursements from various banks and financial institutions for supporting its lending operations.

Total loan received from Banks during FY 25-26 amount to Rs. 415.00 Crores which included Rs. 100.00 Crores from the State Bank of India, Rs. 85.00 Crores from ICICI Bank Limited, Rs. 50.00 Crores from the Canara Bank, Rs. 30.00 Crores each from Union Bank of India, DCB Bank and Saraswat Bank, respectively, Rs. 25 Crores from Federal Bank Limited and Rs. 15 Crores from Utkarsh Bank and Rs. 50 Crores Inter Corporate Deposits from KIFS Finstock Limited.

D. CAPITAL ADEQUACY RATIO

As per the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, the Company is required to maintain a minimum capital adequacy of 15% on a stand-alone basis.

The capital adequacy ratio maintained by your Company as at March 31, 2026 is 53.42% as compared to 54.33% as on March 31, 2025, which is far above than the minimum required level of 15% as on March 31, 2026.

E. CREDIT RATING

Following ratings are allotted to your Company for borrowings mentioned below:

Rating Agency	Instrument	Rating type	Amount	Rating(s) assigned
Acuite Ratings & Research Limited	Bank Loans	Long Term	1000.50 Cr	#ACUITE A-/ Outlook: Stable

STATUTORY, REGULATORY AND OTHER COMPLIANCES

The Company has complied with the applicable statutory provisions including inter alia the Companies Act, 2013 and Rules made thereunder, the Income Tax Act, 1961, Reserve Bank of India (Housing Finance Companies) Directions, 2025, Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025, The National Housing Bank Act, 1987 and all other various circulars, notifications, directions and guidelines issued by NHB from time to time and all other laws as may be applicable to the Company. The Company has finalized its financial statements for the year under review as per the Accounting standards issued by Institute of Chartered Accountants of India.

NOMINATION, REMUNERATION & EVALUATION POLICY

The Nomination and Remuneration Committee has formulated a policy on Nomination and Remuneration of Directors/KMP/Senior Management Personnel, following are the salient features of the Policy:

- Scope & functions
- Appointment Criteria for the Board and Other Employees/Composition of Board
- Nomination Process & Disqualifications
- Removal & Retirement
- Remuneration Criteria for the Board and the Employees
- Evaluation Criteria of the Board and the Employees

The detailed policy can be accessed at <https://kifshousing.com/governance-policies/>

INTERNAL GUIDELINES ON CORPORATE GOVERNANCE

During the financial year under review, your Company adhered to all Internal Guidelines on Corporate Governance in accordance with the Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions dated November 28, 2025, which lay down the Corporate Governance practices.

The policy on Internal Guidelines on Corporate Governance can be accessed at <https://kifshousing.com/governance-policies/>.

HUMAN RESOURCES DEVELOPMENT

The Human Resource department is the backbone of every organization as they are the ones who bridges the gap between the Top Management and the Employees. So, it is very important for any Organization to have a strong and sturdy HR Team.

The Human Resource team of your Company continued to remain focused on five key measures to drive business outcomes, namely-building critical skills and competencies, strengthening the current and future leadership bench, incorporating organizational design and change management, driving digital business transformation and enhancing employee experience.

Your Company has a robust team of HR that takes several initiatives for the benefit of the employees including Induction, Training, PIP Policy and Employee Engagement. The primary motive of the HR team is to work for the continuous growth and development of the existing employees and procure the rich resource from the Industry that would benefit in the growth of the Company.

PROVISIONS NOT APPLICABLE

- Disclosure under section 197(14) of the Companies Act, 2013 is not applicable as the Company does not have any Holding or Subsidiary Company.
- Maintenance of cost records under the provisions of Section 148(1) of Companies Act, 2013 are not applicable.
- Pursuant to Rule 2A of the Companies (Specification of Definitions Details) Rules, 2014, public companies which have not listed their equity shares on a recognized stock exchange but have listed their non-convertible debt securities issued on private placement basis in terms of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, shall not be considered as listed company in terms of the Act. Hence, Section 197(12) read with rules 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable.

- The Ministry of Corporate Affairs (MCA) vide Companies (Amendment) Act, 2017 has amended the provisions of Section 92(3) of the Companies Act, 2013 with effective from 28th August 2020. Post the amendment, every company shall place a copy of the annual return on the website of the company, if any, and the web-link of such annual return shall be disclosed in the Board's report. The requirement of annexing extract of annual return in Form MGT – 9 has been repealed.

Accordingly, the Annual Return in Form MGT-7 for the financial year ended March 31, 2026, shall be available on the website of the Company at <https://kifshousing.com/financial-reports/>.

GENERAL DISCLOSURES

Your Directors make the following disclosures with respect to transactions/ events during the year under review:

1. There was no issue of equity shares with differential rights as to dividend, voting or otherwise.
2. There was no issue of Shares (Including Sweat Equity Shares) to employees of the Company under any Scheme.
3. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and the Company's operations in future.

ACKNOWLEDGEMENTS

Your Directors take this opportunity to place on record their appreciation to all employees for their hard work, spirited efforts, dedication and loyalty to KIFS Housing. The employees have worked based on principles of honesty, integrity and fair play and this has helped KIFS Housing in maintaining its growth. The directors also wish to place on record their appreciation to shareholders, referral associates, National Housing Bank, the Reserve Bank of India, Financial Institutions, Banks, Auditors and such other entities/authorities for their continued support.

For and on behalf of Board of Directors of KIFS Housing Finance Limited,

sd/-

Vimal Khandwala
(Chairman of CSR Committee)
Managing Director
DIN: 00477768

sd/-

Kushal Khandwala
Whole Time Director
DIN: 03345686

Date: July 27, 2026
Place: Mumbai

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDIAN ECONOMIC REVIEW – INDIAN ECONOMY CONTINUES TO SHOW RESILIENCE AMID GLOBAL UNCERTAINTIES.

Despite facing global challenges such as high interest rates and geopolitical uncertainties, India continues to strengthen its position as a key global economic and strategic force, supported by progress across economic, technological, social, geopolitical, and environmental spheres. Anchored by the long-term aspiration of achieving a Viksit Bharat by 2047, the country has navigated a year marked by global uncertainty. The global environment continues to present risks through elevated energy prices, tighter financial conditions, and geopolitical developments impacting trade and capital flows. As a major energy-importing nation, India remains sensitive to external shocks; however, healthy foreign exchange reserves, a stable banking system, prudent monetary policy, and calibrated fiscal management have helped maintain macroeconomic balance so far. India's macroeconomic fundamentals remained resilient. The economy recorded a year-on-year growth of 7.4% in the last quarter of FY 2024–25, with an overall growth of 6.5% for the year, laying a strong foundation for a more optimistic outlook in FY 2025–26. By 2030, the country is expected to add around 75 million middle-income class and 25 million rich and affluent households, with these segments projected to account for 56% of the population. This demographic shift will position India as one of the fastest-growing consumer markets globally.

Domestically, the government kept its focus on Infrastructure Development, Digital Infrastructure Development and solar energy is laying the foundation for long-term sustainable growth. Policy initiatives aimed at enhancing ease of doing business, signing of free trade agreements, boosting local manufacturing, strengthening logistics networks, and encouraging technology-led development are improving India's competitiveness and economic growth rate.

The Indian economy has sustain its position as the fastest growing major economy during 2025-26 and has surpassed Japan and became the fourth – largest economy in the Financial Year 2025 - 26 supported by pickup in private consumption, healthy balance sheets of banks and corporates, easing financial conditions and the government's continued thrust on capital expenditure. The easing of supply chain pressures, softening of global commodity prices and higher agricultural production on the back of a likely above-normal south-west monsoon augur well for the inflation outlook in 2025-26. Economic activity was supported by an improvement in consumption demand and net exports on the expenditure side, and buoyant services sector and recovery in agricultural production on the supply side.

The global economy in 2027 is likely to grow between 3.2% per cent and 3.4%.

Inflation converged closer towards the target during FY 2025-26 aided by easing input cost pressures, proactive supply management measures by the government and continuing transmission of past monetary policy actions. Headline inflation moderated to an average of 1.7 per cent during 2025-26 from 4.6 per cent in the previous year, largely driven by a moderation in core (CPI excluding food and fuel) inflation to 3.5 per cent and deflation in fuel at 1.7 per cent. The moderation in core inflation was broad-based across goods and services. The uptick in core inflation in the second half of the year was driven primarily by increase in international gold prices.

Several regulatory and supervisory guidelines were issued during the year in line with global best practices towards strengthening governance, risk management practices and operational resilience. These, inter alia, relate to:

- (a) principles for management of model risks in credit;
- (b) eligibility criteria for voluntary transition of small finance banks (SFBs) to universal banks;
- (c) harmonisation of regulations applicable to housing finance companies (HFCs) and NBFCs; and
- (d) enhancing operational risk management and operational resilience.

The affordable housing finance segment—typically defined as loans under ₹35 lakh extended to households earning ₹6–8 lakh per annum—remains the fastest-growing pocket of the mortgage market. According to India Ratings, the top 15 dedicated affordable HFCs are expected to report 21% asset growth in FY25 and 20% in FY26, outpacing their large-ticket counterparts. CareEdge echoes this outlook,

projecting a CAGR of 10 - 12% through FY27, led by latent demand across Tier 2/3 cities and peri-urban clusters. Policy and macro enablers remain strong. The extension of PMAY-U 2.0 to 2029 has kept credit-linked subsidies in play. State-level stamp duty rebates, relaxed FSI norms, and a growing stock of entry-level housing have also supported demand. Meanwhile, the rapid formalization of informal-sector employment, particularly in MSMEs, is improving income visibility and creditworthiness for low income borrowers.

The home loan market in India, currently valued at USD 408 billion, is projected to double by FY28, growing at a CAGR of 14%.

(Sources: Press Information Bureau, Press Release, <https://www.pib.gov.in>)

INDUSTRY OVERVIEW

The affordable housing finance industry in India continued to expand in FY25-26, albeit at a moderated pace due to evolving macroeconomic and operational challenges. Affordable Housing Finance Companies (AHFCs) are expected to grow at a rate of 20-22% in FY26, slightly lower than earlier projections of 22-24%. This deceleration can be attributed to rising cost structures and increased compliance requirements. However, the underlying fundamentals remain strong, supported by India's vast unmet housing demand, especially in Tier II and Tier III cities.

The sector continues to benefit from government initiatives like "Housing for All" and the Pradhan Mantri Awas Yojana (PMAY), which have driven demand for home loans in the economically weaker and low-income groups. Direct Assignments, Securitisation and Co-lending continues to be a critical funding mechanism, as most AHFC portfolios qualify for Priority Sector Lending (PSL) status, making them attractive for direct assignments, PTC structured funding or co-lending with banks. Nevertheless, operating profitability has been under pressure, largely due to the costs associated with network expansion and technology upgrades. NIMs are facing compression, while Return on Managed Assets (RoMA) is expected to remain steady in the 2.5-2.7% range. Asset quality has broadly remained healthy, though some increase in GNPA is visible as portfolios season and borrower segments evolve. Despite these operational headwinds, AHFCs continue to maintain robust capital structures, primarily funded through internal accruals and supported by consistent borrowing from banks.

(Sources: ICRA Report on Affordable Housing Finance Sector Outlook FY25–26, Care Edge Report, The Economic Times).

COMPANY OVERVIEW

Your Company is a fast-growing Housing Finance Company registered with the National Housing Bank. The Company primarily focuses on providing home loans to retail customers, especially in the affordable housing segment, thereby enabling first-time buyers and economically weaker sections to access formal credit. With a customer-centric approach, robust underwriting standards, and a focus on semi-urban and rural geographies, the Company has steadily expanded its loan book while maintaining prudent risk management practices. Leveraging technology platforms and a growing distribution network, it continues to position itself as a trusted partner in fulfilling the "Housing for All" vision of the Government of India.

COMPANY STRATEGY & OUTLOOK

The Company's strategy is aligned with sustainable growth while ensuring long-term profitability and value creation for stakeholders. Key focus areas include: (i) expanding presence in tier-II and tier-III cities where housing finance penetration remains low, (ii) leveraging technology to strengthen credit appraisal, loan origination, and collections, (iii) maintaining asset quality through conservative underwriting and proactive monitoring, and (iv) diversifying funding sources to optimize cost of borrowing. Looking ahead, the Company expects steady demand for affordable housing finance, driven by rising urbanization, government incentives, and improving income levels. The outlook for FY 2025–26 remains positive, with a targeted growth rate in line with the industry, supported by an improving macroeconomic environment and stable interest rate regime.

OPPORTUNITIES

The housing finance sector presents several structural opportunities for growth. The “Housing for All” initiative, extension of the Pradhan Mantri Awas Yojana (PMAY), and priority sector lending classification for housing loans continue to drive strong demand in the affordable housing segment. Increasing urban migration, rising disposable incomes, and favorable demographics provide a long runway for mortgage growth. Additionally, the introduction of new financing instruments like Residential Mortgage-Backed Securities (RMBS) enhances liquidity for HFCs, enabling greater reach. The Company is well-positioned to capitalize on these opportunities through its strong presence in underpenetrated markets and focus on first-time home buyers.

THREATS & RISKS

Despite a favorable growth environment, the sector is exposed to certain risks and challenges. Rising interest rates or tighter liquidity conditions could impact borrowing costs and loan demand. Competition from banks and larger HFCs continues to exert pressure on margins and customer acquisition. Asset quality remains a key concern, particularly in the affordable segment, which is more vulnerable to economic shocks, job losses, or income disruptions. Regulatory changes, such as tighter provisioning norms by the Reserve Bank of India (RBI) and National Housing Bank (NHB), may also impact profitability. Moreover, geopolitical risks, inflationary pressures, and slower-than-expected economic growth could pose challenges to the sector's momentum. The Company remains vigilant and continues to strengthen its risk management framework to mitigate these threats.

FINANCIAL PERFORMANCE OF KHFL

During the Financial Year ended March 31, 2026, your Company continued to demonstrate robust financial performance and operational resilience, reflecting the Company's commitment to prudent risk management and sustainable growth.

- **Balance Sheet & Loan Book:** As on March 31, 2026, the Company's balance sheet stood at Rs. 1210.08 Crores, with a total loan book of Rs. 1110.16 Crores.
- **Revenue & Profitability:** The Company recorded revenues of Rs. 165.05 Crores and profits of Rs. 4.97 Crores for the year
- **Asset Quality:** The Company maintained stable asset quality, with Gross NPAs at 1.99% and Net NPAs at 1.34%. Total provisions of Rs. 18.49 Crores were maintained, nearly 2.95 times the regulatory requirement, representing a healthy 1.68% of the loan book.
- **Capital Adequacy:** KHFL remains among the most well-capitalized players in the sector, with a capital adequacy ratio of 53.42% on a standalone basis, reflecting a strong buffer to support business growth and mitigate unforeseen contingencies

OPERATIONAL HIGHLIGHT

Despite a challenging macroeconomic environment during FY 2025–26, KHFL demonstrated resilience and delivered strong operational performance. The Company's continued emphasis on prudent risk management, strengthening the balance sheet and expanding its reach in the affordable housing segment contributed to its steady growth trajectory.

The Company maintained high provisioning buffers, stable asset quality and comfortable liquidity throughout the year, ensuring preparedness against unforeseen credit events. On a standalone basis, the product-wise loan composition remained consistent with its strategic focus, housing loans accounted for 78% of the loan portfolio, while non-housing loans contributed 22%, reflecting the Company's core positioning in the retail housing finance space.

At the consolidated level, asset quality remained healthy, with Gross NPAs at 1.99% and Net NPAs at 1.34% of total loan assets, well within industry benchmarks. This performance underscores KHFL's robust underwriting practices and disciplined credit monitoring framework. Total provisions at the consolidated level stood at Rs. 18.49 Crores, representing 1.18% of the loan book, significantly higher than regulatory requirements and ensuring strong coverage against potential credit risks.

Operationally, KHFL continued to strengthen its distribution network, improve process efficiencies, and leverage technology for loan origination and collections. The Company's branch network expanded to 90 branches and 1 office as of March 31, 2026, enabling deeper penetration into semi-urban and rural markets. In addition, digital initiatives introduced during the year enhanced customer experience and improved turnaround time in loan disbursements.

The focus on balance sheet strength, capital adequacy, and operational efficiency has positioned the Company well to sustain growth, mitigate risks, and create long-term value for its stakeholders.

BRANCH NETWORK

KHFL expanded its footprint to 90 branches and 1 office across India as of March 31, 2026, with a focus on Tier II and Tier III cities where demand for affordable housing remains strong. This strategic expansion has enhanced customer reach, improved service delivery, and strengthened the Company's presence in underserved markets, while ensuring operational efficiency through a balanced network approach.

RESOURCE MOBILIZATION

SHARE CAPITAL

Share Capital	Amount (in Rs.)
Authorized Share Capital as on March 31, 2025 (250,000,000 Equity Shares of Rs. 10 each)	250,00,00,000
Issued, Subscribed and Paid - up Capital as on March 31, 2025 (249,986,452 Equity Shares of Rs. 10 each)	249,98,64,520

BORROWED FUNDS

As on March 31, 2026, the total loan received from Banks during FY 25-26 amount to Rs. 415.00 Crores which included Rs. 100.00 Crores from the State Bank of India, Rs. 85.00 Crores from ICICI Bank Limited, Rs. 50.00 Crores from the Canara Bank, Rs. 30.00 Crores each from Union Bank of India, DCB Bank and Saraswat Bank, respectively, Rs. 25 Crores from Federal Bank Limited and Rs. 15 Crores from Utkarsh Bank and Rs. 50 Crores Inter Corporate Deposits from KIFS Finstock Limited.

These borrowings support KHFL's lending operations and capital deployment while maintaining prudent leverage levels.

CREDIT RATINGS

The Company has been assigned the following ratings:

Rating Agency	Instrument	Rating type	Amount	Rating(s) assigned
Acuite Ratings & Research Limited	Bank Loans	Long Term	1000.50 Cr	#ACUITE A-/ Outlook: Stable

HUMAN RESOURCE

KHFL recognizes that its workforce is a critical driver of business success. The Company is committed to creating a safe, inclusive, and sustainable work environment, attracting and retaining top talent.

Key highlights:

- As of March 31, 2026, the employee count is 744, reflecting its strategy to scale operations efficiently while maintaining high-quality service standards.
- The Company focuses on employee development and growth, offering structured learning, performance management, and engagement initiatives to enhance skills, motivation and leadership capabilities.
- Equal opportunities and a merit-driven culture ensure that employee's professional aspirations are aligned with organizational goals, fostering long-term value creation.

RBI REGULATORY UPDATES

The Reserve Bank has issued numerous directions over the years, under the statutory powers conferred upon it. While increase in regulatory guidelines is a natural process as the financial system evolves, this was further driven by an expanding regulatory perimeter, distributed supervisory/ regulatory jurisdiction over certain regulated entities, and non-repeal of some of the earlier instructions when new ones were issued. Being mindful of compliance burden to the Regulated Entities (REs), the Reserve Bank had continuously endeavoured to optimise its regulatory framework. Against this backdrop, the Reserve Bank had undertaken a fundamental reorganisation of the regulatory instructions administered by its Department of Regulation – marking a paradigm shift in its regulatory communication. Under this consolidation effort more specifically for the Non-Banking Financial Companies, instructions contained in various directions, circulars, and guidelines, were consolidated into a handful of Master Directions (MDs). Instructions contained in remaining directions / circulars were identified as obsolete and marked for repeal once the consolidated MDs were issued on November 28, 2025.

Under the Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025 the regulatory structure for four layers based on their size, activity and perceived riskiness. NBFCs in the lowest layer shall be known as NBFC - Base Layer (NBFC-BL). NBFCs in middle layer and upper layer shall be known as NBFC - Middle Layer (NBFC-ML) and NBFC - Upper Layer (NBFC-UL) respectively. The Top Layer is ideally expected to be empty and will be known as NBFC - Top Layer (NBFC-TL).

KIFS Housing Finance Limited has been classified and falls under the Middle Layer NBFC.

KIFS is primarily governed by the Reserve Bank of India (Housing Finance Companies) Directions, 2025. The provisions of the following Directions, either in part or full, are also additionally applicable to the Housing Finance Company (HFC), based on the layer in which the HFC is categorised:

1. Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025.
2. Reserve Bank of India (Non-Banking Financial Companies – Branch Authorisation) Directions, 2025.
3. Reserve Bank of India (Non-Banking Financial Companies – Undertaking of Financial Services) Directions, 2025.
4. Reserve Bank of India (Non-Banking Financial Companies – Acquisition of Shareholding or Control) Directions, 2025.
5. Reserve Bank of India (Non-Banking Financial Companies – Governance) Directions, 2025.
6. Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Capital Adequacy) Directions, 2025.
7. Reserve Bank of India (Non-Banking Financial Companies – Acceptance of Public Deposits) Directions, 2025.
8. Reserve Bank of India (Non-Banking Financial Companies – Climate Finance and Management of Climate Change Risks) Directions, 2025.

9. Reserve Bank of India (Non-Banking Financial Companies – Credit Risk Management) Directions, 2025.
10. Reserve Bank of India (Non-Banking Financial Companies – Credit Facilities) Directions, 2025.
11. Reserve Bank of India (Non-Banking Financial Companies – Concentration Risk Management) Directions, 2025.
12. Reserve Bank of India (Non-Banking Financial Companies – Transfer and Distribution of Credit Risk) Directions, 2025.
13. Reserve Bank of India (Non-Banking Financial Companies – Securitisation Transactions) Directions, 2025.
14. Reserve Bank of India (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Directions, 2025
15. Reserve Bank of India (Non-Banking Financial Companies – Resolution of Stressed Assets) Directions, 2025.
16. Reserve Bank of India (Non-Banking Financial Companies – Treatment of Wilful Defaulters and Large Defaulters) Directions, 2025.
17. Reserve Bank of India (Non-Banking Financial Companies – Classification, Valuation and Operation of Investment Portfolio) Directions, 2025.
18. Reserve Bank of India (Non-Banking Financial Companies – Asset Liability Management) Directions, 2025.
19. Reserve Bank of India (Non-Banking Financial Companies – Managing Risks in Outsourcing) Directions, 2025.
20. Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025.
21. Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Declaration of Dividends) Directions, 2025.
22. Reserve Bank of India (Non-Banking Financial Companies – Credit Information Reporting) Directions, 2025.
23. Reserve Bank of India (Non-Banking Financial Companies – Know Your Customer) Directions, 2025.
24. Reserve Bank of India (Non-Banking Financial Companies – Credit Cards: Issuance and Conduct) Directions, 2025.
25. Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025.
26. Reserve Bank of India (Non-Banking Financial Companies – Voluntary Amalgamation) Directions, 2025.
27. Reserve Bank of India (Non-Banking Financial Companies – Miscellaneous) Directions, 2025.

ADHERENCE TO THE REGULATORY GUIDELINES

The Company adheres to the Fair Practices Code (FPC) recommended by the regulator, the Reserve Bank of India (RBI) as well as the National Housing Bank (NHB), to promote good and fair practices by setting minimum standards in dealing with customers.

The Company is registered with the NHB as a Non-Deposit accepting Housing Finance Company. The Company has complied with and continues to comply with all applicable provisions of the Act, the National Housing Bank Act, 1987 and other applicable rules/regulations/guidelines, issued and amended from time to time.

The Company has complied with the NHB Directions, 2010 including Prudential Norms and as amended from time to time. Disclosures as required in terms of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21, February 17, 2021, as and when amended, have been prepared in compliance with Indian Accounting Standards (INDAS).

KIFS Housing has complied with the guidelines issued by NHB regarding accounting guidelines, prudential norms for asset classification, income recognition, provisioning, capital adequacy, concentration of credit, credit rating, Know Your Customer (KYC) guidelines and Anti Money Laundering (AML) Standards, Fair Practices Code, Grievance Redressal Mechanism, Valuation of properties, recovery of dues, channel partners and real estate and capital market exposures. KIFS Housing has no investment in excess of the limits prescribed by NHB with any one company or any single group of companies. KIFS Housing has not made investment in any of the promoter group companies during the year.

KIFS Housing has complied with the guidelines issued by RBI regarding Credit-Investment Concentration Norms, Master Direction on Treatment of Wilful Defaulters and Large Defaulters, Fair Lending Practice - Penal Charges in Loan Accounts, Framework for compensation to customers for delayed updation or rectification of credit information, Regulatory Measures towards consumer credit and bank credit to NBFCs, Reset of Floating Interest Rate on Equated Monthly Instalments (EMI) based Personal Loans, Responsible Lending Conduct – Release of Movable/Immovable Property Documents on Repayment Settlement of Personal Loans and Notification-Streamlining of Internal Compliance monitoring function – leveraging use of technology.

RISK MANAGEMENT FRAMEWORK

Risk management is central to KIFS Housing Finance Limited's governance and strategic framework. Operating in a dynamic housing finance environment, the Company faces multiple internal and external risks spanning credit, market, liquidity, operational, regulatory, reputational, and emerging domains. To address these, KIFS has established an Enterprise Risk Management framework that ensures risks are systematically identified, assessed, monitored, and mitigated. The framework is guided by Board-approved policies and overseen by the Risk Management Committee. The Company continues to focus on identifying, measuring, and mitigating such risks through a robust Risk Management Control Framework. Oversight is provided by the Risk Management Committee, comprising Directors and senior management with deep industry experience, which met quarterly to monitor emergent risks. Guided by Board-approved policies, the ERM framework ensures systematic risk identification, assessment, monitoring, and mitigation. While the appointment of a Chief Risk Officer is not mandatory, as the Company has not crossed the regulatory threshold requiring one, enterprise risk management is currently handled by the Risk Head, supported by dedicated risk teams. Accountability is embedded across the three lines of defence: business operations, risk and compliance functions and internal audit.

The Company's Risk Management Committee, reporting to the Board, ensures that risk-taking is aligned with strategic goals and within acceptable risk thresholds. Additionally, risk insights are embedded into decision-making processes across origination, pricing and collections, enabling responsible growth with asset quality stability.

Credit Risk

Credit risk remains the most significant challenge for KIFS, arising from the potential inability of borrowers or counterparties to meet contractual obligations. The Company has implemented robust underwriting standards, incorporating rigorous customer and collateral eligibility criteria, detailed credit appraisals, and affordability assessments. A dedicated Risk Containment Unit (RCU) performs income and document verifications, while post-disbursement monitoring tracks loan performance and early warning indicators. Portfolio diversification across sectors, geographies, and customer segments further mitigates concentration risk, and conservative provisioning policies ensure adequate buffers to absorb potential losses. Continuous portfolio analytics and stress testing allow proactive management of potential credit defaults.

Market and Interest Rate Risk

Exposure to fluctuations in interest rates, funding costs, and market conditions can adversely affect net interest margins and overall profitability. KIFS manages market risk through a disciplined Asset-Liability Management (ALM) framework, ensuring balanced gaps across maturities and aligning asset and liability repricing. Periodic stress tests and scenario simulations evaluate the impact of interest rate changes on margins and liquidity. The Company's business continuity plan addresses potential market disruptions, ensuring that funding and liquidity needs are met even under adverse conditions.

Liquidity Risk

Liquidity risk arises when the Company is unable to meet its obligations as they fall due without incurring excessive costs. KIFS mitigates this risk by maintaining sufficient liquidity buffers and diversifying funding sources, including bank borrowings, financial institutions, and co-lending arrangements. Short-term liabilities are carefully managed to reduce refinancing pressures, and ALM positions are monitored regularly, with reports submitted to the Board quarterly. This proactive approach ensures that the Company can meet its operational and financial obligations even during periods of market stress.

Operational Risk

Operational risk encompasses failures in processes, systems, human errors, or external events that could impact the Company's functioning. KIFS has implemented standardized processes supported by technology-enabled workflows to minimize errors. Internal audit reviews, periodic risk assessments, and monitoring through Key Risk Indicators (KRIs) and early warning triggers strengthen the control environment. Regular staff training and awareness programs cultivate a strong risk culture across the organization, ensuring that operational risks are promptly identified, escalated, and mitigated.

Information Security and Cyber Risk

With increasing digitization, cybersecurity and data protection have become critical areas of focus. KIFS has established a comprehensive information security framework that safeguards customer data and prevents unauthorized access. Regular vulnerability assessments, penetration testing and IT audits are conducted, complemented by advanced security tools and encryption protocols. Incident response procedures, disaster recovery plans, and cyber-risk insurance ensure that the Company remains resilient against cyber threats and potential data breaches.

Collateral Risk

Collateral forms a critical risk mitigant, but deficiencies such as legal disputes, undervaluation, or defective titles can expose the Company to loss. KIFS addresses collateral risk through detailed legal due diligence, title verification, encumbrance checks, and property valuation conducted by approved vendors. For larger exposures, independent second valuations are undertaken, and legal developments are continuously monitored to ensure that collateral quality and enforceability remain robust.

Concentration Risk

Overexposure to a single sector, geography, or customer segment can amplify potential losses. KIFS mitigates concentration risk by maintaining a well-diversified portfolio across sectors and states, ensuring that no single segment contributes disproportionately to the asset base. Regular portfolio reviews, large exposure assessments and oversight provide ongoing monitoring of concentration trends, enabling corrective actions where necessary.

Fraud Risk

Fraud risk is a critical concern, particularly in the affordable housing segment. KIFS addresses this through a dedicated Risk Containment Unit (RCU) that conducts pre-disbursement sampling, document verification, post-disbursement asset checks, and customer profiling. Suspected frauds are escalated for investigation, with appropriate punitive actions enforced. Regular reporting and KRIs support proactive monitoring and early detection of fraudulent activity.

Compliance and Regulatory Risk

As a regulated housing finance company, compliance with NHB, RBI, and other statutory guidelines is critical. KIFS maintains a dedicated compliance function to monitor regulatory developments and ensure adherence to applicable laws. Policies, reporting mechanisms, and training programs reinforce regulatory compliance across all functions. Independent audits and Board-level reviews ensure that compliance risks are systematically identified, mitigated, and reported, reducing potential legal and reputational consequences.

Outsourcing Risk

KIFS engages third-party vendors for various services including sourcing, verification, collections, and IT support. Outsourcing risks are mitigated through a rigorous vendor selection and empanelment process, periodic performance assessments, and adherence to defined service standards. The Company maintains oversight through internal monitoring and risk reporting frameworks, with clear accountability for mitigating service disruptions and operational lapses.

Reputational Risk

Reputation is an invaluable asset that can be affected by negative publicity, customer dissatisfaction, or ethical lapses. KIFS manages reputational risk through transparent communication, ethical business practices and strong grievance redressal mechanisms. Social media monitoring, proactive engagement, and corporate social responsibility initiatives further reinforce the Company's positive public perception and commitment to sustainable and socially responsible practices.

Business and Strategy Risk

Strategic and business risks stem from long-term decisions, changing market conditions, and evolving customer needs. KIFS manages these risks through periodic strategic reviews, scenario analysis, and alignment of business plans with defined risk appetite. Monitoring mechanisms enable early detection of deviations from strategy, while KRIs track emerging threats such as market shifts, regulatory changes and competitive pressures.

Conclusion

KIFS Housing Finance Limited integrates risk management into every facet of its operations through its comprehensive ERM framework. Continuous monitoring, Board oversight, and management accountability ensure that risks remain within defined risk appetite limits. This approach enables the Company to safeguard stakeholder interests, maintain financial resilience, and achieve sustainable long-term growth.

INTERNAL AUDIT CONTROL, INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY

KIFS Housing has established a robust internal control framework designed to provide reasonable assurance over the accuracy of accounting records, safeguarding of assets, operational efficiency, compliance with applicable laws and regulations and reliability of financial reporting.

The Company follows a structured internal audit programme carried out by an independent firm of Chartered Accountants. The audits not only assess adherence to laid-down policies and procedures but also provide recommendations for process and system improvements. These findings are reviewed with management and corrective actions are implemented. Internal audit observations and their status of implementation are periodically reported to the Audit Committee, which exercises active oversight.

The Company's internal financial controls over financial reporting are designed to ensure:

1. Maintenance of records that accurately and fairly reflect transactions and asset dispositions.
2. Assurance that transactions are recorded to facilitate the preparation of financial statements in line with generally accepted accounting principles and are executed only with proper authorization of the Management and Board.
3. Safeguards against unauthorized acquisition, use, or disposal of assets that could materially affect financial statements.

KIFS Housing also maintains adequate mechanisms to support business sustainability, promote employee engagement and ensure a healthy work environment. The internal control system is continuously monitored and evaluated by internal auditors in conjunction with external auditors, thereby reinforcing transparency, accountability and governance effectiveness.

The Internal Audit Department, staffed with qualified professionals, independently evaluates the adequacy and effectiveness of internal controls, risk management practices, and governance processes. In doing so, it also ensures adherence to regulatory guidelines, legal requirements, and operational processes, while providing timely feedback to management for corrective measures.

INFORMATION SYSTEM UPDATES

The Company has continued to strengthen its technology platform in line with the RBI Master Direction – Information Technology Governance, Risk, Controls and Assurance Practices, 2023 and other applicable guidelines for NBFCs. In accordance with these Directions, the Company has focused on strengthening Board oversight of IT, implementing robust information security governance, enhancing cyber resilience, and ensuring comprehensive controls around outsourcing of IT services.

During the year, the Loan Origination System (LOS) was upgraded with Account Aggregator (AA) integration to automate bank statement extraction and analysis. Phase I, deployed from July 2024, enables direct AA-based statement fetch, while Phase II, under development, supports parsing of customer-uploaded PDFs. The extracted data is mapped into Salesforce for insights on salary credits, balances, transaction trends, and bounce details, thereby supporting better risk evaluation. A mobile-connected onboarding app has also been launched, providing Aadhaar OTP and PAN verification, instant eligibility checks, and real-time status tracking, in line with RBI's emphasis on secure digital delivery channels and customer-centric innovation.

On cybersecurity, the Company has initiated the setup of a Security Operations Centre (SOC) under the CISO to ensure real-time monitoring, detection, and response to threats. This is aligned with RBI's requirement for continuous monitoring of IT systems, timely reporting of cyber incidents, and adoption of a defence-in-depth approach. The data migration to the FinnOne platform has also been successfully completed, with reconciliation and audit controls, and structured training for the Operations and CPU teams is ongoing to ensure smooth transition.

Through these initiatives, the Company is strengthening its IT governance, operational resilience, and customer experience, while remaining compliant with the RBI's expectations on information security, risk management, and continuity of operations.

RELATED PARTY TRANSACTION POLICY

1. PREAMBLE

In terms of Section 188 of the Companies Act, 2013 read with rules made thereunder, the Board of Directors (the "Board") of KIFS Housing Finance Limited (the "Company" or "KHFL"), have basis the recommendations of the Audit Committee Members framed and adopted the Related Party Transaction Policy ["Policy" or "this Policy"] which defines and lays down the procedures with regard to Related Party Transactions. This policy aims to regulate transactions between the Company and its Related Parties, based on the laws and regulations applicable to the Company.

2. PURPOSE AND OBJECTIVE

This Policy is framed as per the requirement of Section 188 in pursuance of Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations) and other applicable provisions, has adopted Related Party Transaction Policy ("this policy") to regulate the transactions between the Company and its Related Parties. . The objective of this Policy is to regulate transactions with related parties and ensure transparency between them. It sets out the materiality thresholds for related party transactions and the manner of dealing with such transactions in accordance with the provisions of Companies Act, 2013. Such transactions are appropriate only if they are in the best interest of the Company and its Members.

3. DEFINITIONS

"Applicable Law" includes (a) the Companies Act, 2013 and rules made thereunder; (b) any other statute, law, standards, regulations or other governmental instruction relating to Related Party Transactions.

"Act" means the Companies Act, 2013 and rules made thereunder and includes any amendment(s)/ modification(s) thereof.

"Arm's Length Transaction" explanation (b) to Section 188(1) of the Companies Act, 2013 defines an "arm's length transaction" to mean a *transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.*

"Associate Company" in terms of Section 2(6) of the Companies Act, 2013 *"Associate Company" in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.*

For the purposes of this term 'Associate Company', "significant influence" means control of at least twenty per cent of total share capital, or of business decisions under an agreement.

The applicable Accounting Standard 18 pertaining to Related Party Disclosures (AS 18) notified by the Companies (Accounting Standards) Rules, 2006, defines an associate to mean *an enterprise in which an investing reporting party has significant influence and which is neither a subsidiary nor a joint venture of that party.*

For the purposes of AS 18, *"significant influence" means the participation in the financial and/or operating policy decisions of an enterprise, but not control of those policies.*

"Audit Committee/Committee" means Committee of Board of Directors of the Company constituted as per the provisions of Companies Act, 2013.

"Board" means Board of Directors of the Company.

"Compliance Officer" means the Company Secretary of the Company or such other compliance officer as identified by the Board and/or Management of the Company.

“Key Managerial Personnel” (as defined in Section 2(51) of the Companies Act, 2013), in relation to the Company, means –

- i. Chief Executive Officer or the Managing Director or the Manager
- ii. Company Secretary
- iii. Whole Time Director
- iv. Chief Financial Officer and
- v. Such other officer as may be prescribed by the Government.

“Policy” means Related Party Transaction Policy.

“Material Related Party Transaction(s)” means transaction/transactions with the related party to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the Company, as per the last audited financial statements of the company.”

“Related Party” In relation to the Company, means a related party as defined under sub-section (76) of section 2 of the Companies Act, 2013 or under the applicable accounting standards:

“Provided that any person or entity belonging to the promoter or promoter group of the Company and holding 20% or more of shareholding in the Company shall be deemed to be a related party”

“Relative” as per section 2 (77) of the Companies Act, 2013, with reference to any person, shall be deemed to be relative of another, if he or she is related to another in the following manner, namely:-

- i. Father, includes step-father.
- ii. Mother, includes step-mother.
- iii. Son, includes step-son
- iv. Son's wife.
- v. Daughter.
- vi. Daughter's husband.
- vii. Brother, includes step-brother.
- viii. Sister, includes step-sister.
- ix. Are members of a Hindu Undivided Family
- x. They are Husband and wife.

“Related Party Transaction” As per SEBI (LODR), “related party transaction” means a transfer of resources, services or obligations between a listed entity and a related party, regardless of whether a price is charged and a “transaction” with a related party shall be construed to include a single transaction or a group of transactions in a contract.

As per section 188(1) of Act related party transaction will include following specific transactions:

- i) sale, purchase or supply of any goods or materials;
- ii) selling or otherwise disposing of, or buying, property of any kind;
- iii) leasing of property of any kind;
- iv) availing or rendering of any services;
- v) appointment of any agent for purchase or sale of goods, materials, services or property;

“Transaction” means any transfer of resources, services or obligations between two or more parties.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013 or any other applicable law or regulation(s).

4. TERMS OF THE POLICY

All Related Party Transactions will be subject to following approval matrix, as may be applicable:

Provisions	Ceiling on the Amount	Approval Required		
		Audit Committee	Board of Directors	Shareholders (Ordinary Resolution)
Transactions in the ordinary course of business and on arm's length basis	up to 10% of the annual consolidated turnover of the Company	√	-	-
	<i>In excess of above limits</i>	√	√	(All related parties to abstain from voting.)
Transactions either not in the <u>ordinary course of business</u> or <u>arm's length basis</u>				
Sale, purchase or supply of any goods or materials, directly or through appointment of agent.		√	√	Exceeding 10% of the turnover. <i>Note: Related Parties that are parties to the contract shall abstain from voting.</i>
Selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent.		√	√	Exceeding 10% of the net worth. <i>Note: Related Parties that are parties to the contract shall abstain from voting.</i>
Leasing of property of any kind.		√	√	Exceeding 10% of the turnover or 10% of the net worth. <i>Note: Related Parties that are parties to the contract shall abstain from voting.</i>
Availing or rendering of any services, directly or through appointment of agent.		√	√	Exceeding 10% of the turnover. <i>Note: Related Parties that are parties to the contract shall abstain from voting.</i>
Appointment of any related party to any office or place of profit in the Company, its subsidiary company or associate company.		√	√	Monthly remuneration exceeding two and half lakh rupees <i>Note: Related Parties that are parties to the contract shall abstain from voting.</i>

underwriting the subscription of any securities or derivatives thereof, of the Company		√	√	Remuneration exceeding 1% of net worth <i>Note: Related Parties that are parties to the contract shall abstain from voting.</i>
any other transaction with related parties, other than those covered above, resulting in transfer of resources, obligations or services		√	For Transactions that are not on arm's length basis.	Exceeding 10% of the annual consolidated turnover of the Company <i>Note: All related parties to abstain from voting.</i>

5. PROCEDURE

1. Identification of Related Parties and Related Party Transactions

The Compliance Officer shall:

- Identify and keep on record the Company's Related Parties, along with their personal/company details.
- Update the record of Related Parties whenever necessary and shall be reviewed at least once a year, as on 1st April every year.
- Furnish on a quarterly basis to the concerned departments viz. Accounts, Operations, Administration and such other concerned departments at Corporate Office and branches, who are responsible for entering into contracts/ arrangements/ agreements with entities for and on behalf of the Company, and circulate the list of Related Parties to all such employees of the Company along with the approval thresholds for entering into transactions with such enlisted Related Parties.
- Place the record of Related Parties before the Audit Committee.

2. Ascertaining whether Related Party Transactions are on an Arm's Length Basis

- The following illustrative tests may be used by the Audit Committee for ascertaining arm's length nature of contracts / arrangements that may be entered into by the Company with related parties, or any modification, variation, extension or termination thereof: -
 - The contracts/ arrangements are entered into with Related Parties, are at such prices/ discounts/ premiums and on such terms which are offered to unrelated parties of similar category/ profile.
 - The contracts/ arrangements have been commercially negotiated.
 - The pricing is arrived at as per the rule/guidelines that may be issued by or acceptable for the purpose of NHB/ Ministry of Corporate Affairs, Government of India/ Income Tax Act, 1961, as applicable to any of the contract/ arrangements contemplated under the Companies Act, 2013, Rules framed thereunder.
 - The terms of contract/arrangement other than pricing are generally on a basis similar to those as may be applicable for similar category of goods and services or similar category/ profile of counterparties.
 - Such other criteria as may be issued under Applicable Law.

(ii) Further, in order to determine the optimum arm's length price, the Company may also apply the most appropriate method from any of the following methods as prescribed under Section 92C(1) of the Income Tax Act, 1961 read with Rule 10B of the Income Tax Rules, 1962 –

- a. Comparable Uncontrolled Price method (CUP method)
- b. Resale Price Method
- c. Cost Plus Method
- d. Profit Split Method
- e. Transactional Net Margin Method
- f. Other Method as prescribed by the Central Board of Direct Taxes

(iii) The Audit Committee shall be entitled to rely on professional opinion or representation from the counter party in this regard.

(iv) Further, the Company shall also obtain, if so required by the Audit Committee, a certificate from an internal auditor or such other agency duly appointed for the purpose of certifying that all the transactions that have been /are to be entered into with Related Parties, are in accordance with the most appropriate pricing methodology as suggested by the independent external agency and also in the ordinary course of business of the Company.

3. Ascertaining whether Related Party Transactions are in the Ordinary Course of Business

I. Although the term “Arm's Length Basis” has been defined under Section 188 of the Companies Act, 2013, what transactions would be considered to be in the “ordinary course of business” has not been specified under the Companies Act, 2013. In the case of Seksaria Biswan Sugar Factory Ltd. v. Commissioner of Income Tax, Bombay¹, the Bombay High Court, in relation to what constitutes 'ordinary course of business', observed that “it must be found as to whether the particular act has any connection with the normal business that the company is carrying on and whether it is so related to the business of the company that it can be considered to be performed in the ordinary course of the business of that company.”

A. Therefore, in order to determine whether a transaction is within the ordinary course of business or not, some of the principles that may be adopted to assess are as follows:

- a) whether the transaction is in line with the usual transactions, customs and practices undertaken by the company to conduct its business operations and activities,
- b) whether it is permitted by the Memorandum and Articles of Association of the company; and
- c) whether the transaction is such that it is required to be undertaken in order to conduct the routine or usual transactions of a company.

B. Any of the following conditions are met:

a. The transaction, including, but not limited to sale or purchase of goods or property, or acquiring or providing of services, conveying or accepting leases, transfer of any resources, hiring of any executives or other staff, providing or availing of any guarantees or collaterals, or receiving or providing any financial assistance, or issue, transfer, acquisition of any securities, is in the normal routine of the Company's business; or

b. The transaction is in the nature of reimbursements, received or provided, from or to any related party, whether with or without any mark-up towards overheads, and is considered to be congenial for collective procurement or use of any facilities, resources, assets or services and subsequent allocation of the costs or revenues thereof to such related party in an appropriate manner; and

C. The transaction is not:

a. an exceptional or extra ordinary activity as per applicable accounting standards or financial reporting requirements;

b. any sale or disposal or any undertaking of the Company, as defined in explanation to clause (a) of sub-section (1) of section 180 of Companies Act, 2013.

i. The Company may also consider whether the transaction contemplated under the proposed contract or arrangement is either similar to contracts or arrangements which have been undertaken in the past, or, in the event that such transaction is being undertaken for the first time, whether the Company intends to carry out similar transactions in the future.

ii. Further, whether the transaction value is within the reasonable range for similar types of other transactions, will also be an important consideration. An exceptionally large value transaction should invite closer scrutiny.

4. Procedure for approval and review of Related Party Transactions

(i) Subject to the threshold limits specified below, all Related Party Transactions or changes therein must be referred for prior approval by the Audit Committee in accordance with this Policy.

(ii) The threshold limits for approvals will be as follows:

a. The transactions, for which omnibus approval of the Audit Committee has already been sought, will not require prior approval of the Audit Committee for each transaction entered into pursuant to the same.

b. Transactions above the value of Rs. 1 Crore per transaction may be granted omnibus approval by Audit Committee subject to criteria specified under Clause 5 below. Further, such transactions shall be reported to the Audit Committee on quarterly basis.

c. All Related Parties Transactions other than those falling under Points (i) and (ii) above for which no omnibus approval has been accorded, shall require prior approval of Audit Committee.

d. Transactions between the Company and its wholly owned subsidiary companies will be governed by criteria above unless exempted under the Applicable Law.

(iii) Related Party Transactions that are not in ordinary course of business but on arm's length basis may be approved by Audit Committee. Where such Related Party Transactions fall under Section 188 (1) of the Act, the Audit Committee shall recommend the transaction for approval of the Board.

(iv) Related Party Transactions that are not on arm's length basis, irrespective of whether those are covered under Section 188 of the Act or not, may be placed by the Audit Committee, along with its recommendations, to the Board for appropriate action.

(v) All relevant facts pertaining to a Related Party Transaction shall be placed with the Audit Committee, inclusively:

a. the name of the related party and nature of relationship;

b. the nature, duration of the contract and particulars of the contract or arrangement;

c. the material terms of the contract or arrangement including the value, if any;

d. any advance paid or received for the contract or arrangement, if any;

e. the manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;

f. whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors; and

g. any other information relevant or important for the Committee to take a decision on the proposed transaction.

(vi) Audit Committee shall be entitled to call for such information/ documents in order to understand the scope of the proposed related party transaction(s) and recommend an effective control system for the verification of the supporting documents.

(vii) In determining whether approval can be accorded to a Related Party Transaction, the Audit Committee shall consider the following factors:

a. whether the Related Party Transaction is in the ordinary course of business of the Company;

b. whether the terms of the Related Party Transaction are on arm's length basis;

c. whether there are any adequate reasons of business expediency for the Company to enter into the Related Party Transaction, after comparing alternatives available, , if any;

d. whether the Related Party Transaction would affect the independence of any director/ key managerial person;

e. whether the proposed Related Party Transaction includes any potential reputational/ regulatory risks that may arise as a result of or in connection with the proposed transaction; and

f. whether the Related Party Transaction would present an improper conflict of interest for any director or key managerial personnel of the Company, taking into account the size of the transaction, the overall financial position of the Related Party, the direct or indirect nature of interest of the Related Party in the transaction and such other factors as the Audit Committee deems relevant.

(viii) If the Audit Committee determines that a Related Party Transaction should be brought before the Board, or if the Board in any case elects to review any such matter or it is mandatory under any law for Board to approve the Related Party Transaction, then the Board shall consider and approve the Related Party Transaction at a meeting and the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.

(ix) If the Related Party Transaction needs to be approved at a general meeting of the shareholders by way of a resolution pursuant to Applicable Law, the Board shall ensure that the same be put up for approval by the shareholders of the Company.

(x) Where, owing to exigencies, Related Party transactions have been entered into without being placed for prior approval by the Audit Committee, reasoned explanation for the same must be received from the contracting employees to the satisfaction of the Audit Committee. The Audit Committee may ratify such transactions, or may put forth the transactions before the Board along with its recommendations, and the Board may either ratify such transactions or seek to avoid the same. The Audit Committee recommendations may also include appropriate measures against the contract employee authorising such transactions without prior approval of the Audit Committee.

(xi) If approval of the Board / general meeting, where applicable, for entering into a Related Party Transaction is not feasible, then the Related Party Transaction shall be ratified by the the Board / general meeting, if required, within 3 months of entering in the Related Party Transaction.

(xii) In any case where either the Audit Committee /Board / a general meeting determines not to ratify a Related Party Transaction that has been commenced without approval, the Committee or Board or the general meeting, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction, or modification of the transaction to make it acceptable for ratification. In connection with any review of a Related Party Transaction, the Audit Committee / Board has authority to modify or waive any procedural requirements of this Policy.

(xiii) No member of the Audit Committee/ Board shall participate in the review or approval of any Related Party Transaction in which such member is interested, except that the director/ Key Managerial Personnel shall provide all material information concerning the Related Party Transaction to the Audit Committee / Board.

(xiv) If a Related Party Transaction is of ongoing nature, the Board / Audit Committee may establish guidelines for the Company's management to follow in its ongoing dealings with the Related Party. Thereafter, the Board, on at least an annual basis, shall review and assess on-going relationships with the Related Party to ensure that they are in compliance with the Act and rules made thereunder and this Policy and that the Related Party Transaction remains appropriate.

(xv) Nothing in this Policy shall override any provisions of law made in respect of any matter stated in this Policy.

5. Omnibus Approval by the Audit Committee

(i) In case of certain frequent/ repetitive/ regular transactions with Related Parties which are in the ordinary course of business of the Company (including transactions for support services/ sharing of services with Subsidiary / Associate Companies, Sub Lease of Office Premises or Office Sharing Agreement with Associate Companies or any other transactions or arrangements as it may deem appropriate, being proposed to be entered into Arms Length Basis), the Audit Committee may grant an omnibus approval for such Related Party Transactions proposed to be entered into by the Company frequency, volume and value.

6. Disclosures

Each director who is, directly or indirectly, concerned or interested in any way in any transaction with the Related Party shall disclose all material information and the nature of his interest in the transaction to the Committee or Board of Directors.

7. Ratification

If any contract or arrangement is entered into by a director or any other employee of the Company, without obtaining the consent of the Board or approval by a resolution in the general meeting as per the provisions of Section 188 (1) of the Companies Act, 2013 and if it is not ratified by the Board and/or by the shareholders at a meeting, as the case may be, within three months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board and if the contract or arrangement is with a related party to any director, or is authorised by any other director, the directors concerned shall indemnify the company against any loss incurred by it.

However, the above provisions for ratification shall not apply to the Material Related Party Transactions.

8. Exclusion of Policy

This policy shall not be applicable to following related party transactions:

- a. Transactions entered into with Related Parties in ordinary course of business and on arm's length basis;
- b. Transactions entered into between Holding Company and Wholly Owned Subsidiary Company whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

ANNEXURE- III

FORM NO. AOC-2

[Pursuant to Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

i. Details of contracts or arrangements or transactions at arm's length basis

a) Name(s) of the related party and nature of relationship.	KIFS International LLP
b) Nature of contracts/ arrangements/ transactions.	Usage of property at Vadodara for Branch Office of the Company for the business and operation purpose.
c) Duration of the contracts/ arrangements/ transactions.	Continuing and Ongoing
d) Salient terms of the contracts or arrangements or transactions including the value, if any.	Terms of the contract is as per Rent Agreement. The rental of Rs. 43,712/- pm (excluding taxes) is paid to KIFS International LLP for the usage of premises.
e) Justification for entering into such contracts or arrangements or transactions.	As per Rent Agreement
f) Date(s) of approval by the Board, if any.	February 12, 2024.
g) Amount paid as advances, if any.	NA
h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188.	NA

ii. Details of contracts or arrangements or transactions at arm's length basis.

a) Name(s) of the related party and nature of relationship	KIFS Trade Capital Private Limited
b) Nature of contracts/ arrangements/ transactions	Usage of property at Mumbai (Corporate Office) of the Company for the business and operation purpose.
c) Duration of the contracts/ arrangements/ transactions	Continuing and Ongoing
d) Salient terms of the contracts or arrangements or transactions including the value, if any	Terms of the contract is as per Rent Agreement. The rental of Rs. 1,60,000/- pm (excluding taxes) is paid to KIFS Trade Capital Private Limited for the usage of premises.
e) Justification for entering into such contracts or arrangements or transactions	As per Rent Agreement

f) Date(s) of approval by the Board, if any:	February 12, 2024
g) Amount paid as advances, if any:	NA
d) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	NA

iii. Details of contracts or arrangements or transactions at arm's length basis

a) Name(s) of the related party and nature of relationship.	KIFS Realty LLP
b) Nature of contracts/ arrangements/ transactions	Usage of property at Ahmedabad for Registered Office of the Company for the business and operation purpose.
c) Duration of the contracts/ arrangements/ transactions	Continuing and Ongoing
d) Salient terms of the contracts or arrangements or transactions including the value, if any.	Terms of the contract is as per Rent Agreement. The rental of Rs. 82,800/- pm (excluding taxes) is paid to KIFS Realty LLP for the usage of property.
e) Justification for entering into such contracts or arrangements or transactions	As per Rent Agreement
f) Date(s) of approval by the Board, if any:	February 12, 2024
g) Amount paid as advances, if any:	NA
h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188.	NA

iv. Details of contracts or arrangements or transactions at arm's length basis

a) Name(s) of the related party and nature of relationship	KIFS Trade Capital Private Limited
b) Nature of contracts/ arrangements/ transactions	Acting as Broker for Investment in Mutual Funds.
c) Duration of the contracts/ arrangements/ transactions	Continuing and Ongoing
d) Justification for entering into such contracts or arrangements or transactions	As per Engagement agreement
e) Date(s) of approval by the Board, if any:	June 03, 2021
f) Amount paid as advances, if any:	NIL
g) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188.	NA

v. Details of contracts or arrangements or transactions at arm's length basis.

a) Name(s) of the related party and nature of relationship	KIFS Finstock Limited (formerly known as Khandwala Finstock Private Limited)
b) Nature of contracts / arrangements/ transactions	Inter – Corporate Deposits
c) Duration of the contracts / arrangements/ transactions	Repayable within 1 year from the date of disbursement of the facility.
d) Salient terms of the contracts or arrangements or transactions including the value, if any:	As per the ICD agreement
e) Date(s) of approval by the Board, if any:	November 11, 2022
f) Amount paid as advances, if any:	NIL
g) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	NA

CORPORATE GOVERNANCE REPORT

(Disclosure in Financial Statements – Notes to Accounts of NBFCs read with RBI Circular dated October 22, 2021 on Scale Based Regulation (SBR)):

A Revised Regulatory Framework for NBFCs)

Being categorized as a Middle Layer Non-Banking Financial Company, the Company remains committed to comply with the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2025. In pursuance of these regulatory requirements, the Corporate Governance Report is presented in this section, in accordance with the framework prescribed by the RBI.

1.Composition of the Board:

Sr. No	Name of Directors	Directors Since	Capacity (i.e. Executive/ Non Executive/ Chairman/ Promoter/ Nominee/ Independent)	DIN	No. of Board Meetings		No. of other Director ship	Remuneration				No. of shares held in the HFC
					Held	Attended		Salary & Compensation	Sitting Fees	Commission	Others	
1	Mr. Rajesh Parmanand Khandwala	November 16, 2015	Chairman & Managing Director (Executive)	00477673	06	03	6	0	0	0	0	0
2	Mr. Vimal Parmanand Khandwala	November 16, 2015	Managing Director (Executive)	00477768	06	03	11	0	0	0	0	0
3	Mr. Kushal Jayesh Khandwala	March 20, 2023	Whole Time Director (Executive)	03345686	06	06	3	0	0	0	0	0
4	Ms. Bhavana Govindbhai Desai	December 01, 2020	Non-Executive Director	06893242	06	05	2	0	1,00,000	0	0	0
5	Mr. Vikas Kumar	June 07, 2024	Independent Director (Non-Executive)	02213902	06	06	0	0	7,50,000	0	0	0
6	Kumar Sharadindu	May 30, 2025	Independent Director (Non-Executive)	07341455	04	04	3	0	3,50,000	0	0	0

During the financial year under review, the following changes took place in the Board of your Company:

1. *Mr. Kumar Sharadindu (DIN: 07341455) was appointed as an Independent Director of the Company with effect from May 30, 2025.

Where an Independent Director resigns before expiry of his/ her term, the reasons for resignation as given by him/her shall be disclosed: NA

2. Committees of the Board and their composition:

The Board of the Company has established various committees, the names of which along with its members and summarized terms of reference is given below:

A. AUDIT COMMITTEE:

In accordance with the provisions of the Companies Act, 2013 and the rules made thereunder, the Board of the Company has constituted an Audit Committee. The Audit Committee of the Company as on March 31, 2026, comprised of 3 (Three) Directors of the Company, out of which 2 (Two) are Independent Director and 1 (one) is Whole Time Director. 4 (Four) Audit committee meetings were held during the financial year under review.

Below are the requisite details of the Audit Committee:

S r. No.	Name of the Director	Members of Committee since	Capacity (i.e. Executive/ Non Executive/ Chairman/ Promoter/ Nominee/ Independent	No. of Meetings attended out of 4		No. of shares held in the HFC
				Held	Attended	
1.	Mr. Kushal Khandwala	May 30, 2023	Whole Time Director (Executive)	04	04	0
2.	Mr. Vikas Kumar	Aug 14, 2024	Independent Director (Non-Executive)	04	04	0
3.	Mr. Kumar Sharadindu	Sep 15, 2025	Independent Director (Non-Executive)	02	02	0

During the financial year under review, the following changes took place in the Audit Committee:

1. Mr. Kumar Sharadindu was inducted as a Member of the Committee with effect from September 15, 2025.

The summary of terms of reference of Audit Committee, inter alia, includes the following:

- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Reviewing and examining the financial statements and the auditors' report thereon before submission to the Board for approval;
- Recommending the quarterly, half yearly and yearly Financial Results to the Board;
- Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
- Scrutiny of inter-corporate loans and investments of the Company;
- Evaluation of the internal financial controls and risk management systems of the Company;
- Approval or any subsequent modification of transactions of the Company with related parties including the omnibus approval for related parties transactions proposed to be entered into by the Company;

- Valuation of undertakings or assets of the Company, wherever it is necessary; and
- To perform such other functions as entrusted to it by the Board of the Company and by the law from time to time.

B. NOMINATION AND REMUNERATION COMMITTEE

In accordance with the provisions of the Companies Act, 2013 and the rules made thereunder, the Board of the Company has constituted a Nomination and Remuneration Committee. The Nomination and Remuneration Committee of the Company as on March 31, 2026, comprised of 03 (Three) Directors of the Company, out of which two (2) are Independent Directors and one (1) is Non-Executive Director. During the financial year under review, 3 (three) Meetings were held.

Below are the requisite details of the Nomination and Remuneration Committee:

S r. No.	Name of the Director	Members of Committee since	Capacity (i.e. Executive/ Non Executive/ Chairman/ Promoter/ Nominee/ Independent	No. of Meetings attended out of 3		No. of shares held in the HFC
				Held	Attended	
1.	Mr. Vikas Kumar	Aug 14, 2024	Independent Director (Non-Executive) – Chairman of the Committee	03	03	0
2.	Mr. Kumar Sharadindu	Sep 15, 2025	Independent Director (Non-Executive)	01	01	0
3.	Ms. Bhavana Desai	March 04, 2021	Non-Executive Director	03	02	0

During the financial year under review, the following changes took place in the Nomination and Remuneration of your Company:

1. Mr. Kumar Sharadindu was inducted as a Member of the Committee with effect from September 15, 2025.

The summary of terms of reference of NRC Committee, inter alia, includes the following:

- Identify persons who are qualified to become Directors of the Corporation and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
- Formulate the criteria for determining qualification, positive attribute and independence of a director;
- Specify manner for effective evaluation of performance of Individual Directors including Independent Directors, the Board and its Committees;
- To select and recommend from the Data Bank, if needed, Independent Directors to be appointed on the Board;
- To recommend the Board, the appointment and removal of Directors and Senior Management;
- To recommend the Board a policy relating to remuneration for Directors, Key Managerial Personnel and other employees;
- To devise a policy on Board diversity and succession planning;
- To review Nomination & Remuneration Policy, Fit & Proper Criteria Policy and such other Policies on annual basis and recommendation of modification, if any, to the Board;

- To implement and monitor the implementation of the ESOP Schemes of the Company;
- To grant and allot the ESOPs as per terms and conditions of the ESOP Schemes of the Company;
- To modify, alter, vary and/or cancel terms of ESOP schemes of the Company;
- To perform such other functions as entrusted to it by the Board of the Company and by the law from time to time.

C. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In accordance with the provisions of the Companies Act, 2013 and the rules made thereunder, the Board of the Company has constituted a Corporate Social Responsibility Committee. The Corporate Social Responsibility Committee of the Company as on March 31, 2026, comprised of 4 (Four) Directors of the Company, out of which 1 (One) is an Independent Director, 2 (Two) are Managing Directors and 1 (one) is a Whole Time Director. During the financial year under review 1 (one) CSR Committee meeting was held.

Below are the requisite details of the Corporate Social Responsibility Committee:

S. r. No.	Name of the Director	Members of Committee since	Capacity (i.e. Executive/ Non Executive/ Chairman/ Promoter/ Nominee/ Independent	No. of Meetings attended out of 4		No. of shares held in the HFC
				Held	Attended	
1.	Mr. Vimal Khandwala	Feb 10, 2020	Chairman and Managing Director (Executive)	00	00	0
2.	Mr. Rajesh Khandwala	Feb 10, 2020	Managing Director (Executive)	01	01	0
3.	Mr. Kushal Khandwala	May 30, 2023	Whole Time Director (Executive)	01	01	0
4.	Mr. Vikas Kumar	Aug 14, 2024	Independent Director (Non-Executive)	01	01	0

During the financial year under review, the following no changes took place in the Corporate Social Responsibility of yourthe Company.:

The summary of terms of reference of CSR Committee, inter alia, includes the following:

- Formulate and recommend to the Board for its consideration and approval, a CSR Policy for the Company, which shall indicate the activities to be undertaken by the company in areas or subject specified in Schedule VII;
- Recommend for the approval of the Board, programmes/ projects identified by the Committee to be undertaken during the financial year which are in line with the activities specified in Schedule VII and amount of expenditure to be incurred for each of the programmes/ projects;
- Monitor the Corporate Social Responsibility Policy of the company from time to time;
- Update the Board on the status of CSR programmes/ projects undertaken by the Company during the financial year and amount of expenditure incurred;
- Recommend to the Board, the Company's Annual Report on CSR Activities, for inclusion in the Report of the Board of Directors of the Company.

- Formulate and recommend to the Board, an annual action plan for CSR activities of the Company; and
- Performing such other functions as entrusted to it by the Board of the Company and by the law from time to time.

D. BORROWING AND INVESTMENT COMMITTEE:

The Borrowing and Investment Committee of the Company as on March 31, 2026, comprised of 5 (Five) Directors of the Company, of whom (Two) are Managing Directors, 1 (one) is a Whole Time Director, and 2 (Two) are Independent Directors. The Borrowing and Investment Committee held 07 (Seven) meetings during the financial year under review.

Below are the requisite details of the Borrowing and Investment Committee:

S r. No.	Name of the Director	Members of Committee since	Capacity (i.e. Executive/ Non Executive/ Chairman/ Promoter/ Nominee/ Independent	No. of Meetings attended out of 7		No. of shares held in the HFC
				Held	Attended	
1.	Mr. Vimal Khandwala	Sep 16, 2017	Managing Director (Executive)	07	04	0
2.	Mr. Rajesh Khandwala	Dec 10, 2018	Chairman and Managing Director (Executive)	07	00	0
3.	Mr. Kushal Khandwala	May 30, 2023	Whole Time Director (Executive)	07	07	0
4.	Mr. Kumar Sharadindu	Sep 15, 2025	Independent Director (Non-Executive)	03	03	0
5.	Mr. Vikas Kumar	Aug 14, 2024	Independent Director (Non-Executive)	07	06	0

During the financial year under review, the following changes took place in the Borrowing and Investment Committee:

1. Mr. Kumar Sharadindu was inducted as a Member of the Committee with effect from September 15, 2025.

The summary of terms of reference of Borrowing and Investment Committee, inter alia, includes the following:

- To borrow from banks / financial institutions/NBFCs/National Housing Bank within the overall limits of the Company;
- To secure the borrowings of the Company by way of mortgage or charge on all or any of the movable or immovable properties of the Company in favour of banks / financial institutions / NBFCs / National Housing Bank;
- To perform such other functions as entrusted to it by the Board of the Company and by the law from time to time.

E. ASSET LIABILITY MANAGEMENT COMMITTEE:

The Asset Liability Management Committee of the Company as on March 31, 2026, comprised of 7 (Seven) members, out of which 1 (One) is an Independent Director, 2 (two) are Managing Directors, 1 (one) is Whole Time Director and other 1 (One) member is a Chief Financial Officer and 1 (One) is a Chief Information and Technology Officer of the Company. The ALM Committee held 3 (three) meetings during the financial year under review.

Below are the requisite details of the Asset Liability Management Committee:

S r. No.	Name of the Director	Members of Committee since	Capacity (i.e. Executive/ Non Executive/ Chairman/ Promoter/ Nominee/ Independent	No. of Meetings attended out of 3		No. of shares held in the HFC
				Held	Attended	
1.	Mr. Vimal Khandwala	Dec 06, 2016	Managing Director (Executive)	03	02	0
2.	Mr. Rajesh Khandwala	Dec 06, 2016	Chairman and Managing Director (Executive)	03	03	0
3.	Mr. Kushal Khandwala	May 30, 2023	Whole Time Director (Executive)	03	03	0
4.	Mr. Vikas Kumar	Aug 14, 2024	Independent Director (Non-Executive)	03	03	0
5.	Mr. Vikki Soni	Aug 10, 2022	Chief Financial Officer	03	03	0
6.	Mr. Gundopant Salokhe	July 18, 2019	Chief Information and Technology Officer	03	02	0
7.	Mr. Kumar Sharadindu	Sep 15, 2025	Independent Director (Non-Executive)	02	02	0

During the financial year under review, the following changes took place in the Asset Liability Management Committee:

1. Mr. Kumar Sharadindu was inducted as a Member of the Committee with effect from September 15, 2025.
2. Mr. Vikki Soni and Mr. Gundopant Salokhe ceased to be members of the Committee with effect from February 25, 2026.

The summary of terms of reference of Asset Liability Management Committee, inter alia, includes the following:

- To review Liquidity and Funding risks
- To assess the liquidity levels and the adequacy of liquid funds in relation to Company's Plan.
- To review Year-to-date operating results and liquidity position (current and prospective) and monitor alternative funding arrangement.
- To receive and review the structural Liquidity Report (SLR), Interest Rate Sensitivity Report (IRS), Dynamic Liquidity Report and Review mismatches in the Asset and Liabilities (including off-balance sheet positions)
- To anticipate loan demands and the funding needs.
- To review Spreads and the internal cost of funds (recent pricing)
- To review the Capital levels (risk based and total) to determine sufficiency in relation to: expected growth, interest rate risk, price risk, and asset mix/quality.
- To review Borrowing Mix and Fixed Interest Borrowing and Fixed Interest Lending and Currency Risk, if any
- Develop the contingency liquidity plan.
- Review of Capital Adequacy Ratio and Debt to Equity Ratio.
- Profit planning and growth

- Review of RPLR.
- To review the asset-liability profile of the Company with a view to manage the market exposure assumed by the Company; and
- To perform such other functions as entrusted to it by the Board of the Company and by the law from time to time.

F. INFORMATION TECHNOLOGY STRATEGY COMMITTEE:

The Information Technology Strategy Committee of the Company as on March 31, 2026, comprised of 4 (four) members, out of which 1 (One) is a Managing Director, 1 (One) is a Whole Time Director, 1 (one) is an Independent Director, and 1 (one) is a Non-Executive Director of the Company. The Committee held 04 (Four) meetings during the financial year under review.

Below are the requisite details of the Information Technology Strategy Committee:

S r. No.	Name of the Director / Member	Members of Committee since	Capacity (i.e. Executive/ Non Executive/ Chairman/ Promoter/ Nominee/ Independent	No. of Meetings attended out of 4		No. of shares held in the HFC
				Held	Attended	
1.	Mr. Vimal Khandwala	Oct 16, 2019	Managing Director (Executive)	04	03	0
2.	Mr. Kushal Khandwala	Aug 25, 2023	Whole Time Director (Executive)	04	04	0
3.	Ms. Bhavana Desai	Nov 11, 2022	Non-Executive Director	04	03	0
4.	Mr. Vikas Kumar	Dec 10, 2024	Independent Director (Non-Executive)	04	04	0

During the financial year under review, no changes took place in the Information Technology Strategy Committee.

The summary of terms of reference of Information Technology Strategy Committee, inter alia, includes the following:

- Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;
- Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;
- Ensuring IT investments represent a balance of risks and benefits and those budgets are acceptable;
- Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high level direction for sourcing and use of IT resources;
- Ensuring proper balance of IT investments for sustaining HFC's growth and becoming aware about exposure towards IT risks and controls.
- Ensure that the Company has put an effective IT strategic planning process in place;
- Guide in preparation of IT Strategy and ensure that the IT Strategy aligns with the overall strategy of the Company towards accomplishment of its business objectives;

- Satisfy itself that the IT Governance and Information Security Governance structure fosters accountability, is effective and efficient, has adequate skilled resources, well defined objectives and unambiguous responsibilities for each level in the organisation;
- Ensure that the Company has put in place processes for assessing and managing IT and cyber security risks;
- Ensure that the budgetary allocations for the IT function (including for IT security), cyber security are commensurate with the Company's IT maturity, digital depth, threat environment and industry standards and are utilised in a manner intended for meeting the stated objectives; and
- Review, at least on annual basis, the adequacy and effectiveness of the Business Continuity Planning and Disaster Recovery Management of the Company.

G. RISK MANAGEMENT COMMITTEE:

The Risk Management Committee of the Company as on March 31, 2026, comprised of 7 (seven) members, out of which 1 (one) is a Managing Director, 1 (one) is a Whole Time Director, 2 (Two) is an Independent Director and other 3 (three) members are officials of the Company which consists of a Chief Financial Officer, Chief Information and Technology Officer and Head – Credit & Risk. The Committee held 3 (Three) meetings during the Financial year under review.

Below are the requisite details of the Risk Management Committee:

S.r. No.	Name of the Director / Member	Members of Committee since	Capacity (i.e. Executive/ Non Executive/ Chairman/ Promoter/ Nominee/ Independent	No. of Meetings attended out of 3		No. of shares held in the HFC
				Held	Attended	
1.	Mr. Vimal Khandwala	Oct 16, 2019	Managing Director (Executive)	03	02	0
2.	Mr. Kushal Khandwala	May 30, 2023	Chairman & Whole Time Director (Executive)	03	03	0
3.	Mr. Saurabh Goel	Aug 10, 2023	Head – Credit and Risk	03	03	0
4.	Mr. Vikki Soni	Aug 10, 2022	Chief Financial Officer	03	03	0
5.	Mr. Gundopant Salokhe	March 04, 2021	Chief Information and Technology Officer	03	02	0
6.	Mr. Vikas Kumar	Aug 14, 2024	Independent Director (Non-Executive)	03	03	0
7.	Mr. Kumar Sharadindu	Sep 15, 2025	Independent Director (Non-Executive)	03	03	0

During the financial year under review, the following changes took place in the Risk Management Committee:

1. Mr. Kumar Sharadindu was inducted as a Member of the Committee with effect from September 15, 2025.
2. Mr. Saurabh Goel, Mr. Vikki Soni and Mr. Gundopant Salokhe ceased to be members of the Committee with effect from February 25, 2026.

The summary of terms of reference of Risk Management Committee, inter alia, includes the following:

- To oversee implementation of risk management framework across the Company.
- Oversee and recommend the risk management policies and procedures of the Company.
- Review and recommend changes as needed to ensure that the Company has in place at all times a Risk Management policy which addresses the various types of risks.
- Implement and maintain a sound risk management framework which identifies, assesses, manages and monitors the Company's business risks.

H. CUSTOMER GRIEVANCE REDRESSAL COMMITTEE

The Customer Grievance Redressal Committee of the Company as on March 31, 2026 comprised of 5 (Five) members, out of which 1 (one) is a Managing Director, 1 (one) is a Whole Time Director and other 3 (three) members are officials of the Company which consists of a Chief Financial Officer, Chief Information & Technology Officer and Operations Head. The Committee held 3 (three) meetings during the financial year under review.

Below are the requisite details of the Customer Grievance Redressal Committee:

Sr. No.	Name of the Director / Member	Members of Committee since	Capacity (i.e. Executive/ Non Executive/ Chairman/ Promoter/ Nominee/ Independent	No. of Meetings attended out of 3		No. of shares held in the HFC
				Held	Attended	
1.	Mr. Vimal Khandwala	July 18, 2019	Managing Director (Executive) Chairman of the Committee	03	02	0
2.	Mr. Kushal Khandwala	July 18, 2019	Whole Time Director (Executive)	03	02	0
3.	Mr. Vikki Soni	Aug 10, 2022	Chief Financial Officer	03	03	0
4.	Mr. Gundopant Salokhe	July 18, 2019	Chief Information and Technology Officer	03	02	0
5.	Mr. Sandeep Verma	March 20, 2025	Operations Head	03	03	0

During the financial year under review, no changes took place in the Customer Grievance Redressal Committee.

The summary of terms of reference of Customer Grievance Redressal Committee, inter alia, includes the following:

- Periodically meet and review the position of complaints received and action taken on various complaints.
- Formulate standard responses and corrective actions to reduce the incidence of complaints.
- Evaluate feedback on quality of customer services are followed
- Ensure that all the regulatory instructions regarding customer services are followed.
- Review that all the regulatory instructions regarding customer services are followed.

- Review unresolved complaints/ grievances and offer their advice/ corrective actions.
- Monitor the type of Grievances/ Complaints received and corrective practices to reduce complaints.

I. WILFUL DEFAULTER IDENTIFICATION COMMITTEE

The Wilful Defaulter Identification Committee of the Company as on March 31, 2026, comprised of 5 (five) members, of whom 1 (one) is a Whole Time Director, and other 4 (Four) members are officials of the Company which consists of a Chief Financial Officer, Head – Credit & Risk, Deputy Vice President – Legal and collections Head . The Committee held 4 (four) meetings during the financial year under review.

Below are the requisite details of the Wilful Defaulter Identification Committee:

S r. No.	Name of the Director / Member	Members of Committee since	Capacity (i.e. Executive/ Non Executive/ Chairman/ Promoter/ Nominee/ Independent	No. of Meetings attended out of 3		No. of shares held in the HFC
				Held	Attended	
1.	Mr. Kushal Khandwala	June 03, 2021	Whole Time Director (Executive)	03	02	0
2.	Mr. Vikki Soni	Aug 10, 2022	Chief Financial Officer	03	03	0
3.	Mr. Saurabh Goel	Nov 27, 2023	Head – Credit and Risk	03	03	0
4.	Mr. Ajay Dubey	Dec 26, 2025	Collections Head	01	01	0
5.	Mr. Amit Shrivastava	Aug 14, 2024	Deputy Vice President – Legal	03	02	0

During the financial year under review, the following changes took place in the Wilful Defaulter Identification Committee:

1. Mr. Ajay Dubey was inducted as a Member of the Committee with effect from December 26, 2025.

The summary of terms of reference of Wilful Defaulter Identification Committee, inter alia, includes the following:

- To review the order of the executive level committee that identifies accounts to be reported as willful default to comply with the regulatory guidelines.

J. WILFUL DEFAULTER REVIEW COMMITTEE

The Wilful Defaulter Review Committee of the Company as on March 31, 2026, comprised of 4 (Four) members, out of which of whom 1 (one) is a Managing Director and 1 (one) is a Non-Executive Director and 2 (Two) Independent Directors. There were no meetings held during the financial year under review.

Below are the requisite details of the Wilful Defaulter Review Committee:

S r. No.	Name of the Director / Member	Members of Committee since	Capacity (i.e. Executive/ Non Executive/ Chairman/ Promoter/ Nominee/ Independent)	No Meetings were held in the F.Y. 2025-2026	No. of shares held in the HFC
1.	Mr. Vimal Khandwala	June 03, 2021	Managing Director (Executive) – Chairman of the Committee	00	0
2.	Ms. Bhavna Desai	June 03, 2021	Non-Executive Director	00	0
3.	Mr. Vikas Kumar	March 21, 2025	Independent Director (Non- Executive)	00	0
3.	Mr. Kumar Sharadindu	Dec 25, 2025	Independent Director (Non- Executive)	00	0

During the financial year under review, the following changes took place in the Wilful Defaulter Review Committee:

1.Mr. Kumar Sharadindu was inducted as a Member of the Committee with effect from December 25, 2025.

The summary of terms of reference of Wilful Defaulter Review Committee, inter alia, includes the following:

- To review the order passed by Wilful Defaulter Identification Committee declaring a borrower as a Wilful Defaulter and to further review the required actions to be taken.

3. GENERAL BODY MEETINGS

Below are the details of the General Meetings held during the financial year under review:

Sr. No.	Type of Meeting (Annual/Extra Ordinary)	Date and Place	Special Resolutions Passed
1	Extra Ordinary General Meeting	Date: May 30, 2025 Place: Corporate Office of the Company, situated at C - 902, Lotus Corporate Park, Graham Firth Compound, Western Express Highway, Goregaon (East), Mumbai – 400063	• To appoint Mr. Kumar Sharadindu (DIN: 07341455) as an Independent Director of the Company.
	Extra Ordinary General Meeting	Date: October 06, 2025 Place: Corporate Office of the Company, situated at C - 902, Lotus Corporate Park, Graham Firth Compound, Western Express Highway, Goregaon (East), Mumbai – 400063	• To approve participation in the CIRP of Aviom India Housing Finance Private Limited and authorization for Investment/Infusion of Funds.
2	Annual General Meeting	Date: September 22, 2025 Place: Corporate Office of the Company, situated at C - 902, Lotus Corporate Park, Graham Firth Compound, Western Express Highway, Goregaon (East), Mumbai – 400063	• To approve and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2025. • To appoint a director in place of Mr. Kushal Khandwala (DIN: 03345686), who retires by rotation pursuant to the provision of Section 152 of the Companies Act, 2013 and, being eligible, offers himself for re-appointment. • To appoint M/s. J H Mehta & Co., Chartered Accountants (Firm Registration No. 106227W) as the Statutory Auditors of the Company

Sr. No.	Type of Meeting (Annual/Extra Ordinary)	Date and Place	Special Resolutions Passed
			- To approve borrowing limits under Section 180(1)(c) of the Companies Act, 2013. - To provide security by way of Pledge, Hypothecation, Mortgage, Lien and/or charge in such form or manner on all or any movable or immovable property of the Company under Section 180(1)(a) of the Companies Act, 2013. - To consider and approve conversion of Loan into Equity under Section 62(3) of the Companies Act, 2013. - To approve/ratify the Related Party Transactions for FY 2025-26.

4. DETAILS OF NON-COMPLIANCE WITH REQUIREMENTS OF COMPANIES ACT, 2013: (GIVE DETAILS AND REASONS OF ANY DEFAULT IN COMPLIANCE WITH THE REQUIREMENTS OF COMPANIES ACT, 2013, INCLUDING WITH RESPECT TO COMPLIANCE WITH ACCOUNTING AND SECRETARIAL STANDARDS).

There were no default/non-compliance with requirement of Companies Act, 2013 during the financial year under review, except the following observations from the secretarial auditors.

Sr. No.	Secretarial Audit Observations	Comments from the Board
1.	<i>The Audit Committee of the Company was not duly constituted between period 1st April, 2025 to 14th September 2025, as per the requirement of Section 177 of the Companies Act, 2013. The composition of the Audit Committee did not meet the prescribed requirement of minimum number of Directors as well as minimum number of Independent Directors in Audit Committee.</i>	The Board has noted the non-compliance with the provision of Section 177 of the Companies Act, 2013 with respect to composition of the Audit Committee. The Company has always complied with the requirements of the constitution of the Committee in letter and spirit and will ensure due compliance going forward.
2.	<i>The Nomination And Remuneration Committee of the Company was not duly constituted between period 1st April, 2025 to 14th September 2025, as per the requirement of Section 178 of the Companies Act, 2013. The composition of the Nomination And Remuneration Committee did not meet the prescribed requirement of minimum number of Directors as well as minimum number of Independent Directors in Nomination And Remuneration Committee.</i>	The Board has noted the non-compliance with the provision of Section 178 of the Companies Act, 2013 with respect to composition of the Nomination and Remuneration Committee. The Company has always complied with the requirements of the constitution of the Committee in letter and spirit and will ensure due compliance going forward.

5. DETAILS OF PENALTIES AND STRICTURES: (NBFCs SHOULD DISCLOSE DETAILS OF PENALTIES OR STRICTURE IMPOSED ON IT BY THE RESERVE BANK OF INDIA OR ANY OTHER STATUTORY AUTHORITY)

During the financial year under review, there were no penalties or stricture imposed on the Company by the Reserve Bank of India or any other statutory authority.

ANNEXURE- V

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (“CSR”) ACTIVITIES

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY

The Company's Corporate Social Responsibility (CSR) Policy, framed in line with the provisions of Section 135 of the Companies Act, 2013 and the Companies (CSR Policy) Rules, 2014, reflects its commitment to ethical, sustainable, and socially responsible business practices. The Policy applies to the formulation, execution, monitoring, and reporting of CSR initiatives in and around the Company's operational areas, with a focus on enhancing the quality of life and economic well-being of communities. The key objectives include supporting projects in healthcare, education, livelihood enhancement, women empowerment, environmental sustainability, and rural development, in line with Schedule VII of the Act.

The Company aims to spend at least 2% of its average net profits of the preceding three financial years on CSR activities, implemented either directly or through eligible agencies, under the supervision of the CSR Committee, which also monitors and evaluates the impact of these initiatives to ensure meaningful and lasting social impact.

2. COMPOSITION OF CSR COMMITTEE

Sr. No.	Name of the Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Vimal Khandwala	Managing Director (Executive)	00	00
2.	Mr. Kushal Khandwala	Whole Time Director (Executive)	01	01
3.	Mr. Rajesh Khandwala	Managing Director (Executive)	01	01
4.	Mr. Vikas Kumar	Independent Director (Non-Executive)	01	01

3. Web – link for composition of CSR Committee, CSR policy and CSR projects disclosed on the website: <https://kifshousing.com/csr/>.

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable: **Not Applicable**.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sr. No.	Financial Year	Amount available for set-off from preceding financial year (in Rs.)	Amount required to be set – off for the financial year, if any (in Rs.)
1	2025-26	-	658.87

6. Average net profit of the Company as per section 135(5): Rs. 22,22,67,056.69/-.

7. (a) Two percent of average net profit of the Company as per section 135(5) : Rs. 44,45,341.13/- (Company has spent amount of Rs. 44,46,000/- as against 2% of average profit i.e. Rs. 44,45,341.13/-).
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
- (c) Amount required to be set off for the financial year, if any: Nil
- (d) Total CSR obligation for the financial year (7a+7b+7c): Rs. 44,45,341.13/-.

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the fund	Amount	Date of Transfer
Company has spent amount of Rs. 44,46,000/- as against 2% of average profit i.e. Rs. 44,45,341.13/-.	NIL	NIL	NIL	NIL	NIL

(b) Details of CSR amount spent against ongoing projects for the financial year:

1	2	3	4	5	6	7	8	9	10	11
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project.	Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation -Direct (Yes/No).	Mode of Implementation - Through Implementing Agency
				State	District				Name	CSR Registration No
Not Applicable as there are no ongoing projects for the financial year										

(c) Details of CSR amount spent against other than ongoing projects for the financial year

1	2	3	4	5		6	7	8	9	10	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project.		Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation -Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District					Name	CSR Registration No
1.	Research for the treatment of the Cancer Patients.	Promoting health care including preventive health care	Yes	Maharashtra	Mumbai City	18,74,000/-	18,74,000/-	Nil	No	Tata Memorial Centre	CSR00001287
2.	Hunger Free Palghar at Palghar, Mumbai an initiative by Govardhan Annakshetra, ISKON	Eradicating hunger	Yes	Maharashtra	Mumbai City	13,80,000/-	13,80,000/-	Nil	No	International Society for Krishna Consciousness	CSR00005241
3.	Purchase of equipment for the treatment of eye surgeries and assistance for the cataract eye surgery.	Promoting healthcare including preventive health care.	No	Tamil Nadu	Chennai City	11,92,000/-	11,92,000/-	Nil	No	Sankara Nethralaya (unit of Medical Research Foundation)	CSR00002623

(d) Amount spent in Administrative Overheads: None

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 44,46,000/-.

(g) Excess amount for set off, if any

Sr. No	Particulars	Amounts (in Rs.)
1	Two percent of average net profit of the Company as per section 135(5)	22,22,67,056.69/-
2	Total amount spent for the Financial Year	44,46,000/-
3	Excess amount spent for the financial year [(ii)-(i)]	658.87/-
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
5	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years (in Rs.)
				Name of the Fund	Amount (in Rs)	Date of transfer	
	NIL						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Sr. No	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing
	NIL							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: None

- a) Date of creation or acquisition of the capital asset(s): Nil
- b) Amount of CSR spent for creation or acquisition of capital asset: Nil
- c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Nil
- d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Nil

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

For and on behalf of Board of Directors of KIFS Housing Finance Limited,

sd/-

Vimal Khandwala
(Chairman of CSR Committee)
Managing Director
DIN: 00477768

sd/-

Kushal Khandwala
Whole Time Director
DIN: 03345686

Date: July 27, 2026
Place: Mumbai

SECRETARIAL AUDIT REPORT

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2026

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule no. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
KIFS Housing Finance Limited

6th Floor, KIFS Corporate House, Beside Hotel Planet Landmark,
Near Ashok Vatika BRTS, Bodakdev, ISKON-Ambli Road, Ambli,
Ahmedabad, Gujarat 380054.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KIFS Housing Finance Limited (CIN: U65922GJ2015PLC085079)** (hereinafter called '**the Company**') for the Financial Year ended on **31st March, 2026** (the '**audit period**'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit; we hereby report that in our opinion, the Company has, during the audit period complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 2026 according to the provisions of:

1. The Companies Act, 2013 (the 'Act') and the Rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder. **[Not Applicable during the Audit period]**
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. **[Not Applicable during the Audit period]**
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. **[Not Applicable during the Audit period];**
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. **[Not Applicable during the Audit period];**
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. **[Not Applicable during the Audit Period];**

- (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client. **[Not Applicable during the Audit period];**
 - (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. **[Not Applicable during the Audit period]**
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. **[Not Applicable during the Audit period];**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. **[Not Applicable during the Audit period];**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. **[Not Applicable during the Audit period];**
6. We further report that based on the information received and records maintained by the Company, in our opinion the Company has complied with the provisions of:
- 1. Reserve Bank of India (Housing Finance Companies) Directions, 2025
 - 2. Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025
 - 3. The National Housing Banking Act, 1987;
 - 4. Guidelines, Directions, Policy, Circulars, Notifications of Reserve Bank of India and National Housing Bank as applicable.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

7. We further report that –

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Women Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and where the same were given at shorter notice than seven days, necessary provisions were complied and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of the Board of Directors of the Company and at Committees were carried through on the basis of majority and views of the members are captured and recorded as part of the minutes.

We further report that –

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines.

8. We further report that during the Audit Period:

- a) Mr. Rajesh Khandwala (DIN: 00477673) was re-appointed as a Managing Director and Chairperson of the company by the Board of Directors with effect from February 25, 2026 for a term of 5 years till February 24, 2031
 - b) Mr. Vimal Khandwala (DIN: 00477768) was re-appointment as a Managing Director of the Company by the Board of Directors with effect from February 25, 2026 for a term of 5 years till February 24, 2031.
 - c) Mr. Kumar Sharadindu (DIN: 07341455) was appointed as an Additional Director (Independent) of the Company on May 30, 2025 and his appointment as an Independent Director was regularized in the Extra Ordinary General Meeting of the Company held on May 30, 2025.
 - d) Ms. Samrudhi Shetty (Whole-Time Company Secretary) resigned from the post as a Key Managerial Personnel with effect from March 12, 2026.
 - e) Mr. Selvin Uthaman was appointed as a Chief Executive Officer (CEO) of the Company with effect from May 05, 2026.
 - f) Ms. Monica Praveen Jain was appointed as a Whole-Time Company Secretary (Key Managerial Personnel) of the Company with effect from June 15, 2026.
 - g) M/s. J H Mehta & Company (FRN: 106227W), Chartered Accountants, was appointed as Statutory Auditors of the Company in the 10th Annual General Meeting (AGM) of the Company held on September 22, 2025 to hold the office till the conclusion of the 13th AGM.
 - h) The Company identified two instances of fraud during the year and reported the same to the National Housing Bank (NHB) with a delayed filing. Out of which the company has recovered amount of Rs 7.60 lakhs in the next financial year till the date of this report. The Company has also initiated appropriate legal proceedings by filing FIRs against the persons involved. Further, the Statutory Auditors have confirmed that no Form ADT-4 report under Section 143(12) of the Companies Act, 2013 was filed with the Central Government.
- a) ***The Audit Committee of the Company was not duly constituted between period 1st April, 2025 to 14th September 2025, as per the requirement of Section 177 of the Companies Act, 2013. The composition of the Audit Committee did not meet the prescribed requirement of minimum number of Directors as well as minimum number of Independent Directors in Audit Committee.***
- b) ***The Nomination And Remuneration Committee of the Company was not duly constituted between period 1st April, 2025 to 14th September 2025, as per the requirement of Section 178 of the Companies Act, 2013. The composition of the Nomination And Remuneration Committee did not meet the prescribed requirement of minimum number of Directors as well as minimum number of Independent Directors in Nomination And Remuneration Committee.***

FOR KIRAN DOSHI & CO. Company Secretaries

KIRAN P. DOSHI
(Proprietor)
CP. No.: 9890, FCS No.: 13007
Peer Reviewed Firm: 1977/2022

UDIN: F013007H000945015
Place: Mumbai
Date: 27th July, 2026

ANNEXURE- VII

DISCLOSURE OF COMPLAINTS

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

Sr No	Particulars No	March 31, 2026	March 31, 2025
	Complaints received by the NBFC from its customers		
1	Number of complaints pending at beginning of the year	00	02
2	Number of complaints received during the year	39	69
3	Number of complaints disposed during the year	39	71
3.1	Of which, number of complaints rejected by the NBFC	00	00
4	Number of complaints pending at the end of the year Maintainable complaints received by the NBFC from Office of Ombudsman	00	00
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman	00	00
5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	00	00
5.2	Of 5, number of complaints resolved through conciliation/mediation/ advisories issued by Office of Ombudsman	00	00
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	00	00
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	00	00

*Ombudsman scheme is not applicable to the company for the year ended March 31, 2026.

2. Top five grounds of complaints received by the NBFCs from customer.

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 year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Current Year					
Foreclosure Letter Related	0	12	Decrease by 37%	0	0
Rate of Interest Related	0	5	Increased by 67%	0	0
Loan Foreclosure Charges Related	0	5	-	0	0
Insurance Refund Related	0	4	-	0	0
Wrong boundaries in sale deed	0	2	-	0	0
Total	0	28	Reduced by 46.15%	0	5
Previous Year					
Foreclosure Related	1	19	-	0	0
Refund Related	0	14	-	0	4
Disbursement Cheque Handover related	0	10	-	0	0
Loan cancellation related	1	6	-	0	1
Rate of Interest Related	0	3	-	0	0
Total	2	52	-	0	5

INDEPENDENT AUDITOR'S REPORT

Report on Compliance with the Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2025

BACKGROUND

Pursuant to the Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2025 ("the Directions") which became effective from November 28, 2025, we have examined the matters specified in the Paragraph 124 of the said directions in respect of KIFS Housing Finance Limited (the "Company") for the year ended 31st March 2026.

MANAGEMENT'S RESPONSIBILITY

The Management is responsible for the design and implementation of the internal procedures, systems, processes and controls to ensure compliance with the Directions on an ongoing basis. This responsibility also includes reporting non-compliances, if any, to the National Housing Bank ("the Bank"), Board of the Company and its Audit Committee.

AUDITOR'S RESPONSIBILITY

Our responsibility is to report on the matters specified in Paragraph 124 of the Directions based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India (ICAI). Those involves performing procedures to obtain audit evidence about the compliance with the Directions. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the information and records, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's compliance with the Directions in order to design audit procedures that are appropriate in the circumstances. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our report. We conducted our examination in accordance with the Guidance Note on Audit Reports and Certificates issued for Special Purpose by the Institute of Chartered Accountants of India.

OPINION

Based on our examination of the books and records of the Company as produced for our examination and the information and explanations provided to us, we report that:

- (1) The Company has Conducted housing finance activity with a valid Certificate of Registration (CoR) granted under Section 29A of the NHB Act, 1987.
- (2) The Company is meeting the required Net Owned Fund as prescribed under Section 29A of the National Housing Bank Act, 1987.
- (3) The Company has complied with Section 29C of the National Housing Bank Act, 1987.
- (4) The total borrowings of the Company are within the limits prescribed under paragraph 79 of the Directions.
- (5) The Company has complied with the prudential norms on income recognition, accounting standards, asset classification, loan-to-value ratio, provisioning requirements, disclosure in the balance sheet, investment in real estate, exposure to capital market, engagement of brokers and concentration of credit / investments as specified in the Directions.
- (6) The capital adequacy ratio as disclosed in the half-year return submitted to the National Housing Bank has been correctly determined and such ratio is in compliance with the minimum capital to risk weighted asset ratio as prescribed by the Directions.

- (7) The Company has furnished to the Bank within stipulated period the provisional schedule II return for the half year ended on 30th September 2025 and 31st March 2026 as specified in Directions. However, final return for both the periods is yet to be filed as at date of our report.
- (8) The company is not required to file Schedule III returns as the same is not applicable.
- (9) The Company has complied with the requirements relating to opening of new branches / offices or closure of existing branches / offices as specified in the Directions.
- (10) The Company has not given any loans against security of shares, loans against security of single product (Gold / Jewellery) and loans against Company's own shares.
- (11) The Board of Directors of the Company has passed a resolution for non-acceptance of any public deposits.
- (12) The Company has not accepted any public deposits during the year ended and as at 31st March 2026.

RESTRICTION OF USE

This report is issued pursuant to the requirement as per Paragraph 123 of the Directions and should not be used by any other person or for any other purpose. We neither accept nor assume any duty or liability for any other purpose or to any other party to whom our report is shown or into whose hands it may come without our prior consent in writing.

J. H. Mehta & Co.
Chartered Accountants
FRN:106227W

CA Naitik J. Mehta
Partner
M.NO.: 130010
UDIN: 26130010QGGICJ6330

Place: Ahmedabad
Date: 15th June 2026

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

To

The Members of KIFS Housing Finance Limited

Report on the Audit of the Financial Statements

OPINION

We have audited the accompanying financial statements of **KIFS Housing Finance Limited** ('the Company'), which comprise the Balance Sheet as at 31st March 2026, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information (herein after referred to as 'the financial statements').

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2026, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (hereinafter referred to as "SAs") specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditors 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

KEY AUDIT MATTER

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that the matter described below to be the Key Audit Matter to be communicated in our Report.

Sr. No.	Key Audit Matters	How was the matter addressed in our audit
1.	Impairment of Loans as at Balance Sheet Date (Expected Credit Losses): (Refer Note No. 7, 41 & 62 to the financial statements) Ind AS 109 requires the Company to provide for impairment of its loans designated at amortised cost using the Expected Credit Loss (ECL) approach. ECL involves an estimation of probability weighted loss on loans receivable over their life, considering reasonable and supportable information about past events, current conditions and forecast of future economic conditions which could impact the credit quality of the Company's loan receivables.	We have performed following audit procedures: (a) We have examined the Company's policy, for impairment of carrying value of loans and advances and assessed appropriateness of the Company's impairment methodologies as required under IndAS 109. (b) Evaluated reasonableness of management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation.

In the process, significant degree of judgment has been applied by the management for; (a) Staging of the loan receivable (i.e., classification in significant increase in credit risk ("SICR") and default categories) (b) Grouping of borrowers based on category of loans. (c) Estimation of life of loans under various stages for each category, recoverable amounts in case of defaults etc. (d) Determining macro-economic factors impacting the credit quality of loans. (e) Estimation of losses for loans receivable with no / minimal historical defaults. (f) Determination of whether restructuring of principal / interest to a borrower under regulatory directions resulting in restructuring conclusion under Ind AS is subject to interpretation / judgment. (g) Determination of probability of defaults (PD) and loss given defaults (LGD) based on the default history of loans, subsequent recoveries made and other relevant factors and (h) Assessment of qualitative factors having an impact on the credit risk. Since the loan receivable form major portion of Company's assets and due to the significance of judgments used in classifying loans into various stages as stipulated in Ind AS 109 and determining related impairment provision requirements this is considered to be area of key focus of overall Company audit and thus a key audit matter.	(c) Model validation: We have obtained an understanding of the ECL model adopted by the Company including the key inputs and assumptions including management overlays. This included assessment of the methodologies for determining Probability of Default (PD), Loss Given Default (LGD), Exposure at Default (EAD), and the incorporation of forward looking macroeconomic variables. (d) Assessment of significant judgments: We evaluated management's definition and application of thresholds for Significant Increase in Credit Risk (SICR) or loss indicators were present requiring them to be classified under stage 2 or 3. (e) Disclosures: We evaluated the adequacy of disclosures made in the financial statements in respect of credit risk and ECL estimation in accordance with the requirements of Ind AS 109.
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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 the Management Discussion and Analysis, Board's Report including Annexures 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 our 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 course of our 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 are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstance and the applicable laws and regulation. We have nothing to report in this regard.

RESPONSIBILITIES OF THE MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. 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 and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIALS 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 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 exercise 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, 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 are 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 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.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

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 the 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.

OTHER MATTER

The comparative financial information of the Company for the year ended March 31, 2026, prepared in accordance with Ind AS, included in this audited Financial Statements have been audited by the previous auditor. Our opinion on the Statement is not modified in respect of this matter.

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 section 143(11) of the Act, we give in the **Annexure A**, a statement on the matters specified in the 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 purposes 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 except for the matters stated in the paragraph 2h(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014;
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act; with relevant rules issued thereunder and relevant provisions of the Act.
 - (e) On the basis of the written representations received from the directors as on 01st April 2026, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2026 from being appointed as a director in terms of Section 164(2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls refer to our separate report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
 - (g) 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, we report that, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - (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, as amended 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 on its financial position in its financial statements - Refer Note 37 to the Financial Statements.
 - (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 - (iii) There are no such amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

- (iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (v) During the current year, the Company has neither declared nor paid any dividend.
- (vi) Based on our examination which included test checks, the company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Audit trail has been preserved by the Company as per statutory requirements for record retention as mentioned in note no 72.

J. H. Mehta & Co.
Chartered Accountants
FRN: 106227W

sd/-

CA Naitik J. Mehta
Partner
Membership No.: 130010
UDIN:

Place: Mumbai
Date: June 15, 2026

ANNEXURE – A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of accounts and records examined by us in the normal course of audit, we state that :-

- (i) (a) i. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment;
- ii. The Company has maintained proper records showing full particulars of Intangible Assets.
- (b) The Company has a program of verification to cover all items of property, plant and equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain items of Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies have been noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records, the Company does not have any immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in Property, Plant and Equipment.
- (d) The company has not revalued its Property, Plant and Equipment (including right of use assets) or intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at 31st March 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The Company is in the business of providing loans and does not have any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. five crores, in aggregate, from banks or financial institutions on the basis of security of Term Deposits. According to the information and explanation given to us and on the basis of our examination, there was no requirement of filing any quarterly returns or statements by the company with such Banks, hence reporting under clause 3(ii)(b) of the Order is not applicable.
- (iii) (a) The Company's principal business is to give loans, and hence reporting under clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) In our opinion and according to the information and explanations given to us, the investments made, security given and the terms and condition of the grants of loans and advances in the nature of loans, during the year are, prima facie not prejudicial to the interest of the Company.
- (c) In respect of loans given and advances in the nature of loans, the Company has stipulated the schedule of repayment of principal and payment of interest. However, given the nature of business of the Company being NBFC, there are some cases during the year and as at March 31, 2026 wherein the amounts were overdue vis-a- vis stipulated terms.
- (d) In respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount for more than ninety days as at March 31, 2026 except for the following cases:

Number of Cases	Principal Amount overdue	Interest amount overdue	Total Amount due
253	43.82	360.10	403.93

According to the information and explanation made available to us, reasonable steps are taken by the Company for recovery of the principal and interest.

- (e) The Company's principal business is to give loans, and hence reporting under clause 3(iii)(e) of the Order is not applicable.
- (f) Based on the information and explanations provided 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. Hence, reporting under clause 3(iii)(f) is not applicable.
- (iv) According to information and explanation given to us, there are no loans granted, guarantees and securities given in respect of which provisions of Section 185 of the Act are applicable. The Company has not made any investments through investment companies. Other provisions of Section 186 of the Act are not applicable to the Company as per sub Section (11) since it is a housing finance company and hence not commented upon.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public and hence provisions of Sections 73 to 76 and other relevant provision of the Act and Companies (Acceptance of Deposits) Rules, 2014 are not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, in respect of the services rendered by the Company. Hence, reporting under clause 3(vi) of the Order is not applicable.
- (vii)(a) According to the information and explanations given to us and based on the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income tax, Goods and Service Tax, Cess and other material statutory dues, as applicable, with the appropriate authorities though there has been a slight delay in a few cases of professional tax.

According to the information and explanations given to us and based on the records of the Company examined by us, in our opinion, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Cess and other material statutory dues, as applicable were in arrears as at 31st March 2026 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of Income Tax, Goods and Service Tax, Cess and other material statutory dues as at 31st March 2026 which have not been deposited on accounts of any disputes except as stated below:
- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

- (ix)(a) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us, the Company has utilized the term loans obtained from banks during the year for the purposes for which they were obtained.
- (b) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long term purposes by the Company.
- (e) The Company does not have any subsidiaries, associates, or joint ventures. Accordingly, reporting on clause 3(ix)(e) of the Order is not applicable.
- (f) The Company does not have any subsidiaries, associates, or joint ventures. Accordingly, reporting on clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi)(a) According to the information and explanations given to us and based on our examination of the records of the Company and as disclosed in Note 79 to the financial statements, we report that two instances of fraud on the Company were identified and reported by the management to the National Housing Bank in accordance with applicable regulatory requirements. The Company has also filed FIR against the persons involved in the said fraud for recovery of the amounts.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report
- (c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, reporting under clause 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable Indian Accounting Standards.
- (xiv)(a) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- (b) As per RBI Guidelines, internal audit is a core management function and should not be entirely outsourced in case of NBFCs and Housing Finance Companies. During the year, the Company does not have an in-house internal audit function. We have considered and relied upon the internal audit reports issued by third party for the purpose of our audit.

- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with its directors or persons connected with them. Accordingly, reporting under clause 3 (xv) of the Order is not applicable.
- (xvi)(a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934, hence reporting requirement of clause 3(xvi) (a) of the Order is not applicable to the Company.
- (b) The Company is a registered Housing Finance Company (HFC) and holds a valid Certificate of Registration from National Housing Bank and hence reporting under clause 3(xvi) (b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations issued by the Reserve Bank of India and hence reporting under clause 3(xvi) (c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us, the Group has no Core Investment Company (CIC) as part of the Group as per the definition of Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016.
- (xvii) The Company has not incurred cash losses during the financial year and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company. Hence, reporting under clause 3(xviii) of the Order is not applicable.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and 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 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.
- (xx) (a) In respect of other than ongoing projects, there are no unspent amounts towards Corporate Social Responsibility (CSR) requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act.
- (b) In respect of ongoing projects, no amount is remaining unspent towards Corporate Social Responsibility (CSR), which was required to be transferred to special account in compliance with provision of sub-section (6) of Section 135 of the said Act.

J. H. Mehta & Co.
Chartered Accountants
FRN: 106227W

sd/-

CA Naitik J. Mehta
Partner
Membership No.: 130010
UDIN:

Place: Mumbai
Date: June 15, 2026

ANNEXURE – B TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2(f) under “Report on Other Legal and Regulatory Requirements” section of our report of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to financial statements of **KIFS Housing Finance Limited** (“the Company”) as of 31st March, 2026 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 Management and the Board of Directors of the Company are responsible for establishing and maintaining internal financial controls with reference to financial statements 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.

AUDITOR’S 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”) issued by ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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 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, use, or disposition of the company’s assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2026, based on the criteria for internal financial control with reference to financial statements 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.

J. H. Mehta & Co.
Chartered Accountants
FRN: 106227W

sd/-

CA Naitik J. Mehta
Partner
Membership No.: 130010
UDIN:

Place: Mumbai
Date: June 15, 2026

PARTICULARS	Note No.	As at	As at
		March,31,2026	March 31, 2025
ASSETS			
(1) Financial Assets			
(a) Cash and cash equivalents	4	3,292.90	475.67
(b) Bank balance other than (a) above	5	6,622.58	5,854.30
(c) Derivative financial instruments		-	-
(d) Receivables			
(i) Trade receivables	6	-	-
(ii) Other receivables	6.1	84.08	240.04
(e) Loans	7	109,153.48	103,768.64
(f) Investments	8	-	-
(g) Other financial assets	9	207.41	218.26
Total Financial Assets		119,360.45	110,556.91
(2) Non-Financial Assets			
(a) Current tax assets (Net)		26.42	160.57
(b) Deferred tax assets (Net)	35.2	276.70	166.79
(c) Property, Plant and Equipment	10	776.88	1,035.77
(d) Other intangible assets	11	19.62	3.24
(e) Intangible assets under development		-	-
(f) Other non-financial assets	12	548.14	355.62
Total Non-Financial Assets		1,647.76	1,721.99
Total Assets		121,008.21	112,278.91
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial liabilities			
(a) Trade Payables	13		
i) total outstanding dues to micro enterprises and small enterprises		8.77	0.87
ii) total outstanding dues to creditors other than micro enterprises and small enterprises Other Payables		83.18	251.35
i) total outstanding dues to micro enterprises and small enterprises		-	-
ii) total outstanding dues to creditors other than micro enterprises and small enterprises		-	-
(b) Debt securities	14	-	-
(c) Borrowings (other than debt securities)	15	84,538.10	72,439.21
(d) Subordinated liabilities		-	-
(e) Other financial liabilities	16	1,335.13	5,276.64
Total Financial Liabilities		85,965.18	77,968.07
(2) Non-Financial Liabilities			
(a) Current tax liabilities (Net)		-	-
(b) Provisions	17	447.32	261.43
(c) Other non - financial liabilities	18	185.81	147.61
Total Non-Financial Liabilities		633.13	409.04

PARTICULARS	Note No.	As at	As at
		March,31,2026	March 31, 2025
(3) Equity			
(a) Equity share capital	19	24,998.65	24,998.65
(b) Other equity	20	9,411.25	8,903.15
(c) Share application money pending allotment			
Total Equity		34,409.90	33,901.80
Total Liabilities and Equity		121,008.21	112,278.91

The accompanying notes form an integral part of Financial Statements (1 to 103)

As per our report of even date

For and on behalf of the Board of Directors of
KIFS HOUSING FINANCE LTD

For J.H. Mehta & Co
Chartered Accountants
ICAI Firm Reg. No. 106227W

Kushal J. Khandwala
Whole Time Director
DIN: 03345686

Vimal P. Khandwala
Managing Director
DIN: 00477768

CA Naitik J. Mehta
Partner
M. No. 130010
Place : Mumbai
Date : June 15, 2026

Vikki Vijay Soni
Chief Financial Officer

Place : Mumbai
Date : June 15, 2026

Monica Jain
Company Secretary

Place : Mumbai
Date : June 15, 2026

STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2026

Rs. In Lakhs

PARTICULARS	Note No.	For the year ended	For the year ended
		2025-2026	2024-2025
Revenue from operations			
(i) Interest Income	21	15,426.18	12,505.14
(ii) Fees and commission income	22	12.05	219.99
(iii) Net gain on fair value changes	23	21.66	-
(iv) Net gain on derecognition of financial instruments under amortised cost category	24	63.58	-
(v) Other operating revenue	25	891.88	1,050.34
(I) Total Revenue from Operations		16,415.35	13,775.47
(II) Other Income	26	89.41	0.10
(III) Total Income (I+II)		16,504.76	13,775.57
Expenses :			
(i) Finance cost	27	7,856.85	5,907.49
(ii) Impairment on financial instruments under amortised cost	28	815.45	343.89
(iii) Employee benefits expense	29	5,114.12	4,677.79
(iv) Depreciation and amortisation expenses	30	356.69	345.15
(v) Other expenses	31	1,656.43	1,246.11
(IV) Total expenses		15,799.54	12,520.43
(V) Profit before tax (III - IV)		705.22	1,255.14
Tax Expense :			
Current tax	35.2	322.32	372.35
(Excess)/Short provision of tax for earlier year		-	(36.69)
Deferred tax	35.2	(113.76)	(72.70)
(VI) Total tax expense		208.56	262.96
(VII) Profit for the Year (V - VI)		496.66	992.18
(VIII) Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		15.30	17.10
Income tax expense on remeasurement of defined benefit plans		(3.85)	(4.30)
Total Other Comprehensive Income		11.45	12.80
(IX) Total Comprehensive Income for the year (VII + VIII)		508.11	1,004.98
(VIII) Other comprehensive income			
(X) Earnings per Equity Share :	33		
Basic (Rs.)		0.20	0.40
Diluted (Rs.)		0.20	0.40

The accompanying notes form an integral part of Financial Statements (1 to 103)

STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2026

As per our report of even date

For J.H. Mehta & Co
Chartered Accountants
ICAI Firm Reg. No. 106227W

CA Naitik J. Mehta
Partner
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For and on behalf of the Board of Directors of
KIFS HOUSING FINANCE LTD

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Date : June 15, 2026

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Managing Director
DIN: 00477768

Monica Jain
Company Secretary

Place : Mumbai
Date : June 15, 2026

STATEMENT OF CHANGES IN EQUITY for the year ended MARCH 31, 2026

A Equity Share Capital

Rs. In Lakhs

PARTICULARS	Balance as at April 01, 2025	Changes in Equity Share Capital during the year	Balance as at March 31, 2026
Equity Share Capital	24,998.65	-	24,998.65

PARTICULARS	Balance as at April 01, 2024	Changes in Equity Share Capital during the year	Balance as at March 31, 2025
Equity Share Capital	24,998.65	-	24,998.65

B. Other Equity

Rs. In Lakhs

PARTICULARS	Reserves and Surplus		Items of OCI	Total
	Statutory reserve	Retained earnings	Other comprehensive income (OCI)	
Balance as at March 31, 2024	2,222.41	5,675.76	-	7,898.17
Profit for the year	-	992.18	-	992.18
Transfer from retained earnings	223.51	(223.51)	-	-
Remeasurement benefit of defined benefit plans	-	12.80	-	12.80
Balance as at March 31, 2025	2,445.92	6,457.23	-	8,903.16
Profit for the year	-	496.66	-	496.66
Transfer from retained earnings	222.77	(222.77)	-	-
Remeasurement benefit of defined benefit plans	-	11.45	-	11.45
Balance as at March 31, 2026	2668.69	6742.56	-	9411.25

The accompanying notes form an integral part of Financial Statements (1 to 103)

As per our report of even date

For and on behalf of the Board of Directors of
KIFS HOUSING FINANCE LTD

For J.H. Mehta & Co
Chartered Accountants
ICAI Firm Reg. No. 106227W

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Monica Jain
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Place : Mumbai
Date : June 15, 2026

STATEMENT OF CASH FLOW for the year ended MARCH 31, 2026

Rs. in Lakhs

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
A. Cash flow from operating activities		
Profit before tax	705.22	1,255.14
Adjustments for :		
Depreciation and amortisation	102.42	102.98
Depreciation and amortisation (ROU)	254.26	242.17
Net gain on fair value changes	(21.66)	-
Interest income on loans	(15,426.18)	(12,505.14)
Interest expenses on borrowings	7,856.85	5,907.49
Impairment on financial instruments	815.45	343.89
Fixed Asset Written Off	34.69	-
Sundry Balances Written-Back	(89.41)	(0.10)
Profit on Sales of Fixed Asset	2.90	-
Provision for Doubtful Insurance Receivable	211.00	-
Operating profit before working capital changes	(5,554.46)	(4,653.56)
Movements in working capital :		
Increase/(decrease) in other financial liabilities	(3,960.89)	(1,633.61)
Increase/(decrease) in provisions	186.10	76.95
Increase/(decrease) in other non-financial liabilities	53.50	(16.09)
Increase/(decrease) in trade payables	(160.27)	(189.74)
(Increase)/decrease in trade receivables	155.96	(93.70)
(Increase)/decrease in loans	(6,088.20)	(25,289.73)
(Increase)/decrease in other financial assets	10.84	(94.59)
(Increase)/decrease in other non-financial assets	(192.54)	(96.86)
Movements in working capital - total	(9,995.49)	(27,337.37)
Interest income on loan received	15,313.87	12,327.08
Interest expenses on borrowings paid	(7,791.49)	(5,903.20)
Cash generated from /(used in) operations	(8,027.57)	(25,566.97)
Direct taxes paid (net of refunds)	(188.18)	(551.51)
Net cash flow generated from / (used in) operating activities (A)	(8,215.75)	(26,118.48)
B. Cash flow from investing activities :		
Purchase/Sale of PPE (Net)	(223.57)	(307.99)
Investment in Mutual Funds Units	(8,499.58)	-
Redemption of Mutual Fund Units	8,521.23	-
Fixed Deposits matured / (placed) (Net)	(768.28)	(405.64)
Net cash flow generated from/(used in) investing activities (B)	(970.19)	(713.63)
C. Cash flow from financing activities :		
Repayment of Debt Securities	-	-
Repayment of Other Borrowings	(50,556.97)	(16,684.05)
Proceeds of Other Borrowings	62,655.86	43,778.00
Repayment of lease liabilities	(95.71)	(119.73)
Net cash flow generated from / (used in) financing activities (C)	12,003.18	26,974.30
Net increase/(decrease) in cash and cash equivalents (A)+(B)+(C)	2,817.24	142.11
Opening Balance of Cash and cash equivalents	475.67	333.56
Closing Balance of Cash and cash equivalents	3,292.90	475.67

STATEMENT OF CASH FLOW for the year ended **MARCH 31, 2026****Notes:**

Rs. In Lakhs

(i) Components of cash & cash equivalents	March 31, 2026	March 31, 2025
Cash on hand	29.57	7.00
Balance with banks in current accounts	3,063.33	468.67
Deposits with maturity less than 3 months	200	-
Total	3,292.90	475.67

(ii) Statement of Cash Flow has been prepared using Indirect Method as per Ind. AS 7.

(iii) Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities are as below :

Rs. In Lakhs

	As at March 31, 2025	Cash flow	Current / Non-Current Classification	As at March 31, 2026
Borrowings - Non Current	53,856.69	(2,325.63)	-	51,531.06
Borrowings - Current	21,851.61	11,155.43	-	33,007.04

The accompanying notes form an integral part of Financial Statements (1 to 103)

As per our report of even date

**For and on behalf of the Board of Directors of
KIFS HOUSING FINANCE LTD**

For J.H. Mehta & Co
Chartered Accountants
ICAI Firm Reg. No. 106227W

Kushal J. Khandwala
Whole Time Director
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Partner
M. No. 130010
Place : Mumbai
Date : June 15, 2026

Vikki Vijay Soni
Chief Financial Officer

Place : Mumbai
Date : June 15, 2026

Monica Jain
Company Secretary

Place : Mumbai
Date : June 15, 2026

1. CORPORATE INFORMATION

KIFS Housing Finance Limited (the Company) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act. The Company is a non-deposit taking Housing Finance Company registered with the National Housing Bank (NHB) and is governed by the regulatory framework for Housing Finance Companies (HFCs) as issued by Reserve Bank of India (RBI) and other directions, regulations and circulars issued by NHB. The Company's registered office is Regd. Office: 6th Floor, KIFS Corporate House, Beside Hotel Planet Landmark, Near Ashok Vatika BRTS, ISKON-Ambli, Ahmedabad, Gujarat-India. The principal place of business of the Company is at C-902, Lotus Corporate Park, Graham Firth Compound, Western Express Highway, Goregaon (East), Mumbai. The principal business is providing finance to individuals, corporates and developers for the purchase, construction, development and repair of houses, apartments, residential and commercial properties in India. The Company also provides loans for specified purposes against the security of immovable property. Under the Scale Based Regulation, the Company is categorised as middle layer (HFC - ML). The Board of Directors approved the financial statements on June 15, 2026.

2. BASIS OF PREPARATION & PRESENTATION OF FINANCIAL STATEMENTS

2.1 Statement of Compliance

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) as notified under section 133 of the Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standards) Rules, 2015 and amendments issued thereafter and the provisions of the RBI on the historical cost basis except for certain financial instruments that are measured at fair values. The financial statements have been prepared on a going concern basis.

Effective April 1, 2020, the Company adopted Ind AS and the adoption was carried out in accordance with Ind AS 101, 'First-time Adoption of Indian Accounting Standards', with April 1, 2019 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended (IGAAP).

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Act. The Statement of Cash Flows is prepared and presented as per the requirements of Ind AS 7 'Statement of Cash Flows'.

The Company presents its Balance Sheet in the order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date and more than 12 months after the reporting date is presented in Note 32. Accounting policies have been consistently applied except where a newly issued Ind AS is initially adopted or a revision to an existing Ind AS requires a change in the accounting policy hitherto in use.

2.2 Functional and presentation currency

The Company prepares its financial statements in Indian rupees (Rs) which is the functional and presentation currency. The Company presents its balance sheet in the order of liquidity. Amounts in the financial statements are presented in Indian Rupees in lakhs rounded off to two decimal places as permitted by Schedule III to the Act. Per share data are presented in Indian Rupee to two decimal places.

2.3 Basis of measurement

The Financial Statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2026

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy. The fair value hierarchy is based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs, other than quoted prices included within level 1, that are observable for the asset or liability either directly or indirectly.
- Level 3 – where unobservable inputs are used for the valuation of assets or liabilities.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the year. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Revisions to accounting estimates are recognised prospectively. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements are:

- Valuation of financial instruments
- Measurement of expected credit loss
- Provisions and contingencies
- Income tax and deferred tax
- Useful lives of property, plant and equipment and intangible assets
- Measurement of defined employee benefit obligations

3. Material Accounting Policies

3.1 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company, the revenue can be reliably measured, and there exists reasonable certainty of its recovery.

3.1.1. Interest income

Interest income on financial instruments is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ('EIR') applicable. The effective interest rate is the rate that exactly discounts estimated future cash receipts through expected life of the financial asset to the gross carrying amount of the financial asset. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Penal Interest/late payment interest and cheque bounce charges are recognized on receipt basis.

The calculation of the EIR includes all fees paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets measured at Fair Value through Profit and Loss ("FVTPL"), transaction costs are recognised in the statement of profit and loss at initial recognition.

The Company calculates interest income by applying EIR to gross carrying amount of financial assets other than creditimpaired assets. For credit impaired financial assets, the Company calculates interest income by applying the EIR to the amortized cost (i.e. gross carrying amount less allowance for expected credit losses) of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

3.1.2 Dividend

Dividend income is recognised when the Company's right to receive the dividend is established.

3.1.3 Fee and Commission Income

Fee and commission income include fees other than those that are an integral part of EIR. The Company recognises the fee and commission income in accordance with the terms of the relevant contracts/agreement and when it is probable that the Company will collect the consideration.

3.1.4 Other Income

Other Income represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

3.2 Property, plant and equipment

Property, plant and equipment (PPE) is recognised when it is probable that future economic benefits associated with the item is expected to flow to the Company and the cost of the item can be measured reliably. PPEs are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price (net of trade discounts and tax/duty credits availed) and directly attributable cost of bringing the asset to its working condition for its intended use. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

PPEs not ready for the intended use on reporting date are disclosed as "Capital work-in-progress".

An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from its continued use. Any gain or loss arising on the disposal or retirement of PPE is determined as the difference between the sales proceeds and its carrying amount and is recognised in the statement of profit and loss.

3.3 Intangible assets

An intangible asset is recognised, only where it is probable that future economic benefits attributable to the asset will accrue to the Company and the cost can be measured reliably. Intangible assets are stated at cost, less accumulated amortisation and impairment losses, if any. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Intangible assets not ready for the intended use on reporting date are disclosed as 'Intangible Assets under Development'.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Any gain or loss arising on the disposal or retirement of intangible asset is determined as the difference between the sales proceeds and its carrying amount and is recognised in the statement of profit and loss.

3.4 Depreciation and amortization

Depreciation on PPE is recognised on straight-line basis over the useful life prescribed under Schedule II to the Companies Act, 2013. Depreciation for additions/deductions during the year is calculated pro-rata to the period of use. Assets costing up to ₹ 5000 each is depreciated fully in the year of purchase. The residual value and useful life and method of depreciation are reviewed at each financial year-end with the effect of changes recognised prospectively.

Improvements of immovable nature at the leasehold properties are depreciated over the initial lease period.

Intangible assets are amortized over the expected duration of benefit on a straight-line basis. Amortisation for additions/deductions during the year is calculated pro-rata to the period of use. Software cost related to computers is capitalized and amortised using the straight-line method over a period of three years.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2026

The residual value and useful life and method of amortisation are reviewed at each financial year-end with the effect of changes recognised prospectively.

3.5 Impairment of PPE/Intangible assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The impairment loss is recognised in the statement of profit and loss.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

3.6 Cash and cash equivalent

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank (including demand deposits) and in hand and short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.7 Statement of cash flow

Statement of Cash flows is reported using indirect method whereby profit for the period is adjusted for the effects of the transactions of non-cash items, such as depreciation, amortisation, provisions, unrealised gains and losses, any deferrals or accruals of past or future operating cash receipts and payments and items of income or expenses associated with investing and financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

3.8 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares, except where the result would be anti-dilutive.

3.9 Borrowing costs

Borrowing costs include interest expense calculated using the EIR on respective financial instruments measured at amortised cost. The calculation of the EIR includes all fees paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts.

3.10 Goods and Services Input Tax Credit

Goods and Services tax input credit is recognised in the period in which the supply of goods or service received is recognised and when there is no uncertainty in availing/utilising the credits.

3.11 Income taxes

Current Tax

Current tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred Tax

Deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the deferred tax is also recognised in other comprehensive income or directly in equity, respectively. Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rules and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and deferred tax liabilities are offset when there is legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Unrecognised deferred tax assets are re-assessed at each reporting date, and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

3.12 Employee Benefits

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits includes performance incentive and compensated absence that are expected to be settled wholly within 12 months after the end of the reporting period in which employees render the related service.

Long-term Employee Benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date, based on actuarial valuation.

Provident fund

Retirement benefit in the form of provident fund is a defined contribution scheme. All employees of the Company are entitled to receive benefits under the Provident Fund. 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.

Gratuity

The costs of providing benefits under the plan is determined based on actuarial valuation at each year-end. Independent actuary using the projected unit credit method carries out valuation at the end of each reporting date. Re-measurement are recognised in other comprehensive income and is reclassified to profit or loss in a subsequent period. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of planned assets.

3.13 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the company has a present obligation as a result of past event and 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.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2026

Provision is measured using the cash flows estimated to settle the present obligation and if the effect of the time value of money is material, provisions are discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent Liability

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.

Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. The company does not recognize a contingent asset but discloses its existence in the financial statements.

3.14 Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- a) Loans sanctioned but not disbursed and undisbursed amount of sanctioned loans;
- b) Estimated amount of contracts remaining to be executed on capital account and not provided for;
- c) Uncalled liability on shares and other investments partly paid;
- d) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

3.15 Segment Reporting

The Company's main business is financing by way of loans for the purchase or construction of residential houses, commercial real estate and certain other purposes. The Company operates within India only. All other activities of the Company revolve around the main business. This in the context of 'Ind AS 108 – Operating Segments' reporting is considered to constitute one reportable segment.

3.16 Foreign currencies

Transactions in currencies other than the Company's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported at the rates prevailing at the year-end. Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the Statement of Profit and Loss in the period in which they arise.

3.17 Lease

The Company has various lease arrangements for many assets including properties. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At the commencement of the lease, the Company recognises a Right-of-Use (ROU) asset and a corresponding lease liability for all lease arrangements, except for leases with a term of twelve months or less (short-term leases) and low value leases. As a lessee, the company recognises a right-of-use asset and a lease liability at the lease commencement date. The ROU is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimate of cost to dismantle and remove the underlying asset or to restore the underlying asset/site on which it is located, less any lease incentives received.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2026

The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the future lease payments, discounted using the incremental borrowing cost. Lease payments included in the measurement of the lease liability comprise the Fixed payments, including in-substance fixed payments. The lease liability is measured at amortised cost using the effective interest method.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The company presents right-of-use assets as part of PPE and lease liabilities as part of 'other financial liabilities' in the balance sheet.

Short-term leases and leases of low-value assets

For low-value assets and short-term leases, lease rentals are recognised in the statement of profit and loss on accrual basis.

3.18 Financial Instruments

3.18.1 Recognition and initial measurements

Loans are recognised when fund transfer is initiated or disbursement cheque is issued to the customer. The Company recognises debt securities, deposits and borrowings when funds are received by the Company. The company recognizes all other financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are recognized at fair value on initial recognition. Transaction costs and revenue that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to or deducted from the fair value of financial assets or financial liabilities on initial recognition. Transaction costs and revenue directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

If the transaction price differs from fair value at initial recognition, the Company will account for such difference as follows:

- If fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in the statement of profit and loss on initial recognition (i.e. day 1 profit or loss);
- In all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be recognised in the statement of profit and loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

3.18.2 Classification and subsequent measurement of Financial Assets and Liabilities

3.18.2.1 Financial Assets

The Company classifies and measures all its financial assets based on the business model for managing the assets and the asset's contractual terms, either at:

- Amortised cost
- Fair Value through Other Comprehensive Income
- Fair Value through Profit and Loss

3.18.2.1.1 Amortized cost

The Company classifies and measures Cash and Bank balances, Loans, Trade Receivable and other financial assets at amortised cost if

- These are held within a business model whose objective is to hold the asset in order to collect contractual cash flows and
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest.

3.18.2.1.2 Financial assets at fair value through other comprehensive income (FVOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest.

3.18.2.1.3 Financial assets at fair value through profit or loss (FVTPL)

Financial assets at FVTPL are

- Assets with contractual cash flows that are not SPPI; and/or
- Assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
- Assets designated at FVTPL using the fair value option.

These assets are measured at fair value, with any gains/losses arising on remeasurement recognised in the statement of profit and loss.

3.18.2.1.4 Business Model Test

The Company determines the business model at a level that reflects how financial assets are managed together to achieve a particular business objective. The Company's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

At initial recognition of a financial asset, the Company determines whether newly recognised financial assets are part of an existing business model or whether they reflect a new business model. The Company reassesses its business model at each reporting period to determine whether the business model has changed since the preceding period. For the current and prior reporting period the Company has not identified a change in its business model.

3.18.2.1.5 Solely Payments of Principal and Interest ("SPPI") on the principal amount outstanding

For an asset to be classified and measured at amortised cost or at FVOCI, its contractual terms should give rise to cash flows that meet SPPI test. For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI.

3.18.2.1.6 Subsequent Measurement and Gain and Losses

Financial Assets at Amortised Cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income and impairment loss are recognised in statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.

Debt Instrument at FVOCI

These assets are subsequently measured at fair value. Interest income and impairment loss are recognised in statement of profit and loss. Any gain or loss on subsequent measurement is recognised in OCI and on derecognition the cumulative gain or loss recognised in OCI will be recycled to statement of profit and loss.

Equity Instrument at FVOCI

Gains and losses on equity instruments at FVOCI are never recycled to the statement of profit and loss. Dividends are recognised in profit or loss as dividend income when the right of the payment has been established. Equity instruments at FVOCI are not subject to an impairment assessment. Profit or loss on sale of investments is determined on First in First out (FIFO) basis.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gain and losses, including any interest or dividend income, are recognised in statement of profit and loss. Profit or loss on sale of investments is determined on First in First out (FIFO) basis.

3.18.2.1.7 Co -Lending

The Company originates certain loans specifically for co-lending arrangements with other Banks or NBFCs or Financial Institutions. Recognition and derecognition principles of loans, impairment and revenue recognition policies on the retained portion of the loan are similar to those stated in para 3.1 and 3.18.

3.18.2.1.8 Reclassifications

If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Company's financial assets. During the current financial year and previous accounting period there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made.

3.18.2.2 Financial liabilities and equity instruments

The Company classifies these instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

Equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the face value and proceeds received in excess of the face value are recognised as securities premium.

Financial liabilities

The Company's borrowings include debentures, borrowings from banks, etc. Borrowings are initially measured at fair value plus directly attributable transaction costs and subsequently measured at their amortised cost using the effective interest rate method.

3.18.3 Impairment and write-off

The Company recognises loss allowances for Expected Credit Losses (ECL) on the financial instruments that are not measured at FVTPL. ECL is required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. loss allowance on default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- Lifetime ECL, i.e. lifetime ECL that results from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECL is measured at an amount equal to the 12-month ECL.

The Company has established policy to perform an assessment at the end of each reporting period whether a financial instrument's credit risk has increased significantly since initial recognition by considering the change in the risk of default occurring over the remaining life of the financial instruments. The Company applies a three-stage approach to measure ECL.

Stage 1: 12-months ECL

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognized. Exposures with days past due (DPD) less than or equal to 30 days are classified as stage 1.

Stage 2: Lifetime ECL – not credit impaired

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognized. Exposures with DPD greater than 30 days but less than or equal to 90 days are classified as stage 2.

Stage 3: Lifetime ECL – credit impaired

Financial asset is assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For financial asset that have become credit impaired, a lifetime ECL is recognized on principal outstanding as at period end. Exposures with DPD more than 90 days are classified as stage 3.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

Methodology for calculating ECL

The Company determines ECL based on a probability-weighted outcome of factors indicated below to

Probability of default (PD) - The probability of default is an estimate of the likelihood of default over a given time horizon (12- month or lifetime, depending upon the stage of the asset).

Exposure at default (EAD) - It represents an estimate of the exposure of the Company at a future date after considering repayments by the counterparty before the default event occurs.

Loss given default (LGD) - It represents an estimate of the loss expected to be incurred when the event of default occurs.

The measurement of ECL is calculated using three main components: (i) probability of default (PD) (ii) loss given default (LGD) and (iii) the exposure at default (EAD). The 12 month ECL is calculated by multiplying the 12 month PD, LGD and the EAD. The 12 month and lifetime PDs represent the PD occurring over the

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2026

next 12 months and the remaining maturity of the instrument respectively. The EAD represents the expected balance at default, taking into account the repayment of principal and interest from the balance sheet date to the default event together with any expected drawdowns of committed facilities. The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

ECL is recognized on EAD as at period end. If the terms of a financial asset are renegotiated or modified due to financial difficulties of the borrower, then such asset is moved to stage 3, lifetime ECL under stage 3 on the outstanding amount is applied.

The Company assesses when a significant increase in credit risk has occurred based on quantitative and qualitative assessments. Exposures are considered to have resulted in a significant increase in credit risk and are moved to Stage 2 when:

Quantitative test: Accounts that are more than 30 days past due move to Stage 2 automatically. Accounts that are more than 90 days past due move to Stage 3 automatically.

Reversal in Stages: Exposures will move back to Stage 2 or Stage 1 respectively, once they no longer meet the quantitative criteria set out above. For exposures classified using the qualitative test, when they no longer meet the criteria for a significant increase in credit risk and when any cure criteria used for credit risk management are met.

The definition of default for the purpose of determining ECLs has been aligned to the Reserve Bank of India definition of default, which considers indicators that the debtor is unlikely to pay and is no later than when the exposure is more than 90 days past due.

The measurement of all expected credit losses for financial assets held at the reporting date are based on historical experience, current conditions and reasonable and supportable forecasts. The measurement of ECL involves increased complexity and judgement, including estimation of PDs, LGD, a range of unbiased future economic scenarios, estimation of expected lives and estimation of EAD and assessing significant increases in credit risk.

Considering the prudence, the Company recognizes impairment on financial asset on higher of the provision required as per the directions issued by Reserve Bank of India or using expected credit loss (ECL) model as prescribed in Ind AS for the financial assets which are not fair valued. The expected credit losses (ECLs) is recognized based on forward looking information for all financial assets at amortized cost, no impairment loss is applicable on equity investments.

At the reporting date, an allowance is required for the 12 month ECLs. If the credit risk has significantly increased since initial recognition (Stage 1), an allowance (or provision) should be recognized for the lifetime ECLs for financial instruments for which the credit risk has increased significantly since initial recognition (Stage 2) or which are credit impaired (Stage 3).

Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the RBI, inflation, etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PG, LGD rates by the Company may not be always reflective of such relationships, temporary overlays are embedded in the methodology to reflect such macro-economic trends reasonably.

Write off

Impaired loans and receivables are written off, against the related allowance for loan impairment on completion of the Company's internal processes and when the Company concludes that there is no longer any realistic prospect of recovery of part or all of the loan. A write-off constitutes a de-recognition event. The Company has a right to apply enforcement activities to recover such written off financial assets. Subsequent recoveries of amounts previously written off are credited to the income statement.

Recovery from NPA

Appropriation of recoveries from NPA cases are made in the order of priority as under:

- a) Principal,
- b) Unrealised Interest
- c) Other charges

3.18.4 Modification and derecognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. The Company renegotiates loans to customers in financial difficulty to maximize collection and minimize the risk of default. A loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness).

Not all changes in terms of loans are considered as renegotiation and changes in terms of a class of obligors that are not overdue is not considered as renegotiation and is not subjected to deterioration in staging.

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability is derecognized when obligation specified in the contract is discharged or cancelled or expires.

3.18.5 Collateral Valuation and Repossession

The Company physically repossess properties and engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the residential properties under legal repossession processes are not recorded on the balance sheet and not treated as non-current assets held for sale.

3.18.6 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

3.19 Off-setting

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when the company currently has a legally enforceable right to offset the recognised amount and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Rs in lakhs

Note No.	Particulars	As at March 31, 2026	As at March 31, 2025
4	Cash and cash equivalents		
4.1	Cash on hand	29.57	7.00
4.2	Balances with banks		
	In current accounts	3,063.33	468.67
	In term deposit accounts with original maturity of 3 months or less	200.00	-
		3,263.33	468.67
	Total	3,292.90	475.67
5	Bank balance other than cash and cash equivalent		
	Balance with banks in fixed deposits held as margin money (*)	6,622.58	5,854.30
	*Represents margin money placed against term loans from banks and others		
	Total	6,622.58	5,854.30
6	Trade Receivables		
	Receivables considered good - Unsecured	-	-
	Less - Provision for expected credit loss	-	-
	Total	-	-
6.1	Other Receivables		
	Receivables considered good - Unsecured	112.94	269.91
	Less - ECL Provision on Other Receivables	(28.86)	(29.87)
	Total	84.08	240.04

6.2 There are no dues from directors or other officers of the Company or any firm or private company in which any director is partner, a director or a member.

6.3 Other Receivables Ageing Schedule

Other Receivables (F.Y 2025-26)	Not Due	Outstanding for following periods from due date of Payment					Rs. In Lakhs
		Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Other Receivables - Considered Good	-	84.08	-	-	-	-	84.08
(ii) Undisputed Other Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Other Receivables - Credit Impaired	-	-	-	-	28.86	-	28.86
(iv) Disputed Other Receivables - Considered Good	-	-	-	-	-	-	-
(v) Disputed Other Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Other Receivables - Credit Impaired	-	-	-	-	-	-	-
Gross Total	-	84.08	-	-	28.86	-	112.94
Less : ECL Provision on Other Receivables							(28.86)
Total							84.08

Other Receivables (F.Y 2024-25)	Not Due	Outstanding for following periods from due date of Payment					Rs. In Lakhs
		Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Other Receivables - Considered Good	-	241.06	-	-	-	-	241.06
(ii) Undisputed Other Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Other Receivables - Credit Impaired	-	-	-	28.86	-	-	28.86
(iv) Disputed Other Receivables - Considered Good	-	-	-	-	-	-	-
(v) Disputed Other Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Other Receivables - Credit Impaired	-	-	-	-	-	-	-
Gross Total	-	241.06	-	28.86	-	-	269.92
Less : ECL Provision on Other Receivables							(29.87)
Total							240.05

Note No.	Particulars	As at March 31, 2026	As at March 31, 2025
7	Loans		
	At amortised cost		
	Individual Loans	1,11,015.98	1,05,006.05
	Corporate bodies	-	-
	Total (A) - Gross	1,11,015.98	1,05,006.05
	Less: Impairment loss allowance (Expected Credit Loss)	(1,862.50)	(1,237.41)
	Total (A) - Net	1,09,153.48	1,03,768.64
	Secured by tangible assets	1,11,015.98	1,05,006.05
	Secured by intangible assets	-	-
	Covered by bank / Government guarantees	-	-
	Unsecured	-	-
	Total (B) - Gross	1,11,015.98	1,05,006.05
	Less: Impairment loss allowance (Expected Credit Loss)	(1,862.50)	(1,237.41)
	Total (B) - Net	1,09,153.48	1,03,768.64
	Loans in India		
	Public Sector	-	-
	Other than public sector	1,11,015.98	1,05,006.05
	Total (C - I) - Gross	1,11,015.98	1,05,006.05
	Less: Impairment loss allowance (Expected Credit Loss)	(1,862.50)	(1,237.41)
	Total (C - I) - Net	1,09,153.48	1,03,768.64
	Loans outside India (C - II)	-	-
	Total C (I+II)	1,09,153.48	1,03,768.64

Note No.	Particulars	As at March 31, 2026	As at March 31, 2025
8	Investments		
A	Fair value through profit or loss		
	Investments in mutual fund	-	-
	Total (A) - Gross	-	-
B	Investments in India	-	-
	Investment outside India	-	-
	Total (B) - Gross	-	-
	Less: Allowance for impairment loss (C)	-	-
	Total - Net D = (B) - (C)	-	-

Note No.	Particulars	As at March 31, 2026	As at March 31, 2025
9	Other financial assets		
	Security Deposits	75.00	78.84
	Loan to employee	4.76	6.94
	Interest Accrued But Not Due on Fixed Deposits	67.36	114.09
	Advance to Employee	2.96	18.39
	Interest only Scrip Receivable	57.33	-
	Total	207.41	218.26

No.	Particulars	Leasehold Improvements	Right of use - Assets	Computers	Furniture & Fixtures	Office Equipment	Motor Vehicle	Total
10	Property, Plant and Equipment							
a	Gross Block							
	Balance as at March 31, 2024	164.12	1,118.62	158.91	78.97	70.39	21.44	1,612.45
	Additions	11.29	363.48	99.31	41.38	31.85	-	547.31
	Deductions	-	(192.07)	-	-	-	-	(192.07)
	Balance as at March 31, 2025	175.41	1,290.03	258.22	120.35	102.24	21.44	1,967.69
	Additions	-	189.13	50.28	0.67	6.03	-	246.10
	Deductions	(158.92)	(260.93)	(27.59)	-	(0.22)	-	(447.66)
	Balance as at March 31, 2026	16.49	1,218.23	280.91	121.02	108.05	21.44	1,766.13
b	Accumulated Depreciation							
	Balance as at March 31, 2024	103.72	454.27	98.90	32.04	28.26	6.39	723.58
	Additions	18.60	242.17	42.16	9.57	15.82	2.55	330.87
	Deductions	-	(122.52)	-	-	-	-	(122.52)
	Balance as at March 31, 2025	122.32	573.92	141.06	41.61	44.08	8.94	931.93
	Additions	15.09	254.26	54.17	9.56	17.84	2.55	353.47
	Deductions	(124.18)	(148.20)	(23.58)	-	(0.17)	-	(296.13)
	Balance as at March 31, 2026	13.23	679.98	171.65	51.17	61.75	11.48	989.27
c	Net Block							
	Balance as at March 31, 2025	53.09	716.12	117.16	78.74	58.16	12.50	1,035.77
	Balance as at March 31, 2026	3.26	538.24	109.28	69.86	46.30	9.96	776.88

10.1	During the Year, The Company has not revalued its property, plant and equipment (including Right of Use Assets). The Company does not hold any immovable property as on 31st March 2026 and 31st March 2025. All the lease agreements are duly executed in the favour of the company for properties where the company is the lessee.
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	Particulars	As at March 31, 2026	As at March 31, 2025
11	Other Intangible assets- Software		
a)	Gross Carrying Amount		
	Opening	77.62	75.98
	Additions	19.61	1.64
	Deductions	-	-
	Closing	97.23	77.62
b)	Accumulated Amortisation		
	Opening	74.39	60.10
	Additions	3.23	14.29
	Deductions	-	-
	Closing	77.62	74.39
(a-b)	Net Carrying Amount	19.61	3.23

1 1.1 During the Year, the Company has not revalued its Intangible Assets.

Note No.	Particulars	As at March 31, 2026	As at March 31, 2025
12	Other non-financial assets		
	Balance with Government Authorities	38.24	26.68
	Prepaid expense	108.74	100.68
	Advances to vendors	384.94	109.27
	Less:-Provision Against Advance	242.53	31.53
	Net Advances to vendors	142.41	77.74
	Advances to others	258.76	150.53
	Total	548.14	355.62
13	Trade payables		
	Dues to micro enterprises and small enterprises	8.77	0.87
	Due to creditors other than micro enterprises and small enterprises	83.18	251.35
	Total	91.95	252.22

13.1		Details of dues to micro and small enterprises as per Micro, Small and Medium Enterprises Development Act, 2006		
	(a)	Principal amount remaining unpaid to any supplier at the year end	8.77	0.87
	(b)	Interest due thereon remaining unpaid to any supplier at the year end	-	-
	(c)	Amount of interest paid and payments made to the supplier beyond the appointed day during the year.	-	-
	(d)	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act		
	(e)	Amount of interest accrued and remaining unpaid at the year end	-	-
	(f)	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Act	-	-

13.2 Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified based on information collected by the Management. This has been relied upon by the auditors.

13.3 Payables Aging Schedule

Trade Payables(F.Y 2025-26)	Not Due	Outstanding for following periods from due date of Payment				Rs. In Lakhs
		Less than 1 Year	1 -2 Years	2 -3 Years	More than 3 Years	Total
(i) MSME	8.77	-	-	-	-	8.77
(ii) Others	-	76.22	6.96	-	-	83.18
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
Total	8.77	76.22	6.96	-	-	91.95

Trade Payables(F.Y 2024-25)	Not Due	Outstanding for following periods from due date of Payment				Rs. In Lakhs
		Less than 1 Year	1 -2 Years	2 -3 Years	More than 3 Years	Total
(i) MSME	0.87	-	-	-	-	0.87
(ii) Others	-	244.30	7.05	-	-	251.35
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
Total	0.87	244.30	7.05	-	-	252.22

14. DEBT SECURITIES

Rs in lakhs

Note No.	Particulars	As at March 31, 2026	As at March 31, 2025
A			
i	At amortised cost		
	Non-Convertible Debentures		
	Secured	-	-
	Unsecured	-	-
	Less - Unamortised borrowing cost	-	-
	Total (A)	-	-
B			
i	Debt securities in India	-	-
	Less - Unamortised borrowing cost	-	-
	Total (B - I)	-	-
ii	Debt securities outside India	-	-
	Total (B - ii)	-	-
	Total B (i + ii)	-	-

15. BORROWINGS (other than debt securities)

Rs in lakhs

Note No.	Particulars	As at March 31, 2026	As at March 31, 2025
A			
	At Amortised Cost		
i	Term loan from banks - Secured	55,768.39	39,546.55
ii	Term loan from National Housing Bank - Secured	13,701.45	18,306.45
iii	Term loan from - others-Secured	10,746.30	15,156.53
iv	Loans repayable on demand from banks - Secured	-	-
v	ICD Borrowings- Unsecured	5,000.00	-
	Less - Unamortised borrowing cost	(678.04)	(570.32)
	Total borrowings	84,538.10	72,439.21
B			
i	Borrowings in India	85,216.14	73,009.53
	Less - Unamortised borrowing cost	(678.04)	(570.32)
	Total (B - I)	84,538.10	72,439.21
ii	Borrowings outside India	-	-
	Less - Unamortised borrowing cost	-	-
	Total (B - ii)	-	-
	Total B (i + ii)	84,538.10	72,439.21

15.1 There has not been any default in repayment of borrowings and interest during financial year ended March 31, 2026 and March 31, 2025. There have been no instances of breach of Covenants of loan availed during the Year ended March 31, 2026 and March 31, 2025.

15.2 Terms of repayment

As at March 31, 2026

Rs in lakhs

Sr. No.	Interest rate	0-1 years	1-3 years	3-5 years	Above 5 years	Total
1	Term loans from banks					
	8% - 9%	8,214.39	1,849.84	400.00	-	10,464.22
	9% - 10%	10,356.38	15,747.55	5,724.29	1,570.79	33,399.00
	10%-11%	3,278.07	5,390.45	2,909.25	327.37	11,905.14
	Total	21,848.85	22,987.84	9,033.54	1,898.17	55,768.37
2	Term loans from NHB					
	7% - 8%	2,242.30	2,848.75	1,878.62	1,704.56	8,674.23
	8% - 9%	539.40	1,438.40	1,438.40	1,611.02	5,027.22
	Total	2,781.70	4,287.15	3,317.02	3,315.58	13,701.45
3	Loan from Others					
	8% - 9%	300.00	341.67	-	-	641.67
	9 % - 10%	3,279.40	5,604.77	1,220.47	-	10,104.63
	Total	3,579.40	5,946.43	1,220.47	-	10,746.30

As at March 31, 2025

Rs in lakhs

Sr. No.	Interest rate	0-1 years	1-3 years	3-5 years	Above 5 years	Total
1	Term loans from banks					
	9% - 10%	7,377.81	10,991.49	3,824.10	-	22,193.40
	10%-11%	4,044.68	7,502.63	4,962.05	843.79	17,353.15
	Total	11,422.49	18,494.12	8,786.15	843.79	39,546.55
2	Term loans from NHB					
	8%-9%	2,756.70	5,920.50	3,629.67	5,999.58	18,306.45
	Total	2,756.70	5,920.50	3,629.67	5,999.58	18,306.45
3	Loan from Others					
	9%-10%	3,743.56	6,925.03	3,779.22	42.05	14,489.86
	10%-11%	666.67	-	-	-	666.67
	Total	4,410.23	6,925.03	3,779.22	42.05	15,156.53

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2026

15.3 As at March 31, 2026

Rs.in-lakhs

Sr. No.	Interest rate	0-1 years	1-3 years	3-5 years	Above 5 years	Grand Total
1	Term loan from NHB - Quarterly Floating 7% - 8% 8% - 9%	2,242.30 539.40	2,848.75 1,438.40	1,878.62 1,438.40	1,704.56 1,611.02	8,674.23 5,027.22
2	Term loans from banks - Monthly Fixed 9% - 10% 10% - 11% Floating 8% - 9% 9% - 10% 10% - 11%	276.18 553.55 700.00 8,980.20 1,048.93	641.96 424.36 975.00 12,905.60 1,614.89	245.85 - 400.00 3,578.47 1,234.19	- - - 1,071.57 327.37	1,163.99 977.91 2,075.00 26,535.84 4,225.37
3	Term loans from banks - Quarterly Floating 8% - 9% 9%-10% 10%-11%	7,514.39 1,100.00 1,675.60	874.84 2,200.00 3,351.20	- 1,899.97 1,675.06	- 499.22 -	8,389.23 5,699.19 6,701.86
4	Loan from Others - Monthly Fixed 9% - 10% 10% - 11% Floating 8% - 9% 9% - 10%	1,606.42 - 300.00 1,672.98	2,329.65 - 341.67 3,275.12	406.10 - - 814.37	- - - -	4,342.17 - 641.66 5,762.46
	Total	28,209.94	33,221.41	13,571.02	5,213.74	80,216.13
	ICD Borrowings- Unsecured	5,000.00				5,000.00
	Unamortised borrowing cost					(678.04)
	Total					84,538.09

As at March 31, 2025

Rs in lakhs

Sr. No.	Interest rate	0-1 years	1-3 years	3-5 years	Above 5 years	Grand Total
1	Term loan from NHB - Quarterly Floating 8%-9%	2,756.70	5,920.50	3,629.67	5,999.58	18,306.45
2	Term loans from banks - Monthly Fixed 9%-10% Floating 9%-10% 10%-11%	400.00 4,908.21 2,344.68	800.00 7,052.29 4,102.63	600.00 2,279.74 1,684.17	- - 843.79	1,800.00 14,240.24 8,975.27
3	Term loans from banks - Quarterly Floating 9%-10% 10% - 11%	2,069.60 1,700.00	3,139.20 3,400.00	944.35 3,277.88	- -	6,153.15 8,377.88
4	Loan from Others - Quarterly Floating 10%-11%	666.67	-	-	-	666.67
5	Loan from Others - Monthly Fixed 9%-10% Floating 9%-10%	1,912.16 1,831.39	2,918.49 4,006.54	1,423.67 2,355.55	- 42.05	6,254.32 8,235.53
	Subtotal	18,589.41	31,339.65	16,195.03	6,885.42	73,009.53
	Unamortised borrowing cost					(570.32)
	Total					72,439.21

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2026

- 15.4** The Company has obtained borrowings from banks or financial institutions on the basis of security of Loan Receivables .
- 15.5** The Company has used the Borrowings from banks & financial institutions for the specific purpose for which it was taken.

Rs in lakhs

Note No.	Particulars	As at March 31, 2026	As at March 31, 2025
16	Other financial liabilities		
	Book overdraft	-	3,269.08
	Interest accrued but not due on borrowings and debt securities	170.91	105.57
	Interest Payable on ICD	68.71	-
	Payable to Employees	67.66	120.68
	Payable to Customers	93.10	399.35
	Provision for expenses	276.44	556.12
	Lease liability	658.31	825.86
	Total	1,335.13	5,276.64
17	Provisions		
	Employee benefit		
	Gratuity	151.44	81.71
	Compensated absence	292.46	177.10
	ECL Provision on Other Assets	3.42	2.62
	Total	447.32	261.43
18	Other non financial liabilities		
	Statutory dues	83.02	86.97
	Advance from customers	102.79	60.63
	Total	185.81	147.61
19	Equity Share Capital		
19.1	Authorised Capital		
	250,000,000 Equity Shares of Rs.10/- each (P.Y 250,000,000 Equity Shares of Rs.10/- each)	25,000.00	25,000.00
	Total	25,000.00	25,000.00
19.2	Issued, Subscribed and Paid Up Capital		
	249,986,452 Equity Shares of Rs.10/- each (P.Y 249,986,452 Equity Shares of Rs.10/- each)	24,998.65	24,998.65
	Total	24,998.65	24,998.65

19.3 Rights, preferences and restrictions :

- The Company has only one class of equity shares having a par value of Rs. 10/-. Each holder of equity share is entitled to one vote per share
- Any dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Dividend declared and paid would be in Indian rupees.
- In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.

19.4 Details of equity shareholders holding more than 5% shares

Name of the Shareholder	As on March 31, 2026	As on March 31, 2025
	No. of Shares %	No. of Shares %
KIFS International LLP	24,94,85,752 99.80%	24,94,85,752 99.80%

19.5 Reconciliation of number of equity shares outstanding & the amount of Share Capital :

Particulars	2025 - 2026		2024 - 2025	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares at the beginning of the year	24,99,86,452	24,998.65	24,99,86,452	24,998.65
Changes in Equity share Capital during the Year	-	-	-	-
Equity Shares at the end of the year	24,99,86,452	24,998.65	24,99,86,452	24,998.65

19.6 The Company has not reserved any shares for issue under options and contracts / commitments for the sale.

19.7 The Company has neither allotted any shares pursuant to contracts without payment being received in cash or as bonus shares nor it has bought back any shares during the preceding 5 financial years.

19.8 The Company has not issued any convertible securities and has not issued any shares where calls are unpaid. The Company has not forfeited any shares.

19.9 Details of shares held by the Promoters at the end of the year

Promoter Name	As at March31, 2026		As at March31, 2025	
	No. of Shares	% of Holding	No. of Shares	% of Holding
KIFS International LLP	24,94,85,752	99.80%	24,94,85,752	99.80%

20. OTHER EQUITY

Rs. In Lakhs

Other equity	As at March 31, 2026	As at March 31, 2025
Retained Earnings	6,742.56	6,457.23
Statutory Reserve	2,668.69	2,445.92
Total	9,411.25	8,903.15

i) Retained Earnings

This Represents surplus in profit and loss account after appropriations.

ii) Statutory Reserve

As required by section 45-IC of RBI Act, 1934, the company maintains a reserve fund and transfers there in a sum not less than twenty percent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared. The company cannot appropriate any sum from the reserve fund except for the purpose specified by Reserve Bank of India from time to time. Till date RBI has not specified any purpose for appropriation of reserve fund maintained under section 45-IC of RBI Act, 1934.

iii) Other Comprehensive Income - Employee Benefits

This represents remeasurement gain/(loss) on post employment benefit obligations.

Note No.	Particulars	For the year ended 2025-2026	For the year ended 2024-2025
21	Interest Income		
	Interest on Financial Assets carried at Amortised Cost		
	Interest on Loans	15,426.18	12,505.14
	Total	15,426.18	12,505.14
22	Fees and Commission Income		
	Fees and commission income	12.05	219.99
	Total	12.05	219.99
23	Net gain on fair value changes		
	Net gain on financial instruments designated at fair value through profit or loss	21.66	-
	Total	21.66	-
23.1	Fair value changes		
	Realised	21.66	-
	Unrealised	-	-
	Total	21.66	-
24	Net gain on derecognition of financial instruments under amortised cost category	63.58	-
	Total	63.58	-
25	Other operating revenue		
	Interest on fixed deposits with banks	443.13	411.22
	Other ancillary services	448.75	639.12
	Total	891.88	1,050.34
26	Other Income		
	Sundry Balances Written-Back	89.41	0.10
	Total	89.41	0.10
27	Finance Cost		
	Interest on financial liabilities measured at amortized cost		
	Interest on borrowing	7,771.30	5,779.62
	Interest on lease liabilities	65.49	70.50
	Other borrowings cost	20.06	57.36
	Total	7,856.85	5,907.49

Note No.	Particulars	For the year ended 2025-2026	For the year ended 2024-2025
28	Impairment on financial instruments		
	On financial instruments measured at amortized cost		
	Impairment allowance on Loans	625.09	140.86
	Bad debts written off	190.57	203.25
	Impairment allowance on other assets	(0.21)	(0.22)
	Total	815.45	343.89
29	Employee Benefits Expense		
	Salaries and wages	4,836.83	4,404.89
	Contribution to Provident Fund and other funds	216.38	213.48
	Staff Welfare expenses	60.91	59.42
	Total	5,114.12	4,677.79
30	Depreciation and amortisation expenses		
	Depreciation on Property, Plant & Equipment	99.20	88.69
	Amortisation of Intangible Assets	3.23	14.29
	Depreciation on Right of Use Assets	254.26	242.17
	Total	356.69	345.15
31	Other Expenses		
	Rent, taxes and energy costs	111.04	84.79
	Repair and Maintenance	128.15	155.62
	Communication cost	51.57	53.98
	Printing and Stationery	24.00	32.84
	Advertisement expenses	26.65	40.59
	Recruitment Expenses	0.28	6.98
	Directors Sitting fees & Others	13.08	4.36
	Auditor's Remuneration	23.69	17.40
	Legal and Professional charges	315.70	229.36
	Business Promotion expenses	0.50	35.25
	Commission & Brokerage	0.64	0.70
	Travelling and Conveyance	322.80	272.18
	Insurance	114.20	104.71
	Membership & Subscription fees	2.64	4.12
	CSR Expenses	44.46	45.08
	Office Expenses	38.39	41.19
	Fixed Asset Written Off	34.69	-
	Software Licencing Fees	114.04	101.00
	Doubtful Insurance Deposit Receivable	211.00	-
	Doubtful Rental Deposit Expenses	12.45	-
	Others	66.45	15.96
	Total	1,656.43	1,246.11
31.1	Payment to auditors		
	for statutory audit	13.50	13.50
	for Limited Review	5.00	-
	for tax audit	2.00	2.00
	for other services (Certification, etc)	3.19	1.90
	Total	23.69	17.40

32. Maturity Analysis of Assets & Liabilities As at 31st March 2026

Rs. in Lakhs

Particulars	Within 12 Months	After 12 Months	Total
Assets			
Financial Assets			
Cash and cash equivalents	3,292.90	-	3,292.90
Bank balance	3,242.00	3,380.58	6,622.58
Receivables			
(i) Trade receivables	-	-	-
(ii) Other receivables	84.08	-	84.08
Loans	17,590.91	91,562.57	1,09,153.48
Investments	-	-	-
Other Financial Assets	71.96	135.45	207.41
Total financial assets	24,281.85	95,078.60	1,19,360.45
Non-Financial Assets			
Current tax assets (Net)	-	26.42	26.42
Deferred tax assets (Net)	-	276.70	276.70
Property, Plant and Equipment	-	776.88	776.88
Other intangible assets	-	19.62	19.62
Other non-financial assets	548.39	(0.25)	548.14
Total Non-financial assets	548.39	1,099.35	1,647.76
Total Assets	24,830.24	96,177.95	1,21,008.21
LIABILITIES			
Financial liabilities			
Trade Payables			
(i) Total outstanding dues to micro enterprises and small enterprises	8.77	-	8.77
(ii) Total outstanding dues to creditors other than micro	83.18	-	83.18
Borrowings (other than debt securities)	33,007.04	51,531.06	84,538.10
Other financial liabilities	889.72	445.41	1,335.13
Total financial liabilities	33,988.70	51,976.47	85,965.17
Non-Financial Liabilities			
Provisions	-	447.32	447.32
Other non - financial Liabilities	82.61	103.20	185.81
Total non-financial liabilities	82.61	550.52	633.13
Total liabilities	34,071.31	52,526.99	86,598.31

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2026

Maturity Analysis of Assets & Liabilities As at 31st March 2025

Rs. in Lakhs

Particulars	Within 12 Months	After 12 Months	Total
Assets			
Financial Assets			
Cash and cash equivalents	475.67	-	475.67
Bank balance	3,009.07	2,845.23	5,854.30
Receivables			
(i) Trade receivables	-	-	-
(ii) Other receivables	240.04	-	240.04
Loans	15,754.32	88,014.32	1,03,768.64
Other Financial Assets	144.36	73.90	218.26
Total financial assets	19,623.47	90,933.43	1,10,556.91
Non-Financial Assets			
Current tax assets (Net)	-	160.57	160.57
Deferred tax assets (Net)	-	166.79	166.79
Property, Plant and Equipment	-	1,035.77	1,035.77
Other intangible assets	-	3.24	3.24
Other non-financial assets	-	355.62	355.62
Total Non-financial assets	-	1,721.99	1,721.99
Total Assets	19,623.47	92,655.43	1,12,278.90
LIABILITIES			
Financial liabilities			
Trade Payables			
(i) Total outstanding dues to micro enterprises and small enterprises	0.87	-	0.87
(ii) Total outstanding dues to creditors other than micro	251.35	-	251.35
Borrowings (other than debt securities)	18,582.53	53,856.68	72,439.21
Other financial liabilities	5,027.35	249.29	5,276.64
Total financial liabilities	23,862.09	54,105.96	77,968.07
Non-Financial Liabilities			
Provisions	23.08	238.36	261.43
Other non - financial Liabilities	-	147.61	147.61
Total non-financial liabilities	23.08	385.96	409.04
Total liabilities	23,885.17	54,491.92	78,377.11

33. EARNING PER SHARE

Rs. in Lakhs

Particulars	For the year ended 2025-2026	For the year ended 2024-2025
Basic		
Net Profit as per statement of Profit & Loss (Rs. In Lakhs)	496.66	992.18
Profit available to Equity Shareholders (Rs. In Lakhs)	496.66	992.18
Weighted average of number of equity shares outstanding during the year (in Nos.)	24,99,86,452	24,99,86,452
Basic Earning per share of face value of ₹ 10 each (₹)	0.20	0.40
Diluted Earning per share of face value of ₹ 10 each (₹)	0.20	0.40

The Company is not having any instruments which are dilutive in Nature.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2026

There are no instruments outstanding that could potentially dilute basic earnings per share in the future but were not included in the calculation of diluted earnings per share because they are anti dilutive for the periods presented.

There were no transactions that have occurred after the reporting date that would have changed significantly the number of ordinary shares outstanding or potential ordinary shares outstanding at the reporting Date.

34. SEGMENT REPORTING

The Company is engaged in lending business. The Company provides mortgages Loans (Home Loan, Loan against properties, construction reality) and operates with in India only. The Board of company reviews the companies performance as a single business. There being only one segment, disclosure for segment is not applicable.

35. TAXATION

Income Tax expense in the statement of Profit and Loss Comprises of

Rs. In Lakhs

Particulars	For the year ended 2025-2026	For the year ended 2024-2025
Current Tax	322.32	372.35
Current Tax - Short/(Excess) provision of tax for earlier year	-	(36.69)
Total current tax expenses	322.32	335.66
Deferred tax in Statement of Profit & Loss		
Relating to origination and reversal of temporary difference	(113.76)	(72.70)
Impact of changes in tax rates	-	-
Total deferred tax expenses/(income)	(113.76)	(72.70)
Total income tax expenses	208.58	262.96

The tax expense & tax assets have been computed as per applicable tax laws and generally accepted tax computation policies and procedures. There is no uncertain tax treatment.

The details of income tax assets/(liabilities) and deferred tax assets (liabilities)

Rs. in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Net income tax assets/(liabilities)	26.42	160.57
Deferred tax assets/(liabilities)	276.70	166.79

35.1 A reconciliation of income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below.

Rs. in Lakhs

Particulars	For the year March 31, 2026	For the year March 31, 2025
Accounting profit before tax	705.22	1,255.14
Statutory tax rate	25.168%	25.168%
Computed enacted tax expense	177.49	315.89
Tax effect of		
Expense Dis-allowed under Income Tax Act	12.40	11.35
Income tax deduction including for Special Reserve available to financial institution	(56.07)	(56.25)
Tax expense pertaining to previous year	-	(36.69)
Others	74.75	28.66
Income tax expenses as per books	208.57	262.96
Effective income tax rate	29.58%	20.95%

35.2 Details of each type of recognized temporary differences, unused tax losses and unused tax credit

Rs. in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred tax related to items recognised through profit or loss		
Deferred tax liabilities		
Unrealized gain or investments	-	-
Unamortised expenses or borrowings	(170.65)	(143.54)
Others (DTL on Special Reserve)*	(646.86)	(590.80)
Others (DTL on interest Scrip Receivable)	(14.43)	-
Total - Deferred tax liabilities	(831.95)	(734.34)
Deferred tax assets		
Unamortized income/expenses (net) on loans given	463.93	477.51
Expected credit losses	425.11	311.43
Employee benefits	111.72	65.14
Related to property, plant and Equipment and losses	50.78	46.39
DTL Related to provision	56.24	-
Others	0.86	0.66
Total- Deferred tax assets	1,108.64	901.13
Deferred tax assets/(liabilities)	276.70	166.79

Details of movement in deferred tax balances

Rs. in Lakhs

Particulars	As at April 1, 2025	(Charge)/credit to profit and loss account	(Charge)/credit to other comprehensive income	As at March 31, 2026
Unamortized income/expenses (net) on loans given	477.51	(13.58)	-	463.93
Unamortized expenses for borrowings	(143.54)	(27.11)	-	(170.65)
Unrealized gain on investments	-	-	-	-
Others-(Deduction u/s 36(1)(viiia)(d)	(590.80)	(56.07)	-	(646.86)
Expected credit losses	311.43	113.68	-	425.11
Employee benefits	65.14	50.43	(3.85)	111.72
Property, plant and equipment and leases	46.39	4.39	-	50.78
Provision for Expenses	-	56.24	-	56.24
Others(DTL on Interest Scrip Receivable)	-	(14.43)	-	(14.43)
Others	0.66	0.20	-	0.86
Total	166.79	113.76	(3.85)	276.70

Rs. in Lakhs

Particulars	As at April 1, 2024	(Charge)/credit to profit and loss account	(Charge)/credit to other comprehensive income	As at March 31, 2025
Unamortized income/expenses (net) on loans given	353.82	123.69	-	477.51
Unamortized expenses for borrowings	(87.80)	(55.74)	-	(143.54)
Unrealized gain on investments	-	-	-	-
Others-(Deduction u/s 36(1)(viiia)(d)	(534.54)	(56.25)	-	(590.80)
Expected credit losses	275.98	35.45	-	311.43
Employee benefits	45.91	23.53	(4.30)	65.14
Property, plant and equipment and leases	44.45	1.95	-	46.39
Others	0.58	0.08	-	0.66
Total	98.39	72.71	(4.30)	166.79

36. CAPITAL MANAGEMENT

The Company maintains an actively managed capital base to cover risks inherent in business & in meeting the capital adequacy requirements of Reserve Bank of India. The adequacy of the company capital is monitored using, among other measures, the regulations issued by regulators. The company has complied in full with all its externally imposed capital requirements over the reported periods.

Rs. in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Debt	84,538.10	75,708.29
Equity	34,409.90	33,901.81
Debt to Equity Ratio	2.46	2.23

Loan covenants

Under the terms of major borrowing facilities, the Company has complied with the covenants throughout the reporting period.

37. CONTINGENT LIABILITIES & COMMITMENTS

The Company has no Contingent Liability as on 31st March 2026

Loan commitments

The Company has outstanding undrawn commitments to provide loans to customers. These loan commitments aggregated Rs. 10,964.53 Lakhs at March 31, 2025 (March 31, 2025: Rs. 11,728.57 lakhs). Further, the commitments have fixed expiration dates and are contingent upon the borrower's ability to maintain specific credit standards. Ref Note 62.

Capital commitments

There is no estimated value of contracts remaining to be executed on capital account which are not provided for as on March 31, 2026 (PY : Nil).

38. LEASES

The Company has taken various office premises under lease. The lease terms in respect of such premises are on the basis of individual agreement entered into with the respective landlords.

Movement in Carrying Value of Right of Use Assets is given below

Rs. in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	716.12	664.36
Addition	189.13	363.48
Deletion	(112.74)	(192.07)
Depreciation for the year	(254.26)	(119.65)
Closing balance	538.24	716.12

Movement in Carrying Value of Lease liability is given below

Rs. in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	825.86	774.20
Addition	189.13	363.48
Deletion	(736.34)	(678.43)
Finance cost accrued during the period	65.49	70.50
Payment	314.18	296.11
Closing balance	658.31	825.86
- Current	213.19	566.34
- Non-current	445.12	259.52

NOTES TO THE FINANCIAL STATEMENTS for the year ended **March 31, 2026**

Contractual maturities of lease liability on an undiscounted basis is as given below.

Rs. in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Less than 1 year	275.85	284.23
Between 1 and 2 years	181.51	243.06
Between 2 and 3 years	125.97	161.88
Between 3 and 4 years	102.15	90.10
Between 4 and 5 years	82.82	69.82
More than 5 years	113.41	132.79
Total	881.71	981.88

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The Company did not have any variable lease payments and also did not sub-leased right of use assets. Further, the Company does not have any significant restrictions or covenants imposed by leases.

39. CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENSES :

Rs. in Lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Gross amount required to be spent by the Company during the year	44.38	45.08
Amount of Expenditure Incurred	44.46	45.08
Amount spent during the year on purposes other than construction / acquisition of any asset	44.46	45.08
Paid	44.46	45.08
Yet to be paid	-	-
Total	44.46	45.08

39.1 Shortfall in Payment :

There is no shortfall in the CSR amount required to be spent by the Company as per Section 135(5) of the Act for the financial year ended March 31, 2026 and March 31, 2025.

39.2 Nature of CSR Activities :

For the year ended March 31, 2026:

Out of the total amount of Rs.44.46 Lakhs, the company:

- spent Rs.13.80 lakhs towards Hunger Free Palghar, an initiative by Govardhan Annakshetra, ISKCON;
- contributed Rs.18.74 lakhs to TATA Memorial Hospital for the Patient Treatment Support;
- contributed Rs.11.92 lakhs to Medical Research Foundation to support Critical Eye Surgery's

Nature of CSR Activities :

For the year ended March 31, 2025:

Out of the total amount of Rs.45.08 Lakhs, the company:

- spent Rs.13.88 lakhs towards Hunger Free Palghar, an initiative by Govardhan Annakshetra, ISKCON;
- contributed Rs.19.65 lakhs to TATA Memorial Hospital for the purchase of medical equipments;
- contributed Rs.11.55 lakhs to Medical Research Foundation for Purchase of Topcon Slit lamp with MIT and performed cataract surgery of one patient.

39.3 Related Party Transactions & Provision

The Company has neither made any CSR contribution towards its related parties nor has recorded any provision for CSR expenditure during the financial years ended March 31, 2026 and March 31, 2025.

40. OFFSETTING FINANCIAL ASSETS & FINANCIAL LIABILITIES

Financial assets and financial liabilities are subject to offsetting where there is a legally enforceable right to set-off recognised amounts and the company intends to either settle on a net basis or to realize the asset and settle the liability. Simultaneously, at March 31, 2026 and March 31, 2025, there was no offsetting of financial assets and financial liabilities.

41. FINANCIAL RISK MANAGEMENT

41.1 Liquidity Risk

The table below provide details regarding the contractual maturities of financial liabilities as at March 31, 2026

Rs. in Lakhs

Particulars	Upto 1 year	1-3 year	3-5 year	Over 5 years	Total
Borrowings	33,700.04	32,901.84	13,440.26	5,188.96	84,538.10
Debt securities	-	-	-	-	0.00
Trade Payables	84.99	6.96	-	-	91.95
Other financial liabilities	889.72	-	-	445.32	1,335.04
Total	33,981.74	32,908.80	13,440.26	5,634.28	85,965.09

The table below provide details regarding the contractual maturities of financial liabilities as at March 31, 2025

Rs. in Lakhs

Particulars	Upto 1 year	1-3 year	3-5 year	Over 5 years	Total
Borrowings	18,582.53	31,231.70	15,875.62	6,749.36	72,439.22
Debt securities	0.00	-	-	-	0.00
Trade Payables	245.17	7.05	-	-	252.22
Other financial liabilities	5,048.66	129.28	81.93	16.77	5,276.63
Total	23,876.35	31,368.03	15,957.55	6,766.13	77,968.07

41.2 Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk encompasses both, the direct risk of default and the risk of deterioration of credit worthiness.

The maximum exposure to the credit risk is as follows:

Rs. in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Other Receivables	84.08	240.04
Loans	1,09,153.48	1,03,768.64
Other Financial Assets	207.41	218.26

For the loan portfolio, an impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of credit risk. For the purposes of this analysis, the loan portfolio is categorised into groups based on days past due. Each group is then assessed for impairment using the ECL model as per the provisions of Ind AS 109 - financial instruments. The impairment assessment is also carried out in accordance with the regulations prescribed by RBI. The provision for impairment is considered at higher of the amount worked out as per Ind AS 109 and as per RBI Regulations.

41.3 The Company's current credit risk grading framework comprises the following categories:

Category	Basis for recognising expected credit losses
Stage 1	Outstanding between 0 to 30 days
Stage 2	Outstanding between 31 to 90 days
Stage 3	Outstanding for more than 90 days read with RBI circular (RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22) dated November 12,2021

The table below shows the credit quality and the exposure to credit risk based on the year-end stage classification. The amounts presented are gross impairment allowances

Rs. in Lakhs

Category	Assets categor	As at March 31, 2026		
		Gross carrying amount	Expected credit loss	Net carrying amount
Stage 1 – High quality assets	Loan	1,05,709	250	1,05,460
Stage 2 – Assets for which there is significant increase in credit risk	Loan	3,093	764	2,328
Stage 3 - Credit impaired assets	Loan	2,214	754	1,460
		1,11,016	1,768	1,09,248
Less:Others provision				
Provision for restructuring cases				(42.83)
Provision for commitment				(51.43)
				(94.26)
Total				1,09,153.48

Rs. in Lakhs

Category	Assets categor	As at March 31, 2025		
		Gross carrying amount	Expected credit loss	Net carrying amount
Stage 1 – High quality assets	Loan	1,01,669	241	1,01,428
Stage 2 – Assets for which there is significant increase in credit risk	Loan	1,875	415	1,460
Stage 3 - Credit impaired assets	Loan	1,462	490	973
		1,05,006	1,146	1,03,860
Less:Others provision				
Provision for restructuring cases				(50.46)
Provision for loan - Doubtful Assets				-
Provision for commitment				(41.25)
				(91.71)
Total				1,03,768.64

41.4 Reconciliation of gross carrying amount of loan portfolio

Rs. in Lakhs

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at April 1, 2024	77667.14	1,367.28	707.10	79,741.52
New asset originated	46599.13	0.57	-	46,599.70
Assets derecognized or repaid	(20,618.03)	(318.84)	(398.30)	(21,335.17)
Transfers from Stage 1	(2,336.12)	1,370.45	965.67	(0.00)
Transfers from Stage 2	322.72	(544.85)	222.13	(0.00)
Transfers from Stage 3	34.15	-	(34.15)	-
Gross carrying amount balance as at March 31, 2025	1,01,669.00	1,874.61	1,462.45	1,05,006.05
New asset originated	23,420.83	-	-	23,420.83
Assets derecognized or repaid	(16,594.14)	(321.45)	(495.30)	(17,410.90)
Transfers from Stage 1	(3,616.36)	2,417.70	1,198.66	-
Transfers from Stage 2	583.13	(916.69)	333.55	-
Transfers from Stage 3	246.95	38.59	(285.53)	-
Gross carrying amount balance as at March 31, 2026	105709.42	3,092.76	2,213.82	1,11,015.98

Reconciliation of ECL Balance

Rs. in Lakhs

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL Allowance as at April 1, 2024	204.01	101.86	204.67	510.54
New asset originated	153.23	-	-	153.23
Assets derecognized or repaid	58.89	25.83	114.95	199.67
Due to changes in assumptions	456.56	51.45	(225.75)	282.26
Transfers from Stage 1	(631.91)	310.12	321.79	-
Transfers from Stage 2	0.55	(74.66)	74.10	-
Transfers from Stage 3	0.05	-	(0.05)	-
ECL Allowance as at March 31, 2025	241.37	414.62	489.72	1,145.70
New asset originated	72.76	-	-	72.76
Assets derecognized or repaid	(7.05)	(6.32)	(1.27)	(14.64)
Due to changes in assumptions	971.46	(166.52)	(254.19)	550.75
Transfers from Stage 1	(1,034.66)	630.56	404.10	-
Transfers from Stage 2	4.65	(116.68)	112.03	-
Transfers from Stage 3	1.18	8.77	(9.95)	-
ECL Allowance as at March 31, 2026	249.72	764.44	740.43	1,754.58

The Company is having additional floating provision of Rs.Nil (P.Y. Rs. Nil) for loan losses, provision of Rs.42.83 lakhs (P.Y. Rs. 50.46 Lakhs) for restructured loans.For Loan Commitment Rs.51.43 (P.Y. Rs. 41.25 Lakhs).Additionally Provide Provision for loan - Doubtful Assets Rs. 13.66 lakhs (P.Y. Rs. Nil)

Significant estimates and judgements related to impairment of financial assets

The impairment provisions for financial assets disclosed above are based on assumptions about the risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's historical experience, existing market conditions, as well as forward-looking estimates at the end of each reporting year.

NOTES TO THE FINANCIAL STATEMENTS for the year ended **March 31, 2026**

41.5 Interest Rate Risk

On assets and liabilities

For floating rate assets and liabilities sensitivity analysis is prepared assuming the amount outstanding at the end of the reporting period was outstanding for the whole year.

The following table demonstrate the sensitivity to a reasonably possible change in interest rate on that portion of loans and borrowings affected. With all other variable held constant, the Company's profit before tax is affected through the impact on floating rate financial assets and liabilities, as follows:

Sensitivity analysis as at 31 March 2026

Rs. in Lakhs

Particulars	Principal Outstanding	Impact in Profit & Loss Account	
		1% interest increase	1% interest decrease
Loans	1,09,153.48	1,091.53	(1,091.53)
Borrowings Other Than Debt Securities	84,538.10	(845.38)	845.38

Sensitivity analysis as at 31 March 2025

Rs. in Lakhs

Particulars	Principal Outstanding	Impact in Profit & Loss Account	
		1% interest increase	1% interest decrease
Loans	1,03,768.64	1,037.69	(1,037.69)
Borrowings Other Than Debt Securities	72,439.21	(724.39)	724.39

42. FAIR VALUATION

Carrying value and fair value of financial instruments by categories at March 31, 2026

Rs. in Lakhs

Particulars	FVTPL	FVPCI	Amortised Cost	Total Carrying Value	Fair Value
Financial Assets					
Cash & cash equivalents	-	-	3,292.90	3,292.90	3,292.90
Bank balance other than above	-	-	6,622.58	6,622.58	6,622.58
Other Receivable	-	-	84.08	84.08	84.08
Loans	-	-	1,09,153.48	1,09,153.48	1,09,153.48
Investments	-	-	-	-	-
Other Financial Assets	-	-	207.41	207.41	207.41
Total Financial Assets	-	-	1,19,360.45	1,19,360.45	1,19,360.45
Financial liabilities					
Trade Payables	-	-	91.95	91.95	91.95
Other Payables	-	-	-	-	-
Debt Securities	-	-	-	-	-
Borrowings	-	-	84,538.10	84,538.10	84,538.10
Other financial liabilities	-	-	1,335.13	1,335.13	1,335.13
Total financial liabilities	-	-	85,965.18	85,965.18	85,965.18

Carrying value and fair value of financial instruments by categories at March 31, 2025

Rs. in Lakhs

Particulars	FVTPL	FVPCI	Amortised Cost	Total Carrying Value	Fair Value
Financial Assets					
Cash & cash equivalents	-	-	475.67	475.67	475.67
Bank balance other than above	-	-	5,854.30	5,854.30	5,854.30
Other Receivable	-	-	240.04	240.04	240.04
Loans	-	-	1,03,768.64	1,03,768.64	1,03,768.64
Investments	-	-	-	-	-
Other Financial Assets	-	-	218.26	218.26	218.26
Total Financial Assets	-	-	1,10,556.91	1,10,556.91	1,10,556.91
Financial liabilities					
Trade Payables	-	-	252.22	252.22	252.22
Other Payables	-	-	-	-	-
Debt Securities	-	-	-	-	-
Borrowings	-	-	72,439.21	72,439.21	72,439.21
Other financial liabilities	-	-	5,276.64	5,276.64	5,276.64
Total financial liabilities	-	-	77,968.06	77,968.06	77,968.06

Fair Value measurement of financial asset and liabilities

The Fair value of Loan given and funds borrowed approximate carrying value as the respective interest rates of the said instruments are at the prevailing market rate of interest.

The carrying amount of other financial assets and other financial liabilities measured at amortized cost in the financial statements are a reasonable approximation of their fair values since the company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

During financial year ended March 31, 2026 and March 31, 2025, the company has not reclassified any of the financial assets from one category to another category. Hence, fair value hierarchy is not given for the same.

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian Accounting standard.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, units of mutual funds (open ended) and traded bonds that have quoted price. Open-ended mutual funds are valued at Net Asset Value (NAV) declared by respective fund house and are classified under Level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2, this level of hierarchy includes financial assets, measured using inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

NOTES TO THE FINANCIAL STATEMENTS for the year ended **March 31, 2026**

Level 3: This level of hierarchy includes financial instruments measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

There have been no transfers amongst the levels of hierarchy during the year ended 31 March 2026 and 31 March 2025.

An analysis of financial instruments grouped into Level 1, 2 and 3 at March 31, 2026 Rs. in Lakhs

Particulars	Level 1	Level 2	Level 3	Total
Financial assets				
Investments	-	-	-	-
Total financial assets	-	-	-	-

An analysis of financial instruments grouped into Level 1, 2 and 3 at March 31, 2025 Rs. in Lakhs

Particulars	Level 1	Level 2	Level 3	Total
Financial assets				
Investments	-	-	-	-
Total financial assets	-	-	-	-

43. RELATED PARTY DISCLOSURES

Related party	Name of related parties
Holding enterprises	KIFS International LLP
Key Managerial person	
Chairman and Managing Director	Rajesh P. Khandwala
Managing Director	Vimal P. Khandwala
Whole Time Director	Kushal Jayesh Khandwala (appointed w.e.f. March 20, 2023)
Chief Executive Officer	Selvin Uthaman (appointed w.e.f. May 05, 2026)
Chief Financial Officer	Vikki Vijay Soni (appointed w.e.f. July 18, 2022)
Company Secretary	Samrudhi Satish Shetty (resigned w.e.f. from March 12, 2026)
Company Secretary	Monica Jain (appointed w.e.f. from June 15, 2026)
Enterprises over which Key Managerial person have control	KIFS Trade Capital Private Limited
	KIFS Financial Services Limited
	KIFS Finstock Limited
	KIFS Motors Private Limited
	Khandwala Commercial Private Limited
	Amoureux Enterprise Private Limited
	Endroit Enterprise Private Limited
	Amigreen Dealers Pvt. Ltd. (earlier known as KIFS Bullion Pvt. Ltd)
	KIFS (IFSC) Private Limited
	KIFS Enterprise (Partnership Firm)
	KIFS Commercial (Partnership Firm)
	KIFS Dealers (Partnership Firm)
	Khandwala Tradelink Co. (Partnership Firm)
	KIFS Trading LLP
	KIFS Infrastructure LLP
	KIFS Estate LLP
	KIFS Realty LLP
	Cashyu Services LLP
	24KT Jewels Private Limited
	KIFS Insurance Broking Private Limited
	KIFS Broking Private Limited
	Aananta Exim LLP
	Anantadrishti Pedestal Private Limited
	Padmaja E – Commerce Private Limited
	S K Z Developers LLP
	VPriya Dealers Private Limited
	Greensward Enterprise Private Limited
Independent / Non-executive Directors	Bhavana Desai (Non-Executive Director)
	Purvi Bhavsar (resigned w.e.f May 30, 2024) (Independent Director)
	Kartik Mehta (resigned w.e.f May 30, 2024) (Independent Director)
	Satish Mehta (resigned w.e.f November 27, 2024) (Independent Director)
	Vikas Kumar (appointed w.e.f June 07, 2024) (Independent Director)
	Kumar Sharadindu (appointed w.e.f. May 30, 2025)

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2026

Particulars of transactions with related parties. The transactions are disclosed in aggregate value.

Rs. in Lakhs

Transactions	Name of related party	Holding enterprises	Enterprises over which KMP have control	KMP/ relatives of KMP	Independent / Non-Executive Directors
Subscription/purchase of equity shares					
Total					
Loan Taken	KIFS Finstock Limited		10,500.00		
			(5,000.00)		
Total Loan Taken			10,500.00		
			(5,000.00)		
Repayment paid on loan Taken	KIFS Finstock Limited		5,500.00		
			(5,000.00)		
Total Repayment made on loan Taken			5,500.00		
			(5,000.00)		
Outstanding Loan as on 31st March 2026			5,000.00		
Outstanding Loan as on 31st March 2025					
Interest Expenses	KIFS Finstock Limited		105.21		
			(39.33)		
Repayment of Interest Exp (Net of TDS)			36.50		
			(39.33)		
Outstanding Payment of Interest ason 31st March 2026			68.71		
Rent	KIFS International LLP		5.25		
			(5.25)		
	KIFS Realty LLP		9.94		
			(9.94)		
	KIFS TRADE CAPITAL Pvt. Ltd.		19.20		
			(19.20)		
Managerial Remuneration	Samrudhi Satish Shetty			13.69	
				(11.26)	
	Vikki Vijay Soni			91.86	
				(79.80)	
Re-imbursement of Expenses	Vikki Vijay Soni			9.70	
				(8.18)	
	Samrudhi Satish Shetty			0.48	
				(0.51)	
Sitting Fees	Bhavna Desai				1.00
					(0.60)
	Purvi Bhavsar				-
					-
	Kartik Mehta				-
					(0.10)

NOTES TO THE FINANCIAL STATEMENTS for the year ended **March 31, 2026**

	Satish Mehta				-
					(1.60)
	Vikas Kumar				7.50
					(1.70)
	Kumar Shardindu				3.50
					-
Director Remuneration	Satish Mehta				-
					(2.46)
	Vikas Kumar				-
					(1.90)
Total Expenses			139.59	115.73	12.00
			(73.72)	(99.75)	(8.36)

Note – Previous year figures are given in bracket.

Note – The company has not granted any loans to promoters, directors, KMP's & related parties during the financial year 2025-2026 & 2024-2025.

For Continuing employees, expenses towards gratuity and leave encashment provisions are determined actuarially on overall Company basis as at the end of each year and accordingly, have not been considered in the above information.

Balances outstanding at the end of the year

Rs. in Lakhs

Sr. no.	Particulars	As at March 31, 2026	As at March 31, 2025
1	Equity share capital		
	- KIFS International LLP	24,948.58	24,948.58

Disclosure required as per RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 Dated - 28 November 2025Implementation of Indian Accounting Standards as at March 31, 2026.

Note 43.1 Related Party Discloser as per RBI Norms

Rs. in Lakhs

Items	Holding Company / (as per ownership or control)		Subsidiaries		Associates / Joint ventures		Key Management Personnel ¹ @		Relatives of Key Management Personnel ² @		Other Related Parties		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Borrowings#	-	-	-	-	-	-	-	-	-	-	-	-	-	-
a) Kifs Finstock Limited.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Taken	-	-	-	-	-	-	-	-	-	-	10,500.00	5,000.00	10,500.00	5,000.00
Loan Repaid	-	-	-	-	-	-	-	-	-	-	5,500.00	5,000.00	5,500.00	5,000.00
Borrowings:-Outstanding Balance as on 31st March 2026	-	-	-	-	-	-	-	-	-	-	5,000.00	-	5,000.00	-
Deposits#	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Placement of deposits#	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances#	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments#	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
a) Kifs Finstock Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Expenses Incurred	-	-	-	-	-	-	-	-	-	-	105.21	39.33	105.21	39.33
Less: Interest Paid (Net of TDS)	-	-	-	-	-	-	-	-	-	-	36.50	39.33	36.50	39.33
Outstanding Balance as on 31st March 2026	-	-	-	-	-	-	-	-	-	-	68.71	-	68.71	-
Interest received	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
a) Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	-
KIFS International LLP	-	-	-	-	-	-	-	-	-	-	5.25	5.25	5.25	5.25
KIFS REALTY LLP	-	-	-	-	-	-	-	-	-	-	9.94	9.94	9.94	9.94
KIFS Trade Capital Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-	19.20	19.20	19.20	19.20
b) Managerial Remuneration	-	-	-	-	-	-	-	-	-	-	34.39	34.39	34.39	34.39
Samrudhi Satish Shetty	-	-	-	-	-	-	13.69	11.26	-	-	-	-	-	-
Vikki Vijay soni	-	-	-	-	-	-	91.86	79.80	-	-	-	-	13.69	11.26
	-	-	-	-	-	-	105.55	91.06	-	-	-	-	105.55	91.06

Items	Holding Company / (as per ownership or control)		Subsidiaries		Associates / Joint ventures		Key Management Personnel ¹ @		Relatives of Key Management Personnel ¹ @		Other Related Parties		Total
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	
c) Re-imbursement of Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Samrudhi Satish Shetty	-	-	-	-	-	-	0.48	0.51	-	-	-	0.48	0.51
Vikki Vijay soni	-	-	-	-	-	-	9.70	8.18	-	-	-	9.70	8.18
	-	-	-	-	-	-	10.18	8.69	-	-	-	10.18	8.69
d) Sitting Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Bhavna Desai	-	-	-	-	-	-	1.00	0.60	-	-	-	1.00	0.60
Kartik Mehta	-	-	-	-	-	-	-	0.10	-	-	-	-	0.10
Satish Mehta	-	-	-	-	-	-	-	1.60	-	-	-	-	1.60
Vikas Kumar	-	-	-	-	-	-	7.50	1.70	-	-	-	7.50	1.70
Kumar Shardinidu	-	-	-	-	-	-	3.50	-	-	-	-	3.50	-
	-	-	-	-	-	-	12.00	4.00	-	-	-	12.00	4.00
e) Director Remuneration	-	-	-	-	-	-	-	-	-	-	-	-	-
Satish Mehta	-	-	-	-	-	-	-	2.46	-	-	-	-	2.46
Vikas Kumar	-	-	-	-	-	-	-	1.90	-	-	-	-	1.90
Purchase of fixed/other assets	-	-	-	-	-	-	-	4.36	-	-	-	-	4.36
	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	127.73	108.11	-	-	139.60	73.72	267.33
													181.83

44. EMPLOYEE BENEFITS

(i) Defined Benefit Plan

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below :-

Asset Volatility:

The plan liabilities are calculated using a discount rate set with references to government bond yields; this may carry volatility and associated risk.

Inflation Risk

The present value of some of the defined benefit plan obligations are calculated with reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. The post retirement medical benefit obligation is sensitive to medical inflation and accordingly, an increase in medical inflation rate would increase the plan's liability.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2026

Life Expectancy

The present value of defined benefit plan obligation is calculated by reference to the best estimate of the mortality of plan participants, both during and after the employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Gratuity benefit liabilities of the company are unfunded.

The following tables set out the status of the gratuity plan as required under Ind AS 19.

Rs. in Lakhs

	Particulars	Year ended March 31, 2026 (Unfunded)	Year ended March 31, 2025 (Unfunded)
i)	Employee benefit expense recognized in Statement of Profit & Loss:		
	Current service cost	61.43	45.32
	Past Service Cost	20.81	-
	Net Interest cost	5.43	4.26
	Net benefit expense	87.67	49.58
ii)	Employee benefit expense recognized in Other comprehensive income (OCI):		
	Actuarial (gain)/losses on obligation for the period	(15.30)	(17.10)
	Actual Returns on Plan Assets excluding Interest Income	-	-
	Net expense recognized in OCI for the period	(15.30)	(17.10)

Rs. in Lakhs

	Particulars	Year ended March 31, 2026 (Unfunded)	Year ended March 31, 2025 (Unfunded)
iii)	Changes in the present value of the defined benefit obligation are as follows:		
	Opening defined benefit obligation	81.71	59.87
	Interest cost	5.43	4.26
	Current service cost	61.43	45.32
	Past Service Cost	20.81	-
	Actuarial (gains) / losses	(15.30)	(17.10)
	Benefit paid by company	(2.65)	(10.64)
	Closing defined benefit obligation	151.43	81.71
	Amount recognised in balance sheet	-	-
	Defined benefit obligation	151.43	81.71
	Fair Value of plan assets	-	-
	(Asset)/liability	151.43	81.71

The principal assumptions used in determining gratuity obligation for the company's plans are shown below :

Rs. in Lakhs

Particulars	Year ended March 31, 2026 (Unfunded)	Year ended March 31, 2025 (Unfunded)
Discount rate per annum	7.05% p.a	6.70% p.a
Rate of Salary increment	10.00% p.a	10.00% p.a
Withdrawal Rates	i) Age 25 & Below : 25% p.a. ii) Age 25 to 35 : 25% p.a. iii) Age 35 to 45 : 10% p.a. iv) Age 45 to 55 : 5% p.a. v) Age 55 & above : 5% p.a.	i) Age 25 & Below : 25% p.a. ii) Age 25 to 35 : 25% p.a. iii) Age 35 to 45 : 10% p.a. iv) Age 45 to 55 : 5% p.a. v) Age 55 & above : 5% p.a.
Mortality Rate	Indian Assured Lives Mortality (2012-14) Table	Indian Assured Lives Mortality (2012-14) Table

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2026

vii) Projection Risks:

Interest Risk - A decrease in the bond interest rate will increase the plan liability.

Longevity Risk - The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk - The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

viii) Maturity Profile of Defined Benefit Obligations

Rs. in Lakhs

Particulars	Year ended March 31, 2026 (Unfunded)	Year ended March 31, 2025 (Unfunded)
Maturity benefits payable in future years from the date of reporting		
1st Following year	3.02	1.22
2nd Following year	6.88	1.79
3rd Following year	9.27	3.82
4th Following year	11.94	5.34
5th Following year	15.63	7.28
Sum of years 6 to 10	76.78	40.77
After 10 years	27.92	21.49
Total	151.43	81.71

ix) Quantitative sensitivity analysis for significant assumption

Rs. in Lakhs

Particulars	March 31, 2026 (12 Months)	March 31, 2025 (12 Months)
Discount Rate Sensitivity		
Increased by 0.5%	144.19	77.37
(%change)	-4.73%	-5.31%
Decrease by 0.5%	159.25	86.41
(%change)	5.16%	5.75%
Salary Growth Rate Sensitivity		
Increased by 0.5%	156.27	85.12
(%change)	3.19%	4.17%
Decrease by 0.5%	146.38	78.43
(%change)	-3.34%	-4.02%
Withdrawal Rate (W.R.) Sensitivity		
W.R x 110%	147.39	78.30
(%change)	-2.67%	-4.18%
W.R x 90%	155.61	85.37
(%change)	2.76%	4.47%

x) Compensated absence

Cost for compensated absence is included in the line item 'Employee benefits' in the statement of profit and loss. Details for compensated absence are as given below.

Rs. in Lakhs

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Cost	200.23	131.11
Discount rate used	7.05% p.a	6.70% p.a
Salary escalation rate used	10.00% p.a	10.00% p.a

NOTES TO THE FINANCIAL STATEMENTS for the year ended **March 31, 2026**

Details of the company's contribution to defined contribution plan is given below :

Rs. in Lakhs

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Provident Fund	207.90	201.56
Employees State Insurance Scheme	8.27	11.10

45. EVENTS AFTER REPORTING DATE

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

Disclosure in line with RBI's circular RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 dated November 28, 2025 for the year ended March 31, 2026

46. CAPITAL TO RISK ASSETS RATIO (CRAR) (COMPUTED AS PER METHOD PRESCRIBED BY RBI)

Rs. in Lakhs

Sr. No.	Particulars	As at March 31, 2026	As at March 31, 2025
(i)	CRAR (%) [(ii) + (iii)]	53.42%	54.33%
(ii)	CRAR- Tier I Capital (%)	53.03%	53.93%
(iii)	CRAR- Tier II Capital (%)	0.39%	0.39%
(iv)	Amount of subordinated debt considered as Tier-II capital (In ₹)	Nil	Nil
(v)	Amount raised by issue of Perpetual Debt Instruments	Nil	Nil

47. PRINCIPAL BUSINESS CRITERIA

Rs. in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Percentage (%) of housing loans to total assets less intangible assets	66.98%	68.93%
Percentage (%) of housing loans to individuals to total assets less intangible assets	66.98%	68.93%

48. GROUP STRUCTURE



49. STATUTORY RESERVE

The Company creates a reserve fund as required by section 29C of National Housing Bank Act, 1987, wherein a sum equal to twenty percent of its profits derived from eligible business (business of providing long term finance for the construction or purchase of houses in India for residential purposes) every year, and before any dividend is declared, is transferred. The Special Reserve qualifies for deduction as specified u/s 36 (1) (viii) of the Income Tax Act, 1961 and accordingly, the Company has been availing tax benefits for such transfers.

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance		
- Statutory Reserve u/s 29C of National Housing Bank, Act 1987	2,066.26	1,867.83
- Amount of Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under section 29C of the NHB Act, 1987	379.66	354.58
Total	2,445.92	2,222.41
Addition/withdrawal during the year		
Add:		
- Amount transferred u/s 29C of the NHB Act, 1987	198.44	198.44
- Amount of Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under section 29C of the NHB Act, 1987	24.34	25.07
Less:		
- Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
- Amount withdrawn from the special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	-	-
Closing balance	2,668.69	2,445.92
- Statutory Reserve u/s 29C of National Housing Bank, Act 1987	2,264.70	2,066.26
- Amount of Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under section 29C of the NHB Act, 1987	404.00	379.66
Total	2,668.69	2,445.92

There has been no draw down from reserves during the year ended March 31, 2026 and during the year ended March 31, 2025.

50. The Company has borrowings from banks and financial institutions on the basis of security of current assets and the quarterly returns filed by the Company with the banks and financial institutions are in accordance with the books of accounts of the Company for the respective quarters.

51. INVESTMENTS

Particulars	As at March 31, 2026	As at March 31, 2025
a) Value of Investment		
i) Gross value of Investments		
a) In India	-	-
b) Outside India	-	-
ii) Provision for depreciation		
a) In India	-	-
b) Outside India	-	-
iii) Net value of investments		
a) In India	-	-
b) Outside India	-	-
b) Movements of provisions held towards depreciation in investments		
i) Opening balance		
ii) Add: Provisions made during the year	-	-
iii) Less: Write off/write back of excess provisions during the year	-	-
iv) Closing balance	-	-

52. PROVISIONS AND CONTINGENCIES

Rs. in Lakhs

Particulars (break-up of provisions and contingencies shown under the head 'Expenses' in profit and loss)	Year ended March 31, 2026	Year ended March 31, 2025
Provisions made towards income tax	322.32	335.66
Provisions towards NPAs	250.72	285.05
Provisions for standard assets	358.16	350.11
Additional floating provision on loan assets	-	(501.60)
Provision for restructured cases	(7.64)	(13.36)
Provision for commitments	10.18	20.66
Provision for loan - Doubtful Assets	13.66	-
Other provisions and contingencies		
- Gratuity	69.73	21.85
- Compensated absences	115.37	54.55
- Doubtful Rental Deposit	12.45	-
- Doubtful Insurance Receivable	211.00	-
- Provision for expenses	(279.67)	137.93

53. CONCENTRATION OF NPAS

Rs. in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2026
Total exposure to top ten NPA accounts	263.05	251.96

54. SECTOR WISE NPAS PROVISIONS AND CONTINGENCIES

Rs. in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
A. Housing Loan		
(I) Individual (out of total advances in that sector)	598.70	399.25
Individual (in %) (out of total advances in that sector)	0.74%	0.52%
B. Non-Housing Loan		
(I) Individual (out of total advances in that sector)	141.73	90.46
Individual (in %) (out of total advances in that sector)	0.47%	0.32%

55. MOVEMENT OF NPAS

Rs. in Lakhs

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
(i) Net NPAs to net advances (%)	1.33%	0.93%
(ii) Movement of gross NPAs		
a) Opening balance	1,462.45	707.10
b) Addition during the year	1,535.73	1,187.80
c) Reduction during the year	784.35	432.45
d) Closing balance	2,213.83	1,462.45
(iii) Movement of net NPAs		
a) Opening balance	972.50	502.43
b) Addition during the year	1,018.39	786.61
c) Reduction during the year	517.74	298.54
d) Closing balance	1,473.16	972.50
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	489.71	204.67
b) Addition during the year	517.33	419.13
c) Reduction during the year	266.62	134.09
d) Closing balance	740.43	489.71

56. CUSTOMER COMPLAINTS

DISCLOSURE OF COMPLAINTS

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

Sr. No	Particulars	As at March 31, 2026	As at March 31, 2025
	Complaints received by the NBFC from its customers		
1	Number of complaints pending at beginning of the year	00	02
2	Number of complaints received during the year	39	69
3	Number of complaints disposed during the year	39	71
3.1	Of which, number of complaints rejected by the NBFC	00	00
4	Number of complaints pending at the end of the year Maintainable complaints received by the NBFC from Office of Ombudsman	00	00
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman	00	00
5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	00	00
5.2	Of 5, number of complaints resolved through conciliation/mediation/ advisories issued by Office of Ombudsman	00	00
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	00	00
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	00	00

*Ombudsman scheme is not applicable to the company for the year ended March 31, 2026.

2. Top five grounds of complaints received by the NBFCs from customer.

Grounds of complaints	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 year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Current Year					
Foreclosure Letter Related	-	12	Decreased by 37 %	-	-
Rate of Interest Related	-	5	Increased by 67 %	-	-
Loan Foreclosure Charges Related	-	5	-	-	-
Insurance Refund Related	-	4	-	-	-
Wrong boundaries in sale deed	-	2	-	-	-
Total		28	Reduced by 46.15%	-	-
Previous Year					
Foreclosure Letter Related	1	23	-	-	-
PMAY Related	-	14	-	-	4
EMI Related	-	10	-	-	-
Refund Related	1	6	-	-	1
Documents Retrieval	-	3	-	-	-
Others	-	-	-	-	-
Total	2	52	-	-	5

57. CONCENTRATION OF PUBLIC DEPOSITS

The company is a non-deposit taking housing finance company. Hence, this disclosure is not applicable.

58. CONCENTRATION OF LOANS AND ADVANCES

Rs. in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Total loans of twenty largest borrowers	1,095.36	1,113.26
Percentage of exposure to twenty largest borrowers/customers to total exposure of the HFC on borrowers/customers	0.99%	1.06%

59. CONCENTRATION OF ALL EXPOSURES (INCLUDING OFF BALANCE SHEET EXPOSURE)

Rs. in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Total loans of twenty largest borrowers	1,124.66	1,144.68
Percentage of exposure to twenty largest borrowers/customers to total exposure of the HFC on borrowers/customers	0.97%	1.02%

60. RATING ASSIGNED BY RATING AGENCIES DURING THE YEAR

Rs. in Lakhs

Instruments	F.Y. 2025-26	F.Y. 2024-25
Long term bank facilities		
-Acuite	A- Stable outlook	A- Stable outlook
Non-convertible debentures		
-Acuite	NA	NA
-Brickworks	NA	NA

61. BREAK-UP OF LOANS AND ADVANCES AND PROVISIONS THEREON

Rs. in Lakhs

Particulars	Housing Loan	Non-Housing Loan
As at March 31, 2026		
Standard assets		
Principal outstanding	79,275.07	29,393.52
EMI/PEMI-interest/fee debtors	-	133.56
Provisions	756.24	257.90
Sub-standard assets		
Principal outstanding	1,137.73	450.51
Provisions	432.91	100.84
Doubtful assets – Category I		
Principal outstanding	360.44	119.12
Provisions	137.15	26.76
Doubtful assets – Category II		
Principal outstanding	57.83	70.16
Provisions	22.00	13.90
Doubtful assets – Category III		
Principal outstanding	17.45	0.59
Provisions	6.64	0.22
Total		
Principal outstanding	80,848.53	30,033.90
EMI/PEMI-interest/fee debtors	-	133.56
Provisions	1,354.95	399.63

Provision of Rs.42.83 lakhs (P.Y. Rs. 50.46 Lakhs) for restructured loans.For Loan Commitment Rs.51.43 (P.Y. Rs. 41.25 Lakhs).Additionally Provide Provision for loan - Doubtful Assets Rs. 13.66 lakhs (P.Y. Rs. Nil)

Particulars	Housing Loan	Non-Housing Loan
As at March 31, 2025		
Standard assets		
Principal outstanding	75,799.91	27,646.09
EMI/PEMI-interest/fee debtors	-	97.60
Provisions	545.09	154.09
Sub-standard assets		
Principal outstanding	873.42	314.39
Provisions	334.78	70.82
Doubtful assets – Category I		
Principal outstanding	89.76	76.83
Provisions	34.15	15.96
Doubtful assets – Category II		
Principal outstanding	86.10	21.95
Provisions	34.59	6.68
Total		
Principal outstanding	76,849.19	28,059.26
EMI/PEMI-interest/fee debtors	-	97.60
Provisions	948.61	247.55

Provision of Rs.50.46 lakhs (P.Y. Rs. 63.83 Lakhs) for restructured loans.For Loan Commitment Rs.41.25 (P.Y. Rs. 41.25 Lakhs)

61.1 Divergence in Asset Classification and Provisioning :

There has been no divergence in asset classification and provisioning requirements as assessed by NHB during the year ended 31 March 2026 and 31 March 2025.

62. Disclosure required as per Circular DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 - Implementation of Indian Accounting Standards as at March 31, 2026.

Rs. in Lakhs

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5 = 3 - 4	6	7 = 4 - 6
Performing assets				0		0
Standard	Stage 1	1,05,709.39	249.72	1,05,459.68	301.59	(51.88)
	Stage 2	3,092.77	764.43	2,328.34	8.99	755.44
Subtotal		1,08,802.16	1,014.14	1,07,788.02	310.58	703.56
Non-performing assets (NPA)						
Substandard	Stage 3	1,588.24	533.75	1,054.49	161.75	372.00
Doubtful - up to 1 year	Stage 3	479.56	163.91	315.65	97.46	66.45
1 to 3 years	Stage 3	127.98	38.40	89.58	38.98	(0.58)
More than 3 year	Stage 3	18.04	18.04	0.00	18.10	(9.06)
Subtotal for doubtful		625.58	220.35	405.23	154.54	65.81
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		2,213.82	754.10	1,459.73	316.29	437.81
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	10,761.05	15.62	10,745.43	-	15.62
	Stage 2	111.98	17.01	94.97	-	17.01
	Stage 3	91.50	18.80	72.69	-	18.80
Subtotal		10,964.53	51.43	10,913.10	-	51.43
	Stage 1	1,16,470.45	265.34	1,16,205.11	301.59	(36.26)
Total	Stage 2	3,204.75	781.43	2,423.31	8.99	772.44
	Stage 3	2,305.32	772.90	1,532.42	316.29	456.61
	Total	1,21,980.51	1,819.67	1,20,160.84	626.87	1,192.80

Provision of Rs.42.83 lakhs (P.Y. Rs. 50.46 Lakhs) for restructured loans.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2026

Disclosure required as per Circular DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 - Implementation of Indian Accounting Standards as at March 31, 2025.

Rs. in Lakhs

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5 = 3 - 4	6	7 = 4 - 6
Performing assets				0		0
Standard	Stage 1	1,01,668.97	241.37	1,01,427.60	291.01	(49.64)
	Stage 2	1,874.62	414.61	1,460.01	5.25	409.36
Subtotal		1,03,543.59	655.98	1,02,887.61	296.26	359.72
Non-performing assets (NPA)						
Substandard	Stage 3	1,187.80	402.22	785.58	181.43	220.79
Doubtful - up to 1 year	Stage 3	166.60	50.12	116.48	42.41	7.70
1 to 3 years	Stage 3	108.05	37.38	70.68	44.01	(6.64)
More than 3 year	Stage 3	-	-	-	-	-
Subtotal for doubtful		274.65	87.49	187.16	86.42	1.07
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		1,462.45	489.71	972.74	267.85	221.86
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	11,596.78	17.57	11,579.22	-	17.57
	Stage 2	60.85	8.52	52.33	-	8.52
	Stage 3	70.93	15.16	55.78	-	15.16
Subtotal		11,728.57	41.25	11,687.32	-	41.25
	Stage 1	1,13,265.76	258.94	1,13,006.82	291.01	(32.07)
Total	Stage 2	1,935.47	423.13	1,512.34	5.25	417.88
	Stage 3	1,533.39	504.87	1,028.52	267.85	237.02
	Total	1,16,734.61	1,186.94	1,15,547.67	564.11	622.83

The Company is having additional floating provision of Rs.Nil (P.Y. Rs. Nil) for loan losses, provision of Rs.42.83 lakhs (P.Y. Rs. 50.46 Lakhs) for restructured loans.

In accordance with ECL framework under Ind AS 109 implemented by the company, it is carrying an allowance for Expected Credit Loss ("ECL") of Rs. 1237.41 lakhs as on 31.03.2025, in respect of loans given including provision for loan commitment and restructuring cases, after adjusting Rs. 501.60 lakhs of additional floating provision.

63. Disclosures pursuant to Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2025 dated November 28, 2025:

- (a) The Company has not transferred any loans not in default through assignment during the year ended March 31, 2026
- (b) The Company has not transferred or acquired, any stressed/default loans during the year ended March 31, 2026.
- (c) Details of transfer through Co-lending in respect of loans not in default during the year ended March 31, 2026.

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Entity	NBFC (Housing Finance Company)	NBFC (Housing Finance Company)
Count of Loan Accounts Assigned	76	28
Amount of Loan Accounts Assigned (in Lakhs)	1,479.99	499.15
Weighted average maturity (in Months)	202	195
Weighted average holding period (in Months)	1	1
Retention of beneficial economic interest (MRR)	20%	20%
Coverage of tangible security coverage	100%	100%
Rating-wise distribution of rated loans	Unrated	Unrated

The Company also undertakes lending under co-lending model with NBFC, whereby loans are co-originated by both the entities in agreed ratio (Company:NBFC).The said arrangement is carried by a way of a Co Lending agreement and all flow of funds is monitored by way of an escrow arrangement.

- (d) Details of transfer through Direct Assignment In respect of loans not in default during the year ended March 31, 2026.

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Entity	NBFC (Housing Finance Company)	NBFC (Housing Finance Company)
Count of Loan Accounts Assigned	50	NA
Amount of Loan Accounts Assigned (in Lakhs)	521.93	NA
Weighted average maturity (in Months)	190	NA
Weighted average holding period (in Months)	48	NA
Retention of beneficial economic interest (MRR)	10%	NA
Coverage of tangible security coverage	100%	NA
Rating-wise distribution of rated loans	Unrated	NA

The Company, during the current year, has assigned a pool of certain loans amounting to ₹561.94 lakh (PY: Nil) by way of direct assignment transactions. These loan assets have been de-recognised from the loan portfolio of the Company as the sale of loan assets is an absolute assignment and transfer on a 'no recourse' basis, while retaining a 10% share as Minimum Retention Requirement (MRR).The Company continues to act as a servicer for the assignment transactions on behalf of the assignee. In terms of the assignment transactions, the Company pays to the assignee, on a monthly basis, the pro-rata collection amount as per the agreed terms.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2026

64. There are no unsecured advances against intangible securities such as rights, licenses, and authorisations as collateral security during the financial year ended March 31, 2026 and March 31, 2025.

65. The Company does not have any prior period items / change in accounting policies during the current year other than disclosed in financials.

66. Maturity Pattern of Certain items of assets and liabilities.

Rs. in Lakhs

	As at March 31, 2026			
	Loans	Bank borrowings#	Market borrowings	Investments
1-7 days	92.58	364.89	-	-
8-14 days	1,759.06	63.10	-	-
15-1 month	351.19	3,177.20	-	-
1-2 months	1,311.13	1,792.06	-	-
2-3 months	1,319.53	6,627.21	-	-
3-6 months	4,009.94	10,410.04	-	-
6-1 year	8,747.48	10,572.54	-	-
1-3 years	17,867.83	32,901.84	-	-
3-5 years	24,422.74	13,440.26	-	-
5 years	49,272.00	5,188.96	-	-
Total	1,09,153.49	84,538.10	-	-

Excluding loans repayable on demand from banks.

Rs. in Lakhs

	As at March 31, 2025			
	Loans	Bank borrowings#	Market borrowings	Investments
1-7 days	307.02	254.64	-	-
8-14 days	1,228.08	63.10	-	-
15-1 month	334.25	1,319.99	-	-
1-2 months	1,149.81	1,331.23	-	-
2-3 months	1,156.71	1,039.77	-	-
3-6 months	3,512.41	4,949.42	-	-
6-1 year	8,066.05	9,624.39	-	-
1-3 years	16,898.17	31,231.70	-	-
3-5 years	22,949.19	15,875.62	-	-
5 years	48,166.95	6,749.36	-	-
Total	1,03,768.64	72,439.22	-	-

Excluding loans repayable on demand from banks.

1. The Company does not have foreign currency liabilities, deposits and foreign currency assets as at March 31, 2026 and March 31, 2025.
2. Classification of assets and liabilities under different maturity buckets is based on the same estimates and assumptions as used by the Company for compiling the return submitted to NHB.

67. Exposure

i) Exposure to real estate sector		Rs. in Lakhs
Particulars	F.Y. 2025-2026	F.Y. 2024-2025
Category		
a) Direct exposure		
i) Residential mortgage: Lending fully secured by mortgage on residential property that is or will be occupied by the borrower or that is rented;		
Housing loan up to Rs. 15 Lakhs	62,919.14	61,495.57
Housing loan more than Rs. 15 Lakhs	17,929.39	15,353.61
ii) Commercial real estate: Lending secured by mortgages on commercial real estates (Office, building, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted premises, industrial or ware house space, hotels, land acquisitions, development and construction, etc.). Exposure would also include non-fund based (NBF) limits.	-	-
iii) Investment in mortgage backed securities (MBS) and other securitized exposures:		
a) Residential	-	-
b) Commercial real estate	-	-
b) Indirect exposure Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-

ii) Exposure to capital market		Rs. in Lakhs
Particulars	F.Y. 2025-2026	F.Y. 2024-2025
i) Direct investment inequityshares, convertiblebonds, convertibledebenturesandunitsof equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt	-	-
ii) Advances against shares /bonds /debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds	-	-
iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
iv)Advances for any other purposes to thee xtent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances	-	-

Particulars	F.Y. 2025-2026	F.Y. 2024-2025
v) Secured and unsecured advances to stock brokers and guarantees issued on be half of stock brokers and market makers	-	-
vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
vii) Bridge loans to companies against expected equity flows/issues	-	-
viii) Under writing commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
ix) Financing to stockbrokers for margin trading	-	-
x) All exposures to Alternative investment funds:	-	-
i) Category I	-	-
ii) Category II	-	-
iii) Category III	-	-
Total exposure to capital market	-	-

iii) Sectoral exposure

Particular	March 31, 2026			March 31, 2025		
	Total exposure	Gross NPAs	Percentage of gross NPAs to total exposure in that sector	Total exposure	Gross NPAs	Percentage of gross NPAs to total exposure in that sector
1. Agriculture and allied activities	-	-	0.00%	-	-	0.00%
2. Industry	-	-	0.00%	-	-	0.00%
3. Services	-	-	0.00%	-	-	0.00%
4. Personal loans						
4.1. Consumer durables	-	-	0.00%	-	-	0.00%
4.2. Housing (Including priority sector housing)	80,848.53	1,354.95	1.68%	76,849.19	948.61	1.23%
4.3. Advances against fixed deposits (Including FCNR (B), NRNR deposits etc.)	-	-	0.00%	-	-	0.00%
4.4. Advances to individuals against share, bonds, etc	-	-	0.00%	-	-	0.00%
4.5. Credit card outstanding	-	-	0.00%	-	-	0.00%
4.6. Education	-	-	0.00%	-	-	0.00%
4.7. Vehicle loans	-	-	0.00%	-	-	0.00%
4.8. Loans against gold jewellery	-	-	0.00%	-	-	0.00%

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2026

4.9. Other personal loans	-	-	0.00%	-	-	0.00%
4.10. Others	30,167.46	399.63	1.32%	28,156.86	247.55	0.88%
Total of personal loans (4)	1,11,015.98	1,754.58	1.58%	1,05,006.05	1,196.16	2.11%
5. Others, if any (please specify)	-	-	0.00%	-	-	0.00%
Total (1+2+3+4+5)	1,11,015.98	1,754.58	1.58%	1,05,006.05	1,196.16	2.11%

68. Exposure to group companies engaged in real estate activities

The Company does not have any exposure to group companies engaged in real estate activities.

69. Consolidated Financial Statements

The Company does not have investments in any entities. Hence, the Company is not required to prepare consolidated financial statements.

70. Schedule to the Balance Sheet of the Housing Finance Company as required under Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021

Liabilities side

Rs. in Lakhs

Sr. no.	Particulars	Total Amount Outstanding	Amount Overdue
1)	Loans and Advances availed by the non- banking financial company inclusive of interest accrued thereon but not due		
a)	Debentures :		
	- Secured	-	-
	- Unsecured	-	-
	(other than falling within the meaning of public deposits*)		
b)	Deferred Credits	-	-
c)	Term Loans	79,709.01	-
d)	Inter-corporate loans and borrowing	5068.71	-
e)	Commercial Paper	-	-
f)	Loans repayable on demand from banks	-	-
g)	Sub ordinate debt	-	-
h)	Working capital facility	-	-
i)	Book overdraft	-	-

Assets side

Rs. in Lakhs

Sr. no.	Particulars	Amount
2)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :	
	a) Secured	1,09,153.48
	b) Unsecured	84.08
3)	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	-
	b) Loans other than (a) above	-
4)	Break- up of Investments:	
	Current Investments	
I	Quoted	
i	Shares	
	a) Equity	-
	b) Preference	-
ii	Debenture and Bonds	-
iii	Units of Mutual Funds	-
iv	Government Securities	-
V	Others	-
II	Unquoted	
i	Shares	
	c) Equity	-
	d) Preference	-
ii	Debenture and Bonds	-
iii	Units of Mutual Funds	-
iv	Government Securities	-
v	Others	-
	Long Term Investments	
I	Quoted	
i	Shares	
	e) Equity	-
	f) Preference	-
ii	Debenture and Bonds	-
iii	Units of Mutual Funds	-
iv	Government Securities	-
v	Others	-
II	Unquoted	
i	Shares	
	g) Equity	-
	h) Preference	-
ii	Debenture and Bonds	-
iii	Units of Mutual Funds	-
iv	Government Securities	-
v	Others	-

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2026

Borrower group-wise classification of assets financed as in (2) and (3) above:

Rs. in Lakhs

Category	Amount of Net Provision		
	Secured	Unsecured	Total
Related Parties			
a) Subsidiaries	-	-	-
b) Companies in the same group	-	-	-
c) Other Related Parties	-	-	-
Other than related parties	1,09,153.48	84.08	1,09,237.56
Total	1,09,153.48	84.08	1,09,237.56

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

Rs. in Lakhs

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

Other Information

Rs. in Lakhs

Particulars	Amount
Gross Non- Performing Assets	
a) Related Parties	-
b) Other than related parties	2,213.82
Net Non- Performing Assets	
c) Related Parties	-
d) Other than related parties	1,459.73
Assets acquired in satisfaction of Debts	-

71. Liquidity Risk Management

(a) Liquidity Risk Management disclosures as at March 31, 2026

I) Funding concentration based on significant counterparty *(both deposits and borrowings)

Number of significant counterparties*	Amount (₹ in Lakh)	% of total deposits	% of total liabilities
21	84,538.10	NA	99.10%

*Significant counterparty is as defined in RBI Circular RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 dated November 28, 2025, on the Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies. Funding concentration based on significant counterparty has been computed using the latest beneficiary position instead of the original subscribers.

II) Top 20 Large deposits

NA

III) Top 10 Borrowings

Particulars	As at March 31, 2026
Total amount of top 10 borrowings	69,420.28
Total Borrowing	84,538.10
Percentage of amount of top 10 borrowings to total borrowings	82.12%

IV) Funding concentration based on significant instrument/product:

Name of the instrument/product	Amount (₹ in Lakh)	% of Total liabilities
NCD	-	0.00%
Refinance facilities from NHB	13,701	16.08%
Term loans from banks	55,768	65.44%
Term loans from FI	4,342	5.10%
Term loans from Other NBFC	6,404	7.52%
ICD	5,000	5.87%
Short term borrowings (CC+WC+CP)	-	0.00%

V) Stock ratios basis the outstanding

NA

72. The Company maintains its books of account using various software applications. The relevant accounting modules forming part of the books of account are equipped with an audit trail (edit log) feature. The audit trail feature remained enabled and operational throughout the financial year for all relevant transactions recorded in the books of account. Further, the audit trail records have been preserved by the Company in accordance with the applicable statutory record retention requirements.
73. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Women Director except, between period 27th November, 2024 to 29th May, 2025, there was only one Independent Director in the Company thereby violating the provisions of Section 149(4) of the Companies Act, 2013. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013.
74. The Company has not undertaken securitization of loans during the financial year ended March 31, 2026 and March 31, 2025. The company has not sponsored any SPV's during the current year and previous year, and there is no outstanding amount securitized assets as a result of any such sponsorships.
75. The Company has not disbursed any loans against security of gold.
76. The Company has no exposure in capital market in the current financial year and previous financial year.
77. The Company has no Transactions/exposures in forward rate agreement/interest rate swap in the current and previous financial year.
78. The Company has no Transactions/exposures in derivatives in the current and previous financial year.
79. The Company has reported 2 cases amounting to Rs 26.71 Lakhs (P.Y. Nil) involving 2 Loan Accounts having Total Expouser of Rs 26.71 Lakhs (PY Nil) out of which the company has recovered amount of Rs . 7.60 Lakhs in next financial year till the Financial signed Date

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2026

80. The Company has not purchased/sold non performing financial assets from other Housing Finance Companies in the Current and previous financial year.
81. The Company has not sold any financial assets to Securitization/Reconstruction company for assets reconstruction in the Current and Previous financial year.
82. The Company has not exceeded single borrower limit and group borrower limit as set by regulator during the current and previous financial year.
83. The Company is not required to be registered with any other financial regulator during the year, except the National Housing Bank.
84. There is no financing of the parent company's products during the current year and previous financial year.
85. The Company did not have overseas assets as at March 31, 2026 and March 31, 2025.

86. Penalties

Particulars	Year Ended March 31, 2026	Year Ended March 31, 2025
National Housing Bank	Nil	Nil

87. No adverse remarks were levied by National Housing Bank and Reserve Bank of India during the Current and previous year.
88. The accounting policies regarding key areas of operation are disclosed as Note 3 to the Financial Statements.
89. There has been no instances except for interest on non-performing loans in which revenue recognition is postponed pending the resolution of significant uncertainties.
90. Details of all material transactions with related parties are disclosed in note 43 of financial statements.
91. Refer to the Management Discussion and Analysis report for the management related disclosures.
92. The Company does not have any benami property in its name. 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.
93. The Company has not been declared as wilful defaulter by any bank, financial institution, government, any government authority or any other lender during the current financial year and previous financial year.
94. The Company has not undertaken any transactions with companies struck off under section 248 of Companies Act, 2013 or section 560 of the Companies Act, 1956.
95. No charges or satisfaction are pending to be registered with ROC beyond the statutory period.
96. Compliance with number of layers of companies is not applicable since the Company does not have any subsidiary.

97. Disclosure of Ratios:

S.No	Particulars	Numerator (Rs. In Lakhs)			Denominator (Rs. In Lakhs)			Ratio		Variance (%)
		Particulars	2025-26	2024-25	Particulars	2025-26	2024-25	2025-26	2024-25	
(a)	Liquidity coverage ratio	High Liquid Assets	6,132.38	3,181.02	High Liquid Liabilities	4,101.85	4,316.47	1.50	0.74	102.87%
(b)	Debt –Equity Ratio	Total Debt (Borrowing + Debentures)	84,538.10	75,708.29	Shareholder's Equity	34,409.90	33,901.81	2.46	2.23	10.01%
(c)	Total debts to total assets	Total Debt (Borrowing + Debentures)	84,538.10	75,708.29	Total Assets	1,21,008.21	1,12,337.54	0.70	0.67	3.66%
(d)	Operating margin	Profit before tax	705.22	1,255.14	Total Income	16,504.76	13,775.57	4.27%	9.11%	-53.10%
(e)	Net profit margin	Profit after tax	496.66	992.18	Total Income	16,504.76	13,775.57	3.01%	7.20%	-58.22%
(f)	Gross stage 3 loans to gross loans	Gross stage 3 loans	2,213.82	1,462.45	Gross Loans outstanding	1,11,015.98	1,05,006.05	1.99%	1.39%	43.18%
(g)	Net stage 3 loans to net loans	Gross NPA less NPA Provision	1,459.73	972.74	Sum of Stage 1,2,3 Loans Less Stage 3 Provision	1,10,275.55	1,04,516.33	1.32%	0.93%	42.23%

Reason for change in ratios by more than 25% :

(a) Liquidity Coverage Ratio (% change : 102.87%)

The company has increased the liquidity position as on March 2026 resulting in higher High Liquid Assets as compared to previous year with the increased in size of operation.

(b) Debt –Equity Ratio (% change : 10.01%)

The company has grown the Loan book from Rs 105006.05 Lakhs to Rs. 111015.98 Lakhs during FY 2026 and subsequently the required funds have been raised from Banks/ NBFC/FI resulting in increase of leverage from 2.23X to 2.46X.

(c) Total debts to total assets (% change : 3.66%)

The company has grown the Loan book from Rs 105006.05 Lakhs to Rs. 111015.98 Lakhs during FY 2026 and subsequently the required funds have been raised from Banks/ NBFC/FI resulting in increase of total debts ratio from 0.67X to 0.70X.

(d) Operating margin : (% Change: -53.10%)

The company has increased the scale of operation in the current F.Y.2025-2026. Further the company has increased its borrowing from Rs. 75708.30 Lakhs to Rs. 84,538 Lakhs resulting in incremental cost of P&L.

(e) Net profit margin: (% Change: -58.22%)

The company has increased the scale of operation in the current F.Y.2025-2026. Further the company has increased its borrowing from Rs. 75708.30 Lakhs to Rs. 84,538 Lakhs resulting in incremental cost of P&L.

(f) Gross stage 3 loans to gross loans (% change : 43.18%)

The increase in GNPA from Rs. 1462.45 Lakhs to Rs. 2213.82 Lakhs and NNPA from Rs. 972.74 Lakhs to Rs. 1473.39 Lakhs Crs during FY 2025–26 is largely on account of stress in specific borrower segments and geographies. However, the rise in NPAs is marginal when viewed in proportion to the growth in AUM, which increased significantly from approximately from Rs 105006.05 Lakhs to Rs. 111015.98 Lakhs during the same period. Recovery efforts have been strengthened through legal actions under the SARFAESI Act and intensified field-level recovery drives. The company has also initiated a structured action plan to monitor delinquent accounts and improve recovery efficiency going forward.

(g) Net stage 3 loans to net loans (% change : 43.56%)

The increase in GNPA from Rs. 1462.45 Lakhs to Rs. 2213.82 Lakhs and NNPA from Rs. 972.74 Lakhs to Rs. 1473.39 Lakhs Crs during FY 2025–26 is largely on account of stress in specific borrower segments and geographies. However, the rise in NPAs is marginal when viewed in proportion to the growth in AUM, which increased significantly from approximately from Rs 105006.05 Lakhs to Rs. 111015.98 Lakhs during the same period. Recovery efforts have been strengthened through legal actions under the SARFAESI Act and intensified field-level recovery drives. The company has also initiated a structured action plan to monitor delinquent accounts and improve recovery efficiency going forward.

98. (i) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies) 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.

(ii) The Company has not received any fund from any person(s) or entities (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 company (Ultimate Beneficiaries) or

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

99. There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.

100. The Company has not traded or invested in Crypto or Virtual Currency during the year.

101. Previous financial year figures have been reclassified/regrouped/restated to confirm to current financial year's classification.

102. No Remuneration paid to Non Executive Directors except as disclosed in the Related Party Note of the Financial Statements.

103. Revenue is recognised in Line with the Policy adopted by the company (Refer Note 3.1)

As per our report of even date

For J.H. Mehta & Co
Chartered Accountants
ICAI Firm Reg. No. 106227W

CA Naitik J. Mehta
Partner
M. No. 130010
Place : Mumbai
Date : June 15, 2026

For and on behalf of the Board of Directors of
KIFS HOUSING FINANCE LTD

Kushal J. Khandwala
Whole Time Director
DIN: 03345686

Vimal P. Khandwala
Managing Director
DIN: 00477768

Vikki Vijay Soni
Chief Financial Officer

Place : Mumbai
Date : June 15, 2026

Monica Jain
Company Secretary

Place : Mumbai
Date : June 15, 2026





— ... NOTICE OF ... —

ANNUAL

GENERAL MEETING

— ... —

NOTICE IS HEREBY GIVEN THAT THE 11TH ANNUAL GENERAL MEETING (“AGM”) OF THE MEMBERS OF KIFS HOUSING FINANCE LIMITED WILL BE HELD ON TUESDAY, 18TH AUGUST, 2026 AT 11:00 A.M. IST AT THE CORPORATE OFFICE OF THE COMPANY SITUATED AT C-902, LOTUS CORPORATE PARK, GRAHAM FIRTH COMPOUND, WESTERN EXPRESS HIGHWAY, GOREGAON (EAST), MUMBAI – 400063 THROUGH VIDEO – CONFERENCING (VC) AND OTHER AUDIO – VISUAL MEANS (OAVM) TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2026, including the Audited Balance Sheet as at March 31, 2026 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.

2. To appoint a director in place of Mr. Vimal Khandwala (DIN: 00477768), who retires by rotation and, being eligible, offers himself for re-appointment.

“RESOLVED THAT Mr. Vimal Khandwala (DIN: 00477768), who retires by rotation and being eligible has offered himself for re-appointment, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

SPECIAL BUSINESS:

3. To approve the re-appointment of Shri Rajesh P. Khandwala (DIN: 00477673) as a Chairman and Managing Director of the Company.

To consider and, if thought fit, to pass the following resolution with or without modifications as a **Special Resolution:**

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force), Articles of Association, other statutory provisions as may be applicable and subject to the approval of Central Government or any other authorities, if any, consent of the Company be and is hereby accorded for re-appointment of Shri Rajesh P. Khandwala (DIN: 00477673) as a Chairman and Managing Director of the Company for a period of 5 (five) years with effect from February 25, 2026 till February 24, 2031 on such terms & conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (including its Committee thereof) to alter and vary the terms & conditions of the said Appointment in such manner as may be agreed to between the Board of Directors and Shri Rajesh P. Khandwala.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such agreements, documents, instruments and writings as may be required to be executed and to delegate all or any of its power(s) herein conferred, to any Committee of Directors or Director(s) and to take all such steps as may be necessary, proper or expedient to give effect to the above stated resolutions including filing of forms with the Registrar of Companies and certifying the copy of this resolution for submission to the authorities wherever required.”

4. To approve the re-appointment of Shri Vimal P. Khandwala (DIN: 00477768) as a Managing Director of the Company.

To consider and, if thought fit, to pass the following resolution with or without modifications as a **Special Resolution:**

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force), Articles of Association, other statutory provisions as may be applicable and subject to the approval of Central Government or any other authorities, if any, consent of the Company be and is hereby accorded for re-appointment of Shri Vimal P. Khandwala (DIN: 00477768) as a Managing Director of the Company for a period of 5 (five) years with effect from February 25, 2026 till February 24, 2031 on such terms & conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (including its Committee thereof) to alter and vary the terms & conditions of the said Appointment in such manner as may be agreed to between the Board of Directors and Shri Vimal P. Khandwala.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such agreements, documents, instruments and writings as may be required to be executed and to delegate all or any of its power(s) herein conferred, to any Committee of Directors or Director(s) and to take all such steps as may be necessary, proper or expedient to give effect to the above stated resolutions including filing of forms with the Registrar of Companies and certifying the copy of this resolution for submission to the authorities wherever required.”

5. To alter the Articles of Association of the Company to remove the clause pertaining to Common seal of the Company.

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 14 of the Companies Act, 2013, read with the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members of the Company be and is hereby accorded to alter the Articles of Association of the Company by deleting the entire clause no. 138 including the entire sub-clauses pertaining to clause no. 138, removing any and all references to the common seal mentioned in the Articles of the Company, re-numbering any clauses accordingly and making such other changes as may be necessary, in accordance with the applicable provisions of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such agreements, documents, instruments and writings as may be required to be executed and to delegate all or any of its power(s) herein conferred, to any Committee of Directors or Director(s) and to take all such steps as may be necessary, proper or expedient to give effect to the above stated resolutions including filing of forms with the Registrar of Companies and certifying the copy of this resolution for submission to the authorities wherever required.

RESOLVED FURTHER THAT any Director or the Chief Financial Officer or the Company Secretary of the Company be and is hereby authorized to file the requisite e-Forms with the Registrar of Companies, make necessary alterations to the Articles of Association, and do all such acts, deeds, matters and things as may be necessary, desirable or expedient to give effect to this resolution.”

6. To approve borrowing limits under Section 180(1)(c) of the Companies Act, 2013.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to Section 180(1)(c) of the Companies Act, 2013 and Rules made there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company or any committee of directors to raise or borrow from time to time, any sum or sums of money for the business of the Company by way of loans or debentures (whether secured or unsecured), bonds, deposits, fund based, non-fund based or in any other manner for the purpose of business of the Company any sums or sums of money whether in Indian or foreign currency from time to time from any bank(s) or

any financial institutions or any other institution(s), firm(s), body corporate(s) or other person(s) or from any other source in India or outside India whomsoever from time to time with or without security and upon such terms and conditions as the Board of Directors or any other committee of directors of the Company may deem fit and expedient for the purpose of the business of the Company, notwithstanding, that the monies to be borrowed, together with the monies already borrowed by the Company and remaining undischarged at any given time (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the Company's paid-up share capital, free reserves and securities premium, provided that the total amount so borrowed/amount to be borrowed by the Board (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) shall not at any time exceed borrowing power limit of Rs. 2000 Crores (Rupees Two Thousand Crores).

RESOLVED FURTHER THAT the powers to approve the borrowing transaction and determine the terms and conditions of such borrowings, including the quantum, interest rate, tenor, security & and other related sanction & disbursement conditions, be and are hereby delegated to the Borrowing and Investment Committee of the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to approve the borrowing transactions and determine the terms and conditions thereof, including the quantum, interest rate, tenor, security, and other related sanction and disbursement conditions, and be further authorized to delegate such powers, as it may deem fit, to the Borrowing and Investment Committee of the Company.

RESOLVED FURTHER THAT the Board of Directors/ Borrowing and Investment Committee be and are hereby authorized to further delegate the powers conferred under this resolution to any Authorized Signatory(ies) of the Company for the purpose of execution of the necessary loan agreements, deeds, documents, undertakings, declarations, security documents and any such other documents as may be required in connection with the borrowings.

RESOLVED FURTHER THAT any Director or Chief Financial Officer of the Company be and are hereby authorized severally to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution.

RESOLVED FURTHER THAT any Director or the Chief Financial Officer or the Company Secretary of the Company be and are hereby severally authorized to sign certified true copy of the resolution and to furnish the same to all such appropriate statutory authorities as may be requested thereupon."

7. To provide security by way of Pledge, Hypothecation, Mortgage, Lien and/or charge in such form or manner on all or any movable or immovable property of the Company under Section 180(1)(a) of the Companies Act, 2013.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to Section 180(1)(a) of the Companies Act, 2013 and Rules made there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the consent of the members of the Company is hereby accorded to the Board of Directors or any committee of directors of the Company to provide security by way of pledge, hypothecation, mortgage, lien and/or charge in such form and manner and with such ranking and at such time and on such terms as the Board of Directors may determine, on all or any of the immovable and/or movable properties of the Company (including but not limited to fixed assets, current assets, shares and other investments held by the Company, all intangible property, rights and benefits under all contracts and agreements entered into by the Company and the monies of, long term receivables of and the loans and advances made by the Company, both present and future, and/or the whole or substantially the whole of the undertaking or any part of the properties of the Company wheresoever situated, together with the power to take over the management of the business and the concern of the Company, on such terms and conditions and at such time or times and in such form or manner as the Board of Directors may deem fit, to or in favour of national/international financial institutions or banks or trustees for the bond/debenture holders (in case of issue of bonds or debentures) etc. (herein after referred as **"the Lenders"** to secure any term loans or cash credit facilities or debentures or bond or such other credit facilities obtained/to be obtained from any of the Lenders together with interest, compound interest, additional interest, liquidated damage(s),

commitment charges, premia on prepayment or on redemption, cost, charge(s), expenses and all other monies payable by the Company to such Lenders subject to aggregate amount of such outstanding credit facilities not exceeding Rs. 2000 Crores (Rupees Two Thousand Crores) at any point of time.

RESOLVED FURTHER THAT such security shall be created only to secure the borrowings within the borrowing limits as approved by the Board or shareholders of the Company under Section 180(1)(c) of the Companies Act, 2013, from time to time.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to negotiate, finalise, and approve the terms and conditions of such charge or security, and to take all necessary steps for creation of such charge or encumbrance as may be required and be further authorized to delegate such powers, as it may deem fit, to the Borrowing and Investment Committee of the Company.

RESOLVED FURTHER THAT the Borrowing and Investment Committee be and are hereby authorised to further delegate the powers conferred herein to the Authorized Signatories of the Company for the purpose of execution of loan documents, security agreements, deeds, declarations, and other ancillary documents, including filing of forms with the Registrar of Companies and other regulatory authorities as may be required.

RESOLVED FURTHER THAT any Director or Chief Financial Officer of the Company be and are hereby authorized severally to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution.

RESOLVED FURTHER THAT any Director or the Chief Financial Officer or Company Secretary of the Company be and are hereby severally authorized to sign certified true copy of the resolution and to furnish the same to all such appropriate statutory authorities as may be requested thereupon."

8. To consider and approve conversion of Loan into Equity under Section 62(3) of the Companies Act, 2013.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 62(3) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force), the rules framed thereunder and in accordance with the Memorandum of Association and Articles of Association of the Company, the consent of the members of the Company be and is hereby accorded to the Lender(s) to convert all or part of outstanding amounts under the Facility to be extended, into fully paid-up equity shares (carrying voting rights) of the Company at a price and on terms complying with, (i) the terms of the Facility Agreement, (ii) any approvals, consents, permissions and sanctions of appropriate authorities, wherever required, and (iii) applicable laws subject to the approval of members of the Company.

RESOLVED FURTHER THAT the board of directors (the "**Board**") be and is hereby severally authorized to offer, issue and allot fully paid-up equity shares (carrying voting rights) of the Company to the Lender(s), in accordance with applicable laws, in furtherance of the aforesaid resolution.

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolutions and the conversion rights of the Lender(s) pursuant to the proposed Facility Agreement to be executed by the Company, the Board, be and is hereby severally authorised to do all such acts, deeds, matters and things as the Board may in its absolute discretion deem necessary, proper or desirable, to create, offer, issue and allot the aforesaid shares of the Company, to dematerialize the said shares, to convert the outstanding obligations of the Company into fully paid-up equity shares (carrying voting rights) of the Company, and to resolve and settle any question, difficulty or doubt that may arise in this regard and to do all such other acts, deeds, matters and things in connection or incidental thereto as the Board in its absolute discretion may deem fit, without being required to seek any further consent or approval of the members or otherwise, and to that end and intent the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Company do file this resolution and make any other filings required under the Companies Act, 2013 (or Companies Act, 1956, wherever applicable), with the concerned Registrar of Companies and other statutory/governmental authorities as may be required within the time prescribed by law therefore and undertake any other registration requirements (as may be required).

RESOLVED FURTHER THAT any Director or Chief Financial Officer of the Company be and are hereby authorized severally to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution.

RESOLVED FURTHER THAT any Director or the Chief Financial Officer or the Company Secretary of the Company be and are hereby severally authorized to sign certified true copy of the resolution and to furnish the same to all such appropriate statutory authorities as may be requested thereupon.”

By Order of the Board of Directors

For KIFS Housing Finance Limited,

Sd/-

Vimal Khandwala
Managing Director
DIN: 00477768

Date: July 27, 2026
Place: Mumbai

NOTES:

1. The Ministry of Corporate Affairs (MCA) vide its Circular dated 8th April, 2020, 13th April, 2020, 15th June, 2020, 28th September, 2020, 31st December, 2020, 23rd June, 2021, 8th December, 2021, 5th May, 2022 and 28th December, 2022, 25th September 2023, 19th September, 2024 and 22nd September, 2025 (collectively referred to as 'MCA Circulars') and any other amendment / notification thereof issued by MCA from time to time, allowed companies whose AGMs are due, to conduct their AGMs till further orders, in accordance with the requirements laid down in paragraphs 3 and 4 of the General Circular No. 20/2020. Hence, in compliance with these Circulars, the 11th Annual General Meeting (AGM) of the Company will be conducted through Video Conferencing (VC) / Other Audio Visual Means (OAVM).
2. In terms of the provisions of Section 96 of the Companies Act, 2013, the annual general meeting of an unlisted company may be held at any place in India if consent is given in writing or by electronic mode by all the members in advance. Accordingly, the Company being an unlisted company, has obtained consent from all its members to hold this AGM at the Corporate Office of the Company i.e. C-902, Lotus Corporate Park, Graham Firth Compound, Western Express Highway, Goregaon (East), Mumbai – 400063 which shall be the deemed venue for this AGM.
3. **AS THIS MEETING IS BEING HELD THROUGH VC / OAVM, PHYSICAL ATTENDANCE OF THE SHAREHOLDERS HAVE BEEN DISPENSED WITH. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE SHAREHOLDERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE, THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP ARE NOT ANNEXED TO THE NOTICE.**
4. Attendance of shareholders present through VC / OAVM shall be counted for the purpose of reckoning quorum under Section 103 of the Companies Act, 2013.
5. Details as required in terms of Secretarial Standard-2 in respect of the Director seeking appointment/re-appointment at this AGM are annexed hereto as Annexure to the Notice which forms part of the notice of this AGM. The Company has received relevant disclosure/consent from the Director seeking appointment/re-appointment.
6. In accordance with aforesaid MCA Circulars, the Annual Report for the financial year 2025-26 including therein the Audited Financial Statements for the financial year 2025-26 and the Notice of this AGM are being sent only in electronic form to the registered email addresses of the shareholders. Therefore, those shareholders who have not yet registered their email addresses are requested to get their email addresses registered by following the procedure given below:
 - Shareholders holding shares in dematerialized form, are requested to register/update their email addresses with the Depository Participants with whom the demat account is maintained.
7. Copies of the documents available for inspection shall be available at the Corporate Office of the Company and electronically for inspection of the shareholders during business hours between 10:00 A.M. and 6:00 P.M. on all working days, except Saturdays and Sundays.
8. The Chairperson for the Meeting shall be appointed in accordance with the section 104 of the Act read with Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).
9. In terms of the provisions of Section 112 and 113 of the Act read with the said MCA Circulars, Corporate Shareholders are entitled to appoint their authorized representatives to attend this AGM through VC/OAVM on their behalf and participate thereat. Such Corporate Shareholders are required to send the certified copy of the Board resolution authorizing their representative to attend this AGM through VC/OAVM and vote on their behalf to secretarial@kifshousing.com before the AGM.
10. In accordance with the aforementioned MCA circulars, the Notice of this AGM and the Annual Report for the financial year 2025-26 including therein the Audited Financial Statements for the financial year 2025-26, will be available on the website of the Company at <https://kifshousing.com/notices-disclosures/>.

11. INSTRUCTIONS FOR JOINING THE MEETING THROUGH VC / OAVM:

Shareholders can join the meeting through VC/OAVM facility by following the steps below

1. Shareholders are required to download Zoom application in their systems and to click on "Join a meeting" option as shown at the top of the Home page of that application. Enter the meeting Id, passcode and click on 'Join' option for joining the meeting or click on meeting invite link as mentioned in the point no. 2 below.
2. Joining through the Meeting link as mentioned below Meeting ID (Click to follow link):
<https://us06web.zoom.us/j/81607759228?pwd=6RujQsI7zdAH0HCYgIS15J2D0dSGMP.1>
 Meeting ID: 816 0775 9228
 Passcode: 563840
3. Further, Shareholders are requested to use laptop / desktop with a good bandwidth Internet to avoid any disturbance during the meeting.
4. Shareholders are requested to use stable Wi-Fi or LAN connection to mitigate any kind of technical glitches.

In case of any queries regarding Audio Visual facility before or during the meeting, Shareholders may write to secretarial@kifshousing.com to receive a response. Shareholders desiring any assistance relating to joining the meeting are requested to write to us at least 24 hours before the meeting start time to enable us to provide an effective solution.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

Item No. 3

As per the requirement of sections 196, 197, 203 and Schedule V of the Companies Act, 2013 read with the prescribed rules of the Companies Rules, 2014, the Board has upon the recommendation of the Nomination & Remuneration Committee reappointed Mr. Rajesh Khandwala (DIN: 00477673) as a Managing Director (Whole Time Key Managerial Personnel) at the 94th Board Meeting held on the February 25, 2026 since the tenure of the Mr. Rajesh Khandwala, Chairman and Managing Director was going to get expired on March 03, 2026.

The company has received the (i) consent in writing from Mr. Rajesh Khandwala in form DIR-2 pursuant to the Rule 8 of the Companies (Appointment & Qualifications of Directors) Rules 2014; (ii) intimation in Form DIR-8 pursuant to the Rule 14 of the Companies (Appointment & Qualifications of Directors) Rules 2014 that he is not disqualified under section 164 sub-section (2) of the Companies Act, 2013.

The terms and conditions regarding the reappointment and remuneration are mentioned below:

- (i) Term: 5 years commencing from 25/02/2026 till 24/02/2031.
- (ii) Remuneration: Managing Director being the promoter of the Company has expressed that he shall not charge any amount as a remuneration to the Company.

The company now seeks the approval of the shareholders by way of ordinary resolution as per the provisions of sections 196, 197 and schedule V of the companies act, 2013 read with the companies rules, 2014 (including any statutory modifications or re-enactment thereof) and other applicable provisions if any, for the reappointment of Mr. Rajesh Khandwala (DIN: 00477673) as the Chairman and Managing Director from February 25, 2026 till February 24, 2031. No directors, Key Managerial Personnel, manager or their relatives are interested or concerned in the above-mentioned resolution except for Mr. Rajesh Khandwala.

The Board recommends the **Special Resolution** as per the accompanying Notice, for approval by the Members of the Company.

Item No. 4

As per the requirement of sections 196, 197, 203 and Schedule V of the Companies Act, 2013 read with the prescribed rules of the Companies Rules, 2014, the Board has upon the recommendation of the Nomination & Remuneration Committee reappointed Mr. Vimal Khandwala (DIN: 00477768) as a Managing Director (Whole Time Key Managerial Personnel) at the 94th Board Meeting held on the February 25, 2026 since the tenure of the Mr. Vimal Khandwala, Managing Director was going to get expired on March 03, 2026.

The company has received the (i) consent in writing from Mr. Vimal Khandwala in form DIR-2 pursuant to the Rule 8 of the Companies (Appointment & Qualifications of Directors) Rules 2014; (ii) intimation in Form DIR-8 pursuant to the Rule 14 of the Companies (Appointment & Qualifications of Directors) Rules 2014 that he is not disqualified under section 164 sub-section (2) of the Companies Act, 2013.

The terms and conditions regarding the reappointment and remuneration are mentioned below:

(i) Term: 5 years commencing from 25/02/2026 till 24/02/2031.

(ii) Remuneration: Managing Director being the promoter of the Company has expressed that he shall not charge any amount as a remuneration to the Company.

The company also seeks the approval of the shareholders by way of ordinary resolution as per the provisions of sections 196, 197 and schedule V of the companies act, 2013 read with the companies rules, 2014 (including any statutory modifications or re-enactment thereof) and other applicable provisions if any, for the reappointment of Mr. Vimal Khandwala (DIN: 00477768) as the Managing Director from February 25, 2026 till February 24, 2031.

No directors, key managerial personnel, manager or their relatives are interested or concerned in the above mentioned resolution except for Mr. Vimal Khandwala.

The Board recommends the **Special Resolution** as per the accompanying Notice, for approval by the Members of the Company.

Item No. 5

As per the provisions of section 14 of the Companies Act, 2013 read with the rules made thereunder and subject to the approval by the members of the Company the Board, in order to align the provisions of the articles of association of the Company with the provisions of the Act and for administrative convenience, had decided to alter the Articles of Association of the Company by deleting the entire clause no. 138 including the entire sub- clauses pertaining to clause no.138, all other provisions relating to the Common Seal mentioned in the articles of the Company and accordingly re-numbering of the clauses thereafter, and making such other changes as may be necessary, in accordance with the applicable provisions of the Companies Act, 2013.

The Board recommends the **Special Resolution** as per the accompanying Notice, for approval by the Members of the Company.

Item No. 6

The Board of Directors of a Company shall not, except with the consent of Company by Special Resolution borrow money together with the money already borrowed, if any (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), exceeding the aggregate of the paid up capital and its free reserves as per the provisions of Section 180(1)(c) of the Companies Act, 2013 ("the Act") and its rules thereunder.

The Members of the Company at its previous Annual General Meeting held on September 22, 2025, had approved by way of a Special Resolution under Section 180(1)(c) of the Companies Act, 2013, borrowing limits over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs. 1000 Crore (Rupees One Thousand Crore) for the FY 2025-2026.

The Members are further informed that the borrowings of the Company has yet not reached the limit, however, the Company would like to increase the limit to borrow funds to meet the increased business volumes and growth of the Company, thus it is necessary that the borrowing powers shall be increased to Rs. 2000 Crore (Rupees Two Thousand Crore) so as to match the business targets.

The borrowings of the Company, if required, is to be secured by mortgage or charge on all or any of the moveable or immoveable or any other tangible/ intangible assets/ properties of the Company (both present & future), in favour of any lender including the financial institution/banks/debenture etc., in such form, manner and ranking as may be determined by the Board of Directors and committee of directors of the Company from time to time as may be mutually agreed with the lender(s).

Hence, the consent of the Members is therefore sought to pass Special Resolution under Section 180(1)(c) of the Act, as set out in item no. 6 of the notice, to enable the Board of Directors/ committee of directors to borrow monies and inter alia, authorize the Board to secure its borrowing by way of mortgage / charge on the assets of the Company, which shall not exceed a sum of Rs. 2000 Crores.

The Board recommends the **Special Resolution** as per the accompanying Notice, for approval by the Members of the Company.

None of the Directors, Key Managerial Personnel of the Company or their respective relatives are interested, except to the extent of their equity shareholding in the company or has any concern or interest in respect of the above mentioned Special Resolution.

Item No. 7

In order to facilitate securing the borrowings availed / to be availed by the company or subsidiary(ies) or associates of company, by way of loans, debentures or any other securities or otherwise, in foreign currency or in Indian rupees, it is proposed to obtain the approval of the shareholders by way of a special resolution under section 180(1)(a) of the Companies Act, 2013, to create charge / mortgage / hypothecation / pledge on the company's assets including tangible and intangible, both present and future, or provide other securities in favour of the banks, financial institutions, any other lender(s), agent(s) and trustee(s), from time to time up to the limits approved or as may be approved by the shareholders from time to time under section 180(1)(a) of the Companies Act, 2013.

The borrowings of the Company, if required, is to be secured by mortgage or charge on all or any of the moveable or immoveable or any other tangible/intangible assets/ properties of the Company (both present & future), in favour of any lender including the financial institution/banks/debenture etc, in such form manner and ranking as may be determined by the Board of Directors or committee of directors of the Company from time to time as may be mutually agreed with the lender(s).

Hence, the consent of the Members is therefore sought to pass Special Resolution under Section 180(1)(a) of the Act, as set out in item no. 7 of the notice, to enable the Board of Directors/ Committee of Directors to borrow monies and inter alia, authorize the Board to secure its borrowing by way of mortgage / charge on the assets of the Company, which shall not exceed a sum of Rs. 2000 Crores.

The Board recommends the **Special Resolution** as per the accompanying Notice, for approval by the Members of the Company.

None of the Directors, Key Managerial Personnel of the Company or their respective relatives are interested, except to the extent of their equity shareholding in the company or has any concern or interest in respect of the above mentioned Special Resolution.

Item No. 8

The Company will be granted Loan by the Lenders enabling the company to run its operation besides restructuring the existing debt in line with the debt repayment capability of the Company.

A Facility Agreement will be executed with the lender, which, inter alia, contains a clause that in case of default of payment of any dues to the Lenders in accordance with the terms of the above Agreement or failure by the promoters for timely payment of moneys and continuance of the same, the Lenders can

exercise various rights as a consequence of event of default including exercise of their rights of conversion of debt into equity called as 'Conversion Right'. It is also agreed that the Lenders shall reserve the right to sell equity shares to any person without limitation, under applicable laws, in case of any event of default.

Hence, the consent of the Shareholders is therefore, sought in accordance with the provisions of Section 62(3) of the Act.

The Board recommends the **Special Resolution** as per the accompanying Notice, for approval by the Members of the Company.

None of the Directors, Key Managerial Personnel of the Company or their respective relatives are interested, except to the extent of their equity shareholding in the company or has any concern or interest in respect of the above mentioned Special Resolution.

By Order of the Board of Directors

For KIFS Housing Finance Limited,

Sd/-

Vimal Khandwala
Managing Director
DIN: 00477768

Date: July 27, 2026
Place: Mumbai

ANNEXURE TO THE NOTICE

ADDITIONAL INFORMATION AS REQUIRED UNDER SECRETARIAL STANDARDS-2

Agenda Item No. 3

Details of Managing Directors seeking re-appointment under sections 196,197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013

Name of the Director	Mr. Rajesh Khandwala
Designation	Chairman and Managing Director
Date of Birth/Age	23/06/1964/ 64 years
DIN	00477673
Date of First appointment on the Board	November 16, 2015 as a Managing Director of the Company
Qualification	Graduation in Commerce
Profile, Experience and Expertise in specific functional areas	Shri Rajesh P. Khandwala, son of Shri Parmanand G. Khandwala aged about 63 years, holds the Bachelors Degree in Commerce and has an experience of more than two decades in capital market activities. He has rich and varied experience in the field of Primary market, Secondary market and Mutual Funds. He is an independent thinker and a measured risk taker with a passion for equities. Also with his support in the business of housing finance, Shri Rajesh P. Khandwala is taking up the Company to the new heights, growth and success.
Shareholding in the Company	0%
Number of Board Meetings attended during the year	03
Chairperson/ Membership of Committees of other Company	<u>KIFS Financial Services Limited</u> Audit Committee Shareholders Grievance Committee Corporate Social Responsibility Committee <u>KIFS Trade Capital Private Limited</u> Corporate Social Responsibility Committee
Directorships held in other Company as on date	1. KIFS Infrastructure LLP 2. KIFS International LLP 3. KIFS Estate LLP 4. Aananta Exim LLP 5. Bsafal.Kz Estate LLP 6. KIFS Financial Services Limited 7. KIFS Motors Private Limited 8. KIFS Trade Capital Private Limited 9. Khandwala Commercial Private Limited 10. Amoureux Enterprise Private Limited KIFS (IFSC) Private Limited
Terms and conditions of appointment/ re-appointment	As mentioned in the Explanatory Statement
Relationship with other Directors/ KMP of the Company	Related to Shri. Vimal Khandwala

Agenda Item No. 2 and 4

Details of Managing Directors seeking re-appointment under sections 196,197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013

Name of the Director	Mr. Vimal Khandwala
Designation	Managing Director
Date of Birth/Age	05/02/1971/ 55 years
DIN	00477768
Date of First appointment on the Board	November 16, 2015 as a Managing Director of the Company
Qualification	Graduation in Commerce
Experience	Mr. Vimal P. Khandwala is a Commerce Graduate and has deep operational knowledge of more than 20 years in Capital Market activities. He has rich experience in Primary Market, Secondary Market, Derivatives and Arbitrage Operations, and Financial Management. With his strong operational skills, he keeps providing the group with the much needed controls for efficient business operations. Also with his support in the business of housing finance, Shri Vimal P. Khandwala is taking up the Company to the new heights, growth and success.
Shareholding in the Company	0%
Number of Board Meetings attended during the year	03
Chairperson/ Membership of Committees of other Company	<u>KIFS Financial Services Limited</u> Risk Management Committee <u>KIFS Finstock Limited</u> Corporate Social Responsibility Committee
Directorships held in other Company as on date	1.KIFS International LLP 2.KIFS Estate LLP 3.KIFS Financial Services Limited 4.KIFS Motors Private Limited 5.Padmaja E-Commerce Private Limited 6.KIFS Trade Capital Private Limited 7.KIFS Finstock Limited 8.Khandwala Commercial Private Limited 9.Amoureux Enterprise Private Limited 10.KIFS (IFSC) Private Limited 11.Endroit Enterprise Private Limited 12.KIFS Trading LLP 13.KIFS Infrastructure LLP 14.VPriya Dealers Private Limited 15.Greensward Enterprise Private Limited 16.Anantadrishti Pedestal Private Limited
Terms and conditions of appointment/ re-appointment	As mentioned in the Explanatory Statement
Relationship with other Directors/ KMP of the Company	Related to Shri. Rajesh Khandwala

By Order of the Board of Directors
For KIFS Housing Finance Limited,

Sd/-

Vimal Khandwala
Managing Director
DIN: 00477768

Date: July 27, 2026
Place: Mumbai



Corporate Office

KIFS Housing Finance Limited
Lotus Corporate Park, C-902, 9th Floor
C - Wing, Graham Firth Compound
Western Express Highway, Goregaon (E)
Mumbai - 400063

Registered Office

KIFS Housing Finance Limited
6th Floor, Kifs Corporate House,
Beside Hotel Planet Landmark, Near Ashok
Vatika BRTS, ISKON- Ambli Road, Bodakdev,
Ambli, Ahmedabad, Gujarat - 380054



022-61796400



www.kifshousing.com



contact@kifshousing.com