

What's Inside

Corporate Overview

| 1. | Key Performance Highlights | 04 |
|-----|---------------------------------------------------------------------------|----|
| 2. | Board of Directors | 06 |
| 3. | Corporate Information | 11 |
| 4. | Message from Managing Directors | 13 |
| 5. | Directors' Report | 14 |
| 6. | Management Discussion & Analysis Report (Annexure-I) | 29 |
| 7. | AOC - 2 (Annexure-II) | 37 |
| 8. | Corporate Governance Report (Annexure-III) | 39 |
| 9. | Annual Report on Corporate Social Responsibility Activities (Annexure-IV) | 52 |
| 10. | Secretarial Audit Report MR-3 (Annexure-V) | 56 |
| 11. | Disclosure of Complaints (Annexure-VI) | 60 |
| 12. | Independent Auditors Report for the F. Y. 2023-2024 | 61 |
| 13. | Financial Statements for the F. Y. 2023-2024 | 75 |

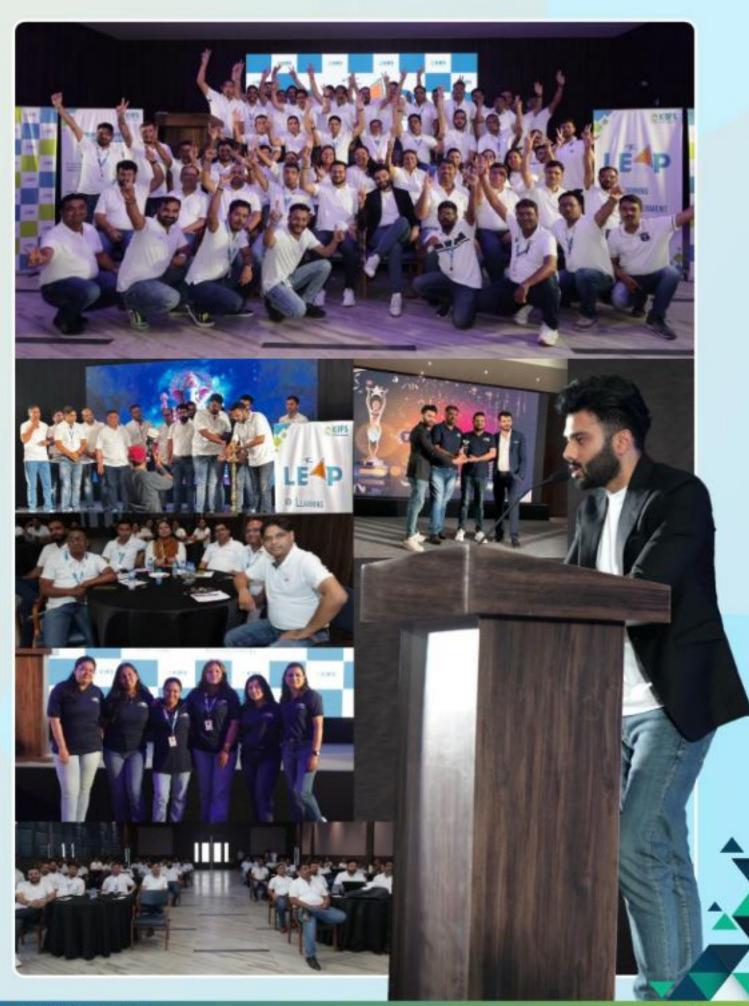


Scan the QR code for additional information about the Company

Employee



Business meets



KEY PERFORMANCE HIGHLIGHTS

















Customer Satisfaction – Our Pride

Your Company uses the following quotation for pledging commitment to satisfy our customers:

"A customer is the king and the most important visitor on our premises."

Your Company maintains high levels of transparency in its interactions with customers and this has helped it to increase customer satisfaction and loyalty as reflected in its net promoter scores. It aims to maintain high levels of customer service and its customer centric approach has been a key driver of its growth.

Our robust Customer Grievance Redressal Policy ensures that resolution of customer complaints and customer satisfaction is of key importance to company's business model.



BOARD OF DIRECTORS

Mr. Rajesh Khandwala is a visionary and founder of the Khandwala Group. He is a Commerce Graduate having experience of over three decades in Capital Market activities. He is a dominant figure in Gujarat Capital Market and has contributed greatly to the Group's rise. With his support in the business of housing finance, he is taking up the Company to the new heights.

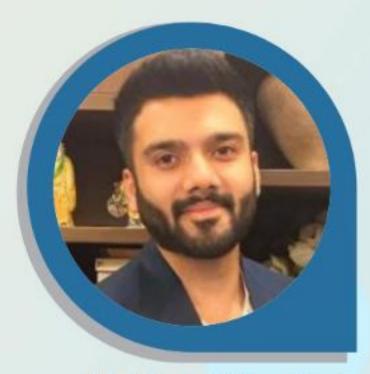


Mr. Rajesh Khandwala
Chairman and Managing Director



Mr. Vimal Khandwala
Managing Director

Mr. Vimal Khandwala is a Commerce Graduate and has deep operational knowledge of more than 20 years in Capital Market activities. Mr. Vimal Khandwala keeps providing the group with the much needed controls for efficient business operations and with his support the business of the Company, is operating in an organized manner.



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. Satish Mehta is the founder of Athena Advisors - a boutique consultancy firm, consulting in the areas of Mortgage Finance and Credit Information & Bureaus, Mr. Mehta's experience spanning over 40 years in the areas of housing finance, consumer finance, business development, training, credit information and management consultancy has resulted in the creation of India's first credit bureau - CIBIL, and he has extended invaluable expertise to the fledgling financial infrastructures of countries in South Asia and the Middle East. Prior to founding Athena, Mr. Mehta worked with the Quantum Group (CEO), Dun & Bradstreet Dubai , Credit Information Bureau (India) Ltd - CIBIL, HDFC and Piramal Capital & Housing Finance Limited.



Mr. Satish Mehta
Independent Director

Ms. Bhavna Desai is a Bachelor in Commerce from Mumbai University having over two decades of experience in shares and security market activities. She was associated as a partner with a firm M/s G. B. Desai which is engaged in the business of dealing with securities.



Ms. Bhavna Desai

Non-Executive Director



Mr. Kartik Mehta Independent Director

Mr. Kartik S Mehta is a qualified Chartered Accountant from Institute of Chartered Accountants of India and a member of the Institute of Cost Accountant of India. He is also qualified Certified Financial Planner. He is a Career banker with more than 31 years of experience in the banking and the financial services industry in India. He has worked across various functions including corporate finance, treasury management, retail banking and distribution, agriculture credit and priority sector and microfinance during his banking career. Over the last couple of years, he has been associated as a Micro Finance practitioner and has extensively worked in the western geographies of India. Mr. Mehta has also been involved with some pioneering work in the banking correspondent space and has travelled extensively to study the model in Brazil and South Africa.



Ms. Purvi Bhavsar
Independent Director

Purvi Bhavsar, a first-generation entrepreneur from Ahmedabad is the co-founder of Pahal Financial Services Private Limited, a Leading Non-Banking Financial Services Company (NBFC-MFI) working in the area of microfinance and enterprise lending.

She has a prolific experience of over 30 years in the areas of BFSI-(Banking and Financial Services Industry) and Telecom having worked in some of the most reputed organizations of the country like Kotak Mahindra, HDFC Bank, ICICI Bank and Vodafone India. She has very diverse exposure across the entire spectrum of Corporate and Retail Banking, Consumer Finance, Stock Broking, Distribution and Customer Service. For her pursuits, she was awarded one of the "leading women in telecom industry" during 2010-11. She was recently recognized as Top 10 women in Finance - 2020. She is currently serving on the board of an affordable housing finance company.

She recently completed her Acumen Fellowship Program. She was selected for a scholarship program run at IIMB as a part of Goldman Sachs 10K women program-2019. She has undergone a program run by Stanford Seed India and has received a scholarship. She has mentored fintech start-ups as a part of Stanford Spark program apart from other agriculture (Buddy-IIMB) and other impact start-ups.

| 1. Mr. Vikki Soni | Chief Financial Officer | |
|--------------------------|-----------------------------------------|--|
| 2. Mr. Saurabh Goel | Head – Credit and Risk | |
| 3. Mr. Amit Shriyastava | AVP – Legal Chief Compliance Officer | |
| 4. Mr. Dharmendra Doshi | | |
| 5. Mr. Gundopant Salokhe | Chief Technology & Information Officer | |
| 6. Mr. Vipul Dubey | Deputy Vice President- Technical | |
| 7. Mr. Sanjay Chavan | Operations Head | |

CORPORATE INFORMATION

A. COMPANY DETAILS

CIN: U65922GJ2015PLC085079

RBI Reg. No.: DOR-00145 dated August 12, 2020 NHB COR No. 10.0145.16 dated October 27, 2016

> 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. Satish Mehta | Independent Director | |
| Ms. Bhavna Desai | Non- Executive Director | |
| Mr. Kartik Mehta | Independent Director | |
| Ms. PurviBhavsar | Independent Director | |

D. DETAILS OF COMMITTEES

| Au | dit Committee | | CSR Committee | |
|----|----------------------|----------|------------------------------------------|----------|
| | Mr. Satish Mehta | Chairman | Mr. Vimal Khandwala | Chairman |
| | Mr. Vimal Khandwala | Member | Mr. Rajesh Khandwala | Member |
| | Mr. Kushal Khandwala | Member | ■ Mr. Satish Mehta | Member |
| | Mr. Kartik Mehta | Member | | |
| | Ms. Purvi Bhavsar | Member | | |

| As | set Liability Management Co | mmittee | IT Strategy Committee | |
|----|-----------------------------|----------|--------------------------------------------|----------|
| | Mr. Vimal Khandwala | Chairman | Mr. Satish Mehta | Chairmar |
| | Mr. Rajesh Khandwala | Member | Ms. Bhavna Desai | Member |
| | Mr. Kushal Khandwala | Member | Mr. Vimal Khandwala | Member |
| | Mr. Satish Mehta | Member | Mr. Avinash Srivastava | Member |
| | Mr. Kartik Mehta | Member | Mr. Vikki Soni | Member |
| | Ms. Purvi Bhavsar | Member | Mr. Gundopant Salokhe | Member |
| | Mr. Vikki Soni | Member | | |
| T. | Mr. Gundopant Salokhe | Member | | |

CORPORATE INFORMATION

| Customer Grievance Redressal Co | mmittee | Wilful Defaulter Identification | on Committee |
|------------------------------------------|----------|------------------------------------------|--------------|
| Mr. Vimal Khandwala | Chairman | Mr. Vimal Khandwala | Chairma |
| ■ Mr. Kushal Khandwala | Member | Mr. Rajesh Khandwala | Member |
| ■ Mr. Vikki Soni | Member | Mr. Kushal Khandwala | Member |
| ■ Mr. Gundopant Salokhe | Member | Mr. Vikki Soni | Member |
| Mr. Dharmendra Doshi | Member | Mr. Saurabh Goel | Member |
| Mr. Sanjay Chavan | Member | Mr. Yogesh Khakam | Member |

| Bo | rrowing and Investment Com | mittee | Nomination and Remunerat | ion Committee |
|----|----------------------------|----------|------------------------------------------|---------------|
| | Mr. Vimal Khandwala | Chairman | Mr. Satish Mehta | Chairman |
| | Mr. Rajesh Khandwala | Member | Mr. Rajesh Khandwala | Member |
| | Mr. Kushal Khandwala | Member | Ms. Bhavna Desai | Member |
| | Mr. Satish Mehta | Member | Mr. Kartik Mehta | Member |
| 0 | Mr. Kartik Mehta | Member | Ms. Purvi Bhavsar | Member |

| Risk Management Committee | | | | |
|------------------------------------------|----------|-------------------------------------------|--------|--|
| Mr. Vimal Khandwala | Chairman | ■ Ms. Purvi Bhavsar | Member | |
| Mr. Satish Mehta | Member | ■ Mr. Vikki Soni | Member | |
| Mr. Kushal Khandwala | Member | Mr. Saurabh Goel | Member | |
| ■ Mr. Kartik Mehta | Member | Mr. Gundopant Salokhe | Member | |

| Wi | lful Defaulter Review Commi | ttee |
|----|-----------------------------|----------|
| | Mr. Rajesh Khandwala | Chairman |
| | Mr. Vimal Khandwala | Member |
| | Ms. Bhavna Desai | Member |

E. KEY MANAGERIAL PERSONNEL

- Mr. Rajesh Khandwala Chairman and Managing Director
- Mr. Vimal Khandwala Managing Director
- Mr. Kushal Khandwala Whole Time Director
- Mr. Vikki Soni Chief Financial Officer
- Ms. Samrudhi Shetty Company Secretary

| | F. BAN | KS (LENDE | RS) |
|----------------------|----------------------------|------------------------|-----------------------------------------|
| Condes dur | National Housing Bank | AV AVAILA STANKS | AU Small Finance Bank Limited |
| OSBI | State Bank of India | SOUTH Indian Bank | South Indian Bank |
| FEERFAL BANK | Federal Bank Limited | O HDFC BANK | HDFC Bank Limited |
| (i) IDBI BANK | IDBI Limited | OlCICI Bank | ICICI Bank Limited |
| CO Kana Vysya Bank | KarurVysya Bank Limited | Aven éo Canara Bask | Canara Bank Limited |
| © CSB Bank | CSB Bank | © kotak | Kotak Mahindra Investments Limited |
| Name and Address and | Utkarsh Small Finance Bank | # | Capital Small Finance Bank |
| P POONAWALLA | Poonawalla Fincorp Limited | TATA CAPITAL | Tata Capital Financial Services Limited |
| Mary Co. or or con- | Sundaram Home Finance Ltd. | | |

G. STATUTORY AUDITORS

M/s Manubhai& Shah LLP, Chartered Accountants

H. INTERNAL AUDITORS

KKC & Associates LLP

I. OPEARTIONAL AUDITORS

M/s Sanjay Vastupal & Co, Chartered Accountants

J. SECRETARIAL AUDITOR

M/s Kiran Doshi & Co., Company Secretaries

K. REGISTRAR & TRANSFER AGENT

NSDL Database Management Limited ("NDML")

L. DEPOSITORIES

National Securities Depository Ltd. (NSDL) Central Depositories Services India Ltd. (CDSL)

MESSAGE FROM THE MANAGING DIRECTORS



Mr. Rajesh Khandwala Chairman & Managing Director



Mr. Vimal Khandwala Managing Director

Dear Stakeholders,

We are delighted to present to you the 9th Annual Report and the Financial Statements of KIFS Housing Finance Limited for the year ended March 31, 2024. The FY 2023-24 has been a magnificent year for the Company as it has created new history by achieving new targets in the business.

Opportunities in the housing segment are as vast as they are promising, and KIFS Housing is committed to make the most of the same. Your Company is concurrently driving multiple strategies: judiciously managing liquidity, leveraging a rich resource profile and maintaining a highly robust portfolio of assets and a balanced growth. We have brought innovations in the business, made some key changes in our strategies and decisions, while still preserving our values and strong foundation. Powered by strong systems and processes, a differentiated portfolio and focused business strategy, your Company is progressing with agile steps.

Our Vision is to be the most trusted housing loan provider by creating the tools required for a seamless & intuitive online experience for our customers.

Your Company will continue to grow in step with the sweeping socio-economic transformation in the country and enrich its solutions spectrum to meet the changing requirements of customers.

Your company is making significant progress across all growth pillars, including digital transformation, data analytics, distribution networks, and due diligence.

Your Company has developed robust policies and processes to support its business operations. It operates through a decentralized process, empowering the branch and regional-level teams with business decisions within the framework of policies and processes approved by the board. The central team and audit committee provide strong oversight to ensure smooth function, control, and compliance.

Through our investment in talent development, we have built a scalable workforce adhering to industryleading practices, putting us in front of the competition. People initiatives aim to foster a sense of belonging, foster diversity of thought, foster positive relationships, and provide opportunities for fulfilling growth aligned with individual goals.

As a final note, we want to thank all members of the KIFS Housing team for their team spirit and to all stakeholders for their trust, integrity, and accountability. We would also like to thank the regulatory agencies for their support and guidance.

With renewed optimism and confidence, we look forward to the New Year.

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 9th Annual Report on the business and operational performance of the Company together with the Audited Financial Statements and the Report of the Auditors for the financial year ended March 31, 2024.

STATE OF AFFAIRS OF THE COMPANY

Your Company was established in November, 2015 with the main aim of offering reasonably priced housing loans. The company's head office is located in Mumbai and it is registered in Ahmedabad, Gujarat. The Company is managed by a board of professionals.

Your Company is focused on providing retail housing loans to the Low and Middle-Income segment customers across India, with a special emphasis on Tier 2, 3 and 4 towns. It operates through branches with a HUB and SPOKE model in these towns.

FINANCIAL SUMMARY AND HIGHLIGHTS

The Company's financial performance for the Financial Year ended 31st March 2024 as compared to the previous Financial Yearended 31st March 2023 is summarised below:

(Rupees in Crores except EPS)

| 2023-2024 | 2022-2023 | |
|-----------|------------------------------------------------------------|--|
| 109.87 | 80.08 | |
| 81.59 | 63.51 | |
| 28.28 | 16.56 | |
| 7.49 | 3.12 | |
| 20.79 | 13.44 | |
| 0.02 | 0.19 | |
| 20.81 | 13.63 | |
| 0.83 | 0.54 | |
| | 109.87 81.59 28.28 7.49 20.79 0.02 20.81 | |

PERFORMANCE REVIEW

The Company's gross income for the Financial Year ended March 31, 2024 increased to Rs. 109.87 Cr as compared to Rs. 80.08 Cr in the previous Financial Year thereby registering an increase of 37.20%. The profit before tax of the Company is Rs. 28.28 Cr during the year. The Net Profit for the FY is Rs. 20.79 Cr. Asset Under Management (AUM) were at Rs. 797.42 Cr as at March 31, 2024 as against Rs. 601.12 Cr as at March 31, 2023.

DIVIDEND

In view of the planned business growth, your Directors deem it proper to preserve the resources of the Company for its activities and therefore, have not recommended any dividend for the Financial Year ended March 31, 2024. The Directors also inform that the Company has not declared any interim dividend during the year.

ACCOUNTING METHOD

The Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended, read with Section 133 of the Companies Act, 2013 and relevant provisions of the Companies Act 2013, various regulatory guidelines to the extentrelevant and applicable to the Company and in accordance with the generally accepted accounting principles in India. The details of the accounting treatment followed during the financial year are mentioned in Notes to Financial Statement.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There were no material changes and commitments affecting the financial position of the Company from the end of the financial year up to the date of this report.

CHANGE IN NATURE OF BUSINESS

During the financial year under review, there has been no change in the nature of business of the Company.

PUBLIC DEPOSITS

Your Company is non deposit accepting housing finance company. The Company has not accepted deposits during the year and the provisions of Section 73 of the Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 are not applicable.

REVIEW OF BUSINESS & OPERATIONS OF THE COMPANY

Your Company is registered as a Housing Finance Company ("HFC") with National Housing Bank ("NHB") and Reserve Bank of India to carry out the housing finance activities in India. KHFL continues to focus on affordable housing segment, catering specially to the aspirations of low and middle-income Indian families who dream to own their homes. It is engaged in on-lending business for Retail housing loans to customers belonging to Middle Income Group (MIG) & Low Income Group (LIG). Company's 100% portfolio is retail and organic i.e. NIL bought portfolio and NIL builder loan.

The Business profile of KHFL is majorly tilted towards formal, salaried category as compared to informal and self-employed segment, which is low risk customer profile with an average ticket size of Rs. 9.04 Lakhs hence overall NPA risk for KHFL remains low.

FOIR & LTV ratios Band

Average FOIR and LTV of all customers is 41% and 50% respectively.

Our product wise yield in home loan sector is 13.63% and Non Home Loan sector is 15.62%.

We received subsidy for 30.68% of Home Loan portfolio as on March 31, 2024.

Penetration towards direct sourcing with a healthy mix of Business Associates who made our presence strong in every hook & corner of the city is our driving force. Conscious Profile & Product mix of the portfolio helped us to keep our delinquency in control.

Your Company has recorded an income of Rs. 109.87 Cr as against Rs. 80.08 Cr. in the previous year and the profit after tax is Rs. 20.79 Cr as against Rs. 13.44 Cr in the previous year.

HOLDING COMPANY

The Company does not have any holding Company, subsidiaries, Associates or Joint Ventures.

KIFS International LLPholds 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. 3.68 Cr to Statutory Reserve as required under section 29C of National Housing Bank Act, 1987 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 has been no change in authorized, subscribed and paid-up Capital of your Company.

The same is as follows:

| Share Capital | Amount (in Rs.) |
|-------------------------------------------------------------------------------------------------------------|-----------------|
| Authorized Share Capital (250,000,000 Equity Shares of Rs. 10 each) as on March 31, 2024 | 250,00,00,000 |
| Issued, Subscribed and Paid - up Capital as on March 31, 2024 (249,986,452 Equity Shares of Rs. 10 each) | 249,98,64,520 |

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

A detailed analysis of the Company's performance is discussed in the Management Discussion and Analysis Report, which forms part of this Annual Report.



BOARD OF DIRECTORS

The Board of Directors forms the top layer of the hierarchy of your Company, which helps in setting broad goals, support senior management in pursuit of those goals and ensure the company has well managed resources at its disposal. The Board as a governance body works in the best interests of stakeholders.

As on March 31, 2024, your Company has total Seven Directors consisting of Three Independent Directors including One Women Director, One Non-Executive Director who is also a Woman Director and Three Executive Directors as stated below:

The Composition of Board are 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 | 8.4 years |
| 2. | Mr. Vimal Parmanand Khandwala | 00477768 | Managing Director (Executive) | November 16, 2015 | 8.4 years |
| 3. | *Mr. Kushal Jayesh Khandwala | 03345686 | Whole Time Director (Executive) | March 20, 2023 | 1 years |
| 4. | Mr. Satish Gordhan Mehta | 00110640 | Independent Director (Non-Executive) | November 30, 2022 | 1.4 years |
| 5. | **Mr. Kartik Shailesh Mehta | 02083342 | Independent Director (Non-Executive) | March 04, 2016 | 8 years |
| 6. | ***Ms. Purvi Jayendra Bhavsar | 02102740 | Independent Director (Non-Executive) | March 04, 2016 | 8 years |
| 7. | ****Ms. Bhavna Govindbhai Desai | 06893242 | Non-Executive Director | December 01, 2020 | 3.4 years |

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

*The appointment of Mr. Kushal Khandwala as a Whole Time Director was regularized by the Shareholders at its Meeting held on September 25, 2023.

**Mr. Kartik Mehta was re-designated from Non – Executive Director to Independent Director of the Company with effect from May 30, 2023.

***Ms. Purvi Bhavsar was re-designated from Non – Executive Director to Independent Director of the Company with effect from May 30, 2023.

****Ms. Bhavna Desai was re-designated from Independent Director to Non – Executive Director of the Company with effect from June 19, 2023.

All the aforesaid approvals for appointment/re-appointment/re-designation of the Directors were duly recommended by the Nomination and Remuneration Committee 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 also received declarations under section 184(1) read with Rule 9(1) of the Companies Act, 2013 from the Directors stating their interest or concern in other companies.

Pursuant to provisions of Chapter IX – Corporate Governance of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 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.

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Rajesh Khandwala is liable to retire by rotation at the ensuing AGM and the Director is eligible for reappointment.

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013 (Act) that he/she meets the criteria of independence laid down in the Act, as amended.

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 heldare 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, 2013read with Rules made thereunder, following are the Key Managerial Personnel of the Company as on March 31, 2024:

| Sr. No. | Name of the Directors | Designation | | |
|------------|--------------------------------|------------------------------------------|--|--|
| 1. | Mr. Rajesh Parmanand Khandwala | Chairman & Managing Director (Executive) | | |
| 2. | Mr. Vimal Parmanand Khandwala | Managing Director (Executive) | | |
| 3. | *Mr. Kushal Jayesh Khandwala | Whole Time Director (Executive) | | |
| 4. | Mr. Vikki Soni | Chief Financial Officer | | |
| 5. | Ms. Samrudhi Shetty | Company Secretary | | |

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

EXTRACT OF ANNUAL RETURN

The Ministry of Corporate Affairs (MCA) vide Companies (Amendment) Act, 2017 has amended the provisions of Section92(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' sreport. 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, 2024, shall be available on the website of the Company at 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 II.

The Policy on Related Party Transactions can be accessed at https://kifshousing.com/governance-policies/.

^{*}The appointment of Mr. KushalKhandwala as a Whole Time Director was regularized by the Shareholders at its Meeting held on September 25, 2023.

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

Pursuant to provisions of Section 134(3)(e) of the Companies Act, 2013 and 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 2023-2024. 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 prepared in accordance with guidance note issued by ICSI on performance evaluation, it covered 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.

The Directors have expressed their satisfaction with the parameters of evaluation, the implementation and compliance of the evaluation exercise done.

CORPORATE GOVERNANCE REPORT:

The Corporate Governance Report for the Financial Year 2023-24 as stipulated in the Section II(A) - Corporate governance of RBI Circular dated April 19, 2022 on Disclosure in Financial Statements – Notes to Accounts of NBFCs read with RBI Circular dated October 22, 2021 forms part of the Annual Report and is annexed to this report in Annexure III

GENERAL MEETINGS:

The 8th Annual General Meeting of your Company was held on September 25, 2023.

During the year under review, 2 Extra-ordinary General Meetings were held onOctober 25, 2023 and November 28, 2023.





The size of the Board is commensurate with the size and business of the Company. The Company held a minimum of one board meeting in every quarter with a gap of not exceeding 120 days between two consecutive board meetings. During the year under review, the Board Meetings were held on May 30, 2023, June 19, 2023, August 10, 2023, November 27, 2023 and February 12, 2024. The attendance of the Board Members are as follows:

The Composition of the Boardand 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 5 |
|------------|---------------------------------|----------|---------------------------------------------|--------------------------------------|
| 1. | Mr. Rajesh Parmanand Khandwala | 00477673 | Chairman & Managing Director (Executive) | 04 |
| 2. | Mr. Vimal Parmanand Khandwala | 00477768 | Managing Director (Executive) | 04 |
| 3. | *Mr. Kushal Jayesh Khandwala | 03345686 | Whole Time Director (Executive) | 05 |
| 4. | Mr. Satish Gordhan Mehta | 00110640 | Independent Director (Non-Executive) | 05 |
| 5. | **Mr. Kartik Shailesh Mehta | 02083342 | Independent Director (Non-Executive) | 03 |
| 6. | ***Ms. Purvi Jayendra Bhavsar | 02102740 | Independent Director (Non-Executive) | 04 |
| 7. | ****Ms. Bhavna Govindbhai Desai | 06893242 | Non-Executive Director | 04 |

^{*}The appointment of Mr. Kushal Khandwala as a Whole Time Director was regularized by the Shareholders at its Meeting held on September 25, 2023.

^{**}Mr. Kartik Mehta was re-designated from Non – Executive Director to Independent Director of the Company with effect from May 30, 2023.

^{***}Ms. Purvi Bhavsar was re-designated from Non – Executive Director to Independent Director of the Company with effect from May 30, 2023.

^{****}Ms. Bhavna Desai was re-designated from Independent Director to Non – Executive Director of the Company with effect from June 19, 2023.

BOARD AND STATUTORY COMMITTEES:

The Company has the following Committees, which have been constituted in compliance with the requirements of the business and relevant provisions of applicable laws and statutes:

- 1. Audit Committee
- 2. Nomination & Remuneration Committee
- 3. Corporate Social Responsibility Committee
- Borrowing and Investment Company
- Asset Liability Management Committee
- Information Technology Strategy Committee
- Risk Management Committee
- Customer Grievance Redressal Committee
- Wilful Defaulter Identification Committee
- 10. Wilful Defaulter Review Committee

During the Financial Year under review, all recommendations made by the above Committees were accepted by the Board. Details of all the committees along with their composition, terms of reference, and meetings held during the year are provided in the Corporate Governance Report which forms part of the Board Report in Annexure III.

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. Satish Mehta. Mr. Vimal Khandwala is the Chairman of the Committee.

The role of the CSR Committee is to review the CSR Policy, indicate activities to be undertaken by the Company towards CSR and formulate a transparent monitoring mechanism to ensure implementation of projects and activities undertaken by the Company towards CSR Activities.

KHFL was required to spend Rs.38, 99, 424/- towards CSR activities during the year under review. Your Company approved the CSR expenditure of Rs. 39,00,000/- and incurred CSR Expenditure of Rs. 17,00,000/- towards Tata Memorial Hospital for treatment of cancer patients, Rs. 12,00,000/- was spent towards Hunger Free Palghar - an initiative by Govardhan Annakshetra, ISKON for free food distribution and Rs. 10,00,000/- was spent towards Sankara Nethralaya (unit of Medical Research Foundation) fortreatment of complicated major eye surgeries.

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 IV" 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 was held on February 12, 2024, without the attendance of the Non-Independent Directors and management of the Company. The Non-Independent Directors, Chairperson, Managing Director, Statutory Committees, and the Board as a whole were evaluated after assessing the quality, quantity, and timeliness 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. Satish Mehta, Independent Director, Ms. Bhavna Desai, Non-ExecutiveDirector, Mr. Kartik Mehta, Independent Director and Ms. Purvi Bhavsar, Independent Director for attending the Board and Committee Meetings. Details of the sitting fees have been provided below

| Particulars of | Non-Executive Directors | | | | | |
|----------------------------------------------------|-------------------------------------------|-------------------|------------------|------------------|-----------|--|
| Remuneration | Mr. Kartik Mehta | Ms. Purvi Bhavsar | Ms. Bhavna Desai | Mr. Satish Mehta | Amount | |
| Fee for attending Board / Committee meetings | 1,60,000 | 1,10,000 | 1,20,000 | 3,60,000 | 7,50,000 | |
| Commission | - | - | - | - | _ | |
| Others* | - | - | - | 3,00,000 | 3,00,000 | |
| Total | - | _ | _ | _ | 10,50,000 | |
| Total Managerial Remuneration | - | | | === | - | |
| Overall ceiling as per the Act | ng as 1% of the Net Profit of the Company | | | | | |

^{*}Mr. Satish Mehta has received remuneration of Rs. 3,00,000 in the capacity of chairman of the Audit Committee 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 Manubhai & Shah LLP (FRN: 106041W/ W100136), Chartered Accountants, were re-appointed as statutory auditors of the Company to hold office from the conclusion of the 6° AGM of the Company till the conclusion of the 11° AGM. The statutory auditors have confirmed they are not disqualified from continuing as auditors of the Company.

M/s Manubhai & Shah LLP (FRN: 106041W/ W100136), the Statutory Auditors of the Company have audited the books of accounts of the Company for the financial year ended March 31, 2024 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 NHB Notification No. NHB.HFC.CGDIR.1/MD&CEO/2016 and newly notified Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, partner of the audit firm is being rotated every three years.

Your Directors confirm that the Statutory Audit Report for Financial Year 2023-24 does not contain any qualifications or reservations or adverse remarks.

In terms of the Master Circular – Housing Finance Companies - Auditor's Report (NHB) Directions, 2016, the auditors have also submitted an additional report for FY 2023-24. 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 policies and 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 an unqualified report for the financial year 2023-24, however, theyhave reported certain observations which are as under:

| Sr. No. | Secretarial Audit Observations | Comments from the Board |
|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | The Company had closed 3 branches wherein there was delay by 3-4 days in serving the notices in at least, one leading national newspaper and a leading local (covering the place of branch/ office) vernacular newspaper as per the Master Direction of RBI for closure of all the 3 branches. | The Branches were closed due to business exigency so the action was required to be taken on immediate basis, hence there has been a delay. |
| 2. | The Company was required to appoint Chief Compliance Officer as per the RBI circular (DoS.CO.PPG/SEC.01/11.01.005/2022-23) latest by 1st October, 2023. There was a delay in the appointment and the Company appointed Mr. Dharmendra Doshi as Chief Compliance Officer with effect from 13th February, 2024. | The Company has finalised one of the candidatures for the position of Chief Compliance Officer but the candidate so selected backed out last minute. Hence, the delay occurred. |

The Secretarial Audit report for the financial year 2023- 24 is annexed to this report in Annexure V

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 2023-2024.

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 quarterly basis, which are reviewed by the Audit Committee and discussed with the Management.

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 committee.

RISK MANAGEMENT FRAMEWORK

Your Company is in the lending business hence it faces various risks in its scale of operations. The Company has in place a Risk Management framework so that risks that the Company faces are identified, controlled and priced in a manner that the Company can continue its operations in a profitable and sustainable manner.

The Risk Management Policy is to identify and mitigate elements of risk which in the opinion of the Board may impact the Company and helps to promote risk awareness amongst employees and to integrate risk management within the corporate culture.

Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically done and examined by the Board of Directors of the Company and has delegated responsibility of overseeing Risk Management Framework to the Audit Committee. In order to monitor the Risk in the business and operations, the Risk Management committee was duly constituted. Your Company follows the best practice for management of credit risk, market risk and operational risk and has put in place a comprehensive Risk Management Policy envisaging a robust risk management programme.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

In compliance with the provisions of the Section 177 of the Companies Act, 2013 read with the rules made thereunder, the Whistle-Blower and Vigil Mechanism Policy is formulated as part of the Vigil Mechanism established by the Company for Directors and Employees to report genuine concerns, to provide a secure environment and to encourage employees to report unethical, unlawful or improper practices, acts or activities in the Company and to prohibit managerial personnel from taking any adverse personnel action against those employees who report such practices in good faith.

KHFL is committed to developing a culture where it is safe for all employees to raise concerns about any wrongful conduct. The Company believes in conducting its affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior.

The Whistle-Blower and Vigil Mechanism Policy aims to provide a channel to the Directors and employees to report genuine concerns and grievances about victimization, unethical behavior, actual or suspected fraud, violation of the Codes of Conduct or policy. This Policy provides for adequate safeguards against victimization of Directors and employees and also provides direct access to the Chairman of the Audit and Risk Management Committee. The Whistle-Blower Policy/Vigil Mechanism is uploaded on the website of the Company at https://kifshousing.com/governance-policies/

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

As the Company is a Housing Finance Company, the disclosure regarding particulars of the loans made, guarantee given and security provided in the ordinary course of business are exempted under the provisions of Section 186(1) of the Companies Act, 2013.

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

The Company is committed to uphold and maintain the dignity of all its employees including women employees and it has a policy which provides for protection against sexual harassment of women at workplace and redressal of such complaints through the active Internal Complaint Committee to redress any complaints received in timely and systematic manner.

During the year under review, no such complaints were received.

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.

CODE OF CONDUCT

The Board has laid down a Code of Conduct for all the Board members and designated employees of the Company.

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 0.32 Crore

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 31,2024 and states that-

- (i) In the preparation of the annual financial statements for the financial year ended March 31, 2024, 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, 2024 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.

TOTAL BORROWINGS

A. DEBENTURES

As on March 31, 2024, there were no outstanding Non-Convertible Debentures (NCDs). During the financial year under review, your Company has not issued any NCDs and has redeemed following NCDs:

| Sr. No. | Name of the Debenture Holders | Date of Redemption | No of NCDs | Face Value (per NCD in Rs) |
|------------|-------------------------------|--------------------|------------|-------------------------------|
| 1 | Canara Bank | July 28, 2023 | 125 | 10,00,000/- |
| 2 | Bank of Baroda | August 31, 2023 | 250 | 10,00,000/- |

Your Company has been prompt and regular in making payment of principal and interest on the NCDs and the same has been reported to BSE Limited, the Trustees and Depositories. During the year under review, the NCDs were redeemed by your Company on their respective due dates and there were no instances of any NCDs which have not been claimed by the investor or not paidby the Company after the date on which the NCDs became due for redemption. Hence, the amount of NCDs remaining unclaimed or unpaid beyond due date is Nil.

As the Company has redeemed all the NCDs so the Company is now delisted on BSE Limited.

Disclosure under Chapter XI-Guidelines on Private Placement of Non-Convertible Debentures (NCDs) Of RBI Master Directions:

- The total number of NCDs which have not been claimed by the Investors or not paid by the Company after the date on which the non-convertible debentures became due for redemption: Nil
- (ii) The total amount in respect of such debentures remaining unclaimed or unpaid beyond the date referred to in Paragraph (i) as aforesaid: Nil

B. LOAN ASSETS

Loan Assets as at March 31, 2024 are of Rs. 797.42 Crores against Rs. 601.12 Crores as at March 31, 2023.

C. REFINANCE FROM NATIONAL HOUSING BANK

During the year under, your Company has received refinance sanction amounting to Rs.1,60,00,00,000 (One Hundred and Sixty Crore) and amount disbursed was Rs. 60,00,00,000 (Rupees Sixty Crores) from NHB.

D. BANK TERM LOAN & OTHERS

KHFL received sanctions and disbursements from various banks and financial institutions during the year.

Total loan received from Banks during the FY 23-24 amount to Rs. 300.00 Crores which included Rs. 60.00 Crores from the National Housing Bank, Rs. 40.00 Crores from Poonawalla Fincorp Limited, Rs 30.00 Crores from State Bank of India, Rs 25.00 Crores from CSB Bank, Rs.25.00 Crores from KarurVysaa Bank, Rs. 25.00 Crores from Canara Bank Limited, Rs. 25.00 Crores from Kotak Mahindra Investments Limited, Rs. 25.00 Crores from the HDFC Bank Limited, Rs. 20.00 Crores from the Federal Bank Limited, Rs. 15.00 Crores from the Sundaram Home Finance Limited and Rs. 10.00 Crores from ICICI Bank Limited.

CAPITAL ADEQUACY RATIO

As required under the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 issued by RBI dated February 17, 2021, every Housing Finance Company shall, maintain a minimum capital ratio on an ongoing basis consisting of Tier-I and Tier-II capital which shall not be less than 15 per cent of its aggregate risk weighted assets and of risk adjusted value of offbalance sheet items. The Tier 1 capital, at any point of time, shall not be less than 10 per cent. The total of Tier 2 capital, at any point of time, shall not exceed 100per cent of Tier 1 capital.

The capital adequacy ratio maintained by your Company as at March 31, 2024 is 73.72% as compared to 93.93% as on March 31, 2023, which is far above than the minimum required level of 15% as on March 31, 2024.

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 | 392.50 Cr | #ACUITE A-/ Outlook; Stable |
| India Ratings & Research Limited | Commercial Paper | Short Term | 50 Cr | IND A2+ |

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, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, The National Housing Bank Act, 1987and 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 following changes were incorporated during the Financial Year 2023-2024:-

- We have added the clauses relating to the principles of compensation and risk alignment, the composition
 of fixed and variable pay, the remuneration criteria for control and assurance employees, and the malus
 arrangements and clawback agreements, which could enable the Company to invoke the malus and
 clawback clauses that are applicable to the entire variable pay.
- The modification was made to the clauses related to the remuneration and increments of Key Managerial Personnel (KMP) and Senior Management Personnel (SMP).

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 Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 issued by RBI dated February 17, 2021, which lay down the Corporate Governance practices.

The policy on Internal Guidelines on Corporate Governance can be accessed at https://kifshousing.com/wp-content/uploads/2019/02/Internal-Guidelines-on-Corporate-Governance-1.pdf

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 recognised 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 Section92(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, 2024, shall be available on thewebsite of the Company at https://kifshousing.com/financial-reports/.

GENERALDISCLOSURES

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.
- 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/-

Rajesh Khandwala

Chairman & Managing Director

DIN: 00477673

sd/-

Vimal Khandwala Managing Director

DIN: 00477768

Date: August 14, 2024

Place: Mumbai

ANNEXURE-I

MANAGEMENT DISCUSSION AND ANALYSIS REPORT INDIAN ECONOMIC REVIEW-INDIAN ECONOMY CONTINUES TO SHOW RESILIENCE AMID GLOBAL UNCERTAINTIES

The Indian economy is better placed than ever to take on economic challenges because of the policies adopted and implemented in the last decade. The Union government has built infrastructure at a historically unprecedented rate, and it has taken the overall public sector capital investment from Rs. 5.6 lakh crore in FY15 to Rs.18.6 lakh crore in FY24, as per budget estimates. That is a rise of 3.3x. Whether the total length of highways, freight corridors, number of airports, metro rail networks or the trans-sea link, the ramp-up of physical and digital infrastructure in the last ten years is real, tangible and transformative.

The financial sector is healthy. Its balance sheet is stronger. It is willing to lend and is lending. Non-food credit growth, excluding personal loans, is growing at double-digit rates. The pursuit of inclusive development finds Indian households in good financial health. Fifty-one crore bank accounts under Jan Dhan Yojana now have total deposits of over Rs. 2.1 lakh crore. Over 55 per cent of them are women. In Dec. 2019, household financial assets were 86.2 per cent of GDP; liabilities were 33.4 per cent of GDP. In March 2023, these numbers were 103.1 per cent and 37.6 per cent, respectively. So, Net Financial Assets of households were 52.8 per cent of GDP in December 2019, and by March 2023, it had improved to 65.5 per cent of GDP.

INDUSTRY OVERVIEW

In India, housing finance is offered by banks and housing finance companies (HFCs). Following the introduction of several economic reforms and a rise in demand for housing infrastructure across cities, globally renowned industrial houses are venturing into the housing market. At present, public and private sector banks, as well as foreign banks, are extending loans to prospective buyers. However, the market is dominated by HFCs.

In India, housing is considered as the engine of economic growth. Housing finance companies have been posting record profits and surging business owing to multiple macroeconomic factors and the government nudging in the right direction. The housing sector has strong linkages with many other industries. 78 paise in every rupee invested in housing sector, contributes to the Gross Domestic Product. At present there is high growth rate in the housing finance sector.

As per the current market research conducted by the CMI Team, the India Housing Finance Market size is expected to record a CAGR of 24.1% from 2024 to 2033. In 2024, the market size is projected to reach a valuation of USD 385.14 Billion. By 2033, the valuation is anticipated to reach USD 2,669.39 Billion.

FUTURE OUTLOOK

Housing and Housing Finance account for significant portion of Indian Financial System. Individual Housing Loan Outstanding of Primary Lending Institutions constitute 10.52 per cent of the India's GDP at nominal price as on March 31, 2023. Housing Sector accounts for 16.54 per cent of the Gross Bank Credit deployed as of December 2023 (Source: RBI).

Primary lending institutions continue to play an important role in stimulating growth of the housing sector as evidenced from the quarterly disbursements of Individual Housing Loans by HFCs, Public Sector Banks and Private Sector Banks. National Housing Bank's refinance has been a major source of low-cost long-term funds for HFCs. Going forward, the housing sector is expected to witness a paradigm shift due to growing urbanization (Source: NHB).

The long-term prospects for the affordable housing finance sector remain positive, driven by:

Continued Underpenetration: The vast rural and middle-class populations continue to provide a substantial market for affordable housing loans.

Reduction in Interest Rates: A potential future reduction in RBI's interest rates could alleviate margin pressure, further boosting profitability.

The affordable housing finance sector in India offers significant growth potential due to under penetration and increasing demand for low-cost housing, the sector is poised for a promising future.

OPPORTUNITIES AND THREATS:

Opportunities:

- 1. The roles of NHB in refinancing & providing regulation of housing finance system.
- 2. The government's initiatives to promote the sector & its contribution in uplifting the sector.
- 3. Under penetration and untapped market presents a huge opportunity for growth.
- 4. Rural economy is becoming structurally far more resilient.
- 5. Demographic trends of urbanisation, nuclearisation, and population growth
- Ability to partner and co-lend.

Threats:

- 1. Need for correct risk profiling
- 2. Economic downturn
- 3. Difficulties in enforcing securities in rural areas,
- 4. Access to finance
- Rising competition and operational complexity.
- Rising interest rates

FINANCIAL PERFORMANCE OF KHFL

The Company's balance sheet stood at Rs. 859.59 Crores as at end of FY 2023-24. Total loan book stood at Rs. 797.42 Crores. The Company's revenues for the year ended March 31, 2024 were Rs. 109.87 Crores and profits for the year were Rs. 20.79 Crores. Asset quality remained stable with Gross NPAs of 0.89% and Net NPAs of 0.63%. Total provisions stood at Rs. 10.97 Crores, almost 4 times the regulatory requirement and equivalent to a healthy 1.38% of loan book. The Company is also one of the best capitalized amongst peers with capital adequacy ratio of 73.72% on a standalone basis.

OPERATIONAL HIGHLIGHTS

Despite challenging macro-economic conditions, the Company's focus on building a strong balance sheet through FY 2023-24 yielded results with augmented capital adequacy levels, stable asset quality, high provision buffers and comfortable liquidity on its balance sheet.

As at March 31, 2024, on a standalone basis, the product-wise break-up of loans was – housing loans 81% and non-housing loans 19%. The Company's asset quality is stable with a high provisioning buffer. Gross NPAs at the consolidated level were at 0.89% and Net NPAs at 0.63% of total loan assets managed. Total provision buffer of Rs. 10.97 Crores at a consolidated level, represents 1.38% of loan book.

SANCTIONS

Loans Sanctioned during the year were Rs. 488.03 Crores as against Rs. 392.29 Crores in the previous year. Cumulative Sanction as on March 31, 2024 was Rs. 1826.53 Crores as against Rs. 1338.50 Crores in the previous year.

DISBURSEMENTS

Loan Disbursement during the year was Rs. 320.82 Crores as against Rs. 240.61 Crores in the previous year. Cumulative Disbursements as on March 31, 2024 were Rs. 1306.90 Crores as against Rs. 986.08 Crores in the previous year.

ASSETS UNDER MANAGEMENT (AUM)

As on March 31, 2024, Company had Home Loan & LAPAUM Rs. 797.42 Crores with a growing customer base of 10,438.

NON-PERFORMING ASSETS (NPA)

83 Loan accounts out of ~10438 loan accounts (0.89% gross NPA) were identified as Non-Performing Assets as on March 31, 2024. As per region wise analysis, Maharashtra had 32 cases which is 0.37% of the portfolio, Delhi (NCR) had 9 cases which is 0.18%, Gujarat had 20 cases which is 0.15%, Madhya Pradesh had 12 cases which is 0.08%, Rajasthan had 5 cases which is 0.07% and Chhattisgarh had 1 case which is 0.01%, Punjab had 1 case which is 0.01%, Uttar Pradesh had 1 case which is 0.01%, Haryana had 1 case which is 0.01% and Uttarakhand had 1 case which is 0.01% of the portfolio.

COLLECTION/ RECOVERY

KHFL has a Collection and Recovery team headed by the experienced team members. Collection in the lowincome housing segment is quite challenging but highly important. The Company has a robust collection management in-house team and also entire sales team also behind the collection drive across all the regions, supervised by regional officers and the head office of the Company. The team manages the lifecycle of transactions and monitors the portfolio quality. KIFS's highly robust collection structure regularly monitors all the loan accounts - from the zero bucket accounts to 3rd bucket (collection of instalments in standard accounts) to NPAs. Company's internal process controls are set up whereby information on cheque bounces and returns are received on real-time-basis.

The Company is further streamlining this process through Collection mobilization to ensure unified approach and control on recovery and essential legal measures are taken against the defaulting customers with the help of the legal team who handles SARFAESI matters as well.

PRADHAN MANTRI AWAS YOJANA (PMAY)

Pradhan Mantri Awas Yojana (PMAY) is an initiative by Government of India in which affordable housing is provided. KIFS Housing had signed the MOU with the government of India for the Credit linked subsidy Scheme (CLSS) under the Pradhan Mantri Awas Yojana for EWS, LIG and MIG segments. KIFS Housing been into affordable housing sector has successfully availed various schemes under the government initiative -CLSS, KIFS has been an active contributor to the scheme during the year and availed subsidy for customers under the scheme in order to reduce the burden of Home loan amount. During the financial year 2023-24 KIFS Housing has received the claims from the Institution of Rs. 1.37 crores for 60 Cases.

| Institution | Date | Amount (in Rs.) | Nos. |
|-------------|------------|-----------------|------|
| NHB - PMAY | 05-04-2022 | 3,13,29,100 | 129 |
| NHB - PMAY | 01-11-2022 | 44,56,460 | 19 |
| NHB - PMAY | 22-12-2022 | 4,34,23,609 | 177 |
| NHB - PMAY | 06-01-2023 | 6,58,86,665 | 275 |
| NHB - PMAY | 22-02-2023 | 15,76,46,472 | 668 |
| NHB - PMAY | 01-05-2023 | 1,36,70,084 | 60 |
| | Total | 31,64,12,390 | 1328 |

WILFUL DEFAULTERS

Pursuant to the policy circular 74 and 83 by National Housing Bank, during the year Company has no willful defaulters/customers. With reference to policy circulars the Company is a member of four Credit information Company namely CIBIL- Credit Information Bureau (India) Limited, ECIS- Equifax Credit Information Services Private Limited, CRIF High Mark Credit Information Services Private Limited and Experian Credit Information Company of India Private Limited.

GRIEVANCER EDRESSAL SYSTEM

The Company focuses on customer experience, we also strive to ensure transparency in our operations and communication. All customer complaints received across branches/ front channels are managed through a centralized complaints management system for tracking and timely resolution. We continue to take steps to ensure customer satisfaction.

The Company has a well-defined grievance handling mechanism. It ensures that the Redressal is not only prompt but satisfactory to the customer. For this the Redressal team is well trained and undergoes continuous coaching to ensure that they are not only clear in their Redressal but are also patient and sensitive with customers who may not be tech savvy and require extra support.

The Company has a Grievance Redressal Policy with escalation mechanism wherein complaints are escalated to the level of Branch heads, Head of Operations. Complaints forwarded by regulatory and supervisory authorities are tracked separately.

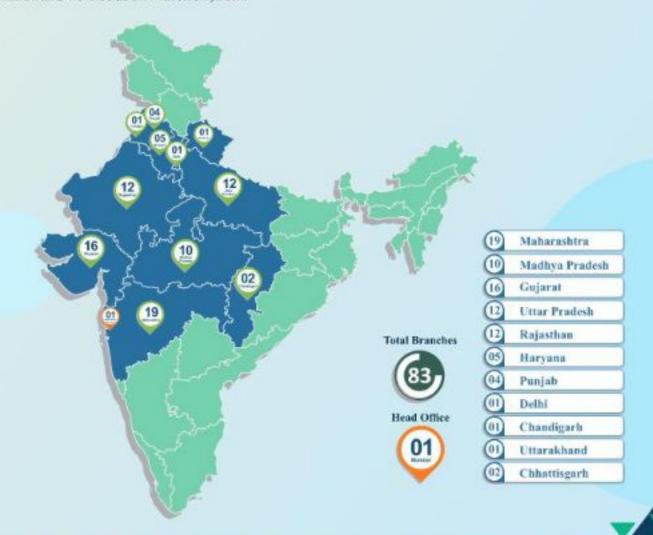
Disclosure of Complaints as required under Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs) is attached herewith as Annexure VI.

REPORT ON LEGAL AND TECHNICAL RISK

The Company's primary function is to advance loans to customers by taking land or building as the primary security. Any legal defects in the underlying collateral may pose legal, financial and operational loss to the Company. The Company has high expertise and dedicated Operations team and is led by an experienced Head having significant experience in the retail asset and mortgages sector. KIFS has a robust process to undertake legal due diligence of the property documents involving in-house lawyers along with HOD's with expertise and experience of the sector. To ensure compliance with regional and local laws, detailed State-laws are studied and are placed in order to review and make note of the changes therein. The Company also engages subject matter consultants for independent due diligence in case of very specific regional matters and in some cases for cross valuation, end-to-end root cause and analysis. Legal opinions are taken and search for encumbrances are done through empanelled advocates.

BRANCH NETWORK

Your Company had expanded its footprint with focus on affordable housing finance business, with a total of 83 branch and 1 office as on March 31, 2024



RESOURCE MOBILIZATION

SHARE CAPITAL

| Share Capital | Amount (in Rs.) |
|----------------------------------------------------------------------------------------------------------|-----------------|
| Authorized Share Capital (250,000,000 Equity Shares of Rs. 10 each) as on March 31,2024 | 250,00,00,000 |
| Issued, Subscribed and Paid - up Capital as on March 31, 2024 (249,986,452 Equity Shares of Rs. 10 each) | 249,98,64,520 |

BORROWED FUNDS

Total loan received from Banks during the FY 23-24 amount to Rs. 300.00 Crores which included Rs. 60.00 Crores from the National Housing Bank, Rs. 40.00 Crores from PoonawallaFincorp Limited, Rs 30.00 Crores from State Bank of India, Rs 25.00 Crores from CSB Bank, Rs. 25.00 Crores from KarurVysaa Bank, Rs. 25.00 Crores from Canara Bank Limited, Rs. 25.00 Crores from Kotak Mahindra Investments Limited, Rs. 25.00 Crores from the HDFC Bank Limited, Rs. 20.00 Crores from the Federal Bank Limited, Rs. 15.00 Crores from the Sundaram Home Finance Limited and Rs. 10.00 Crores from ICICI Bank Limited.

CREDIT RATING

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 | 392.50 Cr | #ACUITE A-/ Outlook: Stable |
| India Ratings & Research Limited | Commercial Paper | Short Term | 50 Cr | IND A2+ |

HUMAN RESOURCE

The Human Resource department is the backbone of every Organisation, as they are the ones who bridges the gap between the Top Management and the Employees. So, it is very important for any Organisation 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.

KHFL believes in providing a safe, inclusive and sustainable work environment for its employees. The Company is committed to acquiring and retaining talent, which plays a significant role in achieving its desired goals. The Company is focused on hiring the finest talent and providing its people with equal opportunities to enhance their professional growth by matching their ability, aspirations and drive.

Your Company has a robust team of HR that takes the 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. The Company's employee count stood at 576 as of March 31, 2024.

REGULATORY AND STATUTORY COMPLIANCES

The Company is regulated by statutory regulators including but not limited to the Ministry of Corporate Affairs, Reserve Bank of India and National Housing Bank. All the relevant circulars, notifications, guidelines, and Directions issued by the aforesaid statutory regulators were duly placed before the Board of Directors at regular intervals to update the Board members on compliance of the same. Your Company has

adhered with the provisions of Master Direction-Non-Banking Financial Company -Housing Finance Company (Reserve Bank) Directions, 2021, SEBI (Issue and Listing of Non-Convertible Securities) Regulation, 2021, Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 to the extent applicable, the provisions of the Companies Act, 2013as amended from time to time, other laws to the extant applicable to the Company and mandatory Secretarial Standards issued by Institute of Company Secretaries of India (ICSI) and all the applicable circulars, notifications, and guidelines issued by the aforesaid regulators from time to time.

Your Company maintains a policy of absolute compliance with all regulatory and legal requirements, both in letter and spirit. The Company places the highest priority on complying with all existing laws and regulations. For absolute compliance with all requirements, the internal team works closely with the Company's business and operations teams. In addition to complying with regulatory norms, the Company ensures exercising principles of corporate ethics, accountability, and integrity, thereby recognizing corporate governance as more than merely complying with regulatory requirements. Corporate governance consists of transparency, fairness, integrity, effective internal controls at all levels of operation, as well as timely and adequate disclosures to stakeholders.

RISK MANAGEMENT

With the challenging macroeconomic conditions and uncertainties, there are heightened risks faced by the Company which can be inherent or market - related risks. There has been a continuous focus on identifying, measuring and mitigating risks by the Company. As a housing finance company, the Company is exposed to various risks like credit risk, market risk (interest rate and currency risk), liquidity risk and operational risk (technology, employee, transaction and reputation risk). A key risk in the competitive home loans, and mortgage - backed funding in general, is losing customers that transfer out their loans for small gains in interest rates, this represents significant loss of opportunity to the Company given the long - term nature of mortgage loans. To identify and mitigate all these risks, the Company has an effective Risk Management Control Framework that has been developed encompassing all the above areas. The Company has a Risk Management Committee (RMC) in place that comprises of its Directors and Members of its Senior Management team, who have rich industry experience across domains. The RMC met quarterly during the year and kept an active watch on the emergent risks the Company was exposed to.

INTERNAL AUDIT CONTROL, INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY

KIFS Housing has an adequate system of internal control in place which has been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls, monitoring of operations, protecting assets from unauthorized use or losses, compliance with regulations and for ensuring reliability of financial reporting. KIFS Housing has robust internal audit programme, where the internal auditors, an independent firm of chartered accountants, conduct the audits with a view to not only test adherence to laid down policies and procedures but also to suggest improvements in processes and systems which are further discussed with the management and appropriate measures and actions are taken thereafter. Internal audit observations and recommendations are reported to the Audit Committee, which monitors the implementation of such recommendations

The Company's internal financial control over financial reporting 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. The Company's internal financial control over financial reporting includes those policies and procedures that-

- Pertaining to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company
- 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

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.

KIFS Housing has put in place adequate mechanisms to promote business sustainability and maintain a healthy work environment. It maintains a system of internal controls designed to provide a high degree of assurance regarding the effectiveness and efficiency of its operating procedures, safeguard its assets, and financial controls that ensure transparency and accountability while complying with applicable laws and regulations. The efficacy of the internal control system is monitored by the internal auditors, working in tandem with external while taking adequate steps to increase employee satisfaction and engagement.

INFORMATION TECHNOLOGY & SYSTEM UPDATES

Information technology (IT) systems are vital to the business, and the Company remains committed to upgrading them in order to improve operational efficiency, customer service and decision-making processes while reducing the risk of system failures and the negative impact they may have on the business. Digital solutions are an integral part of various aspects of business, including credit underwriting, risk management, fraud detection, and collections to centrally process loan applications, analyse credit risks, identify fraud and utilise an objective cognitive rule-based policy.

Commitment to IT Systems:

Information Technology (IT) systems remain vital to our business operations. The Company is dedicated to continuously upgrading these systems to enhance operational efficiency, improve customer service, and streamline decision-making processes while mitigating the risk of system failures. These efforts not only bolster our business operations but also minimize potential negative impacts.

Digital Integration and Risk Management:

Digital solutions have become integral across various aspects of our business, including credit underwriting, risk management, fraud detection, and collections. These systems allow us to centrally process loan applications, analyze credit risks, identify fraud, and apply objective, cognitive, rule-based policies. The exponential growth in the use of IT by both the Company and its stakeholders underscores the importance of integrating these digital solutions into our operational strategies.

Loan Origination System Development:

In the past year, significant advancements have been made in our Information Technology and Systems, particularly with the development of a new Loan Origination System within Salesforce. This comprehensive system manages the entire loan lifecycle, including lead management, credit underwriting, decisioning, and disbursement.

Automation and Fraud Prevention:

To enhance efficiency and accuracy, we have integrated various automation tools within the system. These include advanced scoring models, fraud detection algorithms, and third-party verification mechanisms. These tools evaluate both customers and assets, significantly reducing the risk of fraud or false bookings.

KYC Verification and Faster Loan Processing:

We have also implemented automated Know Your Customer (KYC) verification processes, which are directly linked with the respective authorities. This integration allows for faster and more reliable processing of loan onboarding, ensuring compliance and reducing processing time.

Enhancing Financial Data Accessibility:

The Company has integrated an Account Aggregator (AA) system into our financial analysis processes, significantly enhancing our ability to access and analyze customer financial data from multiple banks and financial institutions. This integration allows for a more comprehensive and accurate assessment of a customer's financial health, which is crucial for informed decision-making in loan underwriting and risk management.

Online Payment:

To improve collection efficiency, the Company has partnered with banks and online payment aggregators, offering online payment facilities through a payment gateway on our website. This system supports various digital payment modes, including internet banking and UPI.

Cyber security Concerns:

However, as our reliance on IT infrastructure grows, so do concerns regarding cyber security. The frequency and sophistication of cyber threats have increased significantly, posing risks to the integrity, confidentiality, and availability of our information. Safeguarding our information infrastructure is paramount in maintaining a secure cyber environment and ensuring business continuity.

Loan Management System Upgrade:

As part of our ongoing commitment to enhancing our IT systems, the Company has adopted FinnOne Neo for our loan management system. This advanced platform is designed to streamline and optimize the loan management process, providing a comprehensive solution that covers the entire loan lifecycle.

Adaptation to Remote Working:

In response to the shift towards remote working, the Company has implemented secure VPN (Virtual Private Network) access for all employees. This secure VPN access ensures that our workforce can connect to the Company's network safely from remote locations, maintaining productivity while safeguarding sensitive data.

These technological upgrades have not only improved our operational efficiency but have also strengthened our risk management capabilities, ensuring a more secure and streamlined loan origination process. IS Audit covers effectiveness of policy and oversight of IT systems, evaluating adequacy of processes and internal controls, recommends corrective action to address deficiencies and follow-up. IS Audit also evaluates the effectiveness of business continuity planning, disaster recovery set up and ensures that BCP is effectively implemented in the organization. It identify risks and methods to mitigate risk arising out of IT infrastructure such as server architecture, local and wide area networks, physical and information security, telecommunications etc.

During the FY 2023-24 the following IS Audits were conducted:-

- 1. Application Audit Salesforce conducted by AQM Technologies Pvt Ltd
- 2. Firewall Security Assessment conducted by AQM Technologies Pvt Ltd

The Company is in process of complying with Scale Based Regulation's Core Financial Services Solution (CFSS), Reserve Bank of India (Information Technology Governance, Risk, Controls and Assurance Practices) Directions, 2023 and all other applicable provisions relating to the Information Technology and Master Direction on Outsourcing of Information Technology Service.

ANNEXURE-II

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

| KIFS International LLP |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Usage of property at Vadodara for Branch Office of the Company for the business and operation purpose. |
| Continuing and Ongoing |
| 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. |
| As per Rent Agreement |
| February12, 2024 |
| NA |
| 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 Limitedfor 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 |

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 |
| 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 Fund |
| (c) Duration of the contracts/ arrangements/ transactions | Continuing and Ongoing |
| (d) Justification for entering into such contracts or arrangements or transactions | As per the 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 |

ANNEXURE-III

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)

1. Compositionof the Board

| r. S | Name of Directors | Directors Since | Capacity (i.e. Executive/ Non Executive/ Chairman/ Promoter/ | DIN | No. of Box Meetings | No. of Board Meetings | No of other Directorship | Remmeration | | | | No. of shares held in |
|------|-----------------------------------|--------------------|--------------------------------------------------------------------|----------|------------------------|--------------------------|--------------------------------|----------------------------|--------------|-------------------------|-----------|-----------------------------|
| | | | Nominee/ Independent | | Held | Attended | | Salary and Compensation | Sitting Fees | Sitting Fees Commission | Others | the HFC |
| 7 | Mr. Rajesh Parmanand Khandwala | November 16, 2015 | Chairman & Managing Director (Executive) | 00477673 | S | 4 | 9 | 0 | 0 | 0 | 0 | 0 |
| ř. | Mr. Virnal Parmanand Khandwafa | November 16, 2015 | Managing Director (Executive) | 00477768 | S | 4 | п | 0 | 0 | 0 | 0 | 0 |
| 65 | Mr. Kushal Jayesh Khandwala | March 20, 2023 | Whole Time Director (Executive) | 03345686 | 9 | 9 | 6 | 0 | 0 | 0 | 0 | 0 |
| 4 | Mr. Satish Gordhan Mehra | November 30, 2022. | Independent Director (Non-Executive) | 00110640 | \$ | 8 | 7 | 0 | 3,60,000 | 0 | *3,00,000 | 0 |
| 95 | Mr. Kartik Shailesh Mehta | March 04, 2016 | Independent Director (Non-Executive) | 02083342 | S | ٤, | - | 0 | 1,60,000 | 0 | 0 | 2,50,000 |
| -6 | Ms. Purvi Jayendra Bhavsar | March 04, 2016 | Independent Director (Non-Executive) | 02102740 | S | 4 | - | 0 | 1,10,000 | 0 | 0 | 2,50,000 |
| 7. | Ms. Bhavna Govindblei Desai | December 01, 2020 | Non-Executive Director | 06893242 | 'n | 4 | m | 0 | 1,20,000 | 0 | 0 | 0 |

^{*} Mr. Satish Mehta was paid Rs. 3,00,000/- in capacity of being the chairman of Audit Committee of the Company...

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

1.Mr. Kushal Khandwala's appointment was regularised by the Members of the Company at their Annual General Meeting ('AGM') held on September 25, 2023. 2.Ms. Bhavtta Desai was re-designated as a Non-Executive Director of the Company with effect from June 19, 2023

3.Mr. Kartik Mehta was re-designated as an Independent Director of the Company with effect from May 30, 2023.

4.Ms. Purvi Bhavsar was re-designated as an Independent Director of the Company with effect from May 30, 2023.

Details of changein composition of the Board during the current and previous financial year:

The below are the changes which took place in the composition of the Board of the Company during the Current Financial Year viz., 2023-24 and during Previous Financial Year viz., 2022-23, the details of the same are provided below:

| Sr. No. | Name of the Directors | Capacity (i.e. Executive/ Non Executive/ Chairman/ Promoter/ Nominee/ Independent | Nature of change | Effective date |
|------------|--------------------------|-----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| L | Ms, Bhavna Desai | Non-Executive Director | Re-designated as a Non-Executive, (Non-Independent Director) of the Company from Non-Executive Director (Independent Director) of the Company. | 19/06/2023 |
| 2. | Ms. Purvi Bhavsar | Independent Director | Re-designated as a Non-Executive Director (Independent Director) from Non-Executive Director (Non- Independent Director) of the Company. | 30/05/2023 |
| 3. | Mr. Kartik Mehta | Independent Director | Re-designated as a Non-Executive Director (Independent Director) from Non-Executive Director (Non- Independent Director) of the Company. | 30/05/2023 |
| 4. | Mr. Kushal Khandwala | Whole Time Director | Appointed as a Whole Time Director of the Company | 20/03/2023 |
| 5. | Mr. Satish Mehta | Independent Director | Appointed as a Independent Director of the Company | 30/11/2022 |
| 6. | Mr. Padmanabh Vora | Independent Director | Ceased to be an Independent Director of the Company due to his sad demise. | 05/08/2022 |

Where an Independent Director resigns before expiry of his/ her term, the reasons for resignation as given by him/her shall bedisclosed.

No such instances during the Financial Year under review.

2. Committees of the Board and the 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, 2024, comprised of 5 (five) directors of the Company, of whom 3 (three) are Independent Directors, 1 (one) is Managing 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:

| Sr. No. | Name of the Director | Members of Committee since | Capacity (i.e. Executive/ Non Executive/ Chairman/ Promoter/ Nominee/ Independent | No. of Mo attended | | No. of shares held in the HFC |
|------------|----------------------------------|-------------------------------|-----------------------------------------------------------------------------------|-----------------------|----------|----------------------------------------|
| | | | | Held | Attended | |
| 1. | Mr. Satish Gordhan Mehta | Nov 30, 2022 | Independent Director (Non-Executive) - Chairman of the Committee | 04 | 04 | 0 |
| 2. | Mr. Vimal Parmanand Khandwala | Aug 06, 2018 | Managing Director (Executive) | 04 | 04 | 0 |
| 3. | Mr. Kushal Jayesh Khandwala | May 30, 2023 | Whole Time Director (Executive) | 04 | 03 | 0 |
| 4. | Mr. Kartik Shailesh Mehta | April 27, 2017 | Independent Director (Non-Executive) | 04 | 02 | 2,50,000 |
| 5. | Ms. Purvi Bhavsar | April 27, 2017 | Independent Director (Non-Executive) | 04 | 02 | 2,50,000 |

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

- Ms. Bhavna Desai ceased to be the Member of the Committee with effect from August 10, 2023.
- 2. Mr. Kushal Khandwala was inducted as a Member of the Committee with effect from May 30, 2023.

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 there on 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, 2024, comprised of 5(five) directors of the Company of whom one (1) is Managing Director, three (3) are Independent Directors and one (1) is Non-Executive Director. During the financial year under review, five(5) Meetings were held.

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

| Sr. No. | Name of the Director | Members of Committee since | Capacity (i.e. Executive/ Non Executive/ Chairman/ Promoter/ Nominee/ Independent | No. of Mo attended | | No. of shares held in the HFC |
|------------|-----------------------------------|-------------------------------|-----------------------------------------------------------------------------------|-----------------------|----------|----------------------------------------|
| | | | | Held | Attended | |
| 1. | Mr. Satish Gordhan Mehta | March 20, 2023 | Independent Director (Non-Executive) - Chairman of the Committee | 05 | 05 | 0 |
| 2. | Mr. Rajesh Parmanand Khandwala | November 08, 2017 | Chairman & Managing Director (Executive) | 05 | 04 | 0 |
| 3. | Mr. Kartik Shailesh Mehta | November 08, 2017 | Independent Director (Non-Executive) | 05 | 03 | 2,50,000 |
| 4. | Ms. Purvi Bhavsar | October 16, 2019 | Independent Director (Non-Executive) | 05 | 03 | 2,50,000 |
| 5. | Ms. Bhavna Govindbhai Desai | March 04, 2021 | Non-Executive Director | 05 | 04 | 0 |

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

- Mr. Vimal Khandwala ceased to be the Member of the Committee with effect from August 10, 2023.
- Mr. Kushal Khandwala was inducted as a Member of the Committee with effect from May 30, 2023 and ceased to be the Member of the Committee with effect from August 10, 2023

The summary of terms of reference of NRC Committee, interalia, in cludes 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 Polices 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, 2024, comprised of 4 (Four) directors of the Company, of whom I (one) is Independent Director and 2 (two) are Managing Directors and 1 (one) is Whole Time Director. During the financial year under review1 (one) CSR Committee meeting was held.

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

| Sr. No. | Name of the Director | Members of Committee since | Capacity (Le. Executive/ Non Executive/ Chairman/ Promoter/ Nominee/ Independent | No. of Mo attended | | No. of shares held in the HFC |
|------------|-----------------------------------|-------------------------------|-------------------------------------------------------------------------------------------------|-----------------------|----------|----------------------------------------|
| | | | | Held | Attended | |
| 1. | Mr. Vimal Parmanand Khandwala | February 10, 2020 | Managing Director (Executive) – Chairman of the Committee | 01 | 01 | 0 |
| 2. | Mr. Rajesh Parmanand Khandwala | February 10, 2020 | Chairman & Managing Director (Executive) | 01 | 01 | 0 |
| 3. | Mr. Kushal Jayesh Khandwala | May 30, 2023 | Whole Time Director (Executive) | 01 | 00 | 0 |
| 4. | Mr. Satish Gordhan Mehta | February 07, 2023 | Independent Director (Non-Executive) | 01 | 01 | 0 |

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

Mr. Kushal Khandwalawas inducted as a Member of the Committee with effect from May 30, 2023.

The summary of terms of reference of CSR Committee, interalia, 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 duringthe 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, 2024, comprised of 5 (five) directors of the Company, of whom 2 (two) are Managing Directors, 1 (one) is Whole Time Director, and 2 (two) are Independent Directors. The Borrowing and Investment Committee held 11(eleven) meetings during the financial year under review.

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

| Sr. No. | Name of the Director | Members of Committee since | Capacity (i.e. Executive/ Non Executive/ Chairman/ Promoter/ Nominee/ Independent | No. of Mo attended | | No. of shares held in the HFC |
|------------|-----------------------------------|-------------------------------|--------------------------------------------------------------------------------------------------|-----------------------|----------|----------------------------------------|
| | | | | Held | Attended | |
| 1. | Mr. Vimal Parmanand Khandwala | September 16, 2017 | Managing Director (Executive) – Chairman of the Committee | 11 | 09 | 0 |
| 2. | Mr. Rajesh Parmanand Khandwala | December 10, 2018 | Chairman & Managing Director (Executive) | 11 | 02 | 0 |
| 3. | Mr. Kushal Jayesh Khandwala | May 30, 2023 | Whole Time Director (Executive) | 11 | 07 | 0 |
| 4. | Mr. Satish Gordhan Mehta | February 07, 2023 | Independent Director (Non-Executive) | 11 | 11 | 0 |
| 5. | Mr. Kartik Shailesh Mehta | July 18, 2019 | Independent Director (Non-Executive) | 11 | 07 | 2,50,000 |

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

1. Mr. Kushal Khandwala was inducted as a Member of the Committee with effect from May 30, 2023.

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

- To borrow from banks /financial institutions /NBFCs/ National Housing Bank with in the overall limits
 of the Company;
- To secure the borrowings of the Company by way of mortgage or chargeonall 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, 2024, comprised of 8 (eight) members, of whom 3 (three) are Independent Directors, 2 (two) are Managing Directors, 1 (one) is Whole Time Director and other 2 (two) members are officials of the Company. The ALM Committee held 4 (four) meetings during the financial year under review.

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

| Sr. No. | Name of the Director | Members of Committee since | Capacity (i.e. Executive/ Non Executive/ Chairman/ Promoter/ Nominee/ Independent | No. of Mo attended | | No. of shares held in the HFC |
|------------|-----------------------------------|-------------------------------|-----------------------------------------------------------------------------------|-----------------------|----------|----------------------------------------|
| | | | | Held | Attended | |
| 1. | Mr. Vimal Parmanand Khandwala | December 06, 2016 | Managing Director (Executive) – Chairman of the Committee | 04 | 04 | 0 |
| 2. | Mr. Rajesh Parmanand Khandwala | December 06, 2016 | Chairman & Managing Director (Executive) | 04 | 03 | 0 |
| 3. | Mr. Kushal Jayesh Khandwala | May 30, 2023 | Whole Time Director (Executive) | 04 | 03 | 0 |
| 4. | Mr. Satish Gordhan Mehta | February 07, 2023 | Independent Director (Non-Executive) | 04 | 04 | 0 |
| 5. | Mr. Kartik Shailesh Mehta | August 10, 2023 | Independent Director (Non-Executive) | 04 | 01 | 2,50,000 |
| 6. | Ms. Purvi Jayendra Bhavsar | August 10, 2023 | Independent Director (Non-Executive) | 04 | 01 | 2,50,000 |
| 7. | Mr. Vikki Vijay Soni | August 10, 2023 | Chief Financial Officer | 04 | 04 | 0 |
| 8. | Mr. Gundopant Salokhe | July 18, 2019 | Chief Information and Technology Officer | 04 | 04 | 0 |

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

- Mr. Avinash Srivastava ceased to be the Member of the Committee with effect from February 12, 2024
- Mr. Kartik Mehta was inducted as a Member of the Committee with effect from August 10, 2023.
- Mr. Purvi Bhavsar was inducted as a Member of the Committee with effect from August 10, 2023.
- 4. Mr. Kushal Khandwala was inducted as a Member of the Committee with effect from May 30, 2023.

The summary of terms of reference of Asset Liability Management Committee, interalia, 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, 2024, comprised of 6 (six) members, of whom 1 (One) is Managing Director, 1 (One) is Whole Time Director, 1 (one) is Independent Director, 1 (one) is Non-Executive Director and 2 (two) are officials of the Company. The Committee held 2 (two) meetings during the financial year under review.

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

| Sr. No. | Name of the Director | Members of Committee since | Capacity (i.e. Executive/ Non Executive/ Chairman/ Promoter/ Nominee/ Independent | No. of Mo attended | | No. of shares held in the HFC |
|------------|----------------------------------|-------------------------------|-----------------------------------------------------------------------------------|-----------------------|----------|----------------------------------------|
| | | | W | Held | Attended | |
| 1. | Mr. Satish Gordhan Mehta | February 28, 2023 | Managing Director (Executive) – Chairman of the Committee | 02 | 02 | 0 |
| 2. | Mr. Vimal Parmanand Khandwala | October 16, 2019 | Managing Director (Executive) | 02 | 01 | 0 |
| 3. | Mr. Kushal Jayesh Khandwala | August 25, 2023 | Whole Time Director (Executive) | 02 | 01 | 0 |
| 4. | Ms. Bhavna Govidbhai Desai | November 11, 2022 | Non-Executive Director | 02 | 02 | 0 |
| 5. | Mr. Vikki Vijay Soni | November 11, 2022 | Chief Financial Officer | 02 | 02 | 0 |
| 6. | Mr. Gundopant Salokhe | October 16, 2019 | Chief Information and Technology Officer | 02 | 02 | 0 |

- During the financial year under review, the following changes took place in the Information Technology Strategy Committee: Mr. Avinash Srivastava had resigned the Company with effect from December 02, 2023 and thereby ceased to be the Member of the Committee.
- 2. Mr. Kushal Khandwala was inducted as a Member of the Committee with effect from August 25, 2023.

The summary of terms of reference of Information Technology Strategy Committee, interalia, 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, 2024, comprised of 8 (eight) members, of whom 1 (one) is Managing Director, 1 (one) is Whole Time Director, 3 (three) are Independent Director and other 3 (three) members are officials of the Company. The Committee held 4 (four) meetings during the financial year under review.

Below are the requisite details of the Risk Management Committee:

| Sr. No. | Name of the Director | Members of Committee since | Capacity (i.e. Executive/ Non Executive/ Chairman/ Promoter/ Nominee/ Independent | No. of Mo attended | No. of shares held in the HFC | |
|------------|----------------------------------|-------------------------------|-----------------------------------------------------------------------------------|-----------------------|----------------------------------------|----------|
| | | | | Held | Attended | |
| 1. | Mr. Vimal Parmanand Khandwala | October 16, 2019 | Managing Director (Executive) – Chairman of the Committee | 04 | .03 | 0 |
| 2. | Mr. Kushal Jayesh Khandwala | May 30, 2023 | Whole Time Director (Executive) | 04 | 03 | 0 |
| 3. | Mr. Satish Gordhan Mehta | February 07, 2023 | Independent Director (Non-Executive) | 04 | 04 | 0 |
| 4. | Mr. Kartik Shailesh Mehta | August 10, 2023 | Independent Director (Non-Executive) | 04 | 01 | 2,50,000 |
| 5. | Ms. Purvi Jayendra Bhavsar | August 10, 2023 | Independent Director (Non-Executive) | 04 | 01 | 2,50,000 |
| 6. | Mr. Saurabh Goel | August 10, 2023 | Head – Credit and Risk | 04 | 02 | 0 |
| 7. | Mr. Vikki Vijay Soni | August 10, 2022 | Chief Financial Officer | 04 | 04 | 0 |
| 8. | Mr. Gundopant Salokhe | March 04, 2021 | Chief Information and Technology Officer | 04 | 04 | 0 |

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

- Mr. Avinash Srivastava had resigned the Company with effect from December 02, 2023 and thereby ceased to be the Member of the Committee.
- 2. Mr. Kartik Mehta was inducted as a Member of the Committee with effect from August 10, 2023.
- Ms. Purvi Bhavsar was inducted as a Member of the Committee with effect from August 10, 2023.
- Mr. Saurabh Goel was inducted as a Member of the Committee with effect from August 10, 2023.
- Mr. Kushal Khandwala was inducted as a Member of the Committee with effect from May 30, 2023.

The summary of terms of reference of Risk Management Committee, interalia, 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, 2024 comprised of 5 (Five) members, of whom 1 (one) is Managing Director, 1 (one) is Whole Time Director and other 3 (three) members are officials of the Company. The Committee held 4 (four) meetings during the financial year under review.

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

| Sr. No. | Name of the Director | Members of Committee since | Capacity (i.e. Executive/ Non Executive/ Chairman/ Promoter/ Nominee/ Independent | No. of Mo attended | | No. of shares held in the HFC |
|------------|----------------------------------|-------------------------------|--------------------------------------------------------------------------------------------------|-----------------------|----------|----------------------------------------|
| | | | | Held | Attended | |
| 1. | Mr. Vimal Parmanand Khandwala | July 18, 2019 | Managing Director (Executive) – Chairman of the Committee | 04 | 04 | 0 |
| 2. | Mr. Kushal Jayesh Khandwala | July 18, 2019 | Whole Time Director (Executive) | 04 | 04 | 0 |
| 3. | Mr. Vikki Vijay Soni | August 10, 2022 | Chief Financial Officer | 04 | 04 | 0 |
| 4. | Mr. Gundopant Salokhe | July 18, 2019 | Chief Information and Technology Officer | 04 | 04 | 0 |
| 5. | Mr. Sanjay Chavan | February 12, 2024 | Operations Head | 04 | 00 | 0 |

During the financial year under review, the following changes took place in the Customer Grievance Redressal Committee:

- Mr. Avinash Srivastava had resigned the Company with effect from December 02, 2023 and thereby ceased to be the Member of the Committee.
- 2.Mr. Sanjay Chavan was inducted as a Member of the Committee with effect from February 12, 2024.
- 3.Mr. Dharmendra Doshi ceased to be the Member of the Committee with effect from February 12, 2024.

The summary of terms of reference of Customer Grievance Redressal Committee, interalia, 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, 2024, comprised of 6 (six) members, of whom 2 (two) are Managing Directors, 1 (one) is Whole Time Director and other 3 (three) members are officials of the Company. The Committee held 4 (four) meetings during the financial year under review.

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

| Sr. No. | Name of the Director | Members of Committee since | Capacity (i.e. Executive/ Non Executive/ Chairman/ Promoter/ Nominee/ Independent | No. of Mo attended | | No. of shares held in the HFC |
|------------|-----------------------------------|-------------------------------|-----------------------------------------------------------------------------------|-----------------------|----------|----------------------------------------|
| | | | | Held | Attended | |
| 1. | Mr. Vimal Parmanand Khandwala | June 03, 2021 | Managing Director (Executive) – Chairman of the Committee | 04 | 04 | 0 |
| 2. | Mr. Rajesh Parmanand Khandwala | June 03, 2021 | Chairman and Managing Director (Executive) | 04 | 03 | 0 |
| 3. | Mr. Kushal Jayesh Khandwala | June 03, 2021 | Whole Time Director (Executive) | 04 | 04 | 0 |
| 4. | Mr. Vikki Vijay Soni | August 10, 2022 | Chief Financial Officer | 04 | 04 | 0 |
| 5. | Mr. Saurabh Goel | November 27, 2023 | Head - Credit and Risk | 04 | 01 | 0 |
| 6. | Mr. Yogesh Khakam | November 27, 2023 | Senior Manager – Collections | 04 | 00 | 0 |

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

- Mr. Avinash Srivastava had resigned the Company with effect from December 02, 2023 and thereby ceased to be the Member of the Committee.
- Mr. Saurabh Goel was inducted as a Member of the Committee with effect from November 27, 2023
- Mr. Yogesh Khakam was inducted as a Member of the Committee with effect from November 27, 2023

The summary of terms of reference of Wilful Defaulter Identification Committee, interalia, 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, 2024, comprised of 3 (three) members, of whom 2 (two) are Managing Directors and 1 (one) is Non-Executive Director. There were no meetings held during the financial year under review.

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

| | 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. 2023-2024 | No. of shares held in the HFC |
|----|-----------------------------------|-------------------------------|--------------------------------------------------------------------------------------------|---------------------------------------------------|-------------------------------------|
| 1. | Mr. Rajesh Parmanand Khandwala | June 03, 2021 | Managing Director (Executive) - Chairman of the Committee | 00 | 0 |
| 2. | Mr. Vimal Parmanand Khandwala | June 03, 2021 | Managing Director (Executive) | 00 | 0 |
| 3. | Ms. Bhavna Govindbhai Desai | June 03, 2021 | Non-Executive Director | 00 | 0 |

The summary of terms of reference of Wilful Defaulter Review Committee, interalia, 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. GENERALBODY 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 |
|------------|--------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| I. | Annual General Meeting | Date: September 25, 2023 Place: Registered Office of the Company, situated at 6th Floor, KIFS Corporate House, Beside Hotel Planet Landmark, Near Ashok Vatika BRTS, ISKON-Ambli Road, Bodakdev, Ambli, Ahmedabad, Gujarat – 380054. | To approve appointment of Mr. Kushal Khandwala (DIN: 03345686) as a Whole Time Director of the Company. 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). To consider and approve conversion of Loan into Equity under Section 62(3). To approve/ratify the Related Party Transactions. To approve re-designation of Mr. Kartik Mehta (DIN: 02083342) from a Non – Executive Director to an Independent Director of the Company. To approve re-designation of Ms. Purvi Bhavsar (DIN: 02102740) from a Non – Executive Director to an Independent Director of the Company. |
| 2. | Extra Ordinary General Meeting | Date: October 25, 2023 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 Re-Designation of Ms. Bhavna Desai (Din: 06893242) from an Independent Director to a Non – Executive Director of the Company. |
| 3. | Extra Ordinary General Meeting | Date: November 28, 2023 Place: Corporate Office of the Company, situated at C - 902, Lotus Corporate Park, Graham Firth Compound, Western Express Highway, Goregaon (East), Mumbai - 400063 | To alter the Object Clause of Memorandum of Association of the Company. |

4. DETAILS OF NON-COMPLIANCE WITH REQUIREMENTS OF COMPANIES ACT, 2013: (GIVE DETAILS AND REASONS OF ANY DEFAULT IN COMPLIANCE WITH THE REQUIRE MENTS 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.

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-IV

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ("CSR") ACTIVITIES

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY.

The Company's Act, 2013 ("Act") has made it compulsory for Companies to carry out Corporate Society Responsibility Activities. The Government of India, on February 27, 2014, notified provisions and corresponding Rules pertaining to CSR. Corporate Social Responsibility is a Company's sense of responsibility towards the community and environment in which it operates. It is the continuing commitment by business to behave ethically and contribute to economic development of the society at large. KIFS is committed to remain a responsible corporate entity mindful of its social responsibilities and to make a positive impact in the society.

The CSR Policy applies to the formulation, execution, monitoring, evaluation, and documentation of CSR activities in the target locations, in and around the Company's office.

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 Parmanand Khandwala | Chairman/ Managing Director | 1 | 1 |
| 2. | Mr. Rajesh Parmanand Khandwala | Member/ Chairman and Managing Director | 1 | 1 |
| 3. | *Mr. Kushal Jayesh Khandwala | Member/ Whole Time Director | Ţ | 0 |
| 4. | Mr. Satish Gordhan Mehta | Member/ Independent Director | 1 | 1 |

^{*} appointed as a Member with effect from May30, 2023.

- Web link for composition of CSR Committee, CSR policy and CSR projects disclosed on the website: https://kifshousing.com/governance-policies/
- 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. | 2022-23 | NIL | NIL |

- Average net profit of the Company as per section 135(5): Rs. 19,49,71,210/-
- 7. (a) Two percent of average net profit of the Company as per section 135(5): Rs. 38, 99, 424/-(Company has spent amount of Rs. 39,00,000/-as against 2% of average profit i.e.Rs. 38, 99, 424/-).
 - (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. 38, 99, 424/-

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

| | Amount Unspent (in Rs.) | | | | | | | | | |
|-------------------------------------------------------------------------------------------------------------------|-------------------------|---------------------------------------------|-----------------------------------------------------------------------------------------------------------|--------|------------------|--|--|--|--|--|
| Total Amount Spent for the Financial Year. | | nt transferred to R Account as per 6) | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) | | | | | | | |
| (in Rs.) | Amount | Date of Transfer | Name of the fund | Amount | Date of transfer | | | | | |
| Company has spent amount of Rs. 39,00,000/- as against 2% of average profit i.e. Rs. 38, 99, 424/- | 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 Impleme ntation -Direct (Yes/No). | Mode of Implementa- tion - Through Implemen- ting Agency |
| | | | | State | District | | | | Name | CSR Registration No |

(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) | Local of t proje | be | Amount ullocated 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 object (Yes/No). | Imple - Through | de of neutation implementing gency |
| | | | | State | District | | | | | Name | CSR Registration No |
| 1. | Treatment of Cancer Patients | Promoting health care including preventive health care | Yes | Maharashtra | Mumbai City | 17,00,000/- | 17,00,000/- | Nil | No | Tata Memorial Centre | CSR00001287 |
| 2 | "The Hunger Free Palghor" - Govardhan Annakshetta | Eradicating hunger | Yes | Malarashtra | Mumbai City | 12,00,000/- | 12,00,000 | Nil | No | International Society for Krishna Consciousness | CSR00005241 |
| 1 | Supports complicated major surgeries performed on indigent patients in chemiai | Promoting beafthcare including preventive health care. | No | Tamil Nodu | Chemni City | 10,00,000 | 10,06,000 | Nil | No | Nathana Nethrolaya (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. 39,00,000/-
- (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) | 38, 99, 424/- |
| 2 | Total amount spent for the Financial Year | 39,00,000/- |
| 3 | Excess amount spent for the financial year [(ii)-(i)] | 576/- |
| 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)] | 576/- |

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 | |

(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 |
|-----------|---------------|------------------------|---------------------------------------------------------------|---------------------|----------------------------------------------------------------|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|-----------------------------------------------------|
| 1 | | | | 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
- Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5): None

For KIFS Housing Finance Limited,

sd/-

Rajesh Khandwala

Chairman & Managing Director

DIN: 00477673

sd/-

Vimal Khandwala (Chairman of CSR Committee)

Managing Director DIN: 00477768

Date: August 14, 2024

Place: Mumbai



KIRAN DOSHI & CO.

COMPANY SECRETARIES

G/02, Xth CENTRAL MALL, MAHAVIR NAGAR, KANDIVALI (WEST), MUMBAI – 400 067
(W) www.cskdco.com (M) 9920345370 (E) kiran@cskdco.com / info@cskdco.com

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 315T MARCH, 2024

[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, 2024 (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, 2024 according to the provisions of:

- The Companies Act, 2013 (the 'Act') and the Rules made thereunder;
- 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]
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBIAct'):
 - (a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 [NotApplicable as on 31st March, 2024];
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 [Not Applicable during the Audit period];
 - (e) 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 as on 31st March, 2024 as the Company was delisted on September 11, 2023 post redemption on Maturity.]
- (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:
 - Master Direction Non-Banking Financial Company Housing Finance Company (Reserve Bank)
 Directions, 2021, issued by Reserve Bank of India.
 - b. The National Housing Banking Act, 1987;
 - 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 and Independent 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) Designation of Mr. Kartik Mehta (DIN: 02083342) was changed from non executive director to Independent Director with effect from 30th May, 2023.
- b) Designation of Mrs. Purvi Jayendra Bhavsar (DIN: 02102740) was changed from non executive director to Independent Director with effect from 30th May, 2023.

- c) Designation of Ms. Bhavna Govindbhai Desai was changed from Independent Director to Non Executive Director of the Company with effect from 19th June, 2023.
- d) The Company had altered the object clause of the Memorandum of Association of the Company to include following clause in the main object of the Company: "To solicit and procure Insurance Business as Corporate Agent in respect of all classes of insurance and to undertake such other activities as are incidental or ancillary thereto."
- e) The Company had closed 3 branches wherein there was delay by 3-4 days in serving the notices in at least, one leading national newspaper and a leading local (covering the place of branch/ office) vernacular newspaper as per the Master Direction of RBI for closure of all the 3 branches.
- f) The Company was required to appoint Chief Compliance Officer as per the RBI circular (DoS.CO.PPG/SEC.01/11.01.005/2022-23) latest by 1st October, 2023. There was a delay in the appointment and the Company appointed Mr. Dharmendra Doshi as Chief Compliance Officer with effect from 13st February, 2024.

FOR KIRAN DOSHI & CO

Company Secretaries KIRAN P. DOSHI (Proprietor)

CP. No.: 9890, FCS No.: 13007 Peer Reviewed Firm: 1977/2022 UDIN: F013007F000537707

Place: Mumbai Date: 6th June, 2024

KIRAN DOSHI & CO.

COMPANY SECRETARIES

G/02, Xth CENTRAL MALL, MAHAVIR NAGAR, KANDIVALI (WEST), MUMBAI – 400 067
(W) www.cskdco.com (M) 9920345370 (E) kiran@cskdco.com / info@cskdco.com

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.

- Our report of event date is to be read along with this letter. Maintenance of secretarial record is the
 responsibility of the management of the company. Our responsibility is to express an opinion on these
 secretarial records based on our audit.
- 2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
- Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the
 efficacy or effectiveness with which the management has conducted the affairs of the company.

FOR KIRAN DOSHI & CO

Company Secretaries KIRAN P. DOSHI (Proprietor)

CP. No.: 9890, FCS No.: 13007 Peer Reviewed Firm: 1977/2022 UDIN: F013007F000537707

Place: Mumbai Date: 6th June, 2024

ANNEXURE-VI

DISCLOSURE OF COMPLAINTS

Summary information on complaints received by the NBFCs from customer sand from the Offices of Ombudsman

| Sr No | Particulars No | March 31, 2024 | March 31, 2023 |
|-------|---------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| | Complaints received by the NBFC from its customers | | 7 |
| 1 | Number of complaints pending at beginning of the year | 00 | 00 |
| 2 | Number of complaints received during the year | 60 | 56 |
| 3 | Number of complaints disposed during the year | 58 | 56 |
| 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, 2024.

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 |
| | | Curre | nt Year | | |
| Foreclosure Related | 00 | 21 | 162% | 01 | 01 |
| Fraud Sanction Letter | 00 | 07 | | 00 | 00 |
| Loan Related | 00 | 04 | | 00 | 00 |
| PMAY Related | 00 | 03 | -70% | 00 | 00 |
| Refund Related | 00 | 02 | -50% | 00 | 00 |
| Others | 00 | 23 | 82.61% | 01 | 03 |
| Total | | 60 | | | |
| | | Previo | us Year | | N |
| Foreclosure Related | 00 | 13 | 160% | 00 | 00 |
| PMAY Related | 00 | 10 | -61.53% | 00 | 00 |
| EMI Related | 00 | 06 | | 00 | 00 |
| Refund Related | 00 | 04 | -20% | 00 | 00 |
| Documents Retrieval | 00 | 04 | | 00 | 00 |
| Others | 00 | 19 | 20% | 00 | 00 |
| Total | | 56 | | | |

INDEPENDENT AUDITOR'S REPORT

Report on Compliance with the Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021

To
The Board of Directors of
KIFS HOUSING FINANCE LIMITED

Background

Pursuant to the Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 ("the Directions") which became effective from February 17, 2021, we have examined the matters specified in the Paragraph 70 of the said directions in respect of KIFS Housing Finance Limited (the "Company") for the year ended 31" March 2024.

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.

Auditors' Responsibility

Our responsibility is to report on the matters specified in Paragraph 70 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 had applied for registration as required under Section 29A of the National Housing Bank Act, 1987 and has been granted the certificate of registration dated October 27, 2016. In Financial Year 2019-20, the Company has been converted from private limited to public limited (through revised certificate of incorporation dated 24th February, 2020) and thus, it has applied to Reserve Bank of India for fresh certificate of registration vide their application letter dated 27th February, 2020. The fresh certificate of registration is received dated 12th August, 2020.
- (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 27.2 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 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 schedule II return for the half year ended on 30° September, 2023 as specified in Directions. The Company has furnished provisional Schedule II return to the Bank for the half year ended on 31° March, 2024 as at the date of our report. However, final return 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 31" March 2024.

Restriction of use

This report is issued pursuant to the requirement as per Paragraph 70 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.

Manubhai & Shah LLP

Chartered Accountants

FRN: 106041W/ W100136

Vitesh D. Gandhi Partner

Membership No.: 110248

UDIN: 24110248BKCQGQ7874

Place: Mumbai

Date: August 14, 2024

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 31° March 2024, 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 31" March 2024, 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, 39 & 60 to the financial | We have performed following audit procedures: |
| | statements) Ind AS 109 requires the Company to provide | (a) Assessed Company's accounting policies for impairment of loans and their compliance with Ind AS. |
| | 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 | (b) Evaluated reasonableness of management estimates by understanding the process of ECL estimation and related assumptions |

(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.

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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- 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;
 - In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;

- (e) On the basis of the written representations received from the directors as on 01" April, 2024, taken on record by the Board of Directors, none of the director is disqualified as on 31" March, 2024 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 35 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, as disclosed in the notes to Financial Statements, 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, as disclosed in the notes to Financial Statements, 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, except for the instances mentioned below, the Company has used an accounting software for maintaining its books of account for the year ended March 31, 2024 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 respective software.

- The feature of recording audit trail (edit log) was not enabled in respect of a software used for maintaining books of accounts from April 01, 2023 to July 20, 2023
- The feature of recording audit trail (edit log) was not enabled in respect of a software used for maintaining records relating to loans given from April 01, 2023 to March 27, 2024.

Further, for the periods where audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting software, we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

Manubhai & Shah LLP Chartered Accountants FRN: 106041W/W100136

Vitesh D. Gandhi Partner

Membership No.: 110248 UDIN: 24110248BKCQGP9760

Place: Mumbai

Date: August 14, 2024

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 31" March 2024 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, 2024 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, 2024 except for the following cases:

| Number of Cases | Principal Amount overdue | Interest amount overdue | Total Amount due |
|--------------------|--------------------------|-------------------------|---------------------|
| 83 | 707.10 | 138.54 | 845.64 |

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, the Company has not advanced loans or made investments in or provided guarantees or security to parties covered by section 185 and section 186 is not applicable to the Company. Hence reporting under paragraph 3(iv) of the Order is not applicable.
- (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.

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 31" March 2024 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 2024 which have not been deposited on accounts of any disputes except as stated below:

| Nature of | Nature of Dues | Forum Where | Period to which | Amount |
|-----------------------------|----------------|--------------------|--------------------|------------|
| Statute | | Dispute is Pending | the Amount Relates | (Rs. Lakh) |
| The Income Tax Act, 1961 | Income Tax | CIT(A) | AY 2020-21 | 5.96 |

- (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.
- (d) 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, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
 - (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) We have considered, the internal audit reports issued to the Company during the year and covering the period upto March 31, 2024.
- (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 more than one 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. There are 2 CICs forming part of the Group.
- The Company has not incurred cash losses during the financial year and the immediately preceding (xvii) financial year.
- There has been no resignation of the statutory auditors of the Company. Hence, reporting under (xviii) clause 3(xviii) of the Order is not applicable.
- On the basis of the financial ratios, ageing and expected dates of realization of financial assets and (xix) 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.
- (a) In respect of other than ongoing projects, there are no unspent amounts towards Corporate Social (xx) 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.

Manubhai & Shah LLP Chartered Accountants FRN: 106041W/W100136

Vitesh D. Gandhi Partner

Membership No.: 110248 UDIN: 24110248BKCQGP9760

Place: Mumbai

Date: August 14, 2024

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 Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of KIFS Housing Finance Limited("the Company") as of 31" March, 2024 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 31 March, 2024, 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.

Manubhai & Shah LLP Chartered Accountants FRN: 106041W/ W100136

Vitesh D. Gandhi Partner

Membership No.: 110248

UDIN: 24110248BKCQGP9760

Place: Mumbai

Date: August 14, 2024

FINANCIAL STATEMENTS FOR THE FY 2023-2024

Balance Sheet as at March 31, 2024

Rs in lakhs

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 202 |
|---------------------------------------------------------------------------------------------------------------------|----------|-------------------------|------------------------|
| ASSETS | | | |
| (1) Financial Assets | | | |
| (a) Cash and cash equivalents | 4 | 333.56 | 88.90 |
| (b) Bank balance other than (a) above | 5 | 5,448.66 | 4,747.48 |
| (c) Derivative financial instruments | | - | |
| (d) Receivables | | | |
| (i) Trade receivables | 6 | (0) | 7.0 |
| (ii) Other receivables | 6.1 | 146.34 | 19.86 |
| (e) Loans Asset held for sale | 7 | 78,644.97 | 59,086.26 |
| (f) Investments | 8 | 1.5 | |
| (g) Other financial assets | 9 | 123.66 | 149.32 |
| Total Financial Assets | | 84,697.19 | 64,091.82 |
| (2) Non-Financial Assets | | | |
| (a) Current tax assets (Net) | | 5 | 77.67 |
| (b) Deferred tax assets (Net) | 33.2 | 98.39 | 524.74 |
| (c) Property, Plant and Equipment | 10 | 888.88 | 831.48 |
| (d) Other intangible assets | 11 | 15.89 | 39.57 |
| (e) Intangible assets under development | 11.1 | | - |
| (f) Other non-financial assets | 12 | 258.78 | 116.25 |
| Total Non-Financial Assets | | 1,261.94 | 1589.71 |
| Total Assets | | 85,959.13 | 65,681.53 |
| LIABILITIES AND EQUITY | | | |
| LIABILITIES | | | |
| (1) Financial liabilities | | | |
| (a) Payables Payables | 13 | | |
| i) Total outstanding dues to micro enterprises and small enterprises ii) Total outstanding dues to creditors | | 1.94 | 3.89 |
| other than micro enterprises and small enterprises | | 440.02 | 394.34 |
| (b) Debt securities | 14 | | 2,079.01 |
| (c) Borrowings (other than debt securities) | 15 | 45,345.26 | 25,946.59 |
| (d) Other financial liabilities | 16 | 6,404.60 | 5,435.63 |
| Total Financial Liabilities | | 52,191.82 | 33,859.46 |

| Total Liabilities and Equity | | 85,959.13 | 65,681.53 |
|---------------------------------------|----|-----------|-----------|
| Total Equity | | 32,896.82 | 31,212,77 |
| (b) Other equity | 20 | 7,898.17 | 6,214.12 |
| (a) Equity share capital | 19 | 24,998.65 | 24,998.65 |
| (3) Equity | | | |
| Total Non-Financial Liabilities | | 870.49 | 609.30 |
| (c) Other non - financial liabilities | 18 | 630.52 | 484.42 |
| (b) Provisions | 17 | 184.70 | 124.88 |
| (a) Current tax liabilities (Net) | | 55.27 | |
| (2) Non-Financial Liabilities | | | |

The accompanying notes form an integral part of Financial Statements 1 to 97

As per our report of even date For Manubhai & Shah LLP **Chartered Accountants** ICAI Firm Reg. No. 106041W/W100136 For and on behalf of the Board of Directors of KIFS Housing Finance Limited

sd/-Vitesh D.Gandhi Partner M. No. 110248

Place: Mumbai

Date: August 14, 2024

Rajesh P. Khandwala Chairman and Managing Director DIN: 00477673

sd/-

sd/-Vikki Vijay Soni Chief Financial Officer PAN - BRLPS7392J

Place: Mumbai Date: August 14, 2024 Vimal P. Khandwala Managing Director DIN: 00477768

sd/-

sd/-Samrudhi Satish Shetty Company Secretary M. No. ACS-63985

| Particulars | Note No. | For the year ended March 31, 2024 | For the year end March 31, 202 |
|-------------------------------------------------------|----------|--------------------------------------|-----------------------------------|
| Revenue from operations | | 116 | |
| (i) Interest Income | 21(a) | 9,628.61 | 7,328.62 |
| (ii) Fees and commission income | 21(b) | 242.31 | 121.33 |
| (iii) Net gain on fair value changes | 22 | 47.14 | 76.58 |
| (iv) Other operating revenue | 23 | 1,062.14 | 481.00 |
| (I) Total Revenue from Operations | | 10,980.20 | 8,007.53 |
| (II) Other Income | 24 | 6.40 | * |
| (III) Total Income (I - II) | | 10,986.60 | 8,007.53 |
| Expenses: | | | |
| (i) Finance cost | 25 | 3,680.96 | 2,319.96 |
| (ii) Impairment on financial instruments under | | | |
| amortised cost | 26 | 132.72 | 149.02 |
| (iii) Employee benefits expense | 27 | 3,091.74 | 2,922.34 |
| (iv) Depreciation and amortisation expenses | 10,11 | 322.06 | 277.39 |
| (v) Other expenses | 28 | 931.04 | 682.45 |
| (IV) Total expenses | | 8,158.52 | 6,351.16 |
| (V) Profit before tax (III - IV) | | 2,828.08 | 1,656.37 |
| Tax Expense : | | | |
| Current tax | 33 | 696.92 | 467.36 |
| (Excess)/ provision of tax for earlier year | | 23.97 | 10.93 |
| Deferred tax | 33 | 28.58 | (165.92) |
| (VI) Total tax expenses | | 749.47 | 312.37 |
| (VII) Profit for the Year (V - VI) | | 2,078.61 | 1,344.00 |
| (VIII) Other comprehensive income (OCI) | | | |
| Items that will not be reclassified to profit or loss | | | |
| Remeasurement of defined benefit plans | | 3.21 | 25.33 |
| Income tax expense on remeasurement of define | d | | |
| benefit plans | | (0.81) | (6.38) |
| Total Other Comprehensive Income | | 2.40 | 18.95 |

| (IX) Total Comprehensive Income for the year (VII + VIII) | | 2,081.01 | 1.362.95 |
|--------------------------------------------------------------|----|----------|----------|
| (X) Earning per Equity Share : | 30 | | |
| Basic (Rs.) | | 0.83 | 0.54 |
| Diluted (Rs.) | | 0.83 | 0.54 |

The accompanying notes form an integral part of Financial Statements 1 to 97

As per our report of even date For Manubhai & Shah LLP Chartered Accountants ICAI Firm Reg. No. 106041W/W100136

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

sd/-Vitesh D.Gandhi Partner M. No. 110248 sd/Rajesh P. Khandwala
Chairman and Managing Director
DIN: 00477673

Vikki Vijay Soni Chief Financial Office sd'-Vimal P. Khandwala Managing Director

DIN: 00477768

sd/-

Samrudhi Satish Shetty Company Secretary

Chief Financial Officer Company Secretary
PAN - BRLPS7392J M. No. ACS-63985

Place: Mumbai
Date: August 14, 2024

Date: August 14, 2024

Statement of Changes in Equity for the year ended March 31, 2024

A Equity Share Capital

Rs. In Lakhs

| Particulars | Balance as at April 01, 2023 | Changes in Equity Share Capital during the year | Balance as at March 31, 2024 |
|----------------------|---------------------------------|-------------------------------------------------------|---------------------------------|
| Equity Share Capital | 24,998.65 | - | 24,998.65 |

| Particulars | Balance as at April 01, 2022 | Changes in Equity Share Capital during the year | Balance as at March 31, 2023 |
|----------------------|---------------------------------|-------------------------------------------------------|---------------------------------|
| Equity Share Capital | 24,998.65 | 12 | 24,998.65 |

B. Other Equity

Rs. In Lakhs

| | Reserves ar | id Surplus | Items of OCI | | |
|------------------------------------------------|-------------------|----------------------|----------------------------------------|----------|--|
| Particulars | Statutory reserve | Retained carnings | Other comprehensive income (OCI) | Total | |
| Balance as at April 1, 2022 | 1,307.73 | 3,543.44 | - | 4,851.17 | |
| Profit for the year | | 1,344.00 | 2 | 1,344.00 | |
| Transfer from retained earnings | 368.01 | (368.01) | - | - | |
| Remeasurement benefit of defined benefit plans | - | 18.95 | © | 18.95 | |
| Balance as at March 31, 2023 | 1,675.74 | 4,538.38 | - | 6,214.1 | |
| Profit for the year | | 2,078.61 | | 2,078.6 | |
| Deduction u/s 36(1)(viia)(d)-Opening* | | (396.96) | | (396.96 | |
| Transfer from retained earnings | 546.67 | (546.67) | | | |
| Remeasurement benefit of defined benefit plans | | 2.40 | | 2.40 | |
| Balance as at March 31, 2024 | 2,222.41 | 5,675.76 | - | 7,898.17 | |

^{*} Note: Refer note no. 32

The accompanying notes form an integral part of Financial Statements (1 to 97)

As per our report of even date For Manubhai & Shah LLP Chartered Accountants ICAI Firm Reg. No. 106041W/W100136 For and on behalf of the Board of Directors of KIFS Housing Finance Limited

sd/-Vitesh D.Gandhi Partner M. No. 110248 sd/Rajesh P. Khandwala
Chairman and Managing Director
DIN: 00477673

sd/-

Vikki Vijay Soni Chief Financial Officer PAN - BRLPS7392J

Place: Mumbai Date: August 14, 2024 5d/-

Vimal P. Khandwala Managing Director DIN: 00477768

sd/-

Samrudhi Satish Shetty Company Secretary M. No. ACS-63985

Place: Mumbai Date: August 14, 2024

Kifs Housing Finance Limited

Statement of Cash Flow for the year ended March 31,2024

Rs. In Lakhs

| Particulars | For the Year ended March 31, 2024 | For the Year ender March 31, 2023 |
|----------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| A. Cash flow from operating activities | | |
| Profit before tax | 2828.08 | 1 ,656.37 |
| Adjustments for : | | |
| Depreciation and amortization | 322.06 | 277.39 |
| Net gain on fair value changes | (47.14) | (76.58) |
| Interest income on loans | (9,628.61) | (7,328.62) |
| Interest expenses on borrowings | 3,680.96 | 2,319.96 |
| Impairment on financial instruments | 132.72 | 149.02 |
| Operating profit before working capital changes | (2,711.93) | (3,002.46) |
| Movement in working capital : | | 5200000000 |
| Increase/(decrease) in other financial liabilities | 941.71 | 1,018.96 |
| Increase/(decrease) in provisions | 27.12 | 26.76 |
| Increase/(decrease) in other non-financial liabilities | 149.31 | 134.93 |
| Increase/(decrease) in trade payables | 43.72 | 209.20 |
| (Increase)/decrease in trade receivables | (126.48) | (15.98) |
| (Increase)/decrease in loans | (19,512.29) | (10,871.13) |
| (Increase)/decrease in other financial assets (Increase)/decrease in other non-financial assets | 25.66 | (23.89) |
| | (142.53) | 3.86 |
| Movement in working capital - total | (18,593.78) | (9,517.29) |
| Interest income on loan received | 9,482.19 | 7,218.72 |
| Interest expenses on borrowings paid | (3,743.49) | (2,380.44) |
| Cash generated from /(used in) operations | (15,567.01) | (7,681.47) |
| Direct taxes paid (net of refunds) | (587.96) | (461.24) |
| Net cash flow generated from / (used in) operating activities (A) | (16,154.97) | (8,142.71) |
| B. Cash flow from investing activities : | | |
| Purchase / Sale of PPE (Net) | (246.00) | (105.02) |
| | 10745771.0571.057 | |
| Sale of Mutual Fund (Net) | 47.14 | 7,875.61 |
| Fixed Deposits matured / (placed) (Net) | (701.17) | (701.70) |
| Net cash flow generated from / (used in) investing activities (B) | (900.03) | 7,068.89 |
| C. Cash flow from financing activities : | | |
| Repayment of Debt Securities | (2,079.01) | (1,820.54) |
| Repayment of Other Borrowings | (19,797.10) | (6,404.34) |
| Proceeds of Other Borrowings | 39,195.77 | 9,500.00 |
| Repayment of lease liabilities | (19.99) | (131.76) |
| | | |
| Net cash flow generated from / (used in) financing activities (C) | 17,299.67 | 1,143.36 |
| Net increase/(decrease) in cash and cash equivalents (A)+(B)+(C) | 244.66 | 69.55 |
| Opening Balance of Cash and cash equivalents | 88.90 | 19.35 |
| Closing Ralance of Cash and each conivalents | 333.56 | 88.90 |
| Closing Balance of Cash and cash equivalents | 333.30 | 00.70 |

Notes:

| Components of cash & cash equivalents | March 31, 2024 | March 31, 2023 |
|-------------------------------------------------------------------------------------|----------------|----------------|
| Cash on hand | 12.82 | 5,54 |
| Balance with banks in current accounts Deposits with maturity less than 3 months | 320.74 | 83.36 |
| Deposits with maturity less than 3 months | - | |
| Total | 333.56 | 88.90 |

- (ii) Cash Flow Statement 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, 2023 | Cash flow | Fair Value Charges | Current / Non-Current Classification | As at March 31, 2024 |
|--------------------------|-------------------------|-----------|-----------------------|-----------------------------------------|-------------------------|
| Borrowings - Non Current | 19,615.94 | 14,017.78 | 100 | | 33,633.73 |
| Borrowings - Current | 12,607.54 | 3,969.70 | - | | 16,577.25 |

Chief Financial Officer PAN - BRLPS7392J

The accompanying notes form an integral part of Financial Statements (Note No. 1 to 97)

As per our report of even date For Manubhai & Shah LLP **Chartered Accountants** ICAI Firm Reg. No. 106041W/W100136 For and on behalf of the Board of Directors of KIFS Housing Finance Limited

sd/sd/-Vitesh D.Gandhi Vimal P. Khandwala Rajesh P. Khandwala Chairman and Managing Director Partner M. No. 110248 DIN: 00477673 sd/-Vikki Vijay Soni

Place: Mumbai Place: Mumbai Date: August 14, 2024 Date: August 14, 2024

sd/-Samrudhi Satish Shetty

sd/-

Managing Director

DIN: 00477768

Company Secretary M. No. ACS-63985

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-380054at B-81, Pariseema Complex, C.G. Road, Ellisbridge, Ahmedabad, 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. The Board of Directors approved the financial statements on August 14, 2024.

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 29.

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.

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 credit-impaired 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. The residual value and useful live 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 carnings 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.

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 be 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 with in 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 arrangement 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.

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 particip ants 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 it's 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 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 measure the shortfalls in collecting contractual cash flows. The Company does not discount such shortfalls considering relatively shorter tenure of loan contracts.

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 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.

| Note No. | Particulars | As at March 31, 2024 | As at March 31, 2023 |
|------------|------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| 4 | Cash and cash equivalents | | |
| 4.1 4.2 | Cash on hand Balances with banks In current accounts In term deposit accounts with original maturity | 12.82 320.74 | 5.54 83.36 |
| | of 3 months or less | | |
| | | 320.74 | 83.36 |
| | Total | 333.56 | 88.90 |
| 5 | Bank balance other than cash and cash equivalent Balance with banks in fixed deposits held as margin money (Refer Note 5.1) | 5,448.66 | 4,747.48 |
| | Total | 5,448.66 | 4,747.48 |
| 5.1 | Represents margin money placed against term loans from banks and others. Trade Receivables | | |
| | Receivables considered good - Unsecured Less - Provision for expected credit loss | : | 3 |
| | Total | | |
| 6.1 | Other Receivables | | |
| | Receivables considered good - Unsecured Less - ECL Provision on Other Receivables | 176.76 (30.42) | 19.86 |
| | Total | 146.34 | 19.86 |

^{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 a partner, a director or a member.

Notes to the Financial Statements for the year ended March 31, 2024

6.3 Other Receivables Ageing Schedule

| Other Receivables (F.Y 2023-24) | Not Day | Outstanding for following periods from due date of Payment | | | | Rs. In Lakhs | |
|-------------------------------------------------------------------------------------------------------------|---------|---------------------------------------------------------------|----------------------|--------------|--------------|----------------------|--------|
| | Not Due | 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 | (4) | 147.96 | 28.80 | - | - | | 176.76 |
| (ii) Undisputed Other Receivables - Which have significant increase in credit risk | | 8 | | | - | | |
| (iii) Undisputed Other Receivables - Credit Impaired | (2) | 20 | | | 121 | | 100 |
| (iv) Disputed Other Receivables - Considered Good | | * | | | | (*) | 84 |
| (v) Disputed Other Receivables - Which have significant increase in credit risk | | - 5 | | | | | |
| (vi) Disputed Other Receivables - Credit Impaired | | | | | | | |
| Gross Total | | 147.96 | 28.80 | - 2 | - | * | 176.76 |
| Less : ECL Provision on Other Receivables | | | | | | | 30.42 |
| Total | | | | | | | 146.34 |

| Other Receivables (F.Y 2022-23) | Not Days | Outstanding for following periods from due date of Payment | | | | | Rs. In Lakhs |
|-----------------------------------------------------------------------------------------------------------|----------|------------------------------------------------------------|----------------------|--------------|--------------|----------------------|-----------------|
| | Not Due | 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 | | 19.80 | 0.06 | - | | * | 19.86 |
| (ii) Undisputed Other Receivables - Which have significant increase in credit risk | | | * | | | | * |
| (iii) Undisputed Other Receivables - Credit Impaired | | | | | | | ÷ |
| (iv) Disputed Other Receivables - Considered Good | | 20 | | | 2 | (4) | |
| (v) Disputed Other Receivables - Which have significant increase in credit risk | | 20 | - | (4) | 12 | NAN | 101 |
| (vi) Disputed Other Receivables - Credit Impaired | | * | | * | | | |
| Gross Total | | 19.80 | 0.06 | + | - | - | 19.86 |
| Less : ECL Provision on Other Receivables | | | | | | | |
| Total | | | | | | | 19.86 |

Rs. In Lakhs

| Note No. | Particulars | As at March 31, 2024 | As at March 31, 2023 |
|----------|---------------------------------------------|-----------------------------------------|-------------------------|
| 7 | Loans | | |
| 352 | At amortised cost | | |
| | Individual Loans | 79,741.52 | 60,112.23 |
| | Corporate bodies | - | - |
| 1 | Total - Gross (A) | 79,741.52 | 60,112.23 |
| | Less: Impairment loss allowance (Expected A | *************************************** | |
| | Credit Loss) | (1,096.55) | (1,025.96) |
| | Total - Net (A) | 78,644.97 | 59,086.26 |
| | Secured by tangible assets | 79,741.52 | 60,112.23 |
| | Secured by intangible assets | 5#0 | |
| | Covered by bank / Government gurantees | | - |
| | Unsecured | | - |
| | Total (B) - Gross | 79,741.52 | 60,112.23 |
| | Less: Impairment loss allowance (Expected | | |
| | Credit Loss) | (1,096.55) | (1,025.96) |
| | Total (B) - Net | 78,644.97 | 59,086.26 |
| | Loans in India | | |
| | Public Sector | | × |
| | Other than public sector | 79,741.52 | 60,112.23 |
| | Total (C - I) - Gross | 79,741.52 | 60,112.23 |
| | Less: Impairment loss allowance (Expected | | |
| | Credit Loss) | (1,096.55) | (1,025.96) |
| 1 | Total (C - I) - Net | 78,644.97 | 59,086.26 |
| | Loans outside India (C - II) | | - |
| | Total C (I+II) | 78,644.97 | 59,086.26 |

| Note No. | Particulars | As at March 31, 2024 | As at March 31, 2023 |
|----------|---------------------------------------------------|-------------------------|-------------------------|
| 8 | Investments | | |
| A | Fair value through profit or loss Mutual funds | | 2 |
| | Total (A) - Gross | - | - |
| В | Investments in India Investment outside India | | * |
| | Total (B) - Gross | - | 2 |
| | Less: Allowance for impairment loss (C) | | |
| | Total - Net $D = (B) - (C)$ | | - |

Rs. In Lakhs

| Note No. | Particulars | As at March 31, 2024 | As at March 31, 2023 |
|----------|------------------------------------------------|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 9 | Other financial assets | | - ACCUMENTATION OF THE PERSON |
| 100 | Security Deposits | 59.16 | 63.42 |
| | Loan to employee | 8.87 | - |
| | Interest Accured But Not Due on Fixed Deposits | 45.43 | 44.06 |
| | Advance to Employee | 10.20 | 41.84 |
| | Total | 123.66 | 149.32 |

| No. | Particulars | Leasehold improvements | Right of use - Assets | Computers | Furniture & Fixtures | Office Equipment | Motor Vehicle | Total |
|---------|----------------------------------------------|---------------------------|--------------------------|-----------|-------------------------|---------------------|------------------|----------|
| 10 a | Property, Plant and Equipment Gross Block | | | | | | | |
| | Balance as at April 1, 2022 | 155.40 | 922.35 | 98.60 | 67.36 | 32.90 | 21.44 | 1,298.04 |
| | Additions | 3.62 | 144.86 | 28.81 | 7.20 | 24.39 | - | 208.88 |
| | Deductions | 2 | (58.37) | | (0.35) | - | - | (58.72) |
| | Balance as at March 31, 2023 | 159.02 | 1,008.84 | 127.41 | 74.21 | 57.29 | 21.44 | 1,448.21 |
| | Additions | 5.10 | 367.36 | 31.50 | 4.87 | 13.33 | 849 | 422.16 |
| | Deductions | | (257.58) | | (0.11) | (0.23) | - | (257.92) |
| | Balance as at March 31, 2024 | 164.12 | 1,118.62 | 158.91 | 78.97 | 70.39 | 21.44 | 1,612.45 |
| b | Accumulated Depreciation | | | | | | | |
| | Balance as at April 1, 2022 | 60.29 | 273.80 | 46.98 | 13.02 | 9.21 | 1.29 | 404.59 |
| | Additions | 24.32 | 180.30 | 24.74 | 12.54 | 9.04 | 2.55 | 253.48 |
| | Deductions | | (41.20) | - | (0.15) | - | - | (41.35) |
| | Balance as at March 31, 2023 | 84.61 | 412.90 | 71.72 | 25.41 | 18.25 | 3.84 | 616.73 |
| | Additions | 19.11 | 244.76 | 27.18 | 6.68 | 10.23 | 2.55 | 310.51 |
| | Deductions | + | (203.39) | | (0.05) | (0.22) | - | (203.67) |
| - | Balance as at March 31, 2024 | 103.72 | 454.27 | 98.90 | 32.04 | 28.26 | 6.39 | 723.57 |
| c | Net Block | | | | | | | |
| | Balance as at March 31, 2023 | 74.40 | 595.94 | 55.69 | 48.80 | 39.05 | 17.60 | 831.48 |
| | Balance as at March 31, 2024 | 60.40 | 664.35 | 60.01 | 46.93 | 42.13 | 15.05 | 888.88 |

10.1 During the Year, The Company has not revalued its property, plant and equipment (including Right of Use Assets).

| No. | Particulars | Rs. In Lakhs |
|-----|------------------------------|--------------|
| 11 | Other Intangible assets | |
| a | Gross Block | |
| | Balance as at April 1, 2022 | 42.91 |
| | Additions | 33.07 |
| | Deduction | * |
| | Balance as at March 31, 2023 | 75.98 |
| | Additions | |
| | Deductions | - |
| | Balance as at March 31, 2024 | 75.98 |
| b | Accumulated Amortisation | |
| | Balance as at April 1, 2022 | 12.50 |
| | Additions | 23.91 |
| | Deduction | - |
| | Balance as at March 31, 2023 | 36.41 |
| | Additions | 23.69 |
| | Deductions | - |
| | Balance as at March 31, 2024 | 60.10 |
| e | Net Block | |
| | Balance as at March 31, 2023 | 39.57 |
| | Balance as at March 31, 2024 | 15.89 |

11.1 During the Year, the Company has not revalued its Intangible Assets

Rs in lakhs

| Note No. | Particulars | As at March 31, 2024 | As at March 31, 2023 |
|-------------|--------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| 12 | Other non-financial assets | | |
| | Balance with Government Authorities | 14.31 | 12.11 |
| | Prepaid expense | 92.46 | 51.36 |
| | Advances to vendors | 82.52 | 35.39 |
| | Advances to others | 67.53 | 12.27 |
| | Capital advance | 1.96 | 5.12 |
| | Total | 258.78 | 116.25 |
| 13 | Trade payables Dues to micro enterprises and small enterprises Due to creditors other than micro enterprises and small | 1.94 | 3.89 |
| | enterprises | 440.02 | 394.34 |
| 8 | Total | 441.96 | 398.23 |

| Note No. | Particulars | As at March 31, 2024 | As at March 31, 2023 |
|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| 13.1 | Details of dues to micro and small enterprises as per Micro, Small and Medium Enterprises Development Act, 2006 | | |
| | i. The principal amount and the interest due thereon remaining unpaid to any supplier | 1.94 | 3.89 |
| | ii. The interest amount remaining unpaid to any supplier | - | * |
| | iii. Interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year | 141 | |
| | iv. 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 Micro Small and Medium Enterprise | * | • |
| | v. The amount of further interest remaining due and payable even in the succeeding years | - | - |

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 2023-24) | | Outstanding f | Rs. In Lakhs | | | |
|-----------------------------|---------|---------------------|--------------|------------|----------------------|--------|
| | Not Due | Less than I Year | 1 -2 Years | 2 -3 Years | More than 3 Years | Total |
| (i) MSME | 1.94 | | - | | | 1.94 |
| (ii) Others | - | 433.06 | - | 6.95 | - | 440.02 |
| (iii) Disputed Dues - MSME | | + | - | - | 4 | - |
| (iv) Disputed Dues - Others | | | | | - | |
| Total | 1.94 | 433.06 | - | 6.95 | | 441,95 |

| Trade Payables(F.Y 2022-23) | | Outstanding f | Rs. In Lukhs | | | |
|-----------------------------|---------|---------------------|--------------|------------|----------------------|--------|
| | Not Due | Less than 1 Year | 1 -2 Years | 2 -3 Years | More than 3 Years | Total |
| (i) MSME | 3.89 | - | - | * | 175 | 3.89 |
| (ii) Others | | 387.41 | 6.93 | | - | 394.34 |
| (iii) Disputed Dues - MSME | - | - | - | 140 | - 4 | - |
| (iv) Disputed Dues - Others | - | + | - | - | | |
| Total | 3.89 | 387.41 | 6.93 | - | | 398.23 |

14 Debt Securities Rs in lakhs

| Note No. | Particulars | As at March 31, 2024 | As at March 31, 2023 |
|-------------|--------------------------------------------------------------------|-------------------------|-------------------------|
| A i | - 1279 F 100 201 (100 00 201 00 00 00 00 00 00 00 00 00 00 00 00 0 | | |
| i | At amortised cost | | |
| | Non-Convertible Debentures | | |
| | Secured | - | 2,083.33 |
| | Unsecured | _ | - |
| | Less - Unamortised borrowing cost | | (4.32) |
| | Total (A) | | 2,079.01 |
| B | | | |
| i | Debt securities in India | 2 | 2,083.33 |
| | Less - Unamortised borrowing cost | - | (4.32) |
| | Total (B - I) | | 2,079.01 |
| ii | Debt securities outside India | | |
| | Total (B - ii) | - | - |
| | Total B (i + ii) | - | 2,079.01 |

14.1 Non Convertible Debentures

| Sr. No. | Particulars | Rate of interest | Date of allotment | Date of redemption | As at March 31, 2024 | As at March 31, 2024 |
|------------|--------------------------------------------------------------|------------------|----------------------|--------------------|-------------------------|-------------------------|
| 1. | 9.81 % P.A. Kifs Housing Finance Limited/Series B/2020-21 | 9.81% | August 31, 2020 | August 31, 2023 | - 5 | 833.33 |
| 2. | 10.10% P.A. Kifs Housing Finance Limited/Series A/2020-21 | 10.10% | July 30, 2020 | July 30, 2023 | 18 | 1,250.00 |
| | | | | | | 2,083.33 |

Details of contractual repayment of debt securities (excluding interest accrued and unamortised issue cost) at March 31, 2024 is given below.

| No. | Interest rate | 0-1 years | 1-3 years | 3-5 years | >5 years | Total |
|-----|---------------|-----------|-----------|-----------|----------|-------|
| 1 | 9 to 10% | (2) | - | | - | - |
| 2 | 10% to 11% | 1120 | 929 | 2 | - | |
| | Total | - | - | - | | - |

- 1. The company has issued 125 Series A/2020-21 Non-convertible Debentures (NCDs) of a face value of Rs. 1,000,000/- to Canara Bank repayable in 3 years at a coupan rate of 10.10% p.a.. The same is listed on BSE on August 17,2020. The Principal amount is to be paid at the end of tenure and Interest is payable annually. The debentures are issued on security of hypothication of receivables equivalent to 1.10 times. The company has also provided Personal guarantee of Mr. Rajesh P. Khandwala & Mr. Vimal P Khandwala. The issued debenture has been repaid.
- 2. The company has issued 250 Series B/2020-21 Non-convertible Debentures (NCDs) of a face value of Rs. 1,000,000/- to Bank of Baroda repayable in 3 years at a coupan rate of 9.81% p.a.. The same is listed on BSE on September 14, 2020. The principal and Interest is payable annually. The Debentures are issued on security of hypothication of receivables equivalents to 1.25 times. The company has also provided Personal guarantee of Mr. Rajesh P Khandwala & Mr. Vinod P Khandwala. The issued debenture has been repaid.

15 Borrowings (other than debt securities)

Rs in lakhs

| Note No. | Particulars | As at March 31, 2024 | As at March 31, 2023 |
|-------------|------------------------------------------------|-------------------------|-------------------------|
| A | | | |
| | At Amortised Cost | | |
| i | Term loan from banks - Secured | 24,674.80 | 14,570.90 |
| íi | Term loan from National Housing Bank - Secured | 12,694.67 | 9,538.35 |
| iii | Term loan from - others-Secured | 8,324.64 | 2,000.00 |
| iv | Loans repayable on demand from banks - Secured | - | - |
| -3100 | Less - Unamortised borrowing cost | (348.85) | (162.66) |
| | Total borrowings | 45,345.26 | 25,946.59 |
| В | | | |
| i | Borrowings in India | 45,694.11 | 26,109.25 |
| | Less - Unamortised borrowing cost | (348.85) | (162.66) |
| | Total (B - i) | 45,345.26 | 25,946.59 |
| ii | Borrowings outside India | - | - |
| 100000 | Less - Unamortised borrowing cost | | |
| | Total (B - ii) | (*) | - |
| | Total B (i + ii) | 45,345.26 | 25,946.59 |

15.1 There has not been any default in repayment of borrowings and interest during financial year ended March 31, 2024 and March 31, 2023.

15.2 Terms of repayment

As at March 31, 2024

| Sr. No. | Interest rate | 0-1 years | 1-3 years | 3-5 years | Above 5 years | Total |
|---------|-----------------------|----------------|-----------------------------------------|---------------|---------------|-----------|
| 1 | Term loans from banks | | | | | |
| | 9% - 10% | 5,625.43 | 9,434.32 | 4,046.99 | - | 19,106.74 |
| | 10%-11% | 1,503.15 | 2,454.60 | 1,073.68 | 519,96 | 5,551.40 |
| | 11%-12% | 16.67 | - | - | - | 16.67 |
| | Total | 7,145.25 | 11,888.92 | 5,120.67 | 519,96 | 24,674.80 |
| 2 | Term loans from NHB | | | | | |
| | 8%-9% | 2,159.10 | 5,203.60 | 2,232.75 | 3,099.22 | 12,694.67 |
| | Total | 2,159.10 | 5,203.60 | 2,232.75 | 3,099,22 | 12,694.67 |
| 3 | Loan from Others | and the second | 200700000000000000000000000000000000000 | 10/20/25/25/2 | | (LDCCCC-) |
| | 9%-10% | 1,743.45 | 3,424.09 | 1,823.77 | | 6,991.31 |
| | 10%-11% | 666.67 | 666.67 | - | - | 1,333.33 |
| | Total | 2,410.12 | 4,090.76 | 1,823.77 | - | 8,324.64 |

Notes forming part of Financial Statements for the year ended on March 31, 2024 As at March 31, 2023

| Sr. No. | Interest rate | 0-1 years | 1-3 years | 3-5 years | Above 5 years | Total |
|---------|----------------------------|-----------|-----------|-----------|---------------|-----------|
| 1 | Term loans from banks | 1 | | | | |
| | 8% - 9% | 190.25 | 431,42 | 121.34 | | 743.01 |
| | 9%-10% | 1,857.26 | 3,206.62 | 2,345.05 | - | 7,408.93 |
| | 10%-11% | 1,922.17 | 3,022.25 | 1,474.55 | - | 6,418.96 |
| | Total | 3,969.68 | 6,660.29 | 3,940.94 | - | 14,570.90 |
| 2 | Term loans from NHB | | | | | |
| | 7%-8% | 346.50 | 924.00 | 924.00 | 562.38 | 2,756.88 |
| | 8%-9% | 1,350.00 | 3,362.00 | 2,069.47 | - | 6,781.47 |
| | Total | 1,696.50 | 4,286.00 | 2,993.47 | 562.38 | 9,538.35 |
| 3 | Loan from Others 9%-10% | 666.67 | 1,333.33 | | - | 2,000.00 |
| | Total | 666.67 | 1,333.33 | | | 2,000.00 |

- 15.3 a) The Company has taken term loan from Federal Bank Ltd (TL1) of Rs. 475 lakhs repayable in 60 monthly installments starting from October 29, 2018 and carry Interest @9.20 % P.a. (PY: @9.20 % P.a.) (One year MCLR + 0.70%) on security of cash margin of 10.00 % of loan amount and hypothecations of receivables equivalent to 1.10 times and letter of comfort by promoter entity i.e. KIFS International LLP. The Term Loan has been fully repaid during the Year
 - b) The Company has taken term loan from South Indian Bank Ltd of Rs. 500 lakhs repayable in 60 monthly installments starting from January 29, 2019 and carry Interest @9.65 % P.a. (PY: @9.65 % P.a.) (One year MCLR + 0.55%). This facility is secured by cash margin equivalent to 10.00 % of term loan in form of fixed deposit and paripassu charge on all current assets, book debts, and housing loan assets both present and future of the company with minimum cover of 1.10 times. The Company has also provided corporate guarantee of KIFS International LLP (the holding enterprise) & Personal guarantee of Mr. Rajesh P Khandwala & Mr. Vimal P Khandwala.
 - c) The Company has taken term loan from AU Small Finance Bank Limited of Rs. 1000 lakhs repayable in 60 monthly installments starting from May 3, 2019 and carry interest @11.85 % p.a. (PY: @10.41 % P.a.) (12 Month's average ofone year T-Bill + 4.85%). This facility is secured by hypothecations of present and future loan receivables equivalent to 1.20 times for the loan principal outstanding. The Company has also provided corporate guarantee of KIFS International LLP (the holding enterprise) & Personal guarantee of Mr. Rajesh P Khandwala & Mr. Vimal P Khandwala.
 - d) The Company has taken term loan from Federal Bank Ltd (TL2) of Rs. 500 lakhs repayable in 60 monthly installments starting from May 23, 2019 and carry Interest @10.65 % P.a. (PY: @9.35 % P.a.) (One year MCLR + 1.30%) on security of cash marging of 10.00 % of loan amount and hypothecations of receivables equivalent to 1.10 times. The Company has also provided corporate guarantee of KIFS International LLP (the holding enterprise) & Personal guarantee of Mr. Rajesh P Khandwala & Mr. Vimal P Khandwala.
 - e) The Company has taken term loan from Federal Bank Ltd (TL3) of Rs. 600 lakhs repayable in 60 monthly installments starting from October 30, 2019 and carry Interest @10.40 % P.a. (PY: @9.50 % P.a.) (One year MCLR + 1.00%) on security of cash marging of 5% of loan amount and hypothecations of receivables equivalent to 1.20 times. The Company has also provided corporate guarantee of KIFS International LLP (the holding enterprise) & Personal guarantee of Mr. Rajesh P Khandwala & Mr. Vimal P Khandwala.
 - f) The Company has taken term loan from Karur Vyasa Bank of Rs. 1500 lakhs repayable in Quarterly installments starting from May 31, 2020 and carry Interest @9.90 % P.a. (PY: @10.40 % P.a.) (Repo Rate + 3.40 %) on security of hypothecations of receivables equivalent to 1.20 times. The Company has also provided corporate guarantee of KIFS International LLP (the holding enterprise) & Personal guarantee of Mr. Rajesh P Khandwala & Mr. Vimal P Khandwala.

- g) The Company has taken refinance facility from National Housing Bank of Rs. 4500 lakhs repayable in 10 years 2 months 12 days in quarterly installments starting from January 15, 2020 carrying Interest @8.40 %, 8.45% & 8.55 % P.a. (PY: @@7.95% & 8.00 % P.a.). Security against this is hypothecation of receivables equivalent to 1.25 times and bank guarantee equivalent to 20.00 % of loan amount sanctioned. Further the Company has also provided Corporate guarantee of KIFS International LLP.
- h) The Company has taken term loan from Federal Bank Ltd (TL4) of Rs. 400 lakhs repayable in 60 monthly installments starting from February 29, 2020 and carry Interest @10.80 % P.a. (PY: @10.30 % P.a.) (One year MCLR + 1.00%) on security of cash margin of 5% of loan amount and hypothecations of receivables equivalent to 1.20 times. The Company has also provided corporate guarantee of KIFS International LLP (the holding enterprise) & Personal guarantee of Mr. Rajesh P Khandwala & Mr. Vimal P Khandwala.
- i) The Company has taken term loan from Federal Bank Ltd (TL5) of Rs. 1000 lakhs repayable in 60 monthly installments starting from January 31, 2021 and carry Interest @10.60 % P.a. (PY: @10.00 % P.a.) (One year MCLR + 1.00%) on security of hypothecations of receivables equivalent to 1.20 times. The Company has also provided corporate guarantee of KIFS International LLP (the holding enterprise) & Personal guarantee of Mr. Rajesh P Khandwala & Mr. Vimal P Khandwala.
- j) The Company has taken refinance facility under lift scheme from National Housing Bank of Rs. 1500 lakhs repayable in 5 Years in quarterly installments starting from July 1, 2020 carrying Interest @ 8.45 % P.a. (PY: @8.15 % P.a.). Security against this is hypothecation of receivables equivalent to 1.35 times. Further the Company has also provided Corporate guarantee of KIFS International LLP (the holding enterprise) & Personal guarantee of Mr. Rajesh P. Khandwala & Mr. Vimal P.Khandwala.
- k) The Company has taken refinance facility under regular refinance scheme from National Housing Bank of Rs. 10000 lakhs repayable in 7 Years in quarterly installments starting from April 1, 2021 carrying Interest @ 8.65 % P.a. (PY: @8.10 % P.a.). Security against this is hypothecation of receivables equivalent to 1.20 times and bank guarantee equivalent to 10.00 % of loan amount sanctioned. Further the Company has also provided Corporate guarantee of KIFS International LLP (the holding enterprise) & Personal guarantee of Mr. Rajesh P Khandwala & Mr. Vimal P Khandwala.
- I) The Company has taken term loan from Federal Bank Ltd (TL6) of Rs. 1000 lakhs repayable in 60 monthly installments starting from October 30, 2021 and carry Interest @9.60 % P.a. (PY: @8.70% P.a.) (One year MCLR + 0.20%) on security of hypothecations of receivables equivalent to 1.10 times. The Company has also provided corporate guarantee of KIFS International LLP (the holding enterprise) & Personal guarantee of Mr. Rajesh P Khandwala & Mr. Vimal P Khandwala.
- m) The Company has taken term loan from IDBI Bank of Rs. 1000 lakhs repayable in 60 monthly installments starting from January 31, 2022 and carry Interest @10.10 % P.a. (PY: @ 9.10% P.a.) (One year MCLR + 0.85%) on security of cash margin of 5.00 % of loan amount and hypothecations of receivables equivalent to 1.20 times. The Company has also provided corporate guarantee of KIFS International LLP (the holding enterprise) & Personal guarantee of Mr. Rajesh P Khandwala & Mr. Vimal P Khandwala.
- n) The Company has taken term loan from State Bank of India of Rs.5000 lakhs repayable Quarterly, installments starting from May 31, 2022 and carry Interest @9.25 % P.a. (PY; @ 10.20% P.a.) (6M SOFR + 225 bbps) on security of (Immovable property/cash collateral) equivalent to 18% of loan amount and hypothecations of receivables equivalent to 1.25 times. Further, the loan has been converted as a FCNR TL which has been considered as fixed price loan wherein hedging risk has been taken care by Bank. The Company has also provided corporate guarantee of KIFS International LLP (the holding enterprise) & Personal guarantee of Mr. Rajesh Pkhandwala & Mr. Vimal PKhandwala.
- o) The company has taken term loan from Capital Small Finance Bank of Rs. 2500 lakhs repayable in 60 monthly installments starting from December 31, 2022 and carry interest @ 9.50% (PY: @9.50 % P.a.) (One Year MCLR+0.30%) on security of hypothication of receivables equivalent to 1.10 times. The company has also provided corporate guarantee of KIFS International LLP (the holding enterprise) & Personal guarantee of Mr. Vimal Khandwala.

- p) The company has taken term loan from Utkarsh Small Finance Bank of Rs. 1500 lakhs repayable in 60 monthly installments starting from November 01, 2022 and carry interest @ 10.32% (PY: @10.07 % P.a.)(364 Days T-Bill Rate 6.35% + 3.72%) on security of hypothication of receivables equivalent to 1.10 times and 5% cash collateral of loan amount sanctioned in the form of FDR. The company has also provided corporate guarantee of KIFS International LLP (the holding enterprise) & Personal guarantee of Mr. Rajesh P Khandwala and Mr. Vimal P Khandwala.
- q) The company has taken term loan from CSB Bank of Rs. 2000 lakhs repayable in 60 monthly installments starting from January 12, 2023 and carry interest @ 9.45% (PY: @9.15 % P.a.)(6 Month MCLR 9.40% + 0.05%) on security of hypothication of specific receivables with only principal component of standard asset equivalent to 1.10 times and 5% cash collateral of loan amount sanctioned in the form of FDR. The company has also provided corporate guarantee of KIFS International LLP (the holding enterprise) & Personal guarantee of Mr. Rajesh P Khandwala and Mr. Vimal P Khandwala.
- r) The Company has taken term loan from South Indian Bank Ltd of Rs. 500 lakhs repayable in 60 monthly installments starting from December 30, 2022 and carry Interest @10.25 % P.a. (PY: @9.50 % P.a.) (12 month MCLR + 0.45 %). This facility is secured by hypothication of receivables of standard asset equivalent to 1.25 times. The Company has also provided corporate guarantee of KIFS International LLP (the holding enterprise) & Personal guarantee of Mr. Rajesh P Khandwala & Mr. Vimal P Khandwala.
- s) The Company has taken term loan from Tata Capital Financial Services Ltd of Rs. 2000 lakhs repayable in 12 quarterly installments starting from May 5, 2023 including interest and carry Interest @10.40 % P.a. (PY: @9.90 % P.a.). This facility is secured by hypothication of receivables of standard asset equivalent to 1.10 times and 5% cash collateral of loan amount sanctioned in form of FDR. The Company has also provided corporate guarantee of KIFS International LLP (the holding enterprise) & Personal guarantee of Mr. Rajesh P Khandwala & Mr. Vimal P Khandwala.
- t)The Company has taken term loan from Federal bank (TL7) of Rs. 1000 lakhs repayable in 60 monthly installments starting from October 29, 2022 including interest and carry Interest @10.25 % P.a. (PY: @9.35 % P.a.). (One year MCLR+0.85 %). This facility is secured by hypothication of receivables of standard asset equivalent to 1.20 times and 5% cash margin. The Company has also provided corporate guarantee of KIFS International LLP (the holding enterprise) & Personal guarantee of Mr. Rajesh P Khandwala & Mr. Vimal P Khandwala.
- u) During the year, the Company has taken term loan from Sundaram Home Finance Limited (TL1) of Rs. 1000 lakhs repayable in 60 monthly installments starting from May 31, 2023 including interest and carry Interest @9.86 % P.a.(Linked with 3 months TBLR). This facility is secured by hypothication of receivables of standard asset equivalent to 1.10 times. The Company has also provided Personal guarantee of Mr. Rajesh P Khandwala & Mr. Vimal P Khandwala.
- v) During the year, the Company has taken term loan from HDFC Bank Limited (TL1) of Rs. 1000 lakhs repayable in 36 monthly installments starting from June 30, 2023 including interest and carry Interest @9.60 % P.a. (One Year MCLR + 0.55 %). This facility is secured by hypothication of receivables of standard asset equivalent to 1.10 times. The Company has also provided corporate guarantee of KIFS International LLP (the holding enterprise) & Personal guarantee of Mr. Rajesh P Khandwala & Mr. Vimal P Khandwala.
- w) During the year, the Company has taken term loan from HDFC Bank Limited (TL2) of Rs. 1500 lakhs repayable in 36 monthly installments starting from June 30, 2023 including interest and carry Interest @9.60 % P.a. (One Year MCLR + 0.55 %). This facility is secured by hypothication of receivables of standard asset equivalent to 1.10 times. The Company has also provided corporate guarantee of KIFS International LLP (the holding enterprise) & Personal guarantee of Mr. Rajesh P Khandwala & Mr. Vimal P Khandwala.

- x) During the year, the Company has taken term loan from Sundaram Home Finance Limited (TL2) of Rs. 500 lakhs repayable in 60 monthly installments starting from July 31, 2023 including interest and carry Interest @9.92 % P.a.(Linked with 3 months TBLR). This facility is secured by hypothication of receivables of standard asset equivalent to 1.10 times. The Company has also provided Personal guarantee of Mr. Rajesh P. Khandwala & Mr. Vimal P. Khandwala.
- y) During the year, the Company has taken term loan from Federal bank (TL8) of Rs. 2000 lakhs repayable in 60 monthly installments starting from July 23, 2023 including interest and carry Interest @9.60 % P.a.(One year MCLR+0.40 %). This facility is secured by hypothication of receivables of standard asset equivalent to 1.10 times. The Company has also provided corporate guarantee of KIFS International LLP (the holding enterprise) & Personal guarantee of Mr. Rajesh P Khandwala & Mr. Vimal P Khandwala.
- z) During the year, the Company has taken term loan from Karur Vyasa Bank of Rs. 2500 lakhs repayable in 20 quarterly installments starting from January 31, 2024 including interest and carry Interest @9.90 % P.a.(Repo Rate + 3.40 %). This facility is secured by hypothication of receivables of standard asset equivalent to 1.20 times. The Company has also provided corporate guarantee of KIFS International LLP (the holding enterprise) & Personal guarantee of Mr. Rajesh P Khandwala & Mr. Vimal P Khandwala.
- aa) During the year, the Company has taken term loan from Kotak Mahindra Investment Limited of Rs. 2500 lakhs repayable in 60 monthly installments starting from September 30, 2023 including interest and carry fixed Interest @10.00 % P.a. This facility is secured by hypothication of receivables of standard asset equivalent to 1.20 times and 5% cash margin. The Company has also provided corporate guarantee of KIFS International LLP (the holding enterprise) & Personal guarantee of Mr. Rajesh P Khandwala & Mr. Vimal P Khandwala.
- ab) The company has taken term loan from CSB Bank of Rs. 2500 lakhs repayable in 60 monthly installments starting from October 22, 2023 and carry interest @ 9.65% (6 Month MCLR 9.40% + 0.25%) on security of hypothication of specific receivables with only principal component of standard asset equivalent to 1.10 times. The company has also provided corporate guarantee of KIFS International LLP (the holding enterprise) & Personal guarantee of Mr. Rajesh P Khandwala and Mr. Vimal P Khandwala.
- ac) During the year, the Company has taken term loan from Poonawala Fincorp Limited of Rs. 4000 lakhs repayable in 60 monthly installments starting from November 5, 2024 including interest and carry Interest @9.75 % P.a. This facility is secured by hypothication of receivables of standard asset equivalent to 1.10 times. Interest @9.75 % P.a. This facility is secured by hypothication of receivables of standard asset equivalent to 1.10 times.
- ad) During the year, the Company has taken term loan from Canara Bank Limited of Rs. 2500 lakhs repayable in 84 monthly installments starting from October 30, 2023 including interest and carry Interest @10.50 % P.a..(One year MCLR+1.80 %). This facility is secured by hypothication of receivables of standard asset equivalent to 1.11 times and 10% cash margin. The Company has also provided corporate guarantee of KIFS International LLP (the holding enterprise) & Personal guarantee of Mr. Rajesh P Khandwala & Mr. Vimal P Khandwala.
- ae) During the year, the Company has taken term loan from ICICI Bank Limited of Rs. 1000 lakks repayable in 24 monthly installments starting from October 30, 2023 including interest and carry Interest @9.50 % P.a. (Repo Rate + 3.00%). This facility is secured by hypothication of receivables of standard asset equivalent to 1.25 times and 10% cash margin. The Company has also provided corporate guarantee of KIFS International LLP (the holding enterprise) & Personal guarantee of Mr. Rajesh P Khandwala & Mr. Vimal P Khandwala.

- af) The Company has taken term loan from State Bank of India of Rs.3000 lakhs repayable in 60 months in Quarterly installments—starting from April 29, 2024 and carry Interest @9.25 % P.a. (PY: @ 10.20% P.a.) (6M SOFR + 225 bbps) on security of (Immovable property/cash collateral) equivalent to 18% of loan amount and hypothecations of receivables equivalent to 1.25 times. Further, the loan has been converted as a FCNR TL which has been considered as fixed price loan wherein hedging risk has been taken care by Bank. The Company has also provided corporate guarantee of KIFS International LLP (the holding enterprise) & Personal guarantee of Mr. Rajesh Pkhandwala & Mr. Vimal PKhandwala.
- ag) During the year, the Company has taken term loan from NHB Refinance of Rs. 3500 lakhs repayable in 10 years in quarterly installments starting from July 1, 2024 including interest and carry Interest @8.70 P.a. This facility is secured by hypothication of receivables of standard asset equivalent to 1.20 times. The Company has also provided corporate guarantee of KIFS International LLP (the holding enterprise) & Personal guarantee of Mr. Rajesh P Khandwala & Mr. Vimal P Khandwala.
- ah) During the year, the Company has taken term loan from NHB Refinance of Rs. 2500 lakhs repayable in 10 years in quarterly installments starting from July 1, 2024 including interest and carry Interest @8.70 P.a. This facility is secured by hypothication of receivables of standard asset equivalent to 1.20 times. The Company has also provided corporate guarantee of KIFS International LLP (the holding enterprise) & Personal guarantee of Mr. Rajesh P Khandwala & Mr. Vimal P Khandwala.
- 15.4 The Company has obtained borrowings from banks or financial institutions on the basis of security of Current Assets.
- 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, 2024 | As at March 31, 2023 |
|-------------|----------------------------------------------------------------|-------------------------|-------------------------|
| 16 | Other financial liabilities | | |
| | Book overdraft | 4,865.70 | 4,197.88 |
| | Interest accrued but not due on borrowings and debt securities | 101.29 | 163.82 |
| | Payable to Employees | 66.82 | 59.98 |
| | Payable to Customers | 596.59 | 329.48 |
| | Lease liability | 774.20 | 684.47 |
| | Total | 6,404.60 | 5,435.63 |
| 17 | Provisions | | |
| | Employee benefit | | |
| | Gratuity | 59.86 | 42,32 |
| | Compensated absence | 122.55 | 82.56 |
| | ECL Provision on Other Assets | 2.29 | - |
| | Total | 184.70 | 124.88 |
| 18 | Other non financial liabilities | | |
| | Statutory dues | 121.11 | 89.50 |
| | Advance EMI | 17.09 | 17.49 |
| | Advance from customers | 42.60 | 38.62 |
| | Provision for expenses | 449.72 | 338.81 |
| | Total | 630.52 | 484.42 |

| Note No. | Particulars | As at March 31, 2024 | As at March 31, 2023 |
|-------------|----------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| 19 19.1 | Equity Share Capital 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 |
| - 1 | Total | 24,998.65 | 24,998.65 |

19.3 Rights, preferences and restrictions:

- i 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.
- ii 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.
- iii 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, 2024 | As on March 31, 2023 | |
|-------------------------|-------------------------|-------------------------|--|
| | 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 : Rs in lakhs

| Particulars | 2023 - 2024 | | 2022 - 2023 | |
|-----------------------------------------------------------------------------------------------|---------------|-----------|---------------|-----------|
| | No. of Shares | Amount | No. of Shares | Amount |
| Equity Shares at the beginning of the year Changes in Equity share Capital during the Year | 24,99,86,452 | 24,998.65 | 24,99,86,452 | 24,998.65 |
| 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 | me As at March31, 2024 As at March31, 2023 | | rch31, 2023 | % Change | |
|------------------------|--------------------------------------------|--------------|-----------------|--------------|-----------------|
| | No. of Shares | % of Holding | No. of Shares | % of Holding | during the year |
| KIFS International LLP | 24,94,85,752 | 99.80% | 24,94,85,752.00 | 99.80% | |

20. Other equity

Rs. In Lakhs

| Other equity | As at March 31, 2024 | As at March 31, 2023 | |
|-------------------|-------------------------|-------------------------|--|
| Retained Earnings | 5,675.76 | 4,538.38 | |
| Statutory Reserve | 2,222.41 | 1,675.74 | |
| Total | 7,898.17 | 6,214.12 | |

Retained Earnings

This Represnts surplus in profit and loss account after appropriations.

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.

Other Comprehensive Income - Employee Benefits

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

| Note No. | Particulars | For the year ended 2023-2024 | For the year ended 2022-2023 | |
|-------------|-------------------------------------------------------------------------------------------------------------------|---------------------------------|---------------------------------|--|
| 21(a) | Interest Income Interest on Financial Assets carried at Amortised Cost | | | |
| | Interest on Loans | 9,628.61 | 7,328.62 | |
| | Total | 9,628.61 | 7,328.62 | |
| 21(b) | Fees and Commission Income Fees and commission income | 242.31 | 121.33 | |
| | Total | 242.31 | 121.33 | |
| 22 | Net gain on fair value changes Net gain on financial instruments designated at fair value through profit or loss | 47.14 | 76.58 | |
| | Total | 47.14 | 76.58 | |
| 22.1 | Fair value changes Realised Unrealised | 47.14 | 132.15 (55.57) | |
| | Total | 47.14 | 76.58 | |
| 23 | Other operating revenue Interest on fixed deposits with banks Other ancillary services | 321.60 740.54 | 229.58 251.42 | |
| | Total | 1062.14 | 481.00 | |

| Note No. | Particulars | For the year ended 2023-2024 | For the year ended 2022-2023 |
|-------------|--------------------------------------------------------------|---------------------------------|---------------------------------|
| 24 | Other Income - total | | |
| | Interest on Income Tax Refund | 6.40 | |
| | Total | 6.40 | - |
| 25 | Finance Cost | | |
| 25.1 | Interest on financial liabilities measured at amortized cost | 5 23 27 22 7 22 7 | 09-28/28/29 |
| | Interest on borrowing | 3,463.93 | 1,948.53 |
| | Interest on debt securities | 75.55 | 266.27 |
| | Interest on lease liabilities | 55.49 | 49.76 |
| | Other borrowings cost | 85.99 | 55,40 |
| - | Total | 3,680.96 | 2,319.96 |
| 26 | Impairment on financial instruments | | |
| | On financial instruments measured at amortized cost | 132.72 | 149.02 |
| | Total | 132.72 | 149.02 |
| 27 | Employee Benefits Expense | 19,000,000,000 | 2 Caryen Na 3 V |
| | Salaries and wages | 2,898.26 | 2,761.21 |
| | Contribution to Provident Fund and other funds | 150.33 | 142.65 |
| | Staff Welfare expenses | 43.15 | 18.48 |
| | Total | 3,091.74 | 2,922.34 |
| 28 | Other Expenses | | |
| | Rent, taxes and energy costs | 80.41 | 53.15 |
| | Repair and Maintenance | 204.23 | 179.35 |
| | Communication cost | 41.61 | 37.44 |
| | Printing and Stationery | 34.00 | 23.09 |
| | Advertisement expenses | 13.33 | 8.85 |
| | Recruitment Expenses | 5.15 | 8.80 |
| | Directors Sitting fees & Others | 8.05 | 6.76 |
| | Auditor's Remuneration (excluding GST) | 16.18 | 8.57 |
| | Legal and Professional charges | 138.29 | 97.59 |
| | Business Promotion expenses | 10.07 | 3.83 |
| | Commission & Brokerage | 0.69 | 1.46 |
| | Travelling and Conveyance | 165.34 | 93.39 |
| | Insurance | 45.15 | 63.60 |
| | Membership & Subscription fees | 2.59 | 1.88 |
| | CSR Expenses | 39.00 | 40.00 |
| | Office Expenses | 24.86 | 25.03 |
| | Others | 102.11 | 29.66 |
| | Total | 931.04 | 682.45 |
| 28.1 | Payment to auditors | | |
| | for statutory audit | 9.50 | 3.42 |
| | for Limited Review | 1.00 | 2.70 |
| | for tax audit | 1.50 | 0.90 |
| | for other services (Certification, etc) | 3.45 | 1.24 |
| - | for out of pocket expenses | 0.73 | 0.31 |
| | Total | 16.18 | 8.57 |

29. Current & Non-current Assets & Liabilities

Balance sheet as at March 31, 2024

| Particulars | Current | Non-Current | Total |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| Assets | | | |
| Financial Assets | | | |
| Cash and cash equivalents | 333.56 | - | 333.56 |
| Bank balance other than cash & cash equivalents | 3,031.53 | 2,417.12 | 5,448.66 |
| Derivative financial instruments | - | - | - |
| Receivables | | | |
| (i) Trade receivables | - | | - |
| (ii) Other receivables | 146.34 | | 146.34 |
| Loans | 7,548.04 | 71,096.93 | 78,644.97 |
| Investments | - | - | - |
| Other Financial Assets | 19.07 | 104.59 | 123.66 |
| Total financial assets | 11,078.55 | 73,618.63 | 84,697.19 |
| | AATTIONS | 144040400 | 9.3492.7332 |
| Non-Financial Assets | | | |
| Current tax assets (Net) | - 2 | - | - |
| Deferred tax assets (Net) | | 98.39 | 98.39 |
| Property, Plant and Equipment | | 888.88 | 888.88 |
| Intangible assets under development | - | 500,00 | - 000,00 |
| Other intangible assets | - | 15.89 | 15.89 |
| Other intangiore assets Other non-financial assets | 258.78 | 12.02 | 258.78 |
| Total Non-financial assets | 258.78 | 1,003.16 | 1,261.95 |
| Total Aon-inancial assets | 420.10 | 1,005.10 | 1,401,95 |
| Total Assets | 11,337,33 | 74,621.80 | 85,959.13 |
| A 2300A A 8/2/8/3/2 | 11922 1922 | 74041100 | 001707110 |
| LIABILITIES AND EQUITY | | | |
| LIABILITIES | | | |
| Financial liabilities | | | |
| Trade Payables | | | |
| (i) total outstanding dues to micro enterprises and | | | |
| small enterprises | 1.94 | 100 | 1.94 |
| (ii) total outstanding dues to creditors other than micro | 1,34 | | 1.94 |
| | 440.02 | 100 | 440.02 |
| enterprises and small enterprises | 440.02 | | 440.02 |
| Other Payables | | | |
| (i) total outstanding dues to micro enterprises and small | | | |
| enterprises | 12 | - 4 | - |
| (ii) total outstanding dues to creditors other than micro | | | |
| enterprises and small enterprises | | | - |
| Debt securities | | | |
| Borrowings (other than debt securities) | 11,711.55 | 33,633.72 | 45,345.26 |
| Subordinated liabilities | - | | - |
| Other financial liabilities | 5,829.21 | 575.39 | 6,404.60 |
| Total financial liabilities | 17,982.71 | 34,209.10 | 52,191.81 |
| rom maneta marmuro | 175700071 | D. TIMESTAN | UM1171301 |
| Non-Financial Liabilities | | | |
| Current tax liabilities (Net) | | 55.27 | 55.27 |
| Provisions (vec) | | 184.70 | 184.70 |
| Other non - financial Liabilities | 570.62 | 59.89 | 630.52 |
| Total non-financial liabilities | 570.62 | 299.87 | 870.49 |
| rotat non-infancial natificies | 570.02 | 499,87 | 0/0.49 |
| Equity | | | |
| Equity share capital | | 24,998.65 | 24,998.65 |
| CONTRACTOR | - | The state of the s | |
| Other equity | | 7,898.17 | 7,898.17 |
| Share application mone pending allotments | - | 25 00/ 02 | 33.007.03 |
| Total Equity | | 32,896.82 | 32,896.82 |
| The Later Control of the Control of | 10 222 22 | ER 105 TO | |
| Total liabilities and Equity | 18,553.33 | 67,405.79 | 85,959.13 |

Balance sheet as at March 31, 2023

| Particulars | Current | Non-Current | Total |
|----------------------------------------------------------------------|-----------|-------------|-----------|
| Assets | | | |
| Financial Assets | | | |
| Cash and cash equivalents | 88.90 | * | 88.90 |
| Bank balance other than cash & cash equivalents | 1,977.92 | 2,769.56 | 4,747.48 |
| (i) Trade receivables | - | - | - |
| (ii) Other receivables | 19.86 | | 19.86 |
| Loans | 1,447.47 | 57,638.79 | 59,086.26 |
| Investments | | - | - |
| Other Financial Assets | 83.68 | 65.64 | 149.32 |
| Total financial assets | 3,617.83 | 60,474.09 | 64,091.82 |
| Non-Financial Assets | | | |
| Current tax assets (Net) | | 77.67 | 77.67 |
| Deferred tax assets (Net) | - | 524.74 | 524.74 |
| Property, Plant and Equipment | | 831.48 | 831.48 |
| Intangible assets under development | | 031,40 | 031,40 |
| Other intangible assets | * | 39.57 | 39.57 |
| Other intangible assets Other non-financial assets | 115.71 | 0.54 | 116.25 |
| Total Non-financial assets | 115.71 | 1,474.00 | |
| Iotal Non-financial assets | 115.71 | 1,474.00 | 1,589.71 |
| Total Assets | 3,733.53 | 61,948.08 | 65,681.53 |
| LIABILITIES AND EQUITY | | | |
| LIABILITIES | | | |
| Financial liabilities | | | |
| Payables | | | |
| Trade Payables | | | |
| (i) total outstanding dues to micro enterprises and | | | |
| small enterprises | 3.89 | | 3.89 |
| (ii) total outstanding dues to creditors other than micro | 27027 | | 0.007 |
| enterprises and small enterprises | 394.34 | | 394.34 |
| Other Payables | | | |
| total outstanding dues to micro enterprises and small enterprises | | | |
| (ii) total outstanding dues to creditors other than micro | | (2) | |
| enterprises and small enterprises | | | _ |
| Debt securities | 2,079.01 | - | 2,079.01 |
| Borrowings (other than debt securities) | 6,330.65 | 19,615.94 | 25,946.59 |
| Subordinated liabilities | 5,550,05 | 17,017,77 | 200740003 |
| Other financial liabilities | 4,962.46 | 473.17 | 5,435.63 |
| Total financial liabilities | 13,770.35 | 20,089.11 | 33,859.46 |
| Non-Financial Liabilities | | | |
| Non-Financial Liabilities Current tax liabilities (Net) | | | |
| Provisions | 13.17 | 111.71 | 124.88 |
| Other non - financial Liabilities | 466.93 | 17.49 | 484.42 |
| Total non-financial liabilities | 480.10 | 129.20 | 609.30 |
| Pta. | | | |
| Equity | | 24 000 77 | 24 000 67 |
| Equity share capital | * | 24,998.65 | 24,998.65 |
| Other equity | - 5 | 6,214.12 | 6,214.12 |
| Share application money pending allotments Total Equity | - | 31,212.77 | 31,212.77 |
| room reduced | | STAGER WELL | STSWEET / |
| Total Liabilities and Equity | 14,250.46 | 51,431.07 | 65,681.53 |

30. Earnings Per Share

| Particulars | For the year ended 2023-2024 | For the year ended 2022-2023 |
|-----------------------------------------------------------------------------------|------------------------------|------------------------------|
| Basic | | |
| Net profit as per statement of Profit & Loss (Rs. In Lakhs) | 2,078.61 | 1,344.00 |
| Profit available to equity shareholders (Rs. In Lakhs) | 2,078.61 | 1,344.00 |
| Weighted average number of equity shares outstanding during the year (in Nos.) | 24,99,86,452 | 24,99,86,452 |
| Basic earnings per share of face value of Rs. 10 each (Rs.) | 0.83 | 0.54 |
| Diluted earnings per share of face value of Rs. 10 each (Rs.) | 0.83 | 0.54 |

The Company is not having any instruments which are dilutive in Nature

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.

31. 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 company's performance as a single business. There being only one segment, disclosure for segment is not applicable.

32. Transfer to Special Reserves

Special Reserve has been created from the Financial Year 2019-20 onwards in terms of Section 36(1)(viii) of the Income-tax Act, 1961, out of the distributable profits of the Company. In the current financial year Rs. 546.67 lakhs (Previous Year: Rs. 368.01 lakhs) has been transferred to Special Reserve & Statutory Reserve in terms of Section 36(1)(viii) of the Income tax Act, 1961 & Section 29C the NHB Act as per notification no. RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21.

As per National Housing Bank's (NHB) circular vide circular NHB(ND)/DRS/Pol. 62/2014 dated 27th May, 2014, the Company has adjusted the opening balance of reserves for creation of Deferred Tax Liability (DTL) Rs. 396.96 lakhs on the Special Reserve as at 1st April, 2023 created under Section 36(1)(viii) of the Income tax Act, 1961. Further, an amount of Rs. 137.58 lakhs has been provided during the current year.

33. Taxation

Income Tax expense in the statement of Profit and Loss Comprises of

Rs. In Lakhs

| | | 2 Contract (Contract (Cont |
|----------------------------------------------------------------|---------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Particulars | For the year ended 2023-2024 | For the year ended 2022-2023 |
| Current Tax | 696.92 | 467.36 |
| Current Tax - Short/(Excess) provision of tax for earlier year | 23.97 | 10.93 |
| Total current tax expenses | 720.89 | 478.29 |
| Deferred tax in statement of profit and loss | | |
| Relating to origination and reversal of temporary difference | 28.58 | (165.92) |
| Impact of changes in tax rates | | |
| Total Deferred tax expenses/(income) | 28.58 | (165.92) |
| Total Income tax expenses | 749.47 | 312.37 |
| | | |

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, 2024 | As at March31, 2023 |
|-------------------------------------|----------------------|---------------------|
| Net Income tax assets/(liabilities) | (55.27) | 77.67 |
| Deferred tax assets/(liabilities) | 98.39 | 524.74 |

33.1 A reconciliation of income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarised below

Rs. in Lakhs

| Particulars | For the year March 31, 2024 | For the year March 31, 2023 | |
|-------------------------------------------------------------------------------------------|--------------------------------|--------------------------------|--|
| Accounting profit before tax | 2,828.08 | 1,656.37 | |
| Statutory tax rate | 25.168% | 25.168% | |
| Computed enacted tax expenses | 711.77 | 416.87 | |
| Tax effect of | | | |
| Expenses disallowed under Income Tax Act | 9.82 | 10.07 | |
| Income tax deduction including for Special Reserve available to financial institutions | (137.58) | (92.63) | |
| Tax expenses pertaining to previous year | 23.97 | 10.93 | |
| Others | 141.50 | (32.87) | |
| Income tax expenses as per books | 749.47 | 312.37 | |
| Effective income tax rate | 26.50% | 18.86% | |

33.2 Details of each type of recognized temporary differences, unused tax losses and unused tax credits Rs. in Lakhs

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|----------------------------------------------------------------|-------------------------|-------------------------|
| Deferred tax related to Item recognised through profit or loss | | |
| Deferred tax liabilities | | |
| Unrealised gain on investments | | |
| Unamortised expenses for borrowings | (87.80) | (42.02) |
| Others (DTL on Special Reserve)(Ref Note 32)* | (534.54) | - |
| Total – Deferred tax liabilities | (622.34) | (42.02) |
| Deferred tax assets | 20 | |
| Unamortised income/expenses (net) on loans given | 353.82 | 242.89 |
| Expected credit losses | 275.98 | 258.21 |
| Employee benefits | 45.91 | 31.43 |
| Related to Property, Plant and Equipment and losses | 44.45 | 34.23 |
| Others | 0.58 | - |
| Total- Deferred tax assets | 720.73 | 566.76 |
| Deferred tax assets/(liabilities) | 98,39 | 524.75 |

Details of movement in deferred tax balances

| Particulars | As at April 1, 2023 | (Charge)/credit to profit and loss account | (Charge)'credit to other comprehensive income | As at March 31, 2024 |
|--------------------------------------------------|---------------------------|--------------------------------------------------|--------------------------------------------------------|----------------------------|
| Unamortised income/expenses (net) on loans given | 242.89 | 110.95 | - | 353.82 |
| Unamortised expenses for borrowings | (42.02) | (45.79) | - | (87.80) |
| Unrealised gain on investments | | - | - | - |
| Others | - | (534.54) | - | (534.54) |
| Expected credit losses | 258.21 | 17.77 | - | 275.98 |
| Employee benefits | 31.43 | 15.29 | (0.81) | 45.91 |
| Property, plant and equipment and leases | 34.23 | 10.21 | - | 44.45 |
| Others | - | 0.58 | 0. | 0.58 |
| Total | 524.74 | (425.55) | (0.81) | 98.39 |

Details of movement in deferred tax balances

Rs. in Lakhs

| Particulars | As at April 1, 2022 | (Charge)/credit to profit and loss account | (Charge)'credit to other comprehensive income | As at March 31, 2023 |
|--------------------------------------------------|---------------------------|--------------------------------------------------|--------------------------------------------------------|----------------------------|
| Unamortised income/expenses (net) on loans given | 165.76 | 77.13 | - | 242.89 |
| Unamortised expenses for borrowings | (43.02) | 1.00 | 91 | (42.02) |
| Unrealised gain on investments | (13.99) | 13.99 | - | - |
| Expected credit losses | 203.85 | 54.36 | - E | 258.21 |
| Employee benefits | 24.70 | 13.11 | (6.38) | 31.43 |
| Property, plant and equipment and leases | 27.89 | 6.34 | 4 | 34.23 |
| Total | 365.19 | 165.92 | (6.38) | 524.74 |

34. 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 compiled in full with all its externally imposed capital requirements over the reported periods.

Rs. in Lakhs

| Particulars | s As at March 31, 2024 | |
|----------------------|------------------------|-----------|
| Debt | 50,210.96 | 32,223.49 |
| Equity | 32,896.82 | 31,212.77 |
| Debt to equity ratio | 1.53 | 1.03 |

Loan Covenants

Under the terms of major borrowing facilities, the Company has complied with the covenants throughout the reporting period.

35. Contingent Liabilities & Commitments

The company has filed its Income tax return for FY 2019-20. There are outstanding demand of Rs. 5.96 Lakhs (including interest) relating to leave encashment as per intimation order received by company dated December 24, 2021. Company has disagreed with demand dated October 03, 2022. Matter is under litigation (CIT Appeal) as on March 31, 2024.

Loan Commitments

The Company has outstanding undrawn commitments to provide loans to customers. These loan commitments aggregated Rs. 7,166.69 Lakhs at March 31, 2024 (March 31, 2023: Rs. 6,880.43 lakhs). Further, the commitments have fixed expiration dates and are contingent upon the borrower's ability to maintain specific credit standards.

Capital Commitments

Estimated value of contracts remaining to be executed on capital account and not provided for is Rs.1.93 Lakhs (PY: 1.61 Lakhs).

36. 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

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---------------------------|----------------------|----------------------|
| Opening balance | 595.94 | 648.54 |
| Addition | 367.36 | 144.86 |
| Deletion | (257.58) | (58.37) |
| Depreciation for the year | (41.36) | (139.10) |
| Closing balance | 664.36 | 595,94 |

Movement in carrying value of lease liability is given below.

Rs. in Lakhs

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|----------------------------------------|----------------------|----------------------|
| Opening balance | 684.47 | 729.73 |
| Addition | 367.36 | 144.86 |
| Deletion | (616,07) | (27.03) |
| Finance cost accrued during the period | 71.64 | 59.62 |
| Payment | 266.80 | (222.72) |
| Closing balance | 774.20 | 684.47 |
| - Current | 198.81 | 211.30 |
| - Non-current | 575.39 | 473.17 |

Contractual maturities of lease liability on an undiscounted basis is as given below.

Rs. in Lakhs

| Particulars | As at March 31, 2024 | As at March 31, 2023 | |
|-----------------------|----------------------|----------------------|--|
| Less than 1 year | 255.56 | 210.41 | |
| Between 1 and 2 years | 240.40 | 187.40 | |
| Between 2 and 3 years | 186.16 | 166.47 | |
| Between 3 and 4 years | 117.31 | 116.89 | |
| Between 4 and 5 years | 47.91 | 51,46 | |
| More than 5 years | 63.70 | 110.83 | |
| Total | 911.05 | 843.46 | |

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.

37. Corporate Social Responsibility (CSR) Expenses:

Rs. in Lakhs

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Gross amount required to be spent by the Company during the year | 38.99 | 39.49 |
| Amount of Expenditure Incurred | 39.00 | 40.00 |
| Amount spent during the year on purposes other than construction / acquisition of any asset | 39.00 | 40.00 |
| Paid | 39.00 | 40.00 |
| Yet to be paid | | - (39) |
| Total | 39.00 | 40.00 |

37.1 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, 2024 and March 31, 2023.

37.2 Nature of CSR Activities:

For the year ended March 31, 2024:

Out of the total amount of Rs.39.00 Lakhs, the company:

- spent Rs. 12.00 lakhs towards Hunger Free Palghar, an initiative by Govardhan Annakshetra, ISKCON;
- contributed Rs. 17.00 lakhs to TATA Memorial Hospital for the purchase of medical equipments;
- contributed Rs.10.00 lakhs to Medical Research Foundation for cataract surgeries performed of 200 patients.

For the year ended March 31, 2023:

Out of the total amount of Rs.40.00 Lakhs, the company:

- spent Rs. 12.00 lakhs towards Hunger Free Palghar, an initiative by Govardhan Annakshetra, ISKCON;
- contributed Rs. 18.00 lakhs to TATA Memorial Hospital for the treatment of the Cancer Patients;
- contributed Rs.10.00 lakhs to Medical Research Foundation for major eye surgeries performed of 58 patients.

37.3 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, 2024 and March 31, 2023.

38. 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, 2024 and March 31, 2023, there was no offsetting of financial assets and financial liabilities.

39. Financial Risk Management

Liquidity Risk

The table below provide details regarding the contractual maturities of financial liabilities as at March 31, 2024 Rs. in Lakhs

| Particulars | Upto I year | 1-3 year | 3-5 year | Over 5 years | Total |
|-----------------|-------------|-----------|----------|--------------|-----------|
| Borrowings | 11,714.47 | 21,183.28 | 9,177.19 | 3,619.18 | 45,694.12 |
| Debt securities | | - | - | 7,41 | - |
| Total | 11,714.47 | 21,183.28 | 9,177.19 | 3,619.18 | 45,694.12 |

The table below provide details regarding the contractual maturities of financial liabilities as at March 31, 2023 Rs. in Lakhs

| Particulars | Upto 1 year | 1-3 year | 3-5 year | Over 5 years | Total |
|----------------|-------------|-----------|----------|--------------|-----------|
| Borrowings | 6,332.84 | 12,279.63 | 6,934.41 | 562.38 | 26,109.26 |
| Debtsecurities | 2,083.33 | | - | | 2,083.33 |
| Total | 8,416.18 | 12,279.63 | 6,934.41 | 562.38 | 28,192.59 |

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, 2024 | As at March 31, 2023 |
|------------------------|----------------------|----------------------|
| Other Receivables | 146.34 | 19.86 |
| Loans | 78,644.97 | 59,086.26 |
| Other Financial Assets | 123.66 | 149.32 |

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.

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, 2022 | 47,336.66 | 1,266.23 | 528.59 | 49,131.48 |
| New asset originated | 24,064.42 | 1.84 | - | 24,066.26 |
| Assets derecognized or repaid | (12,779.69) | (210.82) | (95.00) | (13,085.51) |
| Transfers from Stage 1 | (739.02) | 498.24 | 240.78 | - |
| Transfers from Stage 2 | 482.97 | (668.46) | 185.49 | * |
| Transfers from Stage 3 | 109.76 | 6.21 | (115.98) | |
| Gross carrying amount balance as at March 31, 2023 | 58,475.11 | 893.25 | 743.87 | 60,112.23 |
| New asset originated | 32,113.20 | - | 3.62 | 32,116.82 |
| Assets derecognized or repaid | (12,129.34) | (168.56) | (189,64) | (12,487.54) |
| Transfers from Stage 1 | (1,319.21) | 1,064.69 | 254.52 | - |
| Transfers from Stage 2 | 351.79 | (422.10) | 70,31 | - |
| Transfers from Stage 3 | 175.58 | | (175.58) | |
| Gross carrying amount balance as at March 31, 2024 | 77,667.14 | 1,367.29 | 707.10 | 79,741.53 |

Reconciliation of ECL Balance

Rs. in Lakhs

| Particulars | Stage 1 | Stage 2 | Stage 3 | Total |
|------------------------------------|----------|----------|---------|----------|
| ECL Allowance as at April 1, 2022 | 307.82 | 219.23 | 226.11 | 753.16 |
| New asset originated | 199.81 | 0.33 | - | 200.14 |
| Assets derecognized or repaid | (85.29) | (36.42) | (40.64) | (162.35) |
| Due to changes in assumptions | (381.63) | (6.69) | 42.61 | (345.70) |
| Transfers from Stage 1 | (5.69) | 4.04 | 1.65 | |
| Transfers from Stage 2 | 83.98 | (115.54) | 31.56 | 2 |
| Transfers from Stage 3 | 46.97 | 2.65 | (49.62) | - |
| ECL Allowance as at March 31, 2023 | 165.97 | 67.61 | 211.67 | 445.25 |
| New asset originated | 97.60 | - | 1.03 | 98.63 |
| Assets derecognized or repaid | 35.63 | 12.75 | 53.96 | 102.34 |
| Due to changes in assumptions | (167.88) | 50,35 | (18.15) | (135.68) |
| Transfers from Stage 1 | (3.92) | 3.09 | 0.83 | - |
| Transfers from Stage 2 | 26.66 | (31.94) | 5.28 | - 10 |
| Transfers from Stage 3 | 49.96 | | (49.96) | |
| ECL Allowance as at March 31, 2024 | 204.01 | 101.86 | 204.67 | 510.54 |

The Company is having additional provision of Rs.501.60 lakhs for loan losses, provision of Rs.63.83 lakhs for restructured loans and Rs. 20.59 lakhs for loan commitments as at 31st March 2024.

40. Fair Valuation

Carrying value and fair value of financial instruments by categories at March 31, 2024

| Particulars | FVTPL | FVPCI | Amortised Cost | Total Carrying Value | Fair Value |
|-------------------------------|-------|-------|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| Financial assets | | | | Note that the second se | |
| Cash and cash equivalents | | (e | 333,56 | 333.56 | 333.56 |
| Bank balance other than above | - | | 5,448.66 | 5,448.66 | 5,448.66 |
| Other receivable | E+0 | - | 146.34 | 146.34 | 146.34 |
| Loans | 3.5 | | 78,644.97 | 78,644.97 | 78,644.97 |
| Investments | 14 | - | | - | - |
| Other financial assets | (a) | - | 123.66 | 123.66 | 123.66 |
| Total financial assets | - | - | 84,697.19 | 84,697.19 | 84,697.19 |
| Financial liabilities | | | | | |
| Trade payables | | * | 441.96 | 441.96 | 441.96 |
| Other payables | - | - | * | | + |
| Debt securities | | | | | |
| Borrowings | - | + | 45,345.26 | 45,345.26 | 45,345.26 |
| Other financial liabilities | (*) | | 6,404.60 | 6,404.60 | 6,404.60 |
| Total financial liabilities | | - | 52,191.82 | 52,191.82 | 52,191.82 |

Carrying value and fair value of financial instruments by categories at March 31, 2023

Rs. in Lakhs

| Particulars | FVTPL | FVPCI | Amortised Cost | Total Carrying Value | Fair Value |
|-------------------------------|-------|-------|----------------|-----------------------------|------------|
| Financial assets | - | | | | |
| Cash and cash equivalents | | 9 | 88.90 | 88.90 | 88.90 |
| Bank balance other than above | 194 | - | 4,747.48 | 4,747.48 | 4,747.48 |
| Other receivable | | | 19.86 | 19.86 | 19.86 |
| Loans | - | - | 59,086.26 | 59,086.26 | 59,086.26 |
| Investments | (14) | - | | - | - |
| Other financial assets | | - | 149.32 | 149.32 | 149.32 |
| Total financial assets | | | 64,091.82 | 64,091.82 | 64,091.82 |
| Financial liabilities | | | | | |
| Trade payables | 9900 | | 398.23 | 398.23 | 398.23 |
| Other payables | 17 | | - | | - |
| Debt securities | - | 2 | 2,079.01 | 2,079.01 | 2,079.01 |
| Borrowings | | | 25,946.59 | 25,946.59 | 25,946.59 |
| Other financial liabilities | | - | 5,435.63 | 5,435.63 | 5,435.63 |
| Total financial liabilities | - | | 33,859,46 | 33,859.46 | 33,859.46 |

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, 2024 and March 31, 2023, 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.

An analysis of financial instruments grouped into Level 1, 2 and 3 at March 31, 2024

Rs. in Lakhs

| Particulars | Stage 1 | Stage 2 | Stage 3 | Total |
|-----------------------------|---------|---------|-----------|-----------|
| Financial assets | | | | |
| Loans | - | - | 78,644.97 | 78,644.97 |
| Investments | | - | - | - |
| Total financial assets | | - | 78,644.97 | 78,644.97 |
| Financial liabilities | | | | |
| Debt securities | | | + | - |
| Borrowings | | 90 | 45,345.26 | 45,345.26 |
| Total financial liabilities | - | - | 45,345.26 | 45,345.26 |

An analysis of financial instruments grouped into Level 1, 2 and 3 at March 31, 2023

| Particulars | Stage 1 | Stage 2 | Stage 3 | Total |
|-----------------------------|---------|---------|-----------|-----------|
| Financial assets | | | | |
| Loans | - | 14: | 59,086.26 | 59,086.26 |
| Investments | | | | - |
| Total financial assets | - | 2 | 59,086.26 | 59,086.26 |
| Financial liabilities | | | | |
| Debt securities | - | - | 2,079.01 | 2,079.01 |
| Borrowings | - | - | 25,946.59 | 25,946.59 |
| Total financial liabilities | - | - | 28,025.60 | 28,025.60 |

41. Related Party Disclosures

| Related party | Name of related parties |
|-----------------------------------------------------------|------------------------------------------------------------------|
| Holding enterprises | KIFS International LLP |
| | |
| Key Managerial person | |
| | |
| Thairman and Managing Director | Rajesh P. Khandwala |
| Managing Director | Vimal P. Khandwala |
| Chief Financial Officer | Vikki Vijay Soni (appointed w.e.f. July 18, 2022) |
| Company Secretary | Samrudhi Satish Shetty (appointed w.e.f March 20, 2023) |
| Whole Time Director (Additional Director) | Kushal Jayesh Khandwala (appointed w.e.f. March 20, 2023) |
| Enterprises over which Key Managerial person have control | |
| Emerprises over which key stanageriat person have control | KIFS Trade Capital Private Limited |
| | Khandwala Finstock Private Limited |
| | KIFS Financial Services Limited |
| | Khandwala Commercial Private Limited |
| | KIFS Motors Private Limited |
| | |
| | Amoureux Enterprise Private Limited |
| | Endroit Enterprise Private Limited KIFS Bullion Private Limited |
| | |
| | KIFS (IFSC) Private Limited |
| | Khandwala Tradelink Co. (Partnership Firm) |
| | KIFS Enterprise (Partnership Firm) |
| | KIFS Commercial (Partnership Firm) |
| | KIFS Dealers (Partnership Firm) |
| | KIFS Trading LLP |
| | KIFS Infrustructure LLP |
| | KIFS Estate 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 |
| | KIFS Securities Private Limited |
| | KIFS Commodities Private Limited (amalgamated with KTCP |
| | |
| Independent / Non-executive Directors | |
| | Bhavna Desai |
| | Purvi Bhavsar |
| | Kartik Mehta |
| | Satish Mehta |
| | PadmanabhVora (upto August 05, 2022) |

Particulars of transactions with related parties. The transactions are disclosed in aggregate value.

| Transactions | Name of related party | Holding enterprises | Enterprises over which KMP have control | KMP/ relatives of KMP | Independent / Non-Executive Directors |
|---------------------------------------|--------------------------------------------------------|------------------------|-----------------------------------------------|-----------------------------|---------------------------------------------|
| Loan Taken | Khandwala Finstock Pvt. Ltd. | | 2,000.00 | | |
| Total Loan Taken | | | 2,000.00 | | |
| Repayment paid on loan Taken | Khandwala Finstock Pvt. Ltd. | | 2,000.00 | | |
| Total Repayment made on loan Taken | | | 2,000.00 | | |
| Interest Expenses | Khandwala Finstock Pvt. Ltd. | | 14.77 (38.15) | | |
| Rent | KIFS International LLP | | 5.25 | | |
| | KIFS Realty LLP | | 9.94 | | |
| | KIFS TRADE CAPITAL Pvt. Ltd. | | 19.20 | 0.60 | |
| Managerial Remuneration | Samrudhi Satish Shetty | | | 8.98 (0.17) | |
| | Vikki Vijay Soni | | | 66.59 (34.76) | |
| | Tejal Gunjan Gala (resigned w.e.f. August 10, 2022) | | | 84. | |
| | | | | (3.23) | |
| Re-imbursement of Expenses | Vikki Vijay Soni | | | 6.01 | |
| | | | | (4.22) | |
| | Samrudhi Satish Shetty | | | 0.66 | |
| Sitting Fees | Padmanabh Vora | | | | (0.70) |
| | Bhavna Desai | | | | 1.20 (1.80) |
| | Purvi Bhavsar | | | | 1.10 |
| | Kartik Mehta | | | | (1.10) 1.60 |
| | Satish Mehta | | | | (1.10) 3.40 (0.30) |
| Director Remuneration | Satish Mehta | | | | 2.50 |
| Total Expenses | | | 49.16 | 82.24 | (1.00) 9.80 |
| | | | (38.15) | (42.37) | (6.00) |

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 2023-2024 & 2022-2023.

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.

42. Employee Benefits

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.

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, 2024 (Unfunded) | Year ended March 31, 2023 (Unfunded) |
|--------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------|
| Employee benefit expense recognized in Statement of Profit & Loss: | and the appealent | |
| Current service cost | 24.72 | 32.32 |
| Net Interest cost | 3.12 | 2.40 |
| Net benefit expense | 27.83 | 34.72 |
| Employee benefit expense recognized in Other comprehensive income (OCI): | | |
| Acturial (gain)/losses on obligation for the period | (3.21) | (25.33) |
| Actual Returns on Plan Assets excluding Interest Income | - | - |
| Net expense recognized in OCI for the period | (3.21) | (25.33) |

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--------------------------------------------------------------------------------|------------------------------|------------------------------|
| Changes in the present value of the defined benefit obligation are as follows: | | |
| Opening defined benefit obligation | 42.32 | 33.38 |
| Interest cost | 3.12 | 2.40 |
| Current service cost | 24.72 | 32.32 |
| Actuarial (gains)/losses | (3.21) | (25.33) |
| Benefit paid by company | (7.07) | (0.45) |
| Closing defined benefit obligation | 59.87 | 42.32 |

| Amount Recognised in Balance Sheet | | |
|------------------------------------|---------|-------------|
| Defined benefit obligation | 59.87 | 42.32 |
| Fair value of plan assets | 3163000 | 1.1,000,000 |
| (Asset)/liability | 59.87 | 42.32 |

The principal assumptions used in determining gratuity obligation for the company's plans are shown below: Rs. in Lakhs

| Particulars | Year ended March 31, 2024 (Unfunded) | Year ended March 31, 2023 (Unfunded) |
|--------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| Discount rate per annum | 7.20% p.a | 7.45% p.a |
| Rate of Salary increment | 10.00% p.a | 7.00% 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 : 15% p.a ii) Age 25 to 35 : 15% p.a. iii) Age 35 to 45 : 6% p.a. iv) Age 45 to 55 : 4% p.a. v) Age 55 & above : 2% p.a. |
| Mortality Rate | Indian Assured Lives Mortality (2012-14) Table | Indian Assured Lives Mortality (2012-14) Table |

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.

Maturity Profile of Defined Benefits Obligations:

Rs. in Lakhs

| Year ended March 31, 2024 (Unfunded) | Year ended March 31, 2023 (Unfunded) |
|--------------------------------------------|----------------------------------------------------------------------------------------|
| | |
| 1.40 | 1.00 |
| 2.11 | 1.17 |
| 2.50 | 1.64 |
| 4.29 | 1.88 |
| 5.36 | 3.25 |
| 27.30 | 18.51 |
| 16.91 | 14.87 |
| 59.87 | 42.32 |
| | March 31, 2024 (Unfunded) 1.40 2.11 2.50 4.29 5.36 27.30 16.91 |

Quantitative sensitivity analysis for significant assumption

| Particulars | March 31, 2024 (12 Months) | March 31, 2023 (12 Months) |
|--------------------------------|-------------------------------|-------------------------------|
| Discount Rate Sensitivity | | |
| Increased by 0.5% | 56.79 | 39.88 |
| (% change) | -5.13% | -5.76% |
| Decrease by 0.5% | 63.18 | 44.97 |
| (% change) | 5.54% | 6.28% |
| Salary Growth Rate Sensitivity | | |
| Increased by 0.5% | 62.12 | 44,65 |
| (% change) | 3,77% | 5.51% |
| Decrease by 0.5% | 57.50 | 40,13 |
| (% change) | -3.95% | -5.16% |

| Withdrawal Rate (W.R.) Sensitivity | | |
|------------------------------------|--------|--------|
| W.R x 110% | 57.83 | 41.64 |
| (% change) | -3.40% | -1.58% |
| W.R x 90% | 62.01 | 42.99 |
| (% change) | 3.59% | 1.59% |

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, 2024 | Year ended March 31, 2023 |
|-----------------------------|------------------------------|------------------------------|
| Cost | 109.79 | 68.58 |
| Discount rate used | 7.20% p.a | 7.45% p.a |
| Salary escalation rate used | 10.00% p.a | 7.00% p.a |

Details of the company's contribution to defined contribution plan is given below:

Rs. in Lakhs

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|----------------------------------|------------------------------|------------------------------|
| Provident Fund | 141.98 | 136.09 |
| Employees State Insurance Scheme | 7.71 | 6.07 |

43. Events after reporting date

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

Disclosures as required by Reserve Bank of India

44. Capital to Risk Assets ratio (CRAR) (Computed as per method prescribed by RBI)

| Sr. No. | Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---------|------------------------------------------------------------------|-------------------------|-------------------------|
| (i) | CRAR (%)[(ii) + (iii)] | 73.72% | 93.93% |
| (ii) | CRAR- Tier I Capital (%) | 73.26% | 93.42% |
| (iii) | CRAR- Tier II Capital (%) | 0.46% | 0.51% |
| (iv) | Amount of subordinated debt considered as Tier-II capital (In t) | Nil | Nil |
| (v) | Amount raised by issue of Perpetual Debt Instruments | Nil | Nil |

45. Principal business criteria

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|------------------------------------------------------------------------|-------------------------|-------------------------|
| Percentage (%) of housing loans to total assets less intangibal assets | 70.82% | 74.21% |
| Percentage (%) of housing loans to individuals to total assets less | | |
| intangible assets | 70.82% | 74.21% |

46. Group Structure

KIFS International LLP Holding

KIFS Housing Finance Limited Subsidiary

47. 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.

Rs. in Lakhs

| | Ks. in La | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|--|
| Particulars | As at March 31, 2024 | As at March 31, 2023 | |
| Opening balance | | | |
| - Statutory Reserve u/s 29C of National Housing Bank, Act 1987 | 1,452.10 | 1,183,30 | |
| 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 | 223.64 | 124.40 | |
| Total | 1,675.74 | 1,307.70 | |
| Addition/withdrawal during the year | | | |
| Add: | | | |
| - Amount transferred u/s 29C of the NHB Act, 1987 | 415.72 | 268.80 | |
| 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 | 130,95 | 99.24 | |
| Less: | | | |
| Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987 | 2 | - | |
| 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 | 1. | - | |
| Closing balance | 2,222.41 | 1,675.74 | |
| - Statutory Reserve u/s 29C of National Housing Bank, Act 1987 | 1,867.82 | 1,452.10 | |
| - 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 | 354.59 | 223.64 | |
| Total | 2,222.41 | 1,675.74 | |

There has been no draw down from reserves during the year ended March 31, 2024 and during the year ended March 31, 2023.

48. 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.

49. Investments

Rs. in Lakhs

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|----------------------------------------------------------------------|-------------------------|-------------------------|
| a) Value of Investment | | |
| i) Gross value of Investments | | |
| a) In India | 2 | 43 |
| b) Outside India | | |
| ii) Provision for depreciation | | |
| a) In India | | *: |
| b) Outside India | | 4 |
| iii) Net value of investments | | |
| a) In India | ् | 1/ |
| b) Outside India | | |
| b) Movements of provisions held towards depreciation in investments | | |
| Opening balance | | |
| ii) Add: Provisions made during the year | | 4.1 |
| iii) Less: Write off/write back of excess provisions during the year | 19 | 23 |
| iv) Closing balance | | *0.000 |

50. 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, 2024 | Year ended March 31, 2023 |
|-----------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| Provisions made towards income tax | 720.89 | 478.29 |
| Provisions towards NPAs | (7.00) | (14.44) |
| Provisions for standard assets | 72.29 | (293.47) |
| Additional floating provision on loan assets | (0.00) | 465.25 |
| Provision for restructured cases | (6.82) | (6.72) |
| Provision for commitments | 12.12 | (1.87) |
| Other provisions and contingencies | 1000000 | |
| - Gratuity | 17.55 | 8.94 |
| - Compensated absences | 39.98 | 17,81 |
| - Provision for expenses | 449.72 | 338.81 |

51. Concentration of NPAs

Rs. in Lakhs

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|----------------------------------------|-------------------------|-------------------------|
| Total exposure to top ten NPA accounts | 204.94 | 172.11 |

52. Sector wise NPAs provisions and contingencies

Rs. in Lakhs

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|----------------------------------------------------------|-------------------------|-------------------------|
| A. Housing Loan | | |
| (I) Individual (out of total advances in that sector) | 134.67 | 167,44 |
| Individual (in %) (out of total advances in that sector) | 0.22% | 0.35% |
| B. Non-Housing Loan | | 74 |
| (I) Individual (out of total advances in that sector) | 69.99 | 44.23 |
| Individual (in %) (out of total advances in that sector) | 0.36% | 0.37% |

53. Movement of NPAs

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| (i) Net NPAs to net advances (%) | 0.63% | 0.89% |
| (ii) Movement of gross NPAs | | |
| Opening balance | 743.87 | 528.59 |
| b) Addition during the year | 324.82 | 426.26 |
| c) Reduction during the year | 361.59 | 210.98 |
| d) Closing balance | 707.10 | 743.87 |
| (iii) Movement of net NPAs | | |
| a) Opening balance | 532.20 | 302.48 |
| b) Addition during the year | 230.81 | 304.97 |
| c) Reduction during the year | 260.57 | 75.25 |
| d) Closing balance | 502.43 | 532.20 |
| (iv) Movement of provisions for NPAs (excluding provisions on standard assets) | | |
| a) Opening balance | 211.67 | 226.11 |
| b) Addition during the year | 94.02 | 121.29 |
| c) Reduction during the year | 101.02 | 135.73 |
| d) Closing balance | 204.67 | 211.67 |

54. Customer Complaints

Rs. in Lakhs

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|------------------------------------------------------------|-------------------------|-------------------------|
| (a) No. of complaints pending at the beginning of the year | + | + |
| (b) No. of complaints received during the year | 60 | 56 |
| (c) No. of complaints redressed during the year | 58 | 56 |
| (d) No. of complaints pending at the end of the year | 2 | |

55. Concentration of public deposits

The company is a non-deposit taking housing finance company. Hence, this disclosure is not applicable.

56. Concentration of loans and advances

Rs. in Lakhs

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Total loans of twenty largest borrowers | 939,96 | 823.07 |
| Percentage of exposure to twenty largest borrowers/customers to total exposure of the HFC on borrowers/customers | 1.18% | 1.37% |

57. Concentration of all exposures (including off balance sheet exposure)

Rs. in Lakhs

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Total loans of twenty largest borrowers | 979.21 | 876.86 |
| Percentage of exposure to twenty largest borrowers/customers to total exposure of the HFC on borrowers/customers | 1.13% | 1.31% |

58. Rating assigned by rating agencies during the year

Rs. in Lakhs

| Instruments | F.Y. 2023-24 | F.Y. 2022-23 |
|----------------------------|---------------------------|-----------------------------------------|
| Long term bank facilities | ACAD SALE - SALE ALIANA I | 000000000000000000000000000000000000000 |
| -Acuite | A- Stable outlook | A- Stable outlook |
| Non-convertible debentures | | |
| -Acuite | NA | A- Stable outlook |
| -Brickworks | NA | BBB + Stable outlook |

59. Break-up of loans and advances and provisions thereon

| Particulars | Housing Loan | Non-Housing Loan |
|-------------------------------|--------------|------------------|
| As at March 31, 2024 | | L.p. |
| Standard assets | | |
| Principal outstanding | 60,018.12 | 18,945.27 |
| EMI/PEMI-interest/fee debtors | | 71.03 |
| Provisions | 253.42 | 100.91 |
| Sub-standard assets | | |
| Principal outstanding | 171.46 | 165.44 |
| Provisions | 49.63 | 47,89 |
| Doubtful assets - Category I | | 1 |
| Principal outstanding | 135.05 | 44.02 |
| Provisions | 41.59 | 15.77 |

| Doubtful assets - Category II | | |
|-------------------------------|-----------|-----------|
| Principal outstanding | 158.77 | 32.36 |
| Provisions | 53.51 | 11.65 |
| Total | | |
| Principal outstanding | 60,483.40 | 19,187.09 |
| EMI/PEMI-interest/fee debtors | - | 71.03 |
| Provisions | 398.15 | 176.21 |

Rs. in Lakhs

| Particulars | Housing Loan | Non-Housing Loan |
|-------------------------------|--------------|------------------|
| As at March 31, 2023 | | |
| Standard assets | | |
| Principal outstanding | 47,570.38 | 11,747.24 |
| EMI/PEMI-interest/fee debtors | - | 50.74 |
| Provisions | 216.71 | 67.93 |
| Sub-standard assets | | |
| Principal outstanding | 338.59 | 98.19 |
| Provisions | 100.74 | 32.72 |
| Doubtful assets - Category I | | |
| Principal outstanding | 249.83 | 57.25 |
| Provisions | 78.79 | 19.01 |
| Doubtful assets - Category II | | |
| Principal outstanding | - | |
| Provisions | - | |
| Total | | |
| Principal outstanding | 48,158.81 | 11,902.68 |
| EMI/PEMI-interest/fee debtors | | 50.74 |
| Provisions | 396.24 | 119.66 |

60. 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, 2024

| 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 | | | | | | |
| Standard | Stage 1 | 77,667.13 | 204.01 | 77,463.13 | 219.18 | (15.17) |
| 00.000000000000000000000000000000000000 | Stage 2 | 1,367.28 | 101.86 | 1,265.42 | 3.74 | 98.12 |
| Subtotal | | 79,034.41 | 305.87 | 78,728.55 | 222.92 | 82.95 |
| Non-performing assets (NPA) | | | | | | |
| Substandard | Stage 3 | 336.91 | 97.52 | 239.39 | 51.44 | 46.08 |
| Doubtful - up to 1 year | Stage 3 | 179.07 | 51.83 | 127.24 | 45.57 | 6.26 |

| Ito 3 years | Stage 3 | 191.12 | 55.32 | 135.80 | 77.82 | (22.50) |
|--------------------------------------------------------------------------------------------|-----------|-----------|--------|-----------|--------|---------|
| More than 3 year | Stage 3 | | | | | |
| Subtotal for doubtful | 1110465-3 | 370.19 | 107.15 | 263.04 | 123.39 | (16.24) |
| Loss | Stage 3 | - | | - | - | - |
| Subtotal for NPA | | 707.10 | 204.67 | 502,43 | 174.83 | 29.84 |
| Other items such as guarantees, loan commitments, | Stage 1 | 7,056.07 | 12.39 | 7,043.69 | * | 12.39 |
| etc. which are in the scope of Ind AS 109 but not covered under current Income | Stage 2 | 97.21 | 5.56 | 91.65 | * | 5.56 |
| Recognition, Asset— Classification and Provisioning (IRACP) norms | Stage 3 | 13.41 | 2.65 | 10.76 | - | 2.65 |
| Subtotal | | 7,166.69 | 20.59 | 7,146.10 | - | 20.59 |
| | Stage 1 | 84,723.20 | 216.39 | 84,506.81 | 219.18 | (2.79) |
| Total | Stage 2 | 1,464.49 | 107.42 | 1,357.07 | 3.74 | 103.68 |
| | Stage 3 | 720.51 | 207.31 | 513.20 | 174.83 | 32.49 |
| | Total | 86,908.20 | 531.12 | 86,377.08 | 397.74 | 133.38 |

In addition to above, the Company has made additional provision of Rs.501.60 lakhs for loan losses and Rs. 63.83 lakhs for restructuring cases

- 61. There are no unsecured advances against intangible securities such as rights, licenses, and authorisations as collateral security during the financial year ended March 31, 2024 and March 31, 2023.
- 62. The Company does not have any prior period items / change in accounting policies during the current year other than disclosed in financials.

63. Maturity Pattern of Certain items of assets and liabilities

Rs. in Lakhs

| | | As at March 31, 2024 | | | |
|------------|-----------|----------------------|-------------------|-------------|--|
| | Loans | Bank borrowings# | Market borrowings | Investments | |
| 1-7 days | 350.25 | 70.81 | | :* | |
| 8-14 days | 525,38 | 33.33 | | | |
| 15-1 month | 253.30 | 661.01 | (*) | | |
| 1-2 months | 565.35 | 1,015.57 | | - | |
| 2-3 months | 567.03 | 553.91 | 3.0 | | |
| 3-6 months | 1,711.36 | 3,122.28 | (5.77) | | |
| 6-1 year | 3,575.36 | 6,254.64 | | - | |
| 1-3 years | 11,434.37 | 21,050.79 | 72.0 | - | |
| 3-5 years | 10,968.00 | 8,990.25 | | 2 | |
| 5 years | 48,694.56 | 3,592.68 | (4.0 | | |
| Total | 78,644.97 | 45,345.27 | - | - | |

[#] Excluding loans repayable on demand from banks.

| | | As at March 31, 2023 | | | |
|------------|-----------|----------------------|-------------------|-------------|--|
| | Loans | Bank borrowings# | Market borrowings | Investments | |
| 1-7 days | 255.79 | 16.67 | | | |
| 8-14 days | 255.79 | 33.33 | + | | |
| 15-1 month | - | 142.25 | (*) | - | |
| 1-2 months | 75.07 | 726.77 | 3.5 | | |
| 2-3 months | 75.95 | 227.09 | | | |
| 3-6 months | 233.25 | 1,751.73 | 2,079.01 | - | |
| 6-1 year | 551.51 | 3,432.80 | | | |
| 1-3 years | 1,581.41 | 12,251.84 | (4) | - | |
| 3-5 years | 2,123.72 | 6,802.91 | | - | |
| 5 years | 53,933.76 | 561.19 | | | |
| Total | 59,086.26 | 25,946.59 | 2,079.01 | - | |

Excluding loans repayable on demand from banks.

- The Company does not have foreign currency liabilities, deposits and foreign currency assets as at March 31, 2024 and March 31, 2023.
- 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.

64. Exposure to real estate sector

Rs. in Lakhs

| Particulars | F.Y. 2023-2024 | F.Y. 2022-2023 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| Category | | |
| a) Direct exposure | | |
| 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 | 50,337.44 | 41,275.12 |
| Housing loan more than Rs. 15 Lakhs | 10,145.95 | 6,883.69 |
| 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 | 950 | 10. |
| b) Commercial real estate | | |
| b) Indirect exposure Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs) | - | |

65. Exposure to group companies engaged in real estate activities

The Company does not have any exposure to group companies engaged in real estate activities

66. Consolidated Financial Statements

The Company does not have investments in any entities. Hence, the Company is not required to prepare consolidated financial statements

67. 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 | | 100 |
| | (other than falling within the meaning of public deposits*) | | |
| b) | Deferred Credits | | |
| c) | Term Loans | 45,446.55 | (*) |
| d) | Inter-corporate loans and borrowing | | (*) |
| e) | Commercial Paper | | (15) |
| f) | Loans repayable on demand from banks | | |
| g) | Sub ordinate debt | | |
| h) | Working capital facility | - 77 | 1.77 |
| i) | Book overdraft | 4,865.70 | - |

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 | 78,644.97 |
| | b) Unsecured | 146.34 |
| 3) | Break up of Leased Assets and stock on hire and other assets counting towards AFC activities: | |
| 1 | Lease assets including lease rentals under sundry debtors : | |
| | a) Financial Lease | * |
| | b) Operating Lease | 8 |
| II | Stock on hire including hire charges under sundry debtors: | |
| | a) Assets on hire | 9 |
| | b) Repossessed Assets | 8 |
| 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 | |
| П | Unquoted | |
| i | Shares | |
| | c) Equity | |
| | d) Preference | - |
| ii | Debenture and Bonds | |
| iii | Units of Mutual Funds | * |
| iv | Government Securities | - |
| V | Others | - |
| | Long Term Investments | |
| 1 | Quoted | |
| i | Shares | |
| | e) Equity | |
| | f) Preference | - |
| ii | Debenture and Bonds | |
| iii | Units of Mutual Funds | - |
| iv | Government Securities | |
| v | Others | - |
| П | Unquoted | |
| i | Shares | |
| | g) Equity | - |
| | h) Preference | - |
| ii | Debenture and Bonds | |
| iii | Units of Mutual Funds | |
| iv | Government Securities | - |
| v | Others | - |

Borrower group-wise classification of assets financed as in (2) and (3) above:

Rs. in Lakhs

| Category | Amount of Net Provision | | | | |
|--------------------------------|-------------------------|-----------|-----------|--|--|
| Caregory . | Secured | Unsecured | Total | | |
| Related Parties | | | | | |
| a) Subsidiaries | 4 | * | - | | |
| b) Companies in the same group | - | - | 2 | | |
| c) Other Related Parties | | - | | | |
| Other than related parties | 78,644.97 | 146.34 | 78,791.31 | | |
| Total | 78,644.97 | 146.34 | 78,791.31 | | |

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

| 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 | 707.10 |
| Net Non- Performing Assets | 1911-9201-20 |
| c) Related Parties | |
| d) Other than related parties | 502.43 |
| Assets acquired in satisfaction of Debts | |
| | |

- The Company has not undertaken assignments of loans during the financial year ended March 31, 2024 and March 31, 2023.
- 69. The Company has not undertaken securitization of loans during the financial year ended March 31, 2024 and March 31, 2023. 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.
- 70. The Company has not disbursed any loans against security of gold.
- 71. The Company has no exposure in capital market in the current financial year and previous financial year.
- 72. The Company has no Transactions/exposures in forward rate agreement/interest rate swap in the current and previous financial year.
- 73. The Company has no Transactions/exposures in derivatives in the current and previous financial year.
- 74. The Company has not witnessed/reported any instances of fraud in the current and previous financial year.
- 75. The Company has not purchased/sold non performing financial assets from other Housing Finance Companies in the Current and previous financial year.
- 76. The Company has not sold any financial assets to Securitization/Reconstruction company for assets reconstruction in the Current and Previous financial year.
- 77. The Company has not exceeded single borrower limit and group borrower limit as set by regulator during the current and previous financial year
- 78. The Company is not registered with any other financial regulator.
- 79. During the F.Y.2022-2023, in line with Indian Accounting Standards, the share issue expenses of Rs. 47.51 lakh have been reclassified to Other Equity from Equity Share Capital. As a result of above the Retained Earnings are lower to the extent of Rs. 47.51 lakh and Equity Share Capital is higher to the extent of Rs. 47.51 lakh. However, there is no change in the networth of the Company.
- 80. There is no financing of the parent company's products during the current year and previous financial year.
- The Company did not have overseas assets as at March 31, 2024 and March 31, 2023.
- 82. Penalties Rs. in Lakhs

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|-----------------------|---------------------------|---------------------------|
| National Housing Bank | NIL | NIL |

83. No adverse remarks were levied by National Housing Bank and Reserve Bank of India during the Current and previous year.

- 84. The accounting policies regarding key areas of operation are disclosed as Note 3 to the Financial Statements.
- 85. There has been no instances except for interest on non-performing loans in which revenue recognition is postponed pending the resolution of significant uncertainties.
- 86. Details of all material transactions with related parties are disclosed in note 41 of financial statements.
- 87. Refer to the Management Discussion and Analysis report for the management related disclosures.
- 88. 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.
- 89. 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.
- 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.
- 91. No charges or satisfaction are pending to be registered with ROC beyond the statutory period.
- Compliance with number of layers of companies is not applicable since the Company does not have any subsidiary.

93. Disclosure of Ratios:

| S.No | Particulars | Numerator (Rs. In Lakhs) | | Denominator (Rs. In Lakhs) | | | Ratio | | | |
|------|------------------------------------------|-------------------------------------------|-----------|----------------------------|----------------------------------------------------------|-----------|-----------|---------|---------|--------------|
| | | Particulars | 2023-24 | 2022-23 | Particulars | 2023-24 | 2022-23 | 2023-24 | 2022-23 | Variance (%) |
| (a) | Liquidity coverage ratio | High Liquid Assets | 1,649.16 | 609.72 | High Liquid Liabilities | 3,997.78 | 2,301.37 | 0.41 | 0.26 | 55.70% |
| (b) | Debt - Equity Ratio | Total Debt (Borrowing + Debentures) | 50,210.96 | 32,223.46 | Shareholder's Equity | 32,896.82 | 31,212.78 | 1.53 | 1.03 | 47.84% |
| (c) | Total debts to total assets | Total Debt (Becrowing + Debentures) | 50,210.96 | 32,223.46 | Total Assets | 85,959.13 | 65,681.53 | 0.58 | 0.49 | 19.06% |
| (d) | Operating margin | Profit before tax | 2,828.08 | 1,656.37 | Total Income | 10,986.60 | 8,007.53 | 25.74% | 20.69% | 24.44% |
| (e) | Net profit margin | Profit after tax | 2,078.61 | 1,344.00 | Total Income | 10,986.60 | 8,007.53 | 18.92% | 16.78% | 12.72% |
| (f) | Gross stage 3 loans to gross loans | Gross stage 3 loans | 707.10 | 743.87 | Gress Loans outstanding | 79,741,52 | 60,112.23 | 0.89% | 1.24% | (28.34%) |
| (g) | Net stage 3 loans to net loans | Gross NPA less NPA Provision | 502.43 | 532.20 | Sum of Stage 1,2,3 Loans Less Stage 3 Provision | 79,536.85 | 59,900.56 | 0.63% | 0.89% | (28.90%) |

Reason for change in ratios by more than 25%:

(a) Liquidity Coverage Ratio (% change: 55.70%)

The company has increased the liquidity position as on March 2024 resulting in higher High Liquid Assets as compared to the previous year with the increased in size of operation.

(b) Debt-Equity Ratio (% change: 47.84%)

The Company has grown the Loan book from 600 Cr to 800 cr during FY 2024 and subsequently, the required funds have been raised from Banks/ NBFC/FI resulting in increase of leverage from 1.03X to 1.53X.

(c) Gross stage 3 loans to gross loans (% change: -28.34%)

The Company has increased the overall collection efficiency during FY 2024 resulting in better collection performance.

(d) Net stage 3 loans to net loans (% change: -28.90%)

The Company has increased the overall collection efficiency during FY 2024 resulting in better collection performance.

- 94. (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
- 95. 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.
- 96. The Company has not traded or invested in Crypto or Virtual Currency during the year.
- Previous financial year figures have been reclassified/regrouped/restated to confirm to current financial year's classification.

As per our report of even date For Manubhai & Shah LLP Chartered Accountants ICAI Firm Reg. No. 106041W/W100136 For and on behalf of the Board of Directors of KIFS Housing Finance Limited

sd/-ViteshD.Gandhi Partner M. No. 110248 Rajesh P. Khandwala Chairman and Managing Director DIN: 00477673

sd/-

sd/-

Vikki Vijay Soni Chief Financial Officer PAN - BRLPS7392J

Place: Mumbai Date: August 14, 2024 sil/-

Vimal P. Khandwala Managing Director DIN: 00477768

sd/-

Samrudhi Satish Shetty Company Secretary M. No. ACS-63985

Place: Mumbai Date: August 14, 2024

ANNUAL GENERAL MEETING



NOTICE IS HEREBY GIVEN THAT THE 9TH ANNUAL GENERAL MEETING (AGM) OF THE MEMBERS OF KIFS HOUSING FINANCE LIMITED WILL BE HELD AT A SHORTER NOTICE ON MONDAY, SEPTEMBER 09, 2024 AT 11.00 A.M. AT THE CORPORATE OFFICE OF THE COMPANY SITUATED AT C-902, LOTUS PARK, GRAHAM FIRTH COMPOUND, WESTERN EXPRESS HIGHWAY, GOREGAON (EAST), MUMBAI - 400063, TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

- To receive, consider, approve and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2024, including the Audited Balance Sheet as at March 31, 2024 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.
- To appoint a director in place of Mr. Rajesh Khandwala (DIN: 00477673), who retires by rotation
 pursuant to the provision of Section 152 of the Companies Act, 2013 and, being eligible, offers
 himself for re-appointment.
- 3. To fix remuneration of Statutory Auditor of the Company for the FY 2024-25.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT, in accordance with the provisions of Section 142 of the Companies Act, 2013, the remuneration payable to M/s. Manubhai & Shah LLP, Chartered Accountants, having Firm Registration No. 106041W/W100136, Statutory Auditors of the Company, for conducting the statutory audit, tax audit and audit of internal financial controls of the Company for the Financial Year 2024-25 shall be fixed by the Board of Directors and mutually agreed by the Statutory Auditors of the Company."

SPECIAL BUSINESS:

4. 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 outstanding 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. 1000 Crores (Rupees One Thousand Crores) at any point of time.



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



RESOLVED FURTHER THAT Directors of the Company, be and are hereby severally authorized to arrange or fix the terms and conditions of all such borrowings from time to time, as it may think fit and to sign and execute all such acts, deeds, matters and things as may be necessary, expedient and incidental thereto for giving effect to this resolution including but not limited to filing of necessary e-forms with the Registrar of companies.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to any other officer(s) / authorized representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

RESOLVED FURTHER THAT the Board of Directors or Chief Financial Officer or Company Secretary of the Company be and are hereby severally authorized 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 one of the Director or Chief Financial Officer or Company Secretary of the Company be and are hereby severally authorized to sign the copy of this resolution 'certified to be true' and submit to such persons/authorities or be attached to such forms/e-forms /documents/agreements, as may be necessary and they be requested to act thereon."

 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 here by 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. 1000 Crores (Rupees One Thousand Crores) at any point of time.

RESOLVED FURTHER THAT Directors of the Company, be and are hereby severally authorized to sign and execute all such acts, deeds, matters and things as may be necessary, expedient and incidental thereto for giving effect to this resolution including but not limited to filing of necessary e-forms with the Registrar of companies.

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



RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to any other officer(s) / authorized representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

RESOLVED FURTHER THAT the Board of Directors or Chief Financial Officer or Company Secretary of the Company be and are hereby severally authorized 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 one of the Director or Chief Financial Officer or Company Secretary of the Company be and are hereby severally authorized to sign the copy of this resolution 'certified to be true' and submit to such persons/authorities or be attached to such forms/e-forms /documents/agreements, as may be necessary and they be requested to act thereon."

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 there of, 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 here by 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, with out being required to seek any further consent or approval of the members or other wise, 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 Directors of the Company, be and are hereby severally authorized to sign and execute all such acts, deeds, matters and things as may be necessary, expedient and incidental thereto for giving effect to this resolution including but not limited to filing of necessary e-forms with the Registrar of companies.



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



RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to any other officer(s) / authorized representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

RESOLVED FURTHER THAT the Board of Directors of the Company or Chief Financial Officer of the Companyor Company Secretary of the Company be and are hereby severally authorized 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 one of the Director or Chief Financial Officer or Company Secretary of the Company be and are hereby severally authorized to sign the copy of this resolution 'certified to be true' and submit to such persons/authorities or be attached to such forms/e-forms/documents/agreements, as may be necessary and they be requested to act thereon."

7. To approve/ratify the Related Party Transactions.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THATpursuant to the provisions of Section 188 and other applicable provisions of Companies Act, 2013 ("the Act") and Rules made thereunder, other applicable laws / statutory provisions, if any, (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force), and subject to such approval(s), consent(s), permission(s) as may be necessary from time to time and based on the approval and recommendation of the Audit Committee and the Board of Directors of the company, consent of the members of the company be and is hereby accorded to the company to enter/continue to enter into contract(s)/ arrangement(s)/ transaction(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) with related parties as detailed in the Explanatory Statement annexed to this notice and on such terms and conditions as may be mutually agreed between the parties and detailed in the explanatory statement, such that the maximum value of the contracts / arrangements / transactions, in the aggregate, does not exceed Rs. 50 crore (Rupees Fifty Crores only)during the Financial Year 2024-25 with respect to any of the following transactions:

- a) sale, purchase or supply of any goods or materials;
- selling or otherwise disposing of, or buying properties of any kind;
- c) granting or taking on lease of property of any kind;
- d) availing or rendering of any services;
- e) appointment of any agent for purchase or sale of goods, materials, services or property;
- such related party's appointment to any office or place of profit in the company, its subsidiary company orassociate company; and
- g) underwriting the subscription of any securities or derivatives thereof, of the company;
- h) Borrowing &lending of loans and advances, reimbursement of expenses including towards sharing / using each other's resources, e.g. employees, office space, infrastructure, assets etc. for each of the financial years hereinafter, unless revoked and such that the maximum value of the related party transactions with such parties, in aggregate, does not exceed value as specified under each category for each financial year, whether or not the said contract(s) / arrangement(s) / transaction(s) be carried out in the ordinary course of business of the company or at arm's length basis in respect to transactions with related parties under section 2(76) of the act parties as detailed in the Explanatory Statement annexed to this notice.





RESOLVED FURTHER THAT the board of directors of the company ('the Board', which term shall be deemed to include the Audit Committee) be and is hereby authorized to perform and execute all such acts, deeds, matters and things including delegation of all or any of the powers conferred herein, as may be deemed necessary, proper or expedient to give effect to this resolution as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including finalizing and executing necessary documents, contract(s), scheme(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the company and settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred to, without being required to seek further consent or approval of the members and that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

RESOLVED FURTHER THAT Mr. Rajesh Khandwala, Chairman & Managing Director or Mr. Vimal Khandwala, Managing Director or Mr. Kushal Khandwala, Whole Time Director of the Company be and are hereby severally authorized to approve such transactions on case to case basis within the approved limit and do all such acts, deeds, matters and things as may be necessary to give effect to the foregoing resolution.

RESOLVED FURTHER THAT any one of the Director or Chief Financial Officer or Company Secretary of the Company be and are hereby severally authorized to sign the copy of this resolution 'certified to be true' and submit to such persons/authorities or be attached to such forms/e-forms /documents/agreements, as may be necessary and they be requested to act thereon.

By Order of the Board of Directors for KIFS Housing Finance Limited,

Sd/-

Vimal Khandwala Managing director DIN:00477768

Date: September 03, 2024

Place: Mumbai





NOTES:

- The Explanatory Statement as required under Section 102 of the Companies Act, 2013 in respect of items
 of Special Business is annexed hereto and forms part of this notice. Further, additional information with
 respect to item no. 2 as required under Secretarial Standards-2 on General Meetings, is annexed hereto
 and forms part of this notice.
- Members/Proxies are requested to produce/handover the enclosed attendance slip duly signed as per the specimen signature recorded with the Company for admission to the meeting venue. In all correspondences with the Company, Members are requested to quote their account/folio numbers.
- 3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing the proxy in Form MGT-11 annexed hereto, in order to be effective, should reach the registered office of the Company duly filled, stamped and signed at least 48 hours before the time of commencement of the meeting. Proxies shall be excluded for determining the Quorum.
- 4. A person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other Member. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution/ authority as applicable. The Proxy-holder shall prove his identity at the time of attending the Meeting.
- 5. A member desirous of inspecting the proxies received by the Company is requested to forward his/her request in writing at least three days before the commencement of the meeting. The proxy register will be made available for inspection by the member entitled to vote, during the period beginning twenty-four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the Meeting i.e. between 09.00 a.m. to 06.00 p.m. during such period.
- Members are requested to notify immediately any change in their contact details and address to the Company by emailing at secretarial@kifshousing.com.
- Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013 as well as the Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 will be made available for inspection by the Members at AGM.
- The Members will be allowed to pose questions during the course of the Meeting. The queries can also be given in advance at <u>secretarial@kifshousing.com</u>.
- Corporate members intending to appoint their authorized representatives to attend the Meeting are requested to submit to the Company a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the AGM.
- 10. All the documents referred in Notice and Explanatory Statement are open for inspection by the members at the registered office of the Company on all working days during business hours and will also be available at the venue during the continuance of the meeting.
- The Notice calling the AGM has been uploaded on the website of the Company at https://kifshousing.com/notices-disclosures/





EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

Item No. 4

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 the reunder.

The Members of the Company at its previous Annual General Meeting held on September 25, 2023, 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 2023-2024.

However the borrowings of the Company for the FY 2023-2024 has yet not reached the limit and the Company would continue to borrow funds to meet the increased business volumes and growth of the Company, thus it is necessary that the borrowing powers shall remain same 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. 4 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. 1000 Crores for the FY 2024 - 2025.

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. 5

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)(c) 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. 5 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. 1000 Crores, for the FY 2024 - 2025.

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.

Agenda Item No. 6

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.

Item No. 7

The Board of Directors of the Company ('the Board') at its Meeting held on June07, 2024, on the recommendation of the Audit Committee, recommended for the approval/ratification of the Members, entering into related party contracts / arrangements / transactions in the ordinary course of business and on arm's length basis/not at arm's length basis during the Financial Year 2024-25, as set out in the Resolution.

As the Members are aware, the Company, in order to further its business interests, enters into various transactions with its related parties.

In order to facilitate the business and to manage the affairs of the company smoothly, the company needs to make some transactions with its related parties w.r.t. borrowing / granting of loans and advances, using of resources, granting or taking on lease office premises, etc. as more particularly mentioned in the proposed resolution.



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The particulars of the transaction(s) pursuant to the provisions of section 188 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as under:

| Sr No. | Proposed Related party Transactions | Maximum value of the proposed transactions (in aggregate) |
|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|
| 1. | Granting or taking on lease of property of any kind | |
| 2, | Availing or rendering of any services | Rs. 50,00,00,000 |
| 3. | Borrowing & lending of loans and advances, reimbursement of expenses including towards sharing / using each other's resources, e.g. employees, office space, infrastructure, assets etc. | |

Below are the list of all Related Party Transactions which are in the ordinary course of business at arm's length basis entered / to be entered into by the Company:

| Name of the party with which contract shall be entered | Name of the interested Director and Nature of Relationship. | Particulars of the transaction | Nature, Material Terms, Monetary Value and Particulars of the Contract or Arrangements |
|--------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| M/s KIFS Trade Capital Private Limited | Mr. Rajesh Khandwala – Managing Director, Mr. Vimal Khandwala – Managing Director and Mr. Kushal Khandwala –Whole Time Director, | M/s KIFS Trade Capital Private Limited has let out the property situated at Mumbai (Corporate Office) for the business and operation purpose of the Company for the rental of Rs. 1,60,000/- pm (excluding taxes). | M/s Trade Capital Private Limited has let out the property situated at Mumbai (Corporate Office) for the business and operation purpose of the Company without any consideration / rent. |
| M/s KIFS International LLP | Mr. Rajesh Khandwala – Managing Director, Mr. Vimal Khandwala – Managing Director and Mr. Kushal Khandwala –Whole Time Director, | M/s KIFS International LLP has let out the property situated at Vadodara for the business and operation purpose of the Company for the rental of Rs. 43,712/- pm (excluding taxes). | Continuing and repetitive in nature. |
| M/s. KIFS Realty LLP | Mr. Rajesh Khandwala — Managing Director, Mr. Vimal Khandwala — Managing Director and Mr. Kushal Khandwala —Whole Time Director. | M/s KIFS Realty LLP has let out the property situated at Ahmedabad for the business and operation purpose of the Company without any consideration/rent. | Continuing and repetitive in nature. |

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Corporate Office: C-902, Lotus Park, Graham Firth Compound, Western Express Highway, Goregaon (East), Mumbai – 400063, Maharashtra, India.

Corporate Office: C-902, Lotus Park, Graham Firth Compound, Western Express Highway, Goregaon (East), Mumbai - 400063, Maharashtra, India Ph. No.: +91 22 61796400 E-mail; contact@kifshousing.com Website: www.kifshousing.com CIN: U65922GJ2015PLC085079 RBI COR- DOR-00145



| M/s. KIFS Trade Capital Private Limited | Mr. Rajesh Khandwala – Managing Director, Mr. Vimal Khandwala – Managing Director and Mr. Kushal Khandwala –Whole Time Director, | M/s KIFS Trade Capital is acting as a Depository Participant for the Company and broker to invest the temporary surplus funds of the Company. No Brokerage /Commission shall be charged by M/s KIFS Trade Capital. | Continuing and repetitive in nature. |
|-----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| M/s. KIFS Finstock Limited | Mr. Rajesh Khandwala – Managing Director, Mr. Vimal Khandwala – Managing Director | M/s. KIFS Finstock Limited has granted Inter Corporate Deposit of an amount not exceeding Rs. 50 Crore to KIFS Housing Finance Limited at the interest rate of 7% p.a. | Continuing and repetitive in nature. |

The Board recommends the Special Resolution as per the accompanying Notice, for approval by the Members of the Company.

Except for Mr. Rajesh Khandwala, Mr. Vimal Khandwala & Mr. Kushal Khandwala, None of the Directors, Key Managerial Personnel or their 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: September 03, 2024 Place: Mumbai





ANNEXURE TO THE NOTICE

ADDITIONAL INFORMATION AS REQUIRED UNDER SECRETARIAL STANDARDS-2:

Details of Directors seeking Appointment/Re-appointment/Re- designation at the Nineth Annual General Meeting

| Name of the Director | Mr. Rajesh Khandwala |
|----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Designation | Chairman and Managing Director |
| Date of Birth/Age | 23-06-1964/ 60 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 Late Shri Parmanand G Khandwala aged about 60 years, holds the Bachelor 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 Mutua Funds. He is an independent thinker and a measured risk take with a passion for equities. Also with his knowledge in the business of housing finance, he is taking up the Company to the new heights, growth and success. |
| Shareholding in the Company | 0% (Contribution in KIFS International LLP - 32%). |
| Number of Board Meetings attended during the year | 04 |
| Chairperson/ Membership of Committees of other Company | KIFS Financial Services Limited: Audit Committee - Member Stakeholders Grievance Committee - Member Corporate Social Responsibility Committee - Chairman |
| Directorships held in other Company as on date | KIFS Financial Services Limited KIFS Motors Private Limited KIFS Trade Capital Private Limited Khandwala Commercial Private Limited Amoureux Enterprise Private Limited KIFS (IFSC) Private Limited |
| Terms and conditions of appointment / re-appointment | Appointed as a Managing Director of the Company w.e.f November 16, 2015 and reappointed for a period of 5 years with effect from March 04, 2021. Remuneration sought to be paid: Nil Remuneration last drawn: Nil |
| Relationship with other Directors/KMP of the Company | Related to Mr. Vimal Khandwala, Managing Director and Mr. Kushal Khandwala, Whole Time Director of the Company. |



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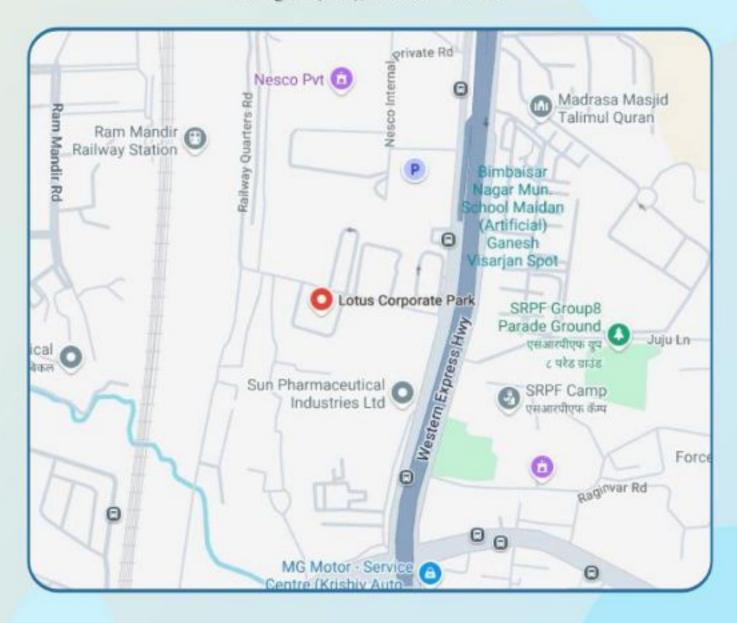
Corporate Office: C-902, Lotus Park, Graham Firth Compound, Western Express Highway, Goregaon (East), Mumbai – 400063, Maharashtra, India.

Corporate Office: C-902, Lotus Park, Graham Firth Compound, Western Express Highway, Goregaon (East), Mumbai - 400063, Maharashtra, Indi. Ph. No.: +91 22 61796400 E-mail: contact@kifshousing.com Website: www.kifshousing.com CIN: U65922GJ2015PLC085079 RBI COR- DOR-00145



ROUTE MAP FOR 9TH ANNUAL GENERAL MEETING:

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







ATTENDANCE SLIP

KIFS HOUSING FINANCE LIMITED

CIN: U65922GJ2015PLC085079

Registered office: 6" 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 Park, Graham Firth Compound, Western Express Highway, Goregaon (East), Mumbai 400063

9th Annual General Meeting,

LE CAL ADDIDAL OF

| Registered Pollo No. / DP ID No. Client ID No. ; |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Number of Shares held: |
| certify that I am a member / proxy for the member(s) of the Company. |
| I hereby record my presence at the 9th Annual General Meeting of the Company being held on Monday, September 09, 2024 at the Corporate office of the Company at C-902, Lotus Park Graham Firth Compound, Western Express Highway, Goregaon (East), Mumbai - 400063 |
| Name of the Member / Proxy |
| Signature of the Member / Proxy |





Form No. MGT-11

Proxy form

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

KIFS HOUSING FINANCE LIMITED

CIN: U65922GJ2015PLC085079

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 Park, Graham Firth Compound, Western Express Highway, Goregaon (East), Mumbai - 400063

| Name of the Member(s): | |
|----------------------------------------|------------------|
| Registered address: | |
| E-mail Id: | |
| Folio No/ Clint Id; | |
| DP ID: | |
| | |
| I/ We being the member ofholdingshares | , hereby appoint |
| Address: | |
| E-mail Id: | |
| Signature:, or failing him | |
| 2. Name: | |
| Address: | |
| E-mail Id: | |
| Signature:, | |

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 9th Annual General Meeting of members of the Company, to be held on Monday, September 09, 2024 at the Corporate office of the Company at C-902, Lotus Park, Graham Firth Compound, Western Express Highway, Goregaon (East), Mumbai 400063 and at any adjournment thereof in respect of such resolutions as are indicated below:

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| Sr. No | Nature of Resolutions | Voting (Asset or Dissent) |
|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|
| | ORDINARY RESOLUTIONS | |
| 1. | To receive, consider, approve and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2024, including the Audited Balance Sheet as at March 31, 2024 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. Rajesh Khandwala (DIN: 00477673), who retires by rotation pursuant to the provision of Section 152 of the Companies Act, 2013 and, being eligible, offers himself for re-appointment. | |
| 3. | To fix remuneration of Statutory Auditor of the Company for the FY 2024- 25. | |
| | SPECIAL RESOLUTIONS: | |
| 4. | To approve borrowing limits under Section 180(1)(c) of the Companies Act, 2013. | |
| 5. | 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. | |
| 6. | To consider and approve conversion of Loan into Equity under Section 62(3) of the Companies Act, 2013. | |
| 7. | To approve/ratify the Related Party Transactions | |

Signature of Proxy holder(s)

Affix Revenue Stamp

Note:

- This form of proxy in order to be effective should be duly completed, signed, stamped & deposited at the Registered Office of the Company, not later than FORTY-EIGHT HOURS before the commencement of the aforesaid meeting.
- It is optional to indicate your preference. If you leave the 'for', 'against' and 'abstain' column blank
 on all/any resolutions, your Proxy(ies) will be entitled to vote on Poll (if taken) in the manner as
 he/she thinks fit.

Ph. No.; +91 22 61796400 E-mail: contact@kifshousing.com Website: www.kifshousing.com CIN: U65922G12015PLC085079 RBI COR- DOR-00145





Corporate Office

KIFS Housing Finance Limited

C-902, Lotus Park, 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







(a) 022-61796400 (b) www.kifshousing.com oontact@kifshousing.com