



# **KIFS HOUSING FINANCE PRIVATE LIMITED**

## **2018-19**



## Management of the Company

Shri. Rajesh Khandwala, Managing Director

Shri Vimal Khandwala, Managing Director

Shri. Padmanabh Vora, Director

Shri. Swarnpal Singh Bais, Managing Director & CEO

Shri. Kartik Mehta, Director

Smt. Purvi Bhavsar, Director

Shri. Deepak Kumar Ajmera, Chief Financial Officer

Smt. Tejal Gunjan Gala, Company Secretary & Compliance Officer

<b>CIN</b>	U65922GJ2015PTC085079
<b>NHB Registration No.</b>	10.0145.16 dated October 27, 2016
<b>LEI Number</b>	335800358RJYD5ZDXQ31

<b>Registered Office</b>	B-81, Pariseema Complex, C. G. Road, Ellisbridge, Ahmedabad - 380006, Gujarat, India
<b>Corporate Office</b>	C-902, Lotus Corporate Park, Graham Firth Compound, Western Express Highway, Goregaon (East), Mumbai- 400063

<b>Statutory Auditors</b>	Manubhai & Shah LLP, Chartered Accountants
<b>Internal Auditors</b>	Yardi Prabhu & Associates LLP, Chartered Accountants
<b>Bankers</b>	AU Small Finance Bank Limited, Federal Bank Limited, HDFC Bank Limited, Punjab National Bank, South Indian Bank Limited

<b>Email</b>	<a href="mailto:contact@kifshousing.com">contact@kifshousing.com</a>
<b>Website</b>	<a href="http://www.kifshousing.com">www.kifshousing.com</a>

### **Brief Profile of the Management**

- ❖ **Shri. Rajesh P. Khandwala** aged 48 years, is the founder of the Khandwala Group. He is a Commerce Graduate having experience of over two and half decades in Capital Markets.
- ❖ **Shri. Vimal Khandwala** is a Commerce Graduate and has deep operational knowledge of more than 20 years in Capital Market activities. He has rich experience in Primary Market, Secondary Market, Derivatives and Arbitrage Operations, and Financial Management.
- ❖ **Shri. Swarnpal Singh Bais** is an engineering graduate and MBA having 18 years of leadership experience in finance and distribution with leading Banks and Finance companies. In his previous role, Mr. Bais was CEO and founding member of DMI Housing Finance. His previous professional assignments include Business head with Aadhar Housing Finance Limited, where he developed a business portfolio of Rs. 1,500 Crores.
- ❖ **Shri. Padmanabh Vora** is a Chartered Accountant and is an eminent person in banking and financial markets. He is also a member of the ICAI and Associate of Indian Institute of Bankers and has over 50 years' experience in finance, banking and management. He was also a Chairman for more than 9 years of Public Sector Undertaking including National Housing Bank, the Regulatory body for Housing Finance in India.
- ❖ **Shri. Kartik Mehta** is a qualified Chartered Accountant and also qualified Certified Financial Planner with more than 24 years of experience in the banking and the financial services industry in India. He is largely credited with creating the strategy for HDFC Bank's initial expansion in to the state of Gujarat. He is co-founder and the Managing Director of Pahal Microfinance.

- ❖ **Smt. Purvi Bhavsar** has over 22 years of diverse experience in the financial services and telecom industries. She has worked in various organizations like Apple Industries, HDFC Bank, ICICI Bank and Vodafone. She is the co-founder and Jt. Managing Director of Pahal Microfinance. She has won several awards and accolades during her professional career including the “Leading women in Telecom” in the year 2010.
- ❖ **Mr. Deepak Kumar Ajmera** (CFO) is a Chartered Accountant, also a Company Secretary and a Commerce graduate (Honors) from MDSU, Ajmer. He is qualified for Information system audits (DISA) and also certified from AMFI as Mutual Fund advisor. Previously, he has worked at “Hindustan Group” as Chief Financial Officer of ‘Hindustan Specialty Chemicals Ltd.’, where he was responsible for Strategic Planning, Fund Raising, Investment Management, Working Capital Management, Budgeting, MIS, M&A, Restructuring and overseeing accounts, taxation and secretarial matters.
- ❖ **Ms. Tejal Gala** (Company Secretary) has total experience of 3 years which includes ~2 years in a Practicing Company Secretaries Firm and with a Housing Finance Company. She has completed her CS in August 2016 and has done her Graduation from SIES College, Mumbai University in April 2011. She has handled a public company compliance independently viz. split, Dematerialization, overlapping, transfer & duplicate of shares, Board Meetings, Annual General Meetings and preparing Minutes of the same. She has assisted in Corporate Governance Audit & Report, carried out Due Diligence, Search & Secretarial Audit and prepared respective Reports.



## **Profile of the Company**

**KIFS Housing Finance Pvt. Ltd. (KHFPL)** is engaged in on-lending business for Retail housing loans to Middle Income Group (MIG) & Low Income Group (LIG) customers. It was incorporated on November 16, 2015 and registered with National Housing Bank on October 27, 2016.

Operating Market: Considering the opportunities in housing for the MIG and LIG segments in India, the company has forayed into providing retail housing loans to the Low and Middle Income segments across India. The geographies targeted are periphery of Tier1 and 2 and Tier 3, 4, 5 towns.

The company has developed robust policies and processes and strong proprietary housing finance software as a backbone to support the business operations. With a view to achieve ease of business and fast turnaround time, that are key parameters for success in this competitive market, the company operates through a decentralized process. The branch and regional level team is empowered with business decisions within the framework of Policy and Process defined and approved by the board. This is done along with strong oversight by the central team and audit committee for ensuring smooth function, control and compliance.

Product Portfolio: KIFS Housing Finance offers an array of home loan products including home loans, home improvement loans, home extension loans, loans for purchasing plots, self-construction loans, loans against property, balance transfer and top ups. The company also provides commercial loans for Shop and office purchase which is a unique product for this segment. KIFS Home Loans provides home loans up to Rs. 35 lakhs.

As on March 31, 2019, KIFS Housing has Loan AUM Rs. 182.82 Crores with rapidly growing customer base of ~2368 clients out of which salaried borrowers account for 79.15% and self-employed borrowers account for 20.85%.

## Financial Highlights

(in Crores)

Particulars	FY 2019-20	FY 2018-19
Income	21.17	6.77
EBIDTA	7.05	0.64
Depreciation	0.40	0.13
Finance Cost	0.68	0.08
Tax	1.87	0.24
PAT	4.10	0.19
EBIDTA Margin %	33%	9%
PAT Margin %	19%	3%
Share Capital	170.03	99.93
Reserves & Surplus	4.63	0.53
Net Worth	174.66	100.46
Net Fixed Assets	1.77	1.35
Long Term Borrowings (Unsecured Loans from Directors)	-	-
Working Capital Borrowings	-	0.17
Total Debt to EBIDTA	2.71	0.27
Debt /Equity	0.11	0.00
AUM (Loan Book)*	182.82	67.04
Capital Adequacy Ratio	125.15%	107.37%

\*Excluding Inter corporate Deposits



## Properties financed by KIFS



*Property Location – Ratlam, MP  
Product type - Home Loan, Resale*



*Property Location – Nashik, Maharashtra  
Product type - Home Loan, Self Construction*



*Property Location – Virar, Maharashtra  
Product type - Home Loan, Builder Loan*

## Employee Engagement Activities



*Tax Planning Session for Employees*



*Ergonomics Session for Employees*



## Employee Trainings



*GUJARAT*



*MADHYA PRADESH*



*JAIPUR*



*KOTA*



*PUNE*



*BHOPAL*

## BOARDS' REPORT

To

**The Members,**

**KIFS Housing Finance Private Limited**

Your Directors are pleased to present their 4<sup>th</sup> Annual Report on the business and operations of the Company along with the Audited Financial Statements for the financial year ended on March 31, 2019.

### 1. FINANCIAL RESULTS

The Company's financial performance for the financial year under report is given here under:

(Amount in lakhs except EPS)

Particulars	2018-19	2017-18
Revenue from Operations	2061.32	600.33
Other income	55.95	39.50
<b>Total revenue</b>	<b>2117.27</b>	<b>639.83</b>
Total Expenditure	1520.68	596.99
Profit / (Loss) before provision for tax	596.59	42.83
Tax Expense	186.82	23.78
<b>Net Profit / (Loss) after tax</b>	<b>409.77</b>	<b>19.05</b>
Earnings / (Loss) per Share (Basic & Diluted)	0.35	0.07

### 2. REVIEW OF BUSINESS OPERATIONS:

KIFS Housing Finance has disbursed more than Rs. 200 Crores and above since commencement of its operations. More than 2400 Families benefited through our 49 Branches & Mini Branches since inception. KIFS is going deeper into the Tier 3 -Tier 4 cities to serve the customers who are actually in need but do not find any option in their local cities. The company is setting up it's strong distribution in Tehsils & Talukas to tap the huge potential of underprivileged towns and started it's Mini Branch network in 22 cities, which will be the growth engine in the coming days.

### **3. DISBURSEMENTS**

Loan disbursements during the year were Rs. 135.02 Crores as against Rs. 67.14 Crores in the previous year. Cumulative disbursements as at March 31, 2019 were Rs. 202.16 Crores as against Rs. 67.14 Crores in the previous year.

KIFS has 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 has been an active contributor to the scheme and during the year, KIFS submitted claims and received aggregating subsidy of Rs. 11.64 Crores (net of return and TDS) in respect of 549 loans aggregating loan amount of Rs. 40.20 Crores. The subsidy received is credited to the respective customers' loan account by way of prepayment.

### **4. NON PERFORMING LOANS**

KIFS's gross non-performing loans stood at Rs. 0.22 Crores as at March 31, 2019, constituting 0.12% of the total outstanding loans of Rs. 182.79 Crores. The gross non-performing loans as at March 31, 2018 were NIL

### **5. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

The Company is not required to transfer any sum of the unclaimed dividend to the Investor Education and Protection Fund.

### **6. DIVIDEND**

During the financial year under report, your Directors suggested to retain the profits and not to declare any dividend to the members of the Company.

### **7. TRANSFER TO RESERVES**

During the financial year under report the Company has transferred Rs. 3.66 Crores to the reserves.

**8. MATERIAL CHANGES AND COMMITMENT, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

The Company has obtained a certificate of registration under NHB Act, 1987 in October 2016 and commenced the business in July 2017 as mentioned in the Memorandum of Association of the Company.

However, no material changes and commitments affecting the financial position of the Company occurred during the financial year and the date of the report.

**9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The disclosures to be made under Section 134 (3) (m) of the Companies Act, 2013 read with Rule (8)(3) of the Companies (Accounts) Rules, 2014 pertaining to conservation of energy and technology absorption are not applicable to the Company as it is involved in housing finance activities and not in any manufacturing, processing activities.

Further, there was no foreign exchange inflow or outflow during the year under review.

**10. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT**

The Board of the Company time to time discusses and evaluates the risks concerning the financial and operational positions of the Company. 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. The Risk Management Committee (RMC) of KIFS comprises the Managing Director & CEO and members of Senior Management.

KIFS has an Asset Liability Management (ALM) policy approved by the board. The task of overseeing the ALM has been entrusted to the Audit Committee which overseas and reviews the ALM position every quarter. The ALM Committee (ALCO) comprises of the Managing Directors and Non-Executive Directors as required.

#### **11. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

During the year under review, your Company does not fall under the criteria laid under section 135(1) of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 pertaining to the constitution of the Corporate Social Responsibility Committee and other provisions covered there under regarding expenditure to be made on certain specified activities as a part of the Corporate Social Responsibility. Therefore the Company has not framed the Corporate Social Responsibility Committee / Policy and has not incurred any expenditure thereon.

#### **12. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

Since the Company is a housing finance company, provisions of section 186 of the Companies Act 2013 relating to loans made, guarantees given or securities provided are not applicable to the company.

However, the Company has granted loans secured by mortgage forming part of their Housing Finance business, as per the NHB Guidelines also detailed in the financial statements. Further, the Company has not made any investments either of the long term or of short term in nature.

#### **13. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

During the financial year under report, all related party transactions were placed before the Audit Committee and Board for their approval. Omnibus approval for the routine transactions with the related parties was obtained on yearly basis / quarterly basis. A statement reflecting the related party transactions entered during the year is given in the financial statement. Form AOC-2 is annexed as “Annexure II” disclosing material related party transactions entered during the year

#### **14. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS IN THEIR REPORTS**

The Statutory Auditors have not given any qualification, reservation or made any adverse remarks or disclaimer in their Audit Report.



## 15. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The Company has formed the Nomination and Remuneration Committee as per the provisions of Section 178 and has updated its NRC policy relating to appointment of Directors, payment of Managerial remuneration, Directors qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.

## 16. ANNUAL RETURN

Pursuant to Section 134(3)(a) and Section 92(3) of the Companies Act 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 the extracts of the Annual Return as at March 31, 2019, in the prescribed form MGT - 9 forms part of this report as “Annexure 1”.

## 17. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REPOER

The Company had 13 (Thirteen) Board meetings during the financial year under report as follows and the intervening gap between any two Meetings was within the period prescribed under the Companies Act, 2013:

Meeting No.	Date of the Meeting	Meeting No.	Date of the Meeting
1	May 04, 2018	8	December 11, 2018
2	June 15, 2018	9	December 20, 2018
3	August 06, 2018	10	January 11, 2019
4	September 11, 2018	11	February 22, 2019
5	September 17, 2018	12	March 11, 2019
6	September 29, 2018	13	March 27, 2019
7	November 22, 2018		

## 18. DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:—

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the Board had selected such accounting policies and applied them consistently and made judgments 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 March 31, 2019 and of the profit and loss of the company for that period;
- c) the Board had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
  - d) the Board had prepared the annual accounts on a going concern basis;
  - e) the Board had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively and
  - f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **19. DEPOSITS**

During the financial year ended on March 31, 2019, the Company has not accepted, invited or hold any public deposit under any of the Acts/ Statutes viz; the Companies Act, 2013 or Reserve Bank of India Act, 1934 or any other provisions of the laws and applicable to the Company from time to time.

## **20. DIRECTORS**

During the financial year under report, the Board was duly constituted consisting of Shri. Rajesh P. Khandwala, Shri. Vimal P. Khandwala, Shri. Kartik S. Mehta, Smt. Purvi J. Bhavsar, Shri. Padmanabh P. Vora and Shri. Swarnpal Singh Bias as on March 31, 2019. Further, being a Private Limited Company, the Directors were not required to retire by rotation at the Annual General Meetings.

## **21. DECLARATION OF INDEPENDENT DIRECTORS**

The provisions of Section 149 pertaining to the appointment of Independent Directors do not apply to your Company.

## **22. PARTICULARS OF EMPLOYEES**

Pursuant to Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 read with Section 197(12) of the Companies Act, 2013 for receipt of remuneration stated therein, the statement under the said Sub-rule is annexed to the Boards' Report as **Annexure III**. However, as per the provisions of section 136 of the Companies Act, 2013, the Directors' Report is being sent to all shareholders of the Company excluding the annex. The annex is available for inspection by the members at the registered office of the Company during business hours on working days up to the date of ensuing Annual General Meeting

### **23. STATUTORY AUDITORS**

M/s. Manubhai & Shah LLP, Chartered Accountants (FRN: 106041W/W100136), Ahmedabad, was appointed as Statutory Auditors in the 1<sup>st</sup> Annual General Meeting of the Company for the period of five years.

### **24. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The Company does not have any Subsidiary, Joint venture or Associate Company.

### **25. COMPLIANCE WITH RBI AND NHB GUIDELINES**

During the year under report, the Company has complied with all the requisite guidelines of Reserve Bank of India (RBI) as well as National Housing Bank (NHB) and other regulators. However, NHB levied an aggregate penalty of Rs. 2360/- for delayed submission of a Return and the same is disclosed on website and in Audited Financial Statements as required.

### **26. NUMBER OF COMPLAINTS UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE**

The Company has not received any complaints relating to sexual harassment of women at work place during the financial year under report.

### **27. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM**

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 are not applicable to the Company.

### **28. EQUITY SHARES**

During the financial year under report, the Company has made right issue of 5,00,18,643 Equity Shares of Rs. 10/- each.

## **29. ACKNOWLEDGEMENTS**

Your Directors place on record their sincere thanks to Bankers, Business Associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under report. Your Directors are also grateful to the shareholders for their support and confidence reposed on your Company.

For and on behalf of Board of Directors

**KIFS Housing Finance Private Limited**

**Sd/-**

**Vimal P. Khandwala**

**Managing Director**

**DIN: 00477768**

**Sd/-**

**Swarnpal Singh Bais**

**Managing Director & CEO**

**DIN: 07966335**

**Date: April 12, 2019**

**Place: Mumbai**

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

## **ANNEXURE - 1 TO THE BOARDS' REPORT**

### **Form No. MGT-9**

Extract of Annual Return as on the financial year ended on March 31, 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### **I. Registration and Other Details**

1	CIN	U65922GJ2015PTC085079
2	Registration Date	November 16, 2015
3	Name of the Company	KIFS Housing Finance Private Limited
4	Category / Sub-Category of the Company	Private Non-govt. Company Limited by Shares
5	Address of the Registered Office and Contact Details	B-81, Pariseema Complex, C. G. Road, Ellisbridge, Ahmedabad – 380006, Gujarat, India.
6	Whether Listed Company Yes / No	No
7	Name, Address and Contact Details of Registrar and Transfer Agent, if any	NA

#### **II. Principal Business activities of the Company**

All the business activities contributing 10 % or more of the total turnover of the Company are given below:

Sr. No.	Name and Description of Main Products / Services	NIC Code of the Product / Service	% to Total Turnover of the Company
1	Residential mortgage loan services	99711310	100%

#### **III. Particulars of Holding, Subsidiary and Associate Companies**

Sr. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
Nil					



#### IV. Shareholding Pattern (Equity Share Capital Breakup as Percentage of Total Equity) as at March 31, 2019

##### i. Category wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at end of the financial year - March 31, 2019				% Change during the financial year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a. Individual / HUF	-	-	-	-	-	-	-	-	
b. Central Government	-	-	-	-	-	-	-	-	
c. State Government(s)	-	-	-	-	-	-	-	-	
d. Body Corporate	-	9,94,33,344	9,94,33,344	99.4997%	-	14,94,51,287	14,94,51,287	99.6661%	0.1664%
e. Bank / FI	-	-	-	-	-	-	-	-	
f. Any Other	-	-	-	-	-	-	-	-	
Sub-Total-A-(1)	-	9,94,33,344	9,94,33,344	99.4997%	-	14,94,51,287	14,94,51,287	99.6661%	0.1664%
2. Foreign									
a. NRI-Individuals	-	-	-	-	-	-	-	-	-
b. Other Individuals	-	-	-	-	-	-	-	-	-
c. Body Corporate	-	-	-	-	-	-	-	-	-
d. Bank / FI	-	-	-	-	-	-	-	-	-
e. Any Other	-	-	-	-	-	-	-	-	-
Sub-Total-A-(2)	-	-	-	-	-	-	-	-	-
Total Share Holder of	-	9,94,33,344	9,94,33,344	99.4997%	-	14,94,51,287	14,94,51,287	99.6661%	0.1664%

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at end of the financial year - March 31, 2019				% Change during the financial year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Promoters (1+2)									
<b>B. Public Shareholding</b>									
<b>1. Institution</b>									
a. Mutual Funds	-	-	-	-	-	-	-	-	-
b. Bank / FI	-	-	-	-	-	-	-	-	-
c. Central Government	-	-	-	-	-	-	-	-	-
d. State Government(s)	-	-	-	-	-	-	-	-	-
e. Venture Capital	-	-	-	-	-	-	-	-	-
f. Insurance Co.	-	-	-	-	-	-	-	-	-
g. FIIs	-	-	-	-	-	-	-	-	-
h. Foreign Venture Capital Fund	-	-	-	-	-	-	-	-	-
i. Others	-	-	-	-	-	-	-	-	-
<b>Sub-Total-B-(1)</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institution</b>									
a. Body Corporate	-	-	-	-	-	-	-	-	-
<b>b. Individual</b>									
i. Individual shareholders holding nominal share capital up to Rs. 1 Lac*	-	-	-	-	-	700	700	0.0005%	0.0005%

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at end of the financial year - March 31, 2019				% Change during the financial year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii. Individual shareholders holding nominal share capital in excess of Rs. 1 Lac*	-	5,00,000	5,00,000	0.5003%	-	5,00,000	5,00,000	0.3334%	(0.1669%)
c. Others									
i. Clearing Member	-	-	-	-	-	-	-	-	-
ii. NRI	-	-	-	-	-	-	-	-	-
iii. HUF*	-	-	-	-	-	-	-	-	-
<b>Sub-Total-B-(2)</b>	-	<b>5,00,000</b>	<b>5,00,000</b>	<b>0.5003%</b>	-	<b>5,00,700</b>	<b>5,00,700</b>	<b>0.3339%</b>	<b>0.1664%</b>
<b>Net Total (1+2)</b>	-	<b>5,00,000</b>	<b>5,00,000</b>	<b>0.5003%</b>	-	<b>5,00,700</b>	<b>5,00,700</b>	<b>0.3339%</b>	<b>0.1664%</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
a. Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
b. Public	-	-	-	-	-	-	-	-	-
<b>Sub-Total-C</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	<b>9,99,33,344</b>	<b>9,99,33,344</b>	<b>100%</b>	-	<b>14,99,51,987</b>	<b>14,99,51,987</b>	<b>100%</b>	<b>0.00</b>

**ii. Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in Shareholding during the financial year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to Total Shares	
1	KIFS International LLP	9,94,33,344	99.4997%	-	14,94,51,287	99.6661%	-	0.1664%
	<b>Total</b>	<b>9,94,33,344</b>	<b>99.4997%</b>	<b>-</b>	<b>14,94,51,287</b>	<b>99.6661%</b>	<b>-</b>	<b>0.1664%</b>

### iii. Change in Promoters Shareholding

S r · N o ·	Name of the Shareholder	Shareholding at the Beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Share Capital of the Company	No. of Shares	% of Total Share Capital of the Company
1	KIFS International LP				
	At the beginning of the year	9,94,33,344	99.4997%	-	-
	Increase/Decrease during the year				
	- Issued on September 17, 2018	2,49,83,336		12,44,16,680	99.5997%
	- Transfer of 700 shares on Nov 22, 2019	700		12,44,15,980	99.5992%
	- Issued on December 11, 2018	1,01,14,711		13,45,30,691	99.6292%
	- Issued on February 22, 2019	1,49,20,596		14,94,51,287	99.6661%
	Total Increase			5,00,18,643	
	At the end of the Financial Year	-	-	14,94,51,287	99.6661%



**iv. Shareholding of top 10 shareholders (other than Directors, Promoters and holders of GDRs and ADRs)**

Sr. No.	Name of the Shareholder	Shareholding at the Beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Share Capital of the Company	No. of Shares	% of Total Share Capital of the Company
1.	Vijay Kantilal Bhatt	0	0	100	0.0001
2.	Kamlesh U. Dhandhukiya	0	0	100	0.0001
3.	Nikul Bhikhalal Dave	0	0	100	0.0001
4.	Sandip C Kadam	0	0	100	0.0001
5.	Dipti Jayantilal Thakkar	0	0	100	0.0001
6.	Deepak Kantibhai Chauhan	0	0	100	0.0001
7.	Vaibhav Vasant Shrivastav	0	0	100	0.0001

## V. Shareholding of Directors and Key Managerial Personnel

Sr. No.	Name of the Director	Shareholding at the Beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Share Capital of the Company	No. of Shares	% of Total Share Capital of the Company
1	Mr. Rajesh P. Khandwala				
	At the beginning of the year	-	-	-	-
	At the end of the Financial Year			-	-
2	Mr. Vimal P. Khandwala				
	At the beginning of the year	-	-	-	-
	At the end of the Financial Year			-	-
3	Mrs. Purvi J. Bhavsar				
	At the beginning of the year	2,50,000	0.2502%	2,50,000	0.2502%
	At the end of the Financial Year			2,50,000	0.1667%
4	Mr. Kartik S. Mehta				
	At the beginning of the year	2,50,000	0.2502%	2,50,000	0.2502%
	At the end of the Financial Year			2,50,000	0.1667%
5	Mr. Padmanabh Pundrikay Vora				
	At the beginning of the year	-	-	-	-
	At the end of the Financial Year			-	-
6	Mr. Swarnpal Singh Bais				
	At the beginning of the year	-	-	-	-
	At the end of the Financial Year			-	-
7	Mr. Deepak Kumar Ajmera				
	At the beginning of the year	-	-	-	-
	At the end of the Financial Year			-	-
8	Ms. Tejal Gunjan Gala				
	At the beginning of the year	-	-	-	-
	At the end of the Financial Year			-	-

## V. Indebtedness

(Amount in Lakhs.)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year – April 01, 2018</b>				
1) Principal amount	8.37	5.00	-	13.37
2) Interest due but not paid	-	3.44	-	3.44
3) Interest accrued but not due	-	-	-	-
<b>Total of (1+2+3)</b>	<b>8.37</b>	<b>8.44</b>	<b>-</b>	<b>16.82</b>
<b>Change in Indebtedness during the financial year</b>				
+Addition	3173.60	-	-	3173.50
- Reduction	1278.50	8.44	-	1286.94
<b>Net change</b>	<b>1895.10</b>	<b>(8.44)</b>	<b>-</b>	<b>1886.66</b>
<b>Indebtedness at the end of the financial year - March 31, 2019</b>				
1) Principal amount	1902.50	(0.00)	-	1902.50
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	0.97	-	-	0.97
<b>Total of (1+2+3)</b>	<b>1903.47</b>	<b>(0.00)</b>	<b>-</b>	<b>1903.47</b>

## Remuneration of Directors and Key Managerial Personnel

### A. Remuneration to Managing Director, Whole-Time Directors and /or Manager

(Amount in Rs.)

Sr. No.	Particulars of Remuneration	Mr. Rajesh P. Khandwala	Mr. Vimal P. Khandwala	Mr. Swarnpal Singh Bais
		(Managing Director)	(Managing Director)	(Managing Director)
1	Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act (b) Value of perquisites u/s 17(2) Income Tax Act, 1961 (c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	92,49,000
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission -as % of profit - other, specify...	- -	- -	-
5	Others, Reimbursements	-	-	8,61,854
	<b>Total (A)</b>			<b>1,01,10,854</b>
	<b>Ceiling as per the Act</b>			

**B. Remuneration to Other Directors (Non Executive Directors)**

(Amount in Rs.)

Particulars of Remuneration	Name of Directors			Amount
	Non Executive Director			
	Mr. Padmanabh Pundrikray Vora	Mr. Kartik S. Mehta	Mrs. Purvi J. Bhavsar	
Fee for attending Board / Committee meetings	2,10,000	60,000	60,000	3,30,000
Commission	-	-	-	-
Others	-	-	-	-
Total (B)	-	-	-	3,30,000
Total Managerial Remuneration				
Overall ceiling as per the Act				



**C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD:**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CFO	Company Secretary		
		Mr. Deepak Kumar Ajmera (August 2018 to March 2019)	Ms. Nutisha Todi (April 2018 to August 2018)	Ms. Tejal Gala (August 2018 to March 2019)	Total
1	Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act (b) Value of perquisites u/s 17(2) Income Tax Act, 1961 (c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	25,56,743 - -	2,56,465 - -	2,47,546	30,60,754
2	Stock Option	-	-		
3	Sweat Equity	-	-		
4	Commission -as % of profit - other, specify...	- -	- -		
5	Others, Reimbursements	3,30,138	-	-	3,30,138
	<b>Total</b>				<b>33,90,892</b>
	<b>Ceiling as per the Act</b>	NA			

**VI. Penalties / Punishment / Compounding of Offences: NIL**

For and on behalf of Board of Directors

**KIFS Housing Finance Private Limited**

**Vimal P. Khandwala**  
Managing Director  
DIN: 00477768

**Swarnpal Singh Bais**  
Managing Director & CEO  
DIN: 07966335

**Date: April 12, 2019 / Place: Mumbai**  
**Corp Office: C-902, Lotus Corporate Park,**  
**Graham Firth Compound, Western Express Highway, Goregaon (East), Mumbai-400063**

## Annexure II

### FORM NO. AOC-2

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

*(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

#### 1. Details of contracts or arrangements or transactions not at arm's length basis

(a). Name(s) of the related party and nature of relationship	NIL
(b). Nature of contracts/ arrangements/ transactions	
(c). Duration of the contracts/ arrangements/ transactions	
(d). Salient terms of the contracts or arrangements or transactions including the value, if any:	
(e) Justification for entering into such contracts or arrangements or transactions	
(f). Date(s) of approval by the Board, if any:	
(g). Amount paid as advances, if any:	
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

**2. (i) Details of material contracts or arrangement or transactions at arm's length basis**

(a). Name(s) of the related party and nature of relationship	KIFS Trade Capital Private Limited (earlier known as KIFS Securities Limited)
(b). Nature of contracts/ arrangements/ transactions	Rent Agreement for property at Mumbai for Corporate Office of the Company.
(c). Duration of the contracts/ arrangements/ transactions	11 Months and 29 Days
(d). Salient terms of the contracts or arrangements or transactions including the value, if any:	As per the agreement
(e). Date(s) of approval by the Board, if any:	06-08-2018
(f). Amount paid as advances, if any:	NIL

**(ii) Details of material contracts or arrangement or transactions at arm's length basis**

(a). Name(s) of the related party and nature of relationship	KIFS International LLP
(b). Nature of contracts/ arrangements/ transactions	Lease Deed for property at Ahmedabad for Regional Office of the Company
(c). Duration of the contracts/ arrangements/ transactions	11 Months and 29 Days
(d). Salient terms of the contracts or arrangements or transactions including the value, if any:	As per the agreement
(e). Date(s) of approval by the Board, if any:	06-08-2018
(f). Amount paid as advances, if any:	NIL

**(iii). Details of material contracts or arrangement or transactions at arm's length basis**

(a). Name(s) of the related party and nature of relationship	KIFS International LLP
(b). Nature of contracts/ arrangements/ transactions	Lease Deed for property at Vadodara for Branch Office of the Company
(c). Duration of the contracts/ arrangements/ transactions	11 Months and 29 Days
(d). Salient terms of the contracts or arrangements or transactions including the value, if any:	As per the agreement
(e). Date(s) of approval by the Board, if any:	06-08-2018
(f). Amount paid as advances, if any:	NIL

**(iv). Details of material contracts or arrangement or transactions at arm's length basis**

(a). Name(s) of the related party and nature of relationship	Aristo Traders Private Limited
(b). Nature of contracts/ arrangements/ transactions	ICD Facilities given by the Company
(c). Duration of the contracts/ arrangements/ transactions	2 years
(d). Salient terms of the contracts or arrangements or transactions including the value, if any:	As per the agreement
(e). Date(s) of approval by the Board, if any:	22-11-2018 & 22-02-2019 & 11-03-2019
(f). Amount paid as advances, if any:	NIL

**Annexure III: Statement of Employees pursuant to Rule 5(2) and Rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel Rule, 2014**

Sr. No.	Name of the Employee	Designation	Remuneration received (in Rs. PA)	Nature of Employment	Current Company Name	Qualification	Total experience (In yrs)	Date of commencement of employment	Age	Last employment held	% of equity shares held	Whether relative of director or manager and if so, name of such director or manager
1	Swarnpal Singh Bais	MD & CEO	1,02,01,020	Permanent	KIFS Housing Finance Pvt Ltd	Eng Grad & MBA	20	03 Apr 2017	44	2017		No
2	Vinayak Vishnu Deousker	Business Head	44,03,892	Permanent	KIFS Housing Finance Pvt Ltd	B.Com	20	13 Jul 2017	45	2017		No
3	Deepak Kumar Ajmera	CFO-Finance & Accounts	40,00,000	Permanent	KIFS Housing Finance Pvt Ltd	CA & CS	13	18 Aug 2018	32	2018		No
4	Pradeep Chakravorty	Regional Business Head-MP	24,11,676	Permanent	KIFS Housing Finance Pvt Ltd	M.Sc (stats) & PGDCA	24	02 May 2017	47	2017		No
5	Saurabh Goel	Assistant Vice President - Credit	23,63,328	Permanent	KIFS Housing Finance Pvt Ltd	MBA	15	27 Dec 2017	34	2017		No
6	Shekhar Chaudhary	Regional Business Head - Rajasthan	21,78,984	Permanent	KIFS Housing Finance Pvt Ltd	MBA	19	10 May 2018	41	2018		No
7	Sanjeev Mittal	Assistant Vice President - Operations	20,00,016	Permanent	KIFS Housing Finance Pvt Ltd	MBA	19	03 May 2018	42	2018		No

8	NavenderGahlawat	State Credit Head	15,88,716	Permanent	KIFS Housing Finance Pvt Ltd	MBA	10	09 Aug 2017	30	2017		No
9	AniketModi	State Credit Head	14,94,360	Permanent	KIFS Housing Finance Pvt Ltd	B.Com	18	30 May 2017	39	2017		No
10	Gundopant Salokhe	Senior Manager	13,52,316	Permanent	KIFS Housing Finance Pvt Ltd	B.Com	16	07 Aug 2017	44	2017		No

For and on behalf of Board of Directors

**KIFS Housing Finance Private Limited**

**Vimal P. Khandwala**

**Managing Director**

**DIN: 00477768**

**Swarnpal Singh Bais**

**Managing Director & CEO**

**DIN: 07966335**

**Date: April 12, 2019 / Place: Mumbai**

**Corp Office: C-902, Lotus Corporate Park,**

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

## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of KIFS Housing Finance Private Limited**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying Financial Statements of **KIFS Housing Finance Private Limited** ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March 2019, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2019, its profit and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The company's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report is other information included in Board of Directors Report including Annexures to such 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 in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



## **Management's Responsibility 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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- 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 internal control that we identify during our audit.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit 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.
  - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2019 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 over financial reporting of the Company and the operating effectiveness of such controls, we would like to state that we are exempted from such reporting vide notification G.S.R. 583 (E) dated 13<sup>th</sup> June, 2017.
  - 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 would like to state that section 197 is not applicable to the Company.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

**For Manubhai & Shah LLP**  
***Chartered Accountants***  
**Firm's Registration No: 106041W/W100136**

**Place: Mumbai**  
**Date: 12<sup>th</sup> April, 2019**

**Sd/-**  
**Darshan Shah**  
***Partner***  
**Membership No.: 131508**

## **ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in Paragraph 2 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

1. In respect of its Fixed Assets;
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) There is a regular program of physical verification of fixed assets which in our opinion is reasonable having regard to the size of the Company and the nature of fixed assets. No material discrepancies have been noticed in respect of the assets physically verified during the year.
  - (c) The Company does not have any immovable property forming part of its fixed assets.
2. The Company does not have any inventory and thus paragraph 3(ii) of the Order is not applicable to the Company.
3. The Company has granted unsecured loan in form of Inter Corporate Deposit to company covered in the register maintained under Section 189 of the Act. The terms of the loan are not prejudicial to the interest of the Company. Also, the schedule of repayment of loan and interest has been stipulated in the agreement and the repayments are regular. There is no overdue amount as at 31<sup>st</sup> March 2019 in respect of the aforesaid loan.
4. In our opinion and according to the information and explanations given to us and on the basis of examination of records of the Company, provisions of section 185 and 186 of the Act are not applicable to the Company and thus paragraph 3(iv) of the Order is not applicable to the Company.
5. In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposit from the public in accordance with the provisions of section 73 to 76 or any other relevant provisions of the Act and rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
6. To the best of our knowledge and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Act in respect of activities undertaken by the Company.
7. In respect of Statutory dues;
  - (a) According to the information and explanations given to us and 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 statutory dues, as applicable, with the appropriate authorities.

According to the information and explanations given to us and the records of the Company examined by us, in our opinion, there are no undisputed amounts payable in respect of the above mentioned statutory dues which were in arrears as at 31<sup>st</sup> March 2019 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues outstanding as at 31<sup>st</sup> March 2019 which have not been deposited on account of a dispute.
8. 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 any dues with respect to loan taken from banks.
  9. The Company has not raised any money by way of an initial public offer or further public offer (including debt instruments). The Company has taken term loan from banks and the same were applied for purposes for which the respective loans were obtained.
  10. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.
  11. Section 197 of the Act is not applicable to the Company and thus reporting under paragraph 3(xi) of the Order is not applicable.
  12. The Company is not a Nidhi Company as defined under section 406(1) of the Act and thus reporting under paragraph 3(xii) of the Order is not applicable.
  13. The transactions entered by the Company with related parties are in compliance with section 177 and 188 of the Act. The details of all such transactions are disclosed in Note 26(ii) to the financial statements as required under Accounting Standard 18, Related Party Disclosures.
  14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
  15. In our opinion and according the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with him.
  16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Manubhai & Shah LLP**  
***Chartered Accountants***  
**Firm's Registration No: 106041W/W100136**

**Place: Mumbai**  
**Date: 12<sup>th</sup> April, 2019**

**Sd/-**  
**Darshan Shah**  
***Partner***  
**Membership No.: 131508**

**INDEPENDENT AUDITOR'S REPORT**  
**Report on Compliance with the Housing Finance Companies (NHB) Directions, 2010**

**To**  
**The Board of Directors of**  
**KIFS HOUSING FINANCE PRIVATE LIMITED**

**Background**

Pursuant to the Housing Finance Companies – Auditor's Report (National Housing Bank) Directions, 2016 ("the Directions") which became effective from February 03, 2017, we have examined the matters specified in the Paragraph 3 of the said directions in respect of KIFS Housing Finance Private Limited (the "Company") for the year ended 31<sup>st</sup> March 2019.

**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 3 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.

**Conclusion**

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.
- (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 the liquidity requirements as specified under Section 29B of the National Housing Bank Act, 1987 and has kept the securities with the designated bank.
- (4) The Company has complied with Section 29C of the National Housing Bank Act, 1987.
- (5) The Board of Directors of the Company has passed a resolution for non-acceptance of any public deposits.
- (6) The Company has not accepted any Public deposits during the year ended and as at 31<sup>st</sup> March 2019.

- (7) 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 Housing Finance Companies (NHB) Directions, 2010.
- (8) 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 National Housing Bank in the Housing Finance Companies (NHB) Directions, 2010.
- (9) The Company has furnished to the Bank within stipulated period the schedule II return for the half year ended on 30<sup>th</sup> September, 2018 as specified in Housing Finance Companies (NHB) Directions, 2010. The Company has not furnished to the Bank the schedule II return for the half year ended on 31<sup>st</sup> March, 2019 as at the date of our report.
- (10) The Company has furnished to the National Housing Bank within stipulated period the schedule III returns on Statutory Liquid Assets as specified in the Housing Finance Companies (NHB) Directions, 2010.
- (11) The Company has complied with the requirements relating to opening of new branches / offices or closure of existing branches / offices as specified in Housing Finance Companies (NHB) Directions, 2010.
- (12) The Company has complied with provisions contained in paragraph 38 and 38A of the Housing Finance Companies (NHB) Directions, 2010.

**Restriction of use**

This report is issued pursuant to the requirement as per Paragraph 3 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.

**For Manubhai & Shah LLP**  
*Chartered Accountants*  
ICAI Firm Registration No. 106041W/W100136

**Place:** Mumbai

**Date:** 12<sup>th</sup> April 2019

Darshan Shah  
*Partner*  
Membership No.:131508



**KIFS Housing Finance Private Limited**

CIN:U65922GJ2015PTC085079

Balance Sheet as at 31st March, 2019

(Amount in Rs.)

Particulars	Note No.	As at 31-Mar-19	As at 31-Mar-18
<b>I EQUITY AND LIABILITIES:</b>			
<b>(1) Shareholders' fund:</b>			
(a) Share capital	3	1,499,519,870	999,333,440
(b) Reserves and surplus	4	46,253,056	5,276,194
	( A )	1,545,772,926	1,004,609,634
<b>(2) Share application money pending allotment</b>	( B )	200,738,940	-
<b>(3) Non-current liabilities:</b>			
(a) Long-term borrowings	5	150,749,971	-
(b) Long-term provisions	6	14,546,178	3,111,187
	( C )	165,296,149	3,111,187
<b>(4) Current liabilities:</b>			
(a) Short-term borrowings	7	-	1,681,678
(b) Trade payables	8		
(i) Total outstanding dues of Micro enterprises and Small Enterprises		-	-
(ii) Total outstanding dues of creditors other than Micro enterprises and Small Enterprises		-	67,520
(c) Other current liabilities	9	357,887,419	306,060,679
(d) Short-term provisions	10	14,480,606	8,125,845
	( D )	372,368,025	315,935,722
<b>Total</b>	( A+B+C+D )	<b>2,284,176,040</b>	<b>1,323,656,543</b>
<b>II ASSETS:</b>			
<b>(1) Non-current assets:</b>			
(a) Property, Plant and Equipment	11		
(i) Tangible assets		15,727,225	13,253,866
(ii) Intangible assets		449,014	304,308
(iii) Intangible assets under development		1,526,000	-
(b) Long-term loans and advances	12	1,780,716,152	660,906,791
(c) Deferred tax assets (net)	13	5,062,196	2,438,776
(d) Other Non-Current assets	14	10,046,336	-
	( E )	1,813,526,923	676,903,741
<b>(2) Current assets:</b>			
(a) Trade receivable	15	3,880,915	40,072,514
(b) Cash and bank balances	16	197,313,401	76,062,040
(c) Short-term loans and advances	17	257,474,908	526,538,953
(d) Other Current Assets	18	11,979,893	4,079,295
	( F )	470,649,117	646,752,802
<b>Total</b>	( E+F )	<b>2,284,176,040</b>	<b>1,323,656,543</b>

Significant accounting policies and notes to financial statements

1 to 61

The notes referred above form an integral part of the financial statements

As per our report of even date attached

For Manubhai & Shah LLP

Chartered Accountants

Firm Registration No. 106041W/W100136

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

Sd/-

(Darshan Shah)

Partner

Membership No.131508

Sd/-

(Vimal P Khandwala)

Director :DIN.00477768

Sd/-

(Swarnpal Singh Bais)

Director :DIN.07966335

Sd/-

(Padmanabh Vora)

Director :DIN.00003192

Sd/-

(Deepak Kumar Ajmera)

(Chief Financial officer)

Sd/-

(Tejal Gala)

(Company Secretary)

M.No. ACS - 54456

Place: Mumbai

Date: 12th April, 2019

Place: Mumbai

Date: 12th April, 2019

**KIFS Housing Finance Private Limited**  
**CIN:U65922GJ2015PTC085079**  
**Statement of profit and loss for the year ended 31st March, 2019**

(Amount in Rs.)

Particulars	Note No.	Year ended 31-Mar-19	Year ended 31-Mar-18
<b>Income</b>			
Revenue from Operations	19	206,131,674	60,032,674
Other Income	20	5,594,799	3,949,562
<b>Total Revenue</b>	( A )	<b>211,726,473</b>	<b>63,982,236</b>
<b>Expenses</b>			
Employee benefit expenses	21	91,448,336	29,470,277
Finance cost	22	6,843,504	832,235
Depreciation and amortisation expenses	11	3,955,797	1,265,428
Provision for Contingencies	23	6,577,195	6,830,800
Other expenses	24	43,243,242	21,300,741
<b>Total Expenses</b>	( B )	<b>152,068,074</b>	<b>59,699,481</b>
<b>Profit/(Loss) before tax ( A - B )</b>	( C )	59,658,399	4,282,755
<b>Less: Tax Expense:</b>			
Current Tax		21,193,312	4,908,500
Short/(Excess) provision of tax for earlier year		111,645	(451,581)
Deferred Tax		(2,623,420)	(2,078,761)
	( D )	18,681,537	2,378,158
<b>Profit/(Loss) for the year ( C - D )</b>	( E )	<b>40,976,862</b>	<b>1,904,597</b>
<b>Earning per share (face value Rs. 10/- each):</b>			
<b>Basic and Diluted (Refer note no. 27)</b>		0.35	0.07

**Significant accounting policies and notes to financial statements** 1 to 61

The notes referred above form an integral part of the financial statements

As per our report of even date attached

**For Manubhai & Shah LLP**

Chartered Accountants

Firm Registration No. 106041W/W100136

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

**Sd/-**  
**(Vimal P Khandwala)**  
Director :DIN.00477768

**Sd/-**  
**(Swarnpal Singh Bais)**  
Director :DIN.07966335

**Sd/-**  
(Darshan Shah)  
Partner  
Membership No.131508

**Sd/-**  
**(Padmanabh Vora)**  
Director :DIN.00003192

**Sd/-**  
**(Deepak Kumar Ajmera)**  
(Chief Financial officer)

**Sd/-**  
**(Tejal Gala)**  
(Company Secretary)  
M.No. ACS - 54456

**Place: Mumbai**  
**Date: 12th April, 2019**

**Place: Mumbai**  
**Date: 12th April, 2019**

**KIFS Housing Finance Private Limited**  
CIN:U65922GJ2015PTC085079  
**Cash Flow statement for the year ended 31st March, 2019**

	(Amount in Rs.)	
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Cash flow from operating activities</b>		
Net profit before tax	59,658,399	4,282,755
Adjustment for:		
Depreciation and amortisation	3,955,797	1,265,428
Gratuity	655,400	414,134
Compensated absence	1,442,133	1,175,535
Provision for contingencies	6,577,195	6,830,800
Profit on sale of investment	(163,253)	(2,533,020)
Interest Income from Bank Deposits	(5,395,996)	(1,416,542)
Interest on Bank Overdraft	1,186,483	449,713
Interest on other borrowings/other borrowing costs	2,037,499	382,522
Interest on Term Loan	3,619,522	-
<b>Operating profit before working capital changes</b>	<b>73,573,179</b>	<b>10,851,325</b>
Adjustment for working capital changes:		
Increase/(Decrease) in trade payables	(67,520)	67,520
Increase/(Decrease) in other current liabilities	51,826,740	306,055,329
Increase/(Decrease) in short term provisions	7,450,360	2,407,374
(Increase)/Decrease in long term loans and advances	(1,120,182,721)	(660,533,431)
(Increase)/Decrease in trade receivables	36,191,599	(40,072,514)
(Increase)/Decrease in short term loans and advances	269,064,045	(526,507,521)
(Increase)/Decrease in other assets	(7,900,598)	(4,079,295)
<b>Cash generated from operations</b>		
Income taxes paid	(19,266,933)	(4,522,311)
<b>Net cash generated/(used) from/in operating activities ( A )</b>	<b>(709,311,849)</b>	<b>(916,333,524)</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets	(8,111,972)	(14,823,602)
Sale/adjustment of fixed asset	12,109	
Purchase of investments	(153,500,000)	(1,406,000,000)
Sale of investments	153,663,253	1,408,533,020
Investment in fixed deposits	(31,416,996)	(64,977,701)
Interest Income from Bank Deposits	5,395,996	1,416,542
<b>Net cash generated/(used) from/in investing activities ( B )</b>	<b>(33,957,609)</b>	<b>(75,851,740)</b>
<b>Cash flow from financing activities</b>		
Proceeds from issue of equity shares	500,186,430	885,233,440
Proceeds from share application money	200,738,940	-
Increase/(Decrease) in long term borrowings	150,749,971	-
Increase/(Decrease) in short term borrowings	(837,408)	837,408
Proceeds from loans taken/(repaid) from director	-	(500,000)
Proceeds from loans taken from related parties	-	844,270
Proceeds from loans repaid to related parties	(844,270)	-
Interest on Bank Overdraft	(1,186,483)	(449,713)
Interest on other borrowings/other borrowing costs	(5,657,021)	(382,522)
<b>Net cash generated/(used) from/in financing activities ( C )</b>	<b>843,150,159</b>	<b>885,582,883</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>99,880,701</b>	<b>(106,602,381)</b>
Cash and cash equivalents at the beginning of the year	11,084,339	117,686,720
<b>Cash and cash equivalents at the end of the year</b>	<b>110,965,040</b>	<b>11,084,339</b>
<b>Components of cash and cash equivalents</b>		
Cash in hand	1,752,708	122,415
Balance with banks in current accounts	109,212,332	10,961,924
<b>Cash and cash equivalents at the end of the year</b>	<b>110,965,040</b>	<b>11,084,339</b>

The notes referred above form an integral part of the financial statements

As per our report of even date attached

**For Manubhai & Shah LLP**  
Chartered Accountants  
Firm Registration No. 106041W/W100136

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

Sd/-  
(Vimal P Khandwala)  
Director :DIN.00477768

Sd/-  
(Swarnpal Singh Bais)  
Director :DIN.07966335

Sd/-  
(Darshan Shah)  
Partner  
Membership No.131508

Sd/-  
(Padmanabh Vora)  
Director :DIN.00003192

Sd/-  
(Deepak Kumar Ajmera)  
(Chief Financial officer)

Sd/-  
(Tejal Gala)  
(Company Secretary)  
M.No. ACS - 54456

Place: Mumbai  
Date: 12th April, 2019

Place: Mumbai  
Date: 12th April, 2019

**KIFS HOUSING FINANCE PRIVATE LIMITED**  
***Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019***

**1. Company Overview:**

KIFS Housing Finance Private Limited (herein after referred to as ‘the Company’) has been incorporated on November 16, 2015 under the provisions of the Companies Act, 2013 with the main object of providing housing loans. The Company is registered with the National Housing Bank u/s 29A of The National Housing Bank Act, 1987 with effect 27th October, 2016 with objective of advancing housing loans. The Company is registered in Ahmedabad, Gujarat and has its corporate office in Mumbai

**2. Summary of Significant Accounting Policies :**

**a. Basis of preparation of Financial Statements and prudential norms:**

These financial statements have been prepared and presented under the historical cost convention and accrual basis of accounting unless otherwise stated and in accordance with the Generally Accepted Accounting Principles in India (“Indian GAAP”) and conform to the statutory requirements, circulars and guidelines issued by the National Housing Bank (“NHB”) from time to time to the extent applicable. The financial statements have been prepared to comply in all material respects with the Accounting Standards (“AS”) notified under section 133 of the Companies Act 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 to the extent applicable.

**b. Use of Accounting Estimates:**

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) on the date of financial statements and the reported amounts of revenues and expenses for the reporting period. Management believes that the estimates and assumptions used in preparation of the financial statement are prudent and reasonable based upon the management's evaluation of the relevant facts and circumstances as of the date of financial statements. The actual results could differ from these estimates. Any revisions to accounting estimates are recognized prospectively in the current and future periods in which the results are known /materialize.

All assets and liabilities have been classified as current or non-current as per companies operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of its activities, company has determined its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

**KIFS HOUSING FINANCE PRIVATE LIMITED**  
***Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019***

**c. Revenue Recognition:**

**Interest on housing loans:**

Interest Income on loans is recognised on accrual basis from the disbursement date as per disbursal memo except in case of non-performing assets where interest is recognised upon realization as per NHB guidelines. Repayment of housing loans is by way of Equated Monthly Installments (“EMI”) comprising principal and interest. Interest is calculated on monthly reducing balance in terms of financing scheme opted by the borrower. EMI commences once the entire loan is disbursed. Pending commencement of EMI, pre EMI interest is charged every month and is accounted on accrual basis.

**Fees and other charges:**

1. Upfront processing fees are recovered and recognised at the time of initiating the process of disbursement of loan.
2. Other charges such as cheque bounce charges, late payment charges are recognized on realization basis
3. In case of non-performing assets, fees and other charges are recognized upon realization as per the NHB guidelines.

**Interest on Inter corporate deposits and other loans:**

Interest on inter corporate deposits and other loans are recognized on accrual basis except in case of non-performing assets where interest is recognized upon realization as per NHB guidelines.

**Income from investment:**

1. Income from dividend is recognized in the statement of profit and loss when the right to receive is established.
2. Interest income on fixed deposits is recognized on time proportion basis.

**Other income:**

In other cases, income is recognized following accrual principles when there is no significant uncertainty as to determination and realization.

**d. Borrowing cost:**

Interest and other related financial charges are recognized as an expense in the period for which they relate as specified in Accounting Standard (AS 16) on “Borrowing Costs”. One time Ancillary costs in connection with the borrowings expensed in the period in which they are incurred

**e. Property, Plant & Equipment/Intangible Assets, Depreciation & Ammortization:**

**Property, Plant & Equipment:**

## **KIFS HOUSING FINANCE PRIVATE LIMITED**

### ***Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019***

**Property, Plant & Equipment** are stated at cost less accumulated depreciation and impairment, if any. The cost of **Property, Plant & Equipment** comprises purchase price and any attributable cost of bringing the asset to its working conditions for its intended use.

Subsequent expenditure incurred on assets is capitalized only when it increases the future benefits/functioning capability from / of such assets.

Depreciation is charged over the estimated useful life of the fixed assets on a straight line method ("SLM") in the manner prescribed in schedule II of the Companies Act, 2013 or the life of asset estimated as follows by management, whichever is lower.

1. Assets individually costing less than Rs. 5,000/- are fully depreciated in the year of purchase
2. Improvements of the immovable nature to the leasehold premises are depreciated over the initial lease period
3. Furniture & Fixture- 10 years
4. Computer & Printer- 3 years
5. Office Equipments)- 5 years

The Company has estimated 5% residual value at the end of the useful life for all block of assets. For assets purchased and sold during the year, depreciation is provided on a pro rata basis by the company.

#### **Intangible Assets:**

Software and system development expenditure are capitalized at cost of acquisition including cost attributable to bring the same in working condition and the useful life of the same is estimated of five years with zero residual value.

Any expenses on such software for support and maintenance payable annually are charged to the statement of profit and loss.

#### **f. Impairment of assets:**

The Company assesses at the balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset or the cash generation unit ("CGU"). If such recoverable amount of the asset or the recoverable amount of the CGU to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is created as an

## **KIFS HOUSING FINANCE PRIVATE LIMITED**

### ***Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019***

impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the revised recoverable amount, subject to maximum of the depreciated historical cost.

#### **g. Investments:**

In accordance with AS-13 on “Accounting for Investments” and the guidelines issued by National Housing Bank (“NHB”), investments that are readily realizable and intended to be held for not more than twelve months from the date of acquisition are classified as current investments. All other investments are classified as long term investments. However, that part of long term investments which are expected to be realized within twelve months from balance

sheet date is also presented as current investment. Long term investments are stated at cost. Provision is recognized only in case of diminution in the value of long term investments, which is other than temporary in nature. Current investments are valued at lower of cost and fair value. In case of unquoted units of schemes of mutual funds, NAV declared by respective mutual fund is considered as fair value.

#### **h. Loans and advances: Classification and provisioning**

Housing loans are recorded in the books on the date of its disbursement as per disbursement memo and are classified as per NHB guidelines, into performing and non-performing asset. All loans and other credit exposures where the installments, including interest and other dues are overdue for a period of more than 90 days are classified as non-performing assets in accordance with the prudential norms prescribed by the NHB. The company provides for standard assets, substandard assets, doubtful assets and loss assets as per the prudential norms prescribed by the NHB or higher amount on conservative basis as decided by management.

#### **i. Employee Benefits:**

##### **Defined Contribution plans**

Company makes specified monthly contributions towards employee provident fund to government administered provident fund scheme which is a defined contribution plan. The company's contribution is recognized as an expense in the statement of profit and loss during the period in which the employee renders the related service.

##### **Gratuity:**

The Company's gratuity Fund Scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit is calculated by estimating the amount of future benefit that the employees have earned in return for their services in current and prior periods, that benefit is discounted to determine its present value and fair value of any plan assets, if any is deducted.



## **KIFS HOUSING FINANCE PRIVATE LIMITED**

### ***Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019***

On annual basis, the present value of the obligation under such benefit plan is determined actuarial valuation using the projected unit credit method which recognizes each period of service that give rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at present values of estimated future cash flows. The discounted rates used for determining the present value are based on the market yields on Government Securities as at the balance sheet date. Actuarial gains and losses are recognized immediately in the statement of profit and loss. On quarterly & half yearly Actuarial valuation is not obtained but management estimate is considered.

#### **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 recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which employee renders 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 recognized as a liability at the present value of the defined benefit obligation as at the balance sheet date, based on actuarial valuation.

#### **j. Taxes on Income:**

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the effects of timing differences between accounting income and taxable income for the period).

##### **Current tax**

Provision for current income tax is recognized in accordance with the provisions of Indian Income Tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

##### **Minimum Alternate Tax (MAT)**

In case the company is liable to pay income tax u/s 115JB of Income Tax Act, 1961, the amount paid in excess of normal income tax is recognized as asset (MAT credit entitlement) only if there is convincing evidence for realization of such asset during the specified period. MAT credit entitlement is reviewed at each Balance sheet date.

##### **Deferred tax**

Deferred tax is recognized in respect of timing differences between taxable income and accounting income i.e. difference those originates in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding

## **KIFS HOUSING FINANCE PRIVATE LIMITED**

### ***Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019***

deferred tax liabilities or assets are recognized using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets/liabilities are recognized only to the extent there is reasonable certainty that the assets/liabilities can be realized in future; however where there is unabsorbed depreciation or carried forward losses under taxation laws, deferred tax assets are recognized only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets/liabilities are reviewed as at the each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

#### **k. Provisions, Contingent Liabilities and Assets:**

The Company recognizes provision when there is present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. In case where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure is made in the financial statements. Provisions are reviewed at the balance sheet and adjusted to reflect the current management estimates. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

A disclosure of contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are not recognized in the financial statements.

#### **l. Earnings Per Share(EPS):**

The Basic earning per equity share have been computed by dividing net profit / loss available to the equity shareholders for the year by weighted average number of equity shares outstanding during the year. Diluted earnings per equity share have been computed by dividing the net profit available to the equity shareholders after giving impact of dilutive potential equity shares for the year by weighted average number of equity shares and dilutive potential equity shares outstanding during the year, except where the results are anti-dilutive.

#### **m. Operating Leases:**

Payments under lease arrangement, where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are charged to the statement of profit and loss on a straight line basis over the lease term, unless another systematic basis is more appropriate.

#### **n. Statutory / Special Reserve:**

## **KIFS HOUSING FINANCE PRIVATE LIMITED**

### ***Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019***

The Company creates Statutory / Special Reserve on yearly basis as required under section 29C of the National Housing Bank Act, 1987.

**o. Foreign exchange transaction:**

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transactions. Transactions remaining unsettled are translated at the exchange rates prevailing on the date of the Balance Sheet, except those covered by forward contract, currency swap contracts. Any gain or loss on account of exchange differences either on settlement or on translation are recognized in the statement of profit and loss.

**p. Goods and Service tax / Service Tax input credit:**

GST input credit is accounted in the books as an eligible asset to be utilized against current or future output liability as per GST rules. We have opted 50:50 set off verses proportional set off as per provision under section 17(2) and 17(4) of Section 17 of the Central Goods and Services Tax (CGST) Act, 2017.

**KIFS Housing Finance Private Limited**  
**Notes to the financial statement for the year ended 31st March, 2019**

**3 Share capital:**

**3.1 Authorised, Issued, Subscribed and Paid- Up Capital:**

Particulars	(Amount in Rs.)	
	As at March 31, 2019	As at March 31, 2018
<b>Authorised</b>		
200,000,000 (previous year: 100,000,000) equity shares of Rs.10/- each	2,000,000,000	1,000,000,000
	<b>2,000,000,000</b>	<b>1,000,000,000</b>
<b>Issued , Subscribed and Paid Up</b>		
149,951,987 (previous year: 99,933,344) equity shares of Rs. 10/- each, fully paid	1,499,519,870	999,333,440
	<b>1,499,519,870</b>	<b>999,333,440</b>

**Notes:**

- The Company has only one class of equity shares having face value of Rs.10 each. Each holder of equity shares is entitled to one vote per share.
- Increase in Paid-up Share Capital facilitated by issuing 2,49,83,336 Equity Shares at face value of Rs. 10/- on 17th September 2018. Shares fully subscribed by M/s. KIFS International LLP
- Increase in Paid-up Share Capital facilitated by issuing 1,01,14,711 Equity Shares at face value of Rs. 10/- on 11th December 2018. Shares fully subscribed by M/s. KIFS International LLP
- Increase in Paid-up Share Capital facilitated by issuing 1,49,20,596 Equity Shares at face value of Rs. 10/- on 22nd February 2019. Shares fully subscribed by M/s. KIFS International LLP
- 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.

**3.2 Reconciliation of number of shares:**

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount in Rs.	No. of Shares	Amount in Rs.
At the beginning of the year	99,933,344	999,333,440	11,410,000	114,100,000
Issued during the year	50,018,643	500,186,430	88,523,344	885,233,440
Repaid during the year	-	-	-	-
At the end of the year	<b>149,951,987</b>	<b>1,499,519,870</b>	<b>99,933,344</b>	<b>999,333,440</b>

**3.3 The details of shareholders holding more than 5 % of issued share capital as on March 31, 2019 is set out below:**

Name of Shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	%	No. of Shares	%
KIFS International LLP	149,451,287	99.67%	99,433,344	99.50%
	149,451,287	99.67%	99,433,344	99.50%

**4 Reserves and surplus:**

Particulars	(Amount in Rs.)	
	As at March 31, 2019	As at March 31, 2018
<b>(i) Statutory Reserve#</b>		
(As per Section 29C of National Housing Bank Act, 1987)		
At the beginning of the Year	1,386,388	1,005,469
Add : Addition during the Year	8,195,372	380,919
Less : Appropriation during the Year	-	-
At the end of the Year	<b>9,581,760</b>	<b>1,386,388</b>
<b>(ii) Surplus/(Deficit) in Statement of Profit and Loss</b>		
Surplus/(Deficit) at the beginning of the Year	3,889,806	2,366,128
Add/(Less): Net Profit /(Loss) for the Year	40,976,862	1,904,597
Less : Transfer to Statutory Reserve	(8,195,372)	(380,919)
	<b>32,781,490</b>	<b>1,523,678</b>
Surplus/(Deficit) at the end of the Year	<b>36,671,296</b>	<b>3,889,806</b>
	<b>46,253,056</b>	<b>5,276,194</b>

# The Company has created statutory reserve as required under section 29C of National Housing Bank Act, 1987 equivalent to 20% of profit after tax on yearly basis.

**KIFS Housing Finance Private Limited**  
**Notes to the financial statement for the year ended 31st March, 2019**

**5 Long-term borrowings:**

Particulars	(Amount in Rs.)	
	As at March 31, 2019	As at March 31, 2018
<b>Secured</b>		
Term Loans from Banks#	190,249,995	-
Less: Current maturities of long term term borrowings (Ref Note-9)	(39,500,024)	-
	<b>150,749,971</b>	<b>-</b>

# 1) The Company has taken term loan from Federal Bank Ltd of Rs.4.75 crores repayable in 60 monthly instalments starting from October 29, 2018 and carry Interest @9.90% P.a. (One year MCLR + 0.70%) on security of cash margining of 10% of loan amount and hypothecations of receivables equivalent to 1.10 times.

2) The Company has taken term loan from South Indian Bank Ltd of Rs.5 crores repayable in 60 monthly instalment starting from January 29, 2019 and carry Interest @10% P.a. (One year MCLR + 0.55%). This facility is secured by cash margin equivalent to 10% of term loan in form of fixed deposit and pari passu 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.

3) The Company has taken term loan from AU Small Finance Bank Limited of Rs. 10 crores repayable in 60 monthly instalments starting from May 3, 2019 and carry interest @11.85% p.a. (12 months' average of one 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.

**6 Long-term provisions:**

Particulars	(Amount in Rs.)	
	As at March 31, 2019	As at March 31, 2018
<b>Provision for employee benefits</b>		
Gratuity [Refer note no. 30(a)]	1,065,933	412,718
Compensated absences [Refer note no. 30(b)]	2,352,921	1,051,128
<b>Other provisions</b>		
Contingent Provisions against Standard Assets		
-Home Loans	5,903,904	1,227,391
-Other Property Loans	3,001,885	419,950
Provision for sub standard assets		
-Home Loans	2,139,586	-
-Other Property Loans	81,949	-
	<b>14,546,178</b>	<b>3,111,187</b>

As per NHB master directions, 2010, Contingent provision is required @ 0.25% in respect of Individual Housing Loans and @ 0.40% in respect of other loans, but conservatively company has made contingent provision @ 0.40% & 1.00% respectively for both class of loans.

As per NHB master directions, 2010, Contingent provision is required @ 15% on total outstanding amount of sub-standard assets, however, the Company has made contingent provision @100% for such cases.

**7 Short-term borrowings:**

Particulars	(Amount in Rs.)	
	As at March 31, 2019	As at March 31, 2018
<b>Secured</b>		
Loans repayable on demand		
Short term loans from bank - Bank Overdraft#	-	837,408
<b>Unsecured</b>		
Loan from Director/Group Companies ##	-	844,270
	<b>-</b>	<b>1,681,678</b>

# Secured by the way of lien on fixed deposits with banks. These are repayable on demand and carry interest spread of 0.75% to 1% above interest on fixed deposit.

## Unsecured loan provided by the group company. These are repayable on demand and carry interest rate of 15% per annum (Previous Year: 15%).

**8 Trade payables:**

Particulars	(Amount in Rs.)	
	As at March 31, 2019	As at March 31, 2018
Total outstanding dues of Micro enterprises and Small Enterprises (Refer note 32)	-	-
Total outstanding dues of creditors other than Micro enterprises and Small Enterprises	-	67,520
	<b>-</b>	<b>67,520</b>

**KIFS Housing Finance Private Limited**  
**Notes to the financial statement for the year ended 31st March, 2019**

**9 Other current liabilities:**

Particulars	(Amount in Rs.)	
	As at	As at
	March 31, 2019	March 31, 2018
Current maturities of long term loans from banks	39,500,024	-
Interest accrued but not due on term loans	97,400	-
Statutory liabilities	4,235,667	8,348,884
Book overdraft	295,102,571	276,947,165
Payable to Employees	249,440	6,290,326
Advance EMI	868,763	213,573
Income received in advance	8,798,077	-
Other payables	9,035,477	14,260,731
	<b>357,887,419</b>	<b>306,060,679</b>

**10 Short-term provisions:**

Particulars	(Amount in Rs.)	
	As at	As at
	March 31, 2019	March 31, 2018
<b>Provision for employee benefits</b>		
Gratuity [Refer note no. 30(a)]	3,601	1,416
Compensated absences [Refer note no. 30(b)]	264,747	124,407
<b>Other provisions</b>		
Provision for expenses	9,880,734	2,430,374
Provision for Taxes (Net of taxes paid CY Rs.19,142,459/- PY Rs.4,522,311/-)	2,050,853	386,189
Contingent Provisions against Standard Assets		
-Home Loans	161,439	19,297
-Other Property Loans	112,749	20,464
-Inter corporate deposits	2,006,483	5,143,698
	<b>14,480,606</b>	<b>8,125,845</b>

KIFS Housing Finance Private Limited

Notes to the financial statement for the year ended 31st March, 2019

11. Property, Plant and Equipment

Current year										Amount in Rs.
Description of asset	Gross Block				Accumulated Depreciation				Net Block	
	As at 1st April, 2018	Additions during the year	Deductions/ Adjustment during the year	As at 31st March, 2019	As at 1st April, 2018	Additions during the year	Deductions/Adjustment during the year	As at 31st March, 2019	As at 31st March, 2019	As at 31st March, 2018
<b>Tangible assets:</b>										
Computer and data processing units	2,037,673	2,037,776	12,109	4,063,339	356,121	1,062,763	2,162	1,416,722	2,646,617	1,681,552
Furniture and fixtures	27,566	2,253,815	-	2,281,381	12,328	283,847	-	296,175	1,985,206	15,238
Office equipments	551,581	427,333	-	978,914	70,078	154,508	-	224,586	754,328	481,503
Leasehold improvements	11,856,832	1,649,048	-	13,505,879	781,259	2,383,547	-	3,164,806	10,341,073	11,075,573
<b>Total tangible assets ( a )</b>	<b>14,473,652</b>	<b>6,367,972</b>	<b>12,109</b>	<b>20,829,514</b>	<b>1,219,786</b>	<b>3,884,665</b>	<b>2,162</b>	<b>5,102,289</b>	<b>15,727,225</b>	<b>13,253,866</b>
<b>Intangible assets:</b>										
Computer software	349,950	218,000	-	567,950	45,642	73,294	-	118,936	449,014	304,308
<b>Total intangible assets ( b )</b>	<b>349,950</b>	<b>218,000</b>	<b>-</b>	<b>567,950</b>	<b>45,642</b>	<b>73,294</b>	<b>-</b>	<b>118,936</b>	<b>449,014</b>	<b>304,308</b>
<b>Total ( a ) + ( b ) = ( c )</b>	<b>14,823,602</b>	<b>6,585,972</b>	<b>12,109</b>	<b>21,397,464</b>	<b>1,265,428</b>	<b>3,957,959</b>	<b>2,162</b>	<b>5,221,225</b>	<b>16,176,239</b>	<b>13,558,174</b>

KIFS Housing Finance Private Limited

Notes to the financial statement for the year ended 31st March, 2019

11. Property, Plant and Equipment (Cont....)

Previous year

Amount in Rs.

Description of asset	Gross Block				Accumulated Depreciation				Net Block	
	As at 1st April, 2017	Additions during the year	Deductions/ Adjustment during the year	As at 31st March, 2018	As at 1st April, 2017	Additions during the year	Deductions/Adjustment during the year	As at 31st March, 2018	As at 31st March, 2018	As at 31st March, 2017
<b>Tangible assets:</b>										
Computer and data processing units	-	2,037,673	-	2,037,673	-	356,121	-	356,121	1,681,552	-
Furniture and fixtures	-	27,566	-	27,566	-	12,328	-	12,328	15,238	-
Office equipments	-	551,581	-	551,581	-	70,078	-	70,078	481,503	-
Leasehold improvements	-	11,856,832	-	11,856,832	-	781,259	-	781,259	11,075,573	-
<b>Total tangible assets ( a )</b>	-	<b>14,473,652</b>	-	<b>14,473,652</b>	-	<b>1,219,786</b>	-	<b>1,219,786</b>	<b>13,253,866</b>	-
<b>Intangible assets:</b>										
Computer software	-	349,950	-	349,950	-	45,642	-	45,642	304,308	-
<b>Total intangible assets ( b )</b>	-	<b>349,950</b>	-	<b>349,950</b>	-	<b>45,642</b>	-	<b>45,642</b>	<b>304,308</b>	-
<b>Total ( a ) + ( b ) = ( c )</b>	-	<b>14,823,602</b>	-	<b>14,823,602</b>	-	<b>1,265,428</b>	-	<b>1,265,428</b>	<b>13,558,174</b>	-



**KIFS Housing Finance Private Limited**  
**Notes to the financial statement for the year ended 31st March, 2019**

**12 Long-term loans and advances:**

(Amount in Rs.)		
Particulars	As at March 31, 2019	As at March 31, 2018
<b><u>Secured, considered good</u></b>		
<b><u>Home Loans *</u></b>		
Loans to others	1,475,976,064	630,669,358
<b><u>Other Property Loans*</u></b>		
Loans to others	300,188,505	28,266,874
<b><u>Unsecured, considered good</u></b>		
Security deposit	2,330,048	1,597,199
	-	373,360
<b><u>Secured, considered doubtful</u></b>		
<b><u>Home Loans *</u></b>		
Loans to others	2,139,586	-
<b><u>Other Property Loans*</u></b>		
Loans to others	81,949	-
	<b>1,780,716,152</b>	<b>660,906,791</b>

\* Loans granted by the company are secured by equitable mortgage / registered mortgage of the property and/or undertaking to create security and or personal guarantees and/or assignment of life insurance policies.

**13 Deferred tax assets (net):**

(Amount in Rs.)		
Particulars	As at March 31, 2019	As at March 31, 2018
<b>Deferred tax liabilities</b>		
Diff between Written down value off P&E as per books of accounts & Income tax Act,	-	163,103
Gross deferred tax liability	-	163,103
<b>Deferred tax assets</b>		
Diff between Written down value off P&E as per books of accounts & Income tax Act,	176,662	-
Provision for gratuity	297,544	115,212
Provision for leave encashment	728,235	327,034
Preliminary expenses	129,651	259,304
Provision for Contingencies	3,730,104	1,900,329
Gross deferred tax asset	5,062,196	2,601,879
<b>Net deferred tax asset / (liability)</b>	<b>5,062,196</b>	<b>2,438,776</b>

**14 Other Non-Current assets:**

(Amount in Rs.)		
Particulars	As at March 31, 2019	As at March 31, 2018
<b>Fixed deposits with Bank</b>		
Held as cash margin against term loans	10,046,336	-
	<b>10,046,336</b>	<b>-</b>

**KIFS Housing Finance Private Limited**  
**Notes to the financial statement for the year ended 31st March, 2019**

**15 Trade receivable:**

(Amount in Rs.)		
Particulars	As at March 31, 2019	As at March 31, 2018
<b>Unsecured but considered good</b>		
Outstanding for a period less than six months		
- From related parties	-	21,608,793
- From others	3,880,915	18,463,721
	<b>3,880,915</b>	<b>40,072,514</b>

**16 Cash and bank balances:**

(Amount in Rs.)		
Particulars	As at March 31, 2019	As at March 31, 2018
<b>Cash and cash equivalents</b>		
Cash on Hand	1,752,708	122,415
Balance with Banks		
- In current accounts	66,794,817	10,961,924
- In overdraft accounts	42,417,515	-
Total cash and cash equivalents	<b>110,965,040</b>	<b>11,084,339</b>
<b>Other bank balances</b>		
- In fixed deposit accounts having original maturity of more than 3months, but less than 12months	86,348,361	64,977,701
Total other bank balances	<b>86,348,361</b>	<b>64,977,701</b>
	<b>197,313,401</b>	<b>76,062,040</b>

**17 Short-term loans and advances:**

(Amount in Rs.)		
Particulars	As at March 31, 2019	As at March 31, 2018
<b>Secured, considered good</b>		
<b>Home Loans *</b>		
Loans to others	40,359,817	10,840,072
<b>Other Property Loans*</b>		
Loans to others	9,418,903	479,077
<b>Unsecured, considered good</b>		
Inter corporate deposits to others	200,648,315	388,070,407
Inter corporate deposits to related parties	-	126,299,352
Security deposit	80,000	-
Capital advances	513,350	337,350
Prepaid Expenses	1,884,638	51,271
Balance with Government authorities	71,932	141,329
Advance to employees for expenses	427,119	226,596
Other advances	4,070,834	93,499
	<b>257,474,908</b>	<b>526,538,953</b>

\* Loans granted by the company are secured by equitable mortgage / registered mortgage of the property and/or undertaking to create security and or personal guarantees and/or assignment of life insurance policies.

**18 Other Current Assets:**

(Amount in Rs.)		
Particulars	As at March 31, 2019	As at March 31, 2018
Interest accrued but not due on home loans	11,939,921	3,741,355
Interest accrued but not due on fixed deposits with bank	39,972	297,187
EMI/Pre EMI receivable on home loans	-	40,753
	<b>11,979,893</b>	<b>4,079,295</b>

**KIFS Housing Finance Private Limited**  
**Notes to the financial statement for the year ended 31st March, 2019**

**19 Revenue from Operations:**

(Amount in Rs.)		
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest income on loans	175,134,247	28,561,110
Processing fess and other charges (Refer note 19.1)	28,545,504	15,621,564
Other operating income (Refer note 19.2)	2,451,923	15,850,000
	<b>206,131,674</b>	<b>60,032,674</b>

**19.1 Processing fess and other charges**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Processing fess and other charges	41,673,177	19,373,649
Less: Direct selling agent's commission	(4,640,587)	(755,593)
Less: Legal, Technical CERSAI & verification charges	(8,487,086)	(2,996,492)
	<b>28,545,504</b>	<b>15,621,564</b>

**19.2 Other Operating Income:**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Lead generation charges	-	3,000,000
Other ancillary services	2,451,923	12,850,000
	<b>2,451,923</b>	<b>15,850,000</b>

**20 Other Income:**

(Amount in Rs.)		
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest on fixed deposits with banks	5,395,996	1,416,542
Net gain on sale of current investments	163,253	2,533,020
Miscellaneous Income	35,550	-
	<b>5,594,799</b>	<b>3,949,562</b>

**21 Employee Benefit expenses:**

(Amount in Rs.)		
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salary and bonus	86,828,629	27,510,133
Contribution to provident and other funds	2,963,626	1,410,367
Staff welfare expenses	1,000,681	135,643
Gratuity [Refer note no 30(a)]	655,400	414,134
	<b>91,448,336</b>	<b>29,470,277</b>

**22 Finance Cost:**

(Amount in Rs.)		
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest on Term Loan	3,619,522	-
Interest on Bank Overdraft	1,186,483	449,713
Interest on other borrowings	-	382,522
Other borrowing Costs	2,037,499	-
	<b>6,843,504</b>	<b>832,235</b>

**KIFS Housing Finance Private Limited**  
**Notes to the financial statement for the year ended 31st March, 2019**

**23 Provision for contingencies:**

Particulars	(Amount in Rs.)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Contingent Provision against Standard Assets	4,355,660	6,830,800
Contingent Provision against Sub-Standard Assets	2,221,535	-
	<b>6,577,195</b>	<b>6,830,800</b>

**24 Other Expenses:**

Particulars	(Amount in Rs.)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Advertisement & Marketing Expenses	440,107	365,635
Auditor's remuneration (Refer note no. 28)	444,000	157,115
Business promotion expenses	328,029	213,861
Commission & Brokerage	127,500	171,000
Communication and data charges	1,998,700	576,584
Directors' sitting fees	330,000	402,500
Insurance	1,260,038	-
Legal and professional charges	8,670,362	1,104,693
Membership & Subscription fees	122,373	56,610
Power and fuel	937,467	77,347
Printing and stationery	1,262,009	360,343
Rates and Taxes	10,142,884	8,498,238
Recruitment Expenses	430,801	1,809,936
Rent	8,256,113	1,451,405
Repair and maintenance		
Computer and software	973,655	359,939
Others	912,319	301,940
ROC & Filing Expenses	6,682	15,618
Travelling and conveyance	5,326,359	4,552,130
Miscellaneous Expenses	1,273,844	825,847
	<b>43,243,242</b>	<b>21,300,741</b>

**KIFS Housing Finance Private Limited**  
**Notes to the financial statement for the year ended 31st March, 2019**

**25. Segment reporting:**

The Company operates in a single reportable segment i.e. lending to borrowers, which have similar risks and returns for the purpose of AS17 on 'segment Reporting' specified under section 133 of the companies Act 2013, read with Rule 7 of the companies (Accounts) Rules, 2014; the companies (Accounting standards) Amendment Rules, 2016. The Company operates in a single geographical segment i.e. domestic

**26. Related party disclosure:**

**I. Name of Related parties:**

**(A) Holding Enterprises:**

- KIFS International LLP

**(B) Key Managerial person**

- |                       |  |
|-----------------------|--|
| - Rajesh P Khandwala  | - Managing Director                              |
| - Vimal P Khandwala   | - Managing Director                              |
| - Swarnpal Singh Bais | - Managing director & Chief Executive officer    |
| - Nutisha S Todi      | - Company Secretary (till August 16, 2018)       |
| - Tejal Gunjan Gala   | - Company Secretary (from August 6, 2018)        |
| - Deepak Kumar Ajmera | - Chief Financial officer (from August 18, 2018) |

**(C) Enterprises in which key managerial persons have control**

- KIFS Trade Capital Private Limited
- Khandwala Enterprise Limited

**(D) Enterprises in which key managerial person's relatives have control**

- Aristo Traders Private Limited

**KIFS Housing Finance Private Limited**  
**Notes to the financial statement for the year ended 31st March, 2019**

**II. Transactions with related parties:**

(Amount in Rs.)

Transaction	Name of the related party	Holding Enterprises	Enterprises in which KMP/Relative of KMP has control	KMP/Relative of KMP
Subscription/Purchase of equity shares	KIFS International LLP	500,186,430 (885,233,440)	- (-)	- (-)
<b>Total</b>		<b>500,186,430</b> <b>(885,233,440)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>
Share application money	KIFS International LLP	200,738,940 (-)	- (-)	- (-)
<b>Total</b>		<b>200,738,940</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>
Loan Given	Aristo Traders Pvt. Ltd.	- (-)	280,476,196 (195,000,000)	- (-)
<b>Total Loan given</b>		<b>-</b> <b>(-)</b>	<b>280,476,196</b> <b>(195,000,000)</b>	<b>-</b> <b>(-)</b>
Repayment received of loan given	Aristo Traders Pvt. Ltd.	- (-)	406,775,548 (68,700,648)	- (-)
<b>Total Repayment received of loan given</b>		<b>-</b> <b>(-)</b>	<b>406,775,548</b> <b>(68,700,648)</b>	<b>-</b> <b>(-)</b>
Loan Taken	Aristo Traders Pvt. Ltd. Rajesh P Khandwala	- (-) - (-)	- (98,800,000) - (-)	- (-) - (200,000)
<b>Total Loan taken</b>		<b>-</b> <b>(-)</b>	<b>-</b> <b>(98,800,000)</b>	<b>-</b> <b>(200,000)</b>
Repayment of loan taken	Aristo Traders Pvt. Ltd. Rajesh P Khandwala	- (-) - (-)	500,000 (98,300,000) - (-)	- (-) - (700,000)
<b>Total Repayment of loan taken</b>		<b>-</b> <b>(-)</b>	<b>500,000</b> <b>(98,300,000)</b>	<b>-</b> <b>(700,000)</b>

**KIFS Housing Finance Private Limited**  
**Notes to the financial statement for the year ended 31st March, 2019**

**Transactions with related parties (Cont...):**

**(Amount in Rs.)**

Transaction	Name of the related party	Holding Enterprises	Enterprises in which KMP/Relative of KMP has control	KMP/Relative of KMP
Lead generation charges (Income)	KIFS Trade Capital Pvt. Ltd.	- (-)	- (3,000,000)	- (-)
Interest Income	Aristo Traders Pvt. Ltd.	- (-)	11,501,004 (2,967,122)	- (-)
Reimbursements received/receivable	KIFS Trade Capital Pvt. Ltd.	- (-)	- (17,000,375)	- (-)
<b>Total Income/Reimbursement Received</b>		- (-)	<b>11,501,004</b> <b>(22,967,497)</b>	- (-)
Rent	KIFS International LLP	360,000 (135,000)	- (-)	- (-)
	KIFS Trade Capital Pvt. Ltd.	- (-)	540,000 (225,000)	- (-)
Interest expenses	Aristo Traders Pvt. Ltd.	- (-)	- (382,522)	- (-)
Managerial Remuneration	Swarnpal Singh Bais	- (-)	- (-)	9,249,000 (9,985,365)
	Nutisha S Todi	- (-)	- (-)	256,465 (261,392)
	Tejal Gunjan Gala	- (-)	- (-)	247,546 (-)
	Deepak Kumar Ajmera	- (-)	- (-)	2,556,743 (-)
Reimbursement of expenses (paid/payable)	KIFS Trade Capital Pvt. Ltd.	- (-)	- (16,000)	- (-)
	Khandwala Enterprises Pvt. Ltd.	- (-)	- (94,186)	- (-)
	Swarnpal Singh Bais	- (-)	- (-)	861,854 (327,887)
	Deepak Kumar Ajmera	- (-)	- (-)	330,138 (-)
<b>Total Expenses</b>		<b>360,000</b> <b>(135,000)</b>	<b>540,000</b> <b>(717,708)</b>	<b>13,501,746</b> <b>(10,574,644)</b>

**KIFS Housing Finance Private Limited**  
**Notes to the financial statement for the year ended 31st March, 2019**

**Transactions with related parties (Cont...):**

**(Amount in Rs.)**

Transaction	Name of the related party	Holding Enterprises	Enterprises in which KMP/Relative of KMP has control	KMP/Relative of KMP
<b><u>Outstanding Balances</u></b>				
Loan taken	Aristo Traders Pvt. Ltd.	-	-	-
		(-)	(500,000)	(-)
Loan given	Aristo Traders Pvt. Ltd.	-	-	-
		(-)	(126,299,352)	(-)
Interest payable	Aristo Traders Pvt. Ltd.	-	-	-
		(-)	(344,270)	(-)
Rent payable	KIFS International LLP	-	-	-
		(135,000)	(-)	(-)
	KIFS Trade Capital Pvt. Ltd.	-	-	-
		(-)	(225,000)	(-)
Managerial Remuneration payable	Swarnpal Singh Bais	-	-	-
		(-)	(-)	(989,520)
	Nutisha S Todi	-	-	-
		(-)	(-)	(42,867)
Lead generation charges receivable	KIFS Trade Capital Pvt. Ltd.	-	-	-
		(-)	(3,240,000)	(-)
Reimbursements receivables	KIFS Trade Capital Pvt. Ltd.	-	-	-
		(-)	(21,608,793)	(-)
Reimbursements payable	KIFS Trade Capital Pvt. Ltd.	-	-	-
		(-)	(16,000)	(-)
	Khandwala Enterprises Pvt. Ltd.	-	-	-
		(-)	(22,051)	(-)
	Swarnpal Singh Bais	-	-	-
		(-)	(-)	(498,770)

Previous year figures are in italics



**KIFS Housing Finance Private Limited**  
**Notes to the financial statement for the year ended 31st March, 2019**

**27. Earnings per share:**

In accordance with Accounting Standard 20 on Earnings per share, the computation of earnings per share is set out below:

	<b>(Amount in Rs.)</b>	
	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
Profit available for equity share holders	40,976,862	1,904,597
Weighted average number of equity shares	117,978,411	27,235,751
Basic earnings per share (Rs.)	0.35	0.07
Profit available for equity share holders	40,976,862	1,904,597
Weighted average number of shares for basic earnings per share	117,978,411	27,235,751
Dilutive effect	-	-
Weighted average number of shares for diluted earnings per share	117,978,411	27,235,751
Diluted earnings per share (RS.)	0.35	0.07

**28. Auditor's remuneration:**

	<b>(Amount in Rs.)</b>	
	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
As auditor		
Statutory audit	200,000	125,000
Tax audit	35,000	25,000
GST audit	180,000	-
	415,000	150,000
For certification and other work	19,000	-
Out of pocket expenses	10,000	7,115
	444,000	157,115

**KIFS Housing Finance Private Limited**  
**Notes to the financial statement for the year ended 31st March, 2019**

**29. Contingent liabilities and commitments:**

**Contingent liabilities: Nil**

**Commitments:**

	(Amount in Rs.)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Commitments not provided for:		
Capital commitments (Net of capital advances of Rs. 5,13,350/-)(PY 3,37,350/-)	171,115	498,200
Commitments related to loans sanctioned but undrawn	170,453,206	121,814,473
Commitments related to loans sanctioned but partially undrawn	195,954,122	119,386,544
	366,578,443	241,699,217

**30. Disclosure pursuant to Accounting Standard 15 (Revised) – Employee Benefits:**

**I. Defined contribution plan:**

	(Amount in Rs.)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Employer's contribution to provident fund	2,446,609	1,159,767
Employer's contribution to ESIC	510,429	248,056
Labour welfare fund	6,588	2,544
	<b>2,963,626</b>	<b>1,410,367</b>

**II. Defined benefit plan:**

The details of the Company's post-retirement benefit plans for its employees including whole time director are given below which is as certified by the actuary and relied upon by the auditors:

**(a) Gratuity benefit:**

The details of the company's post-retirement benefit plans for its employees including whole time directors for gratuity are given below which is as certified by the actuary and relied upon by the auditors:

**KIFS Housing Finance Private Limited**  
**Notes to the financial statement for the year ended 31st March, 2019**

**Disclosure pursuant to Accounting Standard 15 (Revised) – Employee Benefits (Continued..):**

**Principal actuarial assumptions at the balance sheet date:**

(Amount in Rs.)

	<b>Unfunded</b>	
	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
Interest /Discount Rate	7.55%	7.50%
Rate of Increase in compensation	7.00%	7.00%
Employee Attrition rate (Past service)(PS)	15% at younger ages Reducing to 2% at older ages	15% at younger ages Reducing to 2% at older ages
Expected Average remaining service (Years)	10.88	10.97

**Changes in the present value of the defined benefit obligations are as follows:**

	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
Present value of obligation at the beginning of the year	414,134	-
Current Service Cost	847,644	414,134
Past service cost	-	-
Interest Cost	31,007	-
Benefit paid	-	-
Curtailment cost	-	-
Settlement cost	-	-
Net actuarial gain or loss at the end of the year	(223,251)	-
<b>Present value of the obligation at the end of the year</b>	<b>1,069,534</b>	<b>414,134</b>

**Fair value of plan assets**

(Amount in Rs.)

	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
Fair value of plan assets at the beginning of year	-	-
Actual return on plan assets	-	-
Contributions	-	-
Benefit paid	-	-
Actuarial (Loss)/Gain on plan assets	-	-
Fair value of plan assets at the end of year	-	-

**Note -The Company doesn't have any plan assets as at 31 March,2019 (31 March ,2018 :Rs.Nil)**

**KIFS Housing Finance Private Limited**  
**Notes to the financial statement for the year ended 31st March, 2019**

**Disclosure pursuant to Accounting Standard 15 (Revised) – Employee Benefits (Cont...)**

**Experience History**

	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
(Gain)/Loss on obligation due to change in assumption	(6,535)	(42,433)
Experience (Gain)/Loss on obligation	(216,716)	42,433
<b>Acturial (Gain)/Loss on plan assets/Liability</b>	<b>(223,251)</b>	<b>-</b>

**Amounts to be recognized in the Balance Sheet**

	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
Present value of obligation at the beginning of the year	(414,134)	-
Expense recognised	(655,400)	(414,134)
Contribution paid	-	-
Net assets/(liability) recognized in balance sheet	(1,069,534)	(414,134)

**Expenses recognized in the statement of profit and loss account**

	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
Current service cost	847,644	414,134
Interest Cost	31,007	-
Past service cost(non vested benefits)	-	-
Past service cost(vested benefits)	-	-
Unrecognized past service cost -non vested benefits	-	-
Expected return of plan assets	-	-
Net actuarial gain/(loss) recognized for the period	(223,251)	-
Expenses recognized in the statement of profit and loss account	655,400	414,134

**KIFS Housing Finance Private Limited**  
**Notes to the financial statement for the year ended 31st March, 2019**

**Disclosure pursuant to Accounting Standard 15 (Revised) – Employee Benefits (Cont...)**

**Movements in the Liability recognized in balance sheet**

	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
Opening net liability	414,134	-
Expenses recognized	655,400	414,134
Benefit paid	-	-
Closing net liability	1,069,534	414,134
<b>Closing provisions at the end of the year</b>	<b>1,069,534</b>	<b>414,134</b>

**(b) Leave encashment benefit:**

The details of the company's post-retirement benefit plans for its employees including whole time directors for leave encashment benefit are given below which is as certified by the actuary and relied upon by the auditors:

**Principal actuarial assumptions at the balance sheet date:**

(Amount in Rs.)

	<b>Unfunded</b>	
	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
Interest /Discount Rate	7.55%	7.50%
Rate of Increase in compensation	7.00%	7.00%
Employee Attrition rate (Past service)(PS)	15% at younger ages Reducing to 2% at older ages	15% at younger ages Reducing to 2% at older ages
Expected Average remaining service (Years)	10.88	10.97

**Changes in the present value of the defined benefit obligations are as follows:**

	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
Present value of obligation at the beginning of the year	1,175,535	-
Current Service Cost	1,221,245	1,175,535
Past service cost	-	-
Interest Cost	88,165	-
Benefit paid	-	-
Curtailment cost	(131,040)	-
Settlement cost	-	-
Net actuarial gain or loss at the end of the year	263,763	-
<b>Present value of the obligation at the end of the year</b>	<b>2,617,668</b>	<b>1,175,535</b>

**KIFS Housing Finance Private Limited**  
**Notes to the financial statement for the year ended 31st March, 2019**

**Disclosure pursuant to Accounting Standard 15 (Revised) – Employee Benefits (Cont...)**

**Fair value of plan assets**

	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
Fair value of plan assets at the beginning of year	-	-
Actual return on plan assets	-	-
Contributions	-	-
Benefit paid	-	-
Actuarial (Loss)/Gain on plan assets	-	-
Fair value of plan assets at the end of year	-	-

**Note -The Company doesn't have any plan assets as at 31 March,2019 (31 March,2018 :Rs.Nil)**

**Experience History**

(Amount in Rs.)

	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
(Gain)/Loss on obligation due to change in assumption	(12,479)	2,605
Experience (Gain)/Loss on obligation	276,242	(2,605)
<b>Actuarial (Gain)/Loss on plan assets/Liability</b>	<b>263,763</b>	<b>-</b>

**Amounts to be recognized in the Balance Sheet**

	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
Present value of obligation at the beginning of the year	(1,175,535)	-
Expense recognised	(1,573,173)	(1,175,535)
Contribution paid	-	-
Net assets/(liability) recognized in balance sheet	(2,748,708)	(1,175,535)

**Expenses recognized in the statement of profit and loss account**

	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
Current service cost	1,221,245	1,175,535
Interest Cost	88,165	-
Past service cost(non vested benefits)	-	-
Past service cost(vested benefits)	-	-
Unrecognized past service cost -non vested benefits	-	-
Expected return of plan assets	-	-
Net actuarial gain/(loss) recognized for the period	263,763	-
Expenses recognized in the statement of	1,573,173	1,175,535

**KIFS Housing Finance Private Limited**  
**Notes to the financial statement for the year ended 31st March, 2019**

profit and loss account	
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**Disclosure pursuant to Accounting Standard 15 (Revised) – Employee Benefits (Cont...)**

**Movements in the Liability recognized in balance sheet**

	As at 31 March 2019	As at 31 March 2018
Opening net liability	1,175,535	-
Expenses recognized	1,573,173	1,175,535
Benefit paid	(131,040)	-
Closing net liability	2,617,668	1,175,535
<b>Closing provisions at the end of the year</b>	<b>2,617,668</b>	<b>1,175,535</b>

**31. Operating leases:**

The Company has taken various offices on operating lease for the period which ranges 11 months 29 days to 108 months with an option to renew the lease by mutual consent on mutually agreeable terms. Gross rental expenses charged for the year ended 31st March, 2019 aggregated. Rs. 8,256,113/- (PY 2,677,811/-) which has been included under the head other expenses - Rent in the statement of profit and loss.

(Amount in Rs.)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Within one year	2,040,000	1,752,097
Later than one year but not later than five years	1,467,216	3,222,549
Later than five years	-	-

**32. Details of dues to micro, small and medium enterprises:**

There is no amount due and payable to micro and small suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006 at the end of the year. No interest has been paid/ is payable by the Company during/ for the year to these 'Suppliers'. The above information takes into account only those suppliers who have submitted their registration details or has responded to the inquiries made by the Company for this purpose.

**KIFS Housing Finance Private Limited**  
**Notes to the financial statement for the year ended 31st March, 2019**

**33. Provision in respect of standard, sub-standard, doubtful and loss assets are recorded in accordance with company's policy as stated in note 2 .h:**

(Amount in Rs.)

	Housing Loans	Non-housing Loans
<b>Current Year</b>		
Standard asset		
Principle outstanding	1,516,335,881	510,255,723
Provisions	6,065,343	5,121,117
Sub-standard asset		
Principle outstanding	2,139,586	81,949
Provisions	2,139,586	81,949
Doubtful asset		
Principle outstanding	-	-
Provisions	-	-
Total		
Principle outstanding	1,518,475,467	510,337,672
Provisions	8,204,929	5,203,066
Add:		
Total		
EMI /Pre EMI Interest/Fees debtors	-	1,855,915
Provision on the above	-	18,559
Net balance		
Principle outstanding	1,518,475,467	508,481,757
Provisions	8,204,929	5,184,507
<b>Previous Year</b>		
Standard asset		
Principle outstanding	641,509,430	543,115,710
Provisions	1,246,688	5,584,112
Sub-standard asset		
Principle outstanding	-	-
Provisions	-	-
Doubtful asset		
Principle outstanding	-	-
Provisions	-	-
Total		
Principle outstanding	641,509,430	543,115,710
Provisions	1,246,688	5,584,112
Add:		
Total		
EMI debtors/Pre EMI Interest	-	4,458,974
Provision on the above	-	11,147
Net balance		
Principle outstanding	641,509,430	538,656,736



**KIFS Housing Finance Private Limited**  
**Notes to the financial statement for the year ended 31st March, 2019**

Provisions	1,246,688	5,572,965
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**34. Disclosure pursuant to circular no. NHB CND/DRS/Pol circular 61/2013-14 dated 7<sup>th</sup> April 2014 issued by NHB**

(Amount in Rs.)

	As at 31st March, 2019	As at 31st March, 2018
<b>Balance at the beginning of the year</b>		
a) Statutory reserve (As per Section 29C of the National Housing Bank Act, 1987)	1,386,388	1,005,469
b) 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	-	-
<b>Addition/Appropriation/withdrawals during the year</b>		
<b>Add:</b>		
a) Statutory reserve (As per Section 29C of the National Housing Bank Act, 1987)	8,195,372	380,919
b) 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	-	-
<b>Less:</b>		
a) Statutory reserve (As per Section 29C of the National Housing Bank Act, 1987)	-	-
b) 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	-	-
<b>Balance at the end of the year</b>		
a) Statutory reserve (As per Section 29C of the National Housing Bank Act, 1987)	9,581,760	1,386,388
b) 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	-	-
	<b>9,581,760</b>	<b>1,386,388</b>

**KIFS Housing Finance Private Limited**  
**Notes to the financial statement for the year ended 31st March, 2019**

Disclosure pursuant to notification No. NHB.HFC.CG-DIR.1/MD & CEO/2016 dated February 9, 2017 issued by NHB for breakup of loans and advances and provisions thereon (Cont....)

(Amount in Rs.)

Particulars	Housing loans	Non-housing loans
<b>Previous Year</b>		
Standard assets		
Principal outstanding	641,509,430	543,115,710
Provisions	1,246,688	5,584,112
Sub-standard assets		
Principal outstanding	-	-
Provisions	-	-
Doubtful assets		
Principal outstanding	-	-
Provisions	-	-
<b>Total</b>		
<b>Principal outstanding</b>	<b>641,509,430</b>	<b>543,115,710</b>
<b>Provisions</b>	<b>1,246,688</b>	<b>5,584,112</b>

# KIFS Housing Finance Private Limited

Notes to financial statement for the year ended 31st March, 2019

## NHB Disclosures

35. Disclosure pursuant to circular no. NHB/ND/DRS/POL-No.35/2010-11 dated October 11, 2010 and notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB.

### I. Capital to risk asset ratio (CRAR)

Particulars	Current Year	Previous Year
CRAR (%)	125.14%	107.37%
CRAR - Tier I Capital (%)	124.06%	106.62%
CRAR - Tier II Capital (%)	1.08%	0.75%

### II. Exposure to real estate sector

(Amount in Rs.)		
Particulars	Current Year	Previous Year
<b>Category</b>		
<b>a) Direct exposure</b>		
<b>(i) Residential mortgage:</b>		
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	1,282,017,128	416,273,939
Housing Loan more than Rs. 15 Lakhs	236,458,339	83,305,875
<b>(ii) Commercial real estate:</b>		
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.	-	-
<b>(iii) Investment in mortgage backed securities (MBS) and other securitized exposures:</b>		
(a) Residential	-	-
(b) Commercial real estate	-	-
<b>b) Indirect exposure</b>		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-

36. Disclosure pursuant to notification No. NHB.HFC.DIR.1/CMD/2010 dated June 10, 2010 issued by NHB

### I. Penalty

(Amount in Rs.)		
Particulars	Current Year	Previous Year
Penalty if any levied by National Housing Bank	2,360	-
<b>Total</b>	<b>2,360</b>	<b>-</b>

### II. Adverse remark

Particulars	Current Year	Previous Year
Adverse remark if any levied by National Housing Bank	No Adverse remark	No Adverse remark

### III. % of outstanding loans granted against collateral gold jewellery to their outstanding total assets

Particulars	Current Year	Previous Year
Percentage of outstanding loans granted against collateral gold jewellery to their outstanding total assets	-	-

**KIFS Housing Finance Private Limited**  
*Notes to financial statement for the year ended 31st March, 2019*

**NHB Disclosures**

37. Disclosure pursuant to notification No. NHB.HFC.CG-DIR.1/MD & CEO/2016 dated February 9, 2017 issued by NHB for investments.

(Amount in Rs.)		
Particulars	Current Year	Previous Year
<b>(a) Value of investments</b>		
(i) Gross value of investments		
(a) In India	-	-
(b) Outside India	-	-
(ii) Provision for depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net value of investments		
(a) In India	-	-
(b) Outside India	-	-
<b>(b) Movements of provisions held towards depreciation in investments</b>		
(i) Opening balance	-	-
(ii) Add: Provisions made during the year	-	-
(iii) Less: Write off/Written back of excess provisions during the year	-	-
(iv) Closing balance	-	-

38. Disclosure pursuant to notification No. NHB.HFC.CG-DIR.1/MD & CEO/2016 dated February 9, 2017 issued by NHB for single borrower/ group borrower limit exceeded by HFC.

Particulars	Current Year	Previous Year
Amount outstanding for single borrower limit	Not exceeded	Not exceeded
Amount outstanding for group borrower limit	Not exceeded	Not exceeded

39.

Disclosure pursuant to notification No. NHB.HFC.CG-DIR.1/MD & CEO/2016 dated February 9, 2017 issued by NHB for provisions and contingencies.

(Amount in Rs.)		
Particulars	Current Year	Previous Year
(i) Provisions for depreciation on investments	-	-
(ii) Provisions made towards income tax (Net of reversal of tax of earlier year)	21,304,957	4,456,919
(iii) Provisions towards NPAs	2,221,535	-
(iv) Provisions for standard assets	4,355,660	6,830,800
(v) Other provisions and contingencies		
Gratuity	655,400	414,134
Compensated absences	1,442,133	1,175,535
Provision for expenses	9,880,734	2,430,374

40.

Disclosure pursuant to notification No. NHB.HFC.CG-DIR.1/MD & CEO/2016 dated February 9, 2017 issued by NHB for concentration of NPAs

(Amount in Rs.)		
Particulars	Current Year	Previous Year
Total exposure to top ten NPA accounts	2,221,535	-

**KIFS Housing Finance Private Limited**  
*Notes to financial statement for the year ended 31st March, 2019*

**NHB Disclosures**

41. Disclosure pursuant to notification No. NHB.HFC.CG-DIR.1/MD & CEO/2016 dated February 9, 2017 issued by NHB for sector wise NPAs provisions and contingencies

(Amount in Rs.)		
Particulars	Current Year	Previous Year
A. Housing loans		
(i) Individual (Out of total advances in that sector)	2,139,586	-
Individual (In %) (Out of total advances in that sector)	0.14%	0.00%
B. Non-Housing loans		
(i) Individual (Out of total advances in that sector)	81,949	-
Individual (In %) (Out of total advances in that sector)	0.02%	0.00%

42. Disclosure pursuant to notification No. NHB.HFC.CG-DIR.1/MD & CEO/2016 dated February 9, 2017 issued by NHB for movement of NPAs

(Amount in Rs.)		
Particulars	Current Year	Previous Year
(i) Net NPAs to Net advances (%)		
(ii) Movement of gross NPAs		
(a) Opening balance	-	-
(b) Addition during the year	2,221,535	-
(c) Closing balance	2,221,535	-
(iii) Movement of Net NPAs		
(a) Opening balance	-	-
(b) Addition during the year	-	-
(c) Closing balance	-	-
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	-	-
(b) Addition during the year	2,221,535	-
(c) Closing balance	2,221,535	-

43. Disclosure pursuant to notification No. NHB.HFC.CG-DIR.1/MD & CEO/2016 dated February 9, 2017 issued by NHB for overseas assets

(Amount in Rs.)		
Particulars	Current Year	Previous Year
Overseas assets	-	-

44. Disclosure pursuant to notification No. NHB.HFC.CG-DIR.1/MD & CEO/2016 dated February 9, 2017 issued by NHB for customer complaints

Particulars	Current Year	Previous Year
(a) No. of complaints pending at the beginning of the year	-	-
(b) No. of complaints received during the year	48.00	-
(c) No. of complaints redressed during the year	48.00	-
(d) No. of complaints pending at the end of the year	-	-

**KIFS Housing Finance Private Limited**  
*Notes to financial statement for the year ended 31st March, 2019*

**NHB Disclosures**

**45. Disclosure pursuant to notification No. NHB.HFC.CG-DIR.1/MD & CEO/2016 dated February 9, 2017 issued by NHB for exposure to capital market**

(Amount in Rs.)		
Particulars	Current Year	Previous Year
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
(ii) Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (Including IPOs /ESOPs), convertible bonds, convertible debentures and units of equity oriented mutual funds;	-	-
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debenture or units of equity oriented mutual funds' does not fully cover the advances;	-	-
(v) Secured and unsecured advances to stock brokers and guarantees issued on behalf of stock brokers and market makers;	-	-
(vi) Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoters' contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) Bridge loans to companies against expected equity flows /issues;	-	-
(viii) All exposures to venture capital funds (both registered and unregistered)	-	-
<b>Total exposure to capital market</b>	-	-

**46. Disclosure pursuant to notification No. NHB.HFC.CG-DIR.1/MD & CEO/2016 dated February 9, 2017 issued by NHB for securitisation.**

(Amount in Rs.)		
Particulars	Current Year	Previous Year
The amount of securitised assets as per books of the SPVs sponsored*	-	-

\* During the year company has not entered in to any securitisation deal.

**47. Disclosure pursuant to notification No. NHB.HFC.CG-DIR.1/MD & CEO/2016 dated February 9, 2017 issued by NHB for assignment transactions undertaken by HFCs.**

(Amount in Rs.)		
Particulars	Current Year	Previous Year
Aggregate value of accounts assigned*	-	-

\* During the year company has not entered in to any assignment deal.

**48. Disclosure pursuant to notification No. NHB.HFC.CG-DIR.1/MD & CEO/2016 dated February 9, 2017 issued by NHB for purchase and sale of non-performing financial assets.**

(Amount in Rs.)		
Particulars	Current Year	Previous Year
No. of accounts purchased/sold during the year*	-	-

\* During the year company has not entered in deal of purchase and sale of NPAs from/to other HFCs.

**49. Disclosure pursuant to notification No. NHB.HFC.CG-DIR.1/MD & CEO/2016 dated February 9, 2017 issued by NHB for registration obtained from other financial regulator.**

Particulars	Current Year	Previous Year
Registration from other financial regulator, if any	NIL	NIL

**KIFS Housing Finance Private Limited**  
*Notes to financial statement for the year ended 31st March, 2019*

**NHB Disclosures**

**50. Disclosure pursuant to notification No. NHB.HFC.CG-DIR.1/MD & CEO/2016 dated February 9, 2017 issued by NHB for unsecured advances.**

(Amount in Rs.)		
Particulars	Current Year	Previous Year
Amount of unsecured advances given against rights, licences, authorisations etc.	NIL	NIL
Inter Corporate Deposits	200,648,315	514,369,759

\*

**51. Disclosure pursuant to notification No. NHB.HFC.CG-DIR.1/MD & CEO/2016 dated February 9, 2017 issued by NHB for details of financing parent company products.**

Particulars	Current Year	Previous Year
Details of financing of parent company products, if any	-	-

**52. Disclosure pursuant to notification No. NHB.HFC.CG-DIR.1/MD & CEO/2016 dated February 9, 2017 issued by NHB for concentration of public deposits.**

(Amount in Rs.)		
Particulars	Current Year	Previous Year
Total deposits of 20 largest depositors	-	-
Percentage of deposits of 20 largest depositors to total deposits of the HFC	0.00%	0.00%

**53. Disclosure pursuant to notification No. NHB.HFC.CG-DIR.1/MD & CEO/2016 dated February 9, 2017 issued by NHB for concentration of public deposits.**

(Amount in Rs.)		
Particulars	Current Year	Previous Year
Total deposits of twenty largest depositors	-	-
Percentage of deposits of twenty largest depositors to total deposits of the HFC	0.00%	0.00%

**54. Disclosure pursuant to notification No. NHB.HFC.CG-DIR.1/MD & CEO/2016 dated February 9, 2017 issued by NHB for concentration of loans and advances.**

(Amount in Rs.)		
Particulars	Current Year	Previous Year
Total loans and advances to twenty largest borrowers	52,313,668	48,742,425
Percentage of loans and advances to twenty largest borrowers to total advances of the HFC	2.86%	7.27%

\* The above 20 largest borrowers don't include inter corporate deposits.

**55. Disclosure pursuant to notification No. NHB.HFC.CG-DIR.1/MD & CEO/2016 dated February 9, 2017 issued by NHB for concentration of all exposures (including off balance sheet exposure).**

(Amount in Rs.)		
Particulars	Current Year	Previous Year
Total exposure to twenty largest borrowers/customers	53,475,979	54,803,797
Percentage of exposure to twenty largest borrowers/customers to total exposure of the HFC on borrower/customers	2.44%	6.24%

\* The above 20 largest borrowers don't include inter corporate deposits.

**56. Disclosure pursuant to notification No. NHB.HFC.CG-DIR.1/MD & CEO/2016 dated February 9, 2017 issued by NHB for forward rate agreement/interest rate swap.**

(Amount in Rs.)		
Particulars	Current Year	Previous Year
(i) The notional principal of swap agreements	-	-
(ii) Losses which would be incurred if counter parties failed to fulfill their obligations under the agreements	-	-
(iii) Collateral required by the HFC upon entering into swaps	-	-
(iv) Concentration of credit risk arising from the swaps	-	-
(v) The fair value of the swap book	-	-

**KIFS Housing Finance Private Limited**  
*Notes to financial statement for the year ended 31st March, 2019*

**NHB Disclosures**

57. Disclosure pursuant to notification No. NHB.HFC.CG-DIR.1/MD & CEO/2016 dated February 9, 2017 issued by NHB

(a) For exchange traded interest rate derivative.

(Amount in Rs.)		
Particulars	Current Year	Previous Year
(i) Notional principal amount of exchange traded IR derivatives undertaken during the year (Instrument wise)	-	-
(ii) Notional principal amount of exchange traded IR derivatives outstanding (Instrument wise)	-	-
(iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (Instrument wise)	-	-
(iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (Instrument wise)	-	-

(b) For disclosure on risk exposure in derivative.

(Amount in Rs.)		
Particulars	Current Year	Previous Year
(i) Derivatives (Notional principal amount)	-	-
(ii) Marked to market positions (1)		
(a) Assets	-	-
(b) Liability	-	-
(iii) Credit exposure	-	-
(iv) Unhedged exposure	-	-

58. Disclosure pursuant to notification No. NHB.HFC.CG-DIR.1/MD & CEO/2016 dated February 9, 2017 issued by NHB for rating assigned by rating agencies during the year.

Instrument	Current Year	Previous Year
Long term bank Facilities		
- CARE	BBB Stable outlook	NA
- Acuite	BBB+ Stable outlook	NA

59. Disclosure pursuant to notification No. NHB.HFC.CG-DIR.1/MD & CEO/2016 dated February 9, 2017 issued by NHB for break up of loans and advances and provisions thereon.

(Amount in Rs.)		
Particulars	Housing loans	Non-housing loans
<b>Current Year</b>		
Standard assets		
Principal outstanding	1,516,335,881	510,255,723
Provisions	6,065,343	5,121,117
Sub-standard assets		
Principal outstanding	2,139,586	81,949
Provisions	2,139,586	81,949
Doubtful assets		
Principal outstanding	-	-
Provisions	-	-
<b>Total</b>		
Principal outstanding	1,518,475,467	510,337,672
Provisions	8,204,929	5,203,066



**KIFS Housing Finance Private Limited**  
**Notes to the financial statement for the year ended 31st March, 2019**

**60. Disclosure as per Rule 16A of the Companies (Acceptance of Deposits) Rules, 2014.**

The Company has not received any money from Directors or relatives of Directors during the financial year ended 31<sup>st</sup> March 2019

**61.** The previous year figures have been regrouped, wherever necessary to confirm the current presentation.

**For Manubhai Shah & LLP**

Chartered Accountants

Firm Registration No. 106041W/W100136

**Sd/-**

**(Darshan Shah)**

Partner

Membership No.131508

For and on behalf of the Board of the directors of

**KIFS Housing Finance Private Limited**

**Sd/-**

**(Vimal P Khandwala)**

Director – DIN 00477768

**Sd/-**

**(Swarnpal Singh Bais)**

Director – DIN 07966335

**Sd/-**

**(Padmanabh Vora)**

Director – DIN 00477673

**Sd/-**

**(Deepak Kumar Ajmera)**

Chief Financial Officer

**Sd/-**

**(Tejal G Gala)**

Company Secretary

M. No. ACS – 54456

Place: Mumbai

Date: 12<sup>th</sup> April, 2019

Place: Mumbai

Date: 12<sup>th</sup> April, 2019