



# ANNUAL REPORT

## 2024-2025



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# EMPLOYEE Engagement Activities



'CSR Activity at ISKCON Palghar'



'Mega Cleanliness Drive event of NHB'



'Cricket Event to boost employee morale'

# BUSINESS MEETS



'Annual Business Meet held at Lonavla to appreciate Branch Managers, Assistant Branch Managers for their rigorous efforts throughout the year'



'Rewards and Recognition event for appreciation of HO Employees'



# FESTIVITIES

## 'Ganpati Celebration at Aurangabad Branch'



## 'Women's Day Celebration followed by Lunch at HO'



## KEY PERFORMANCE HIGHLIGHTS

### BRANCHES



82

2023-24

95

2024-25

### EMPLOYEES



576

2024

840

2025

### NET PROFIT



20.79

crore

2024

9.92

crore

2025

### CAPITAL ADEQUACY RATIO

CAR

73.72  
%

2023-24

54.33  
%

2024-25

### DISBURSEMENT



320.81  
crore

2023-24

465.95  
crore

2024-25

### BRANCHES

NPA

0.89  
%

2023-24

1.39  
%

2024-25

### CUMULATIVE DISBURSEMENT

NUMBER

14296

2023-24

18750

2024-25

AMOUNT

1434.08  
crore

2023-24

1772.86  
crore

2024-25

### ASSET UNDER MANAGEMENT

AMOUNT

797.42  
crore

2023-24

1050.06  
crore

2024-25



# CUSTOMER SATISFACTION

## OUR PRIDE

### **Our Promise: Turning Your Dream Home into a Reality.**

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

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

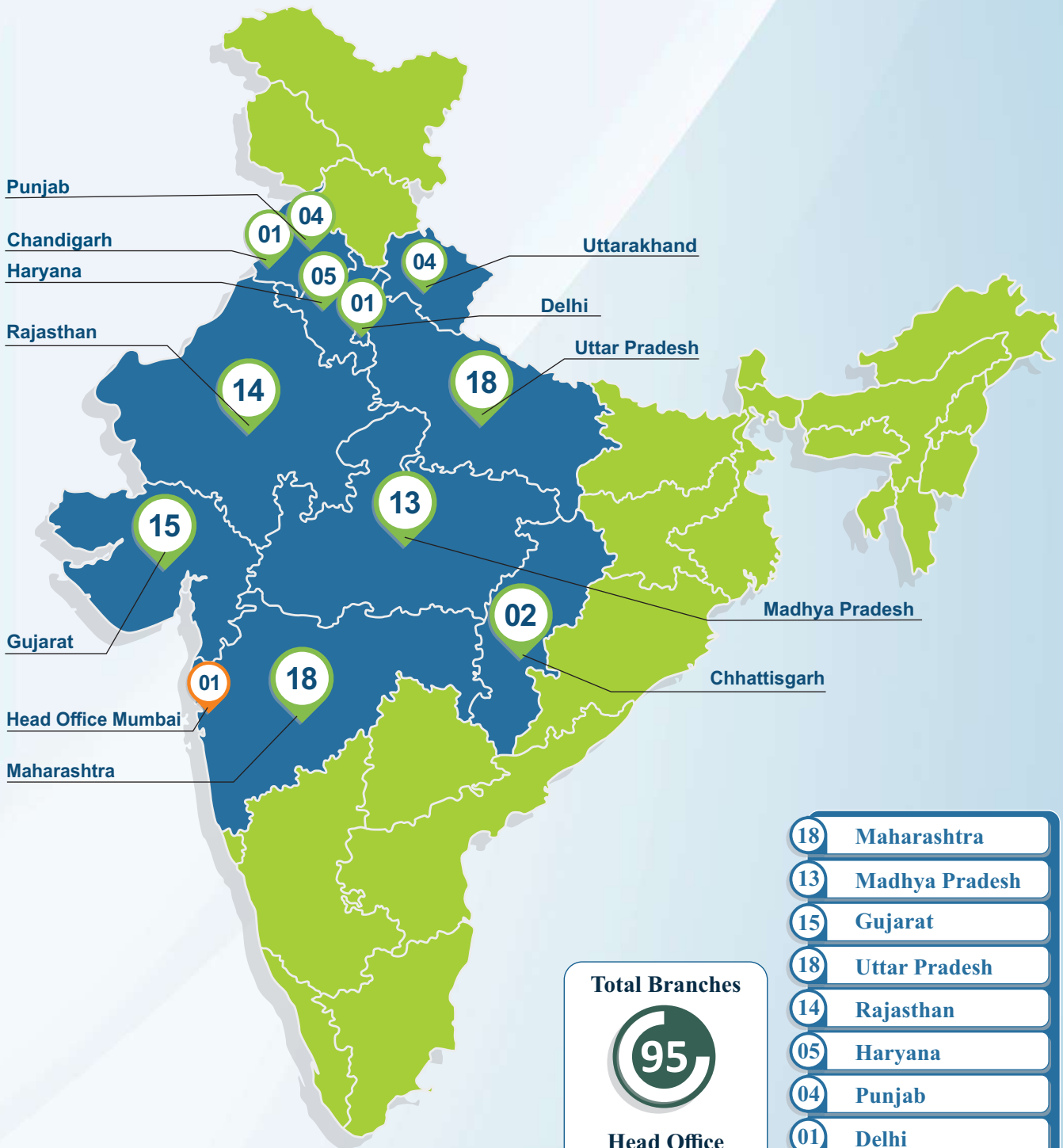
Furthermore, our robust Customer Grievance Redressal Policy ensures that every concern is addressed promptly and effectively. At KIFS, customer satisfaction isn't just a goal — it's an integral part of our business philosophy.



# EXPANDING FOOTPRINT ACROSS INDIA

## OUR PRESENCE

Presence that Builds Possibilities



Total Branches



Head Office



18	Maharashtra
13	Madhya Pradesh
15	Gujarat
18	Uttar Pradesh
14	Rajasthan
05	Haryana
04	Punjab
01	Delhi
01	Chandigarh
04	Uttarakhand
02	Chhattisgarh



# BOARD OF DIRECTORS



## Mr. Rajesh Khandwala

Chairman and Managing Director

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

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



## Mr. Vimal Khandwala

Managing Director



## Mr. Kushal Khandwala

Whole Time Director

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

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

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

## **Mr. Kumar Sharadindu**

Independent Director





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

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

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

## Mr. Vikas Kumar

Independent Director

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

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

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

## Ms. Bhavna Desai

Non- Executive Director



## OUR CORE TEAM

1. Mr. Vikki Soni	Chief Financial Officer
2. Mr. Saurabh Goel	Head – Credit and Risk
3. Mr. Amit Shrivastava	Deputy Vice President - Legal
4. Mr. Dharmendra Doshi	Chief Compliance Officer
5. Mr. Gundopant Salokhe	Chief Information & Technology Officer
6. Mr. Sandeep Verma	Head - Operations





## CORPORATE INFORMATION

### A. COMPANY DETAILS

**CIN:** U65922GJ2015PLC085079

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

**LEI No.:** 335800358RJYD5ZDXQ31

**Website:** www.kifshousing.com

### B. REGISTERED & CORPORATE OFFICE ADDRESS

#### -: Registered Office :-

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

#### -: Corporate Office :-

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

### C. BOARD OF DIRECTORS

■ Mr. Rajesh Khandwala	Chairman & Managing Director
■ Mr. Vimal Khandwala	Managing Director
■ Mr. Kushal Khandwala	Whole Time Director
■ Mr. Vikas Kumar,	Independent Director
■ Ms. Bhavna Desai	Non- Executive Director
■ Mr. Kumar Sharadindu	Independent Director ((w.e.f. May 30, 2025)

### D. DETAILS OF COMMITTEES

#### Audit Committee

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

#### Nomination and Remuneration Committee

■ Mr. Vikas Kumar	Chairman
■ Ms. Bhavna Desai	Member

#### CSR Committee

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

#### IT Strategy Committee

■ Mr. Vikas Kumar	Chairman
■ Ms. Bhavna Desai	Member
■ Mr. Vimal Khandwala	Member
■ Mr. Kushal Khandwala	Member

#### Asset Liability Management Committee

■ Mr. Vimal Khandwala	Chairman
■ Mr. Rajesh Khandwala	Member
■ Mr. Kushal Khandwala	Member
■ Mr. Vikas Kumar	Member
■ Mr. Vikki Soni	Member
■ Mr. Gundopant Salokhe	Member

#### Risk Management Committee

■ Mr. Vimal Khandwala	Chairman
■ Mr. Kushal Khandwala	Member
■ Mr. Vikas Kumar	Member
■ Mr. Vikki Soni	Member
■ Mr. Saurabh Goel	Member
■ Mr. Gundopant Salokhe	Member

### Customer Grievance Redressal Committee

■ Mr. Vimal Khandwala	Chairman
■ Mr. Kushal Khandwala	Member
■ Mr. Vikki Soni	Member
■ Mr. Gundopant Salokhe	Member
■ Mr. Sandeep Verma	Member

### Borrowing and Investment Committee

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

### Wilful defaulter Identification Committee

■ Mr. Kushal Khandwala	Chairman
■ Mr. Vikki Soni	Member
■ Mr. Saurabh Goel	Member
■ Mr. Amit Shrivastava	Member




















### Wilful defaulter Review Committee

■ Mr. Rajesh Khandwala	Chairman
■ Mr. Vimal Khandwala	Member
■ Mr. Kushal Khandwala	Member
■ Ms. Bhavna Desai	Member

## E. KEY MANAGERIAL PERSONNEL

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

## F. BANKS (LENDERS)

 राष्ट्रीय आवास बैंक NATIONAL HOUSING BANK	National Housing Bank	 LIC HFL LIC HOUSING FINANCE LTD	LIC Housing Finance Limited
 SBI	State Bank of India	 SOUTH INDIAN Bank	South Indian Bank
 FEDERAL BANK FEDERAL BANK LIMITED	Federal Bank Limited	 HDFC BANK	HDFC Bank Limited
 IDBI BANK	IDBI Limited	 ICICI Bank	ICICI Bank Limited
 KVB Karur Vysya Bank Smart way to bank	Karur Vysya Bank Limited	 केनरा बैंक Canara Bank	Canara Bank Limited
 CSB Bank	CSB Bank	 kotak	Kotak Mahindra Investments Limited
 Utkarsh Small Finance Bank Apni Unnati Apni Pankh	Utkarsh Small Finance Bank	 CAPITAL SMALL FINANCE BANK	Capital Small Finance Bank
 POONAWALLA FINCORP	Poonawalla Fincorp Limited	 TATA CAPITAL	Tata Capital Financial Services Limited
 SUNDARAM FINANCE Banking rakhi. New age shakti.	Sundaram Home Finance Ltd.	 BAJAJ FINANCE LIMITED	Bajaj Finance Limited
 Indian Overseas Bank	Indian Overseas Bank		



## **G. STATUTORY AUDITORS**

M/s Manubhai & Shah LLP, Chartered Accountants

## **H. OPEARTIONAL AUDITORS**

M/s Sanjay Vastupal & Co, Chartered Accountants

## **I. INTERNAL/ OPEARTIONAL AUDITORS**

KKC & ASSOCIATES LLP

## **J. SECRETARIAL AUDITOR**

M/s Kiran Doshi & Co., Company Secretaries

## **K. REGISTRAR & TRANSFER AGENT**

NSDL Database Management Limited (“NDML”)



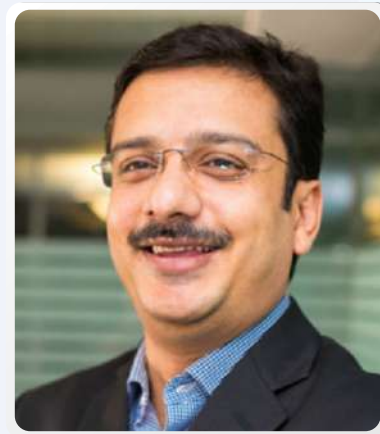
# MESSAGE

FROM THE

## MANAGING DIRECTORS



**Mr. Rajesh Khandwala**  
Chairman & Managing Director



**Mr. Vimal Khandwala**  
Managing Director

Dear Stakeholders,

We are pleased to present the 10<sup>th</sup> Annual Report and the Audited Financial Statements of KIFS Housing Finance Limited for the financial year ended March 31, 2025.

The year under review has been one of resilience, innovation, and consolidation for your Company. While the external environment continued to present challenges, we successfully navigated them and delivered healthy growth across business parameters.

India's housing finance sector remains a powerful engine of opportunity, supported by government initiatives, rising aspirations and strong urban as well as semi-urban demand. Your Company continues to position itself as a trusted partner in enabling home ownership, especially for the emerging middle class and underserved segments.

During the year, we sharpened our focus on customer-centricity and digital transformation, ensuring faster turnaround, improved risk management, and greater reach. Investments in proprietary housing finance software, advanced analytics, and digital tools have strengthened our ability to deliver efficient and seamless services. Our branch network now spans over 95 locations across 11 States and Union Territories, enabling us to serve a growing customer base with agility.

Your Company has disbursed more than INR 1450 Crores to over 18860 customers as on March, 2025, reinforcing our commitment to responsible growth with prudent asset quality. We have continued to maintain a robust liquidity position, a well-diversified borrowing profile and a strong risk management framework.

Our people remain the cornerstone of our success. We have strengthened our talent pool with skill-building programs, leadership initiatives and a culture of accountability and inclusivity. This empowers our teams to make informed decisions within a well-governed framework.

Looking ahead, we remain committed to sustainable growth anchored in financial prudence, digital adoption, operational excellence and stakeholder trust. We will continue to explore new opportunities in affordable housing finance while adhering to our core values of integrity, transparency and customer focus.

On behalf of the Board, I extend my sincere gratitude to our customers, employees, investors, lenders, regulators and all other stakeholders for their unwavering support and trust in our journey. Together, we are building not just homes, but long-term relationships and sustainable value.



## DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 10<sup>th</sup> (Tenth) Annual Report on the business and operational performance of KIFS Housing Finance Limited (hereinafter referred to as "the Company" or "KIFS"), for the financial year ended March 31, 2025. This Report includes Audited Financial Statements and the Report of the Auditors, Management Discussion and Analysis Report (MDAR), Corporate Governance Report, CSR Annual Report and other annexures, which form an integral part of this Report.

### STATE OF AFFAIRS OF THE COMPANY

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

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

Operations are carried out through a Hub-and-Spoke branch network model, which enables deep penetration into semi-urban and rural markets while maintaining operational efficiency. Through this strategic approach, the Company has been able to steadily scale its presence, build long-term relationships with customers, and create sustainable value for all stakeholders.

### FINANCIAL SUMMARY AND HIGHLIGHTS

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

A snapshot of the financial performance for the year ended 31st March 2025, in comparison with the previous financial year ended 31st March 2024, is provided below:

(Rupees in Crores except EPS)

Particulars	2024-25	2023-24
Total Revenue from Operations	137.76	109.87
Total Expenditure	125.20	81.59
Profit / (Loss) before provision for tax	12.55	28.28
Tax Expense	2.63	7.49
Net Profit / (Loss) after tax	<b>9.92</b>	<b>20.79</b>
Other comprehensive income/(loss)	0.13	0.02
Total Comprehensive Income	<b>10.05</b>	<b>20.81</b>
Earnings / (Loss) per Share (Basic & Diluted)	0.40	0.83

### PERFORMANCE REVIEW

The Company's gross income for the Financial Year ended March 31, 2025 stood at Rs. 137.76 Cr, reflecting a growth of 25.39% over the previous year's income of Rs. 109.87 Cr. The Profit Before Tax (PBT) for the year was Rs. 12.55 Cr, while the Net Profit amounted to Rs. 9.92 Cr. The Company's Assets Under Management (AUM) reached Rs. 1050.06 Cr as on March 31, 2025 as compared to Rs. 797.42 Cr as on March 31, 2024, demonstrating healthy business momentum.

### DIVIDEND

In line with the Company's planned business growth and the need to conserve resources for future expansion, the Board of Directors has considered it prudent not to recommend any dividend for the financial year ended March 31, 2025. The Directors further confirm that no interim dividend was declared during the year.

## ACCOUNTING METHOD

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

## MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

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

## CHANGE IN NATURE OF BUSINESS

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

## PUBLIC DEPOSITS

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

## REVIEW OF BUSINESS & OPERATIONS OF THE COMPANY

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

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

The business profile of KHFL is predominantly oriented towards the formal, salaried customer segment, as compared to the informal and self-employed categories. This strategic positioning reduces credit risk, as salaried customers typically represent a lower-risk profile. With an average ticket size of ₹9.04 lakh, the Company has maintained a granular loan portfolio that supports risk diversification and helps in keeping overall NPA levels under control.

## FOIR & LTV ratios Band

The Company has maintained healthy customer-level financial parameters with an average Fixed Obligations to Income Ratio (FOIR) of 42% and an average Loan-to-Value (LTV) of 50% across its portfolio.

In terms of yields, the Company achieved an average yield of 13.46% in the Home Loan segment and 15.72% in the Non-Home Loan segment during the year.

Further, as on March 31, 2025, the Company has received subsidy benefits for approximately 40% of its Home Loan portfolio under various eligible government schemes, thereby strengthening affordability for its customers while ensuring portfolio stability.

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



Your Company has recorded an income of Rs. 137.76 Cr as against Rs. 109.87 Cr. in the previous year and the profit after tax is Rs. 9.92 Cr as against Rs. 20.79 cr in the previous year.

## HOLDING COMPANY

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

## TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

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

## TRANSFER TO RESERVES

During the year under review, your Company has transferred Rs. 2.24 Cr to Statutory Reserve as required under section 29C of National Housing Bank Act, 1987 equivalent to 20% of profit after tax or deduction claimed u/s 36(1)(viii) of Income Tax Act, 1961, whichever is higher.

## CAPITAL STRUCTURE

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

The same is as follows:

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

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

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

## BOARD OF DIRECTORS:

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

As on March 31, 2025, the Board of your Company comprised a total of five Directors, which includes one Independent Director, one Woman Director who also serves as a Non-Executive Director, and three Executive Directors designated as Key Managerial Personnel (KMP). The composition of the Board is as under:

Sr. No.	Name of the Directors	DIN	Designation	Appointment date	Tenure
1	Mr. Rajesh Parmanand Khandwala	00477673	Chairman & Managing Director (Executive)	November 16, 2015	9.4 years
2	Mr. Vimal Parmanand Khandwala	00477768	Managing Director (Executive)	November 16, 2015	9.4 years

3	Mr. Kushal Jayesh Khandwala	03345686	Whole Time Director (Executive)	March 20, 2023	2 years
4	Ms. Bhavana Govindbhai Desai	06893242	Women Director (Non-Executive)	December 01, 2020	4.4 years
5	*Mr. Vikas Kumar	02213902	Independent Director (Non-Executive)	June 07, 2024	10 month

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

\*Mr. Vikas Kumar was appointed as an Additional Director (Independent) of the Company on June 07, 2024 and his appointment as an Independent Director was regularized by the shareholders at the Extra-Ordinary General Meeting held on June 07, 2024.

#Mr. Kartik Mehta and Ms. Purvi Bhavsar, Independent Directors of the Company tendered their resignations with effect from May 30, 2024.

\*#Mr. Satish Mehta, Independent Director of the Company tendered his resignation with effect from November 27, 2024.

Post the financial year ended March 31, 2025, the following changes took place in the Composition of Board:

Mr. Kumar Sharadindu was appointed as an Additional Director (Independent) of the Company on May 30, 2025 and his appointment as an Independent Director was regularized by the shareholders at the Extra-Ordinary General Meeting held on May 30, 2025.

All the aforesaid approvals for appointment/re-appointment/re-designation of the Directors were duly recommended by the Nomination and Remuneration Committee of the Company.

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

The Company has also received declarations under section 184(1) read with Rule 9(1) of the Companies Act, 2013 from the Directors stating their interest or concern in other companies.

Pursuant to provisions of Chapter IX – Corporate Governance of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 issued by RBI, the Company has received the requisite declarations and undertaking from all directors of the Company and all the directors of the Company have confirmed that they satisfy the Fit and Proper criteria.

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

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

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

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



## KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of Section 203 of the Companies Act, 2013 read with Rules made thereunder, following are the Key Managerial Personnel of the Company as on March 31, 2025:

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

*During the year, there were no changes in the Key Managerial Personnel of the Company.*

## CHIEF COMPLIANCE OFFICER

Pursuant to RBI Circular dated April 11, 2022, on Compliance Function and Role of Chief Compliance Officer (CCO) – NBFs, Mr. Dharmendra Doshi, is the Chief Compliance Officer of the Company, performing such duties and functions as provided under the said circular issued by RBI.

## EXTRACT OF ANNUAL RETURN

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

Accordingly, the Annual Return in Form MGT-7 for the financial year ended March 31, 2025, shall be available on the website of the Company at <https://kifshousing.com/financial-reports/>.

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

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

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

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

Pursuant to provisions of Section 134(3)(e) of the Companies Act, 2013 and Nomination, Remuneration & Evaluation Policy of the Company, the Board of your Company has carried out an annual evaluation of its own performance and that of its Committees as well as reviewed the performance of the Directors individually for Financial Year 2024-2025. The performance evaluation of the Non-Independent Directors and the Board as a whole, was carried out by the Independent Directors. The Independent Directors also carried out the evaluation of the Chairman of the Company, considering the views of Non-Executive Directors and also assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The Directors also carried out performance evaluation of the Managing Directors of the Company.

The evaluation was carried out through a rating based structured questionnaires prepared in accordance with guidance note issued by ICSI on performance evaluation, it covered various parameters which were different for different categories of Directors, in all it included questions/pointers with respect to

appropriate expertise and experience, integrity, clear mission statements, policies, and Strategy formulation and execution, effective organization structure, ensuring that there is management focus on key functions, working relationships, Product/ Service Knowledge, Personal Qualities, Leadership, Financial Planning/ Performance, External Relations, Knowledge and Skill, Participation at Board/ Committee Meetings etc.

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

## CORPORATE GOVERNANCE REPORT:

The Corporate Governance Report for the Financial Year 2024-2025 as stipulated in the Section II(A) - Corporate Governance of RBI Circular dated April 19, 2022 on Disclosure in Financial Statements – Notes to Accounts of NBFCs read with RBI Circular dated October 22, 2021 forms part of the Annual Report and is annexed to this Report in Annexure IV.

## GENERAL MEETINGS:

The 9<sup>th</sup> Annual General Meeting of your Company was held on September 09, 2024.

During the year under review, an Extra-Ordinary General Meeting was held on June 07, 2024.

## BOARD MEETINGS:

The size of the Board is commensurate with the size and business of the Company. The Company held a minimum of one board meeting in every quarter with a gap of not exceeding 120 days between two consecutive board meetings. During the year under review, the four Board Meetings were held on June 07, 2024, August 14, 2024, December 10, 2024 and March 21, 2025. The attendance of the Board Members are as follows:

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

Sr. No.	Name of the Directors	DIN	Designation	No. of Meetings attended out of 4
1	Mr. Rajesh Parmanand Khandwala	00477673	Chairman & Managing Director (Executive)	01
2	Mr. Vimal Parmanand Khandwala	00477768	Managing Director (Executive)	02
3	Mr. Kushal Jayesh Khandwala	03345686	Whole Time Director (Executive)	04
4	Ms. Bhavana Govindbhai Desai	06893242	Women Director (Non-Executive)	02
5	**Mr. Vikas Kumar	02213902	Independent Director (Non-Executive)	03
6	***Mr. Satish Mehta	00110640	Independent Director (Non-Executive)	02

\*Mr. Kartik Mehta and Ms. Purvi Bhavsar, Independent Directors of the Company tendered their resignations with effect from May 30, 2024.

\*\*Mr. Vikas Kumar was appointed as an Additional Director (Independent) of the Company on June 07, 2024 and his appointment as an Independent Director was regularized by the shareholders at the Extra Ordinary General Meeting held on June 07, 2024.

\*\*\*Mr. Satish Mehta, Independent Director of the Company tendered his resignation with effect from November 27, 2024.



## AUDIT COMMITTEE:

During the year under review, the Audit Committee met four times on June 07, 2024, August 14, 2024, December 09, 2024 and March 20, 2025.

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

Sr. No.	Name of the Directors	Position	Designation	No. of Meetings attended out of 4
1	**Mr. Vikas Kumar	Chairman	Independent Director (Non-Executive)	02
2	Mr. Kushal Jayesh Khandwala	Member	Whole Time Director (Executive)	04
3	Mr. Vimal Parmanand Khandwala	Former Member	Managing Director (Executive)	01
4	***Mr. Satish Mehta	Former Chairman	Independent Director (Non-Executive)	02

\*Mr. Vikas Kumar was inducted as a Member of the Committee with effect from August 14, 2024.

\*\*Mr. Vimal Khandwala ceased to be the Member of the Committee with effect from August 14, 2024.

\*\*\*Mr. Satish Mehta ceased to be the Member of the Committee with effect from November 27, 2024.

#Mr. Kartik Mehta and Ms. Purvi Bhavsar, resigned from the Company with effect from May 30, 2024 and thereby ceased to be the Members of the Committee.

## NOMINATION AND REMUNERATION COMMITTEE (NRC):

During the year under review, the Nomination and Remuneration Committee met two times on June 07, 2024 and August 14, 2024.

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

Sr. No.	Name of the Directors	Position	Designation	No. of Meetings attended out of 2
1	***Mr. Satish Mehta	Former Chairman	Independent Director (Non-Executive)	02
2	Mr. Rajesh Parmanand Khandwala	Former Member	Chairman & Managing Director (Executive)	00
3	Ms. Bhavana Govindbhai Desai	Member	Non-Executive Director	02
4	**Mr. Vikas Kumar	Chairman	Independent Director (Non-Executive)	-

\*Mr. Satish Mehta ceased to be the Member of the Committee with effect from November 27, 2024.

\*\*Mr. Rajesh Khandwala ceased to be the Member of the Committee with effect from August 14, 2024.

\*\*\*Mr. Vikas Kumar was inducted as a Member of the Committee with effect from August 14, 2024.

#Mr. Kartik Mehta and Ms. Purvi Bhavsar, resigned from the Company with effect from May 30, 2024 and thereby ceased to be the Members of the Committee.

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR):

During the year under review, the CSR Committee met once on August 14, 2024.

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

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

\*Mr. Satish Mehta ceased to be a Member of the Committee with effect from November 27, 2024.

\*\*Mr. Vikas Kumar was inducted as a Member of the Committee with effect from August 14, 2024.

## ASSET LIABILITY MANAGEMENT COMMITTEE (ALCO):

During the year under review, the Asset Liability Management Committee met three times on August 14, 2024, December 09, 2024 and March 20, 2025.

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

Sr. No.	Name of the Directors	Position	Designation	No. of Meetings attended out of 3
1	Mr. Vimal Parmanand Khandwala	Chairman	Managing Director (Executive)	02
2	Mr. Rajesh Parmanand Khandwala	Member	Chairman & Managing Director (Executive)	01
3	Mr. Kushal Jayesh Khandwala	Member	Whole Time Director (Executive)	03
4	*Mr. Satish Mehta	Former Chairman	Independent Director (Non-Executive)	01
5	Mr. Vikki Soni	Member	Chief Financial Officer	03
6	Mr. Gundopant Salokhe	Member	Chief Information and Technology Officer	03
7	***Mr. Vikas Kumar	Member	Independent Director (Non-Executive)	02

\*Mr. Kartik Mehta and Ms. Purvi Bhavsar ceased to be the Members of the Committee with effect from May 30, 2024.

\*\*Mr. Satish Mehta ceased to be a Member of the Committee with effect from November 27, 2024.

\*\*\*Mr. Vikas Kumar was inducted as a Member of the Committee with effect from August 14, 2024.



## BORROWING AND INVESTMENT COMMITTEE (BIC):

During the year under review, Investment Committee met eleven times on May 10, 2024, June 28, 2024, August 14, 2024, September 09, 2024, October 10, 2024, December 10, 2024, December 26, 2024, January 03, 2025, February 03, 2025, February 18, 2025 and March 21, 2025.

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

Sr. No.	Name of the Directors	Position	Designation	No. of Meetings attended out of 11
1	Mr. Vimal Parmanand Khandwala	Chairman	Managing Director (Executive)	09
2	Mr. Rajesh Parmanand Khandwala	Member	Chairman & Managing Director (Executive)	03
3	Mr. Kushal Jayesh Khandwala	Member	Whole Time Director (Executive)	11
4	*Mr. Kartik Mehta	Member	Independent Director (Non-Executive)	01
5	**Mr. Satish Mehta	Former Member	Independent Director (Non-Executive)	05
6	***Mr. Vikas Kumar	Member	Independent Director (Non-Executive)	07

\*Mr. Kartik Mehta ceased to be the Member of the Committee with effect from May 30, 2024.

\*\*Mr. Satish Mehta ceased to be a Member of the Committee with effect from November 27, 2024.

\*\*\*Mr. Vikas Kumar was inducted as a Member of the Committee with effect from August 14, 2024.

## INFORMATION TECHNOLOGY (IT) STRATEGY COMMITTEE:

During the year under review, IT Strategy Committee met three times on August 14, 2024, December 09, 2024 and March 20, 2025.

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

Sr. No.	Name of the Directors	Position	Designation	No. of Meetings attended out of 3
1	*Mr. Satish Mehta	Former Member	Independent Director (Non-Executive)	01
2	Mr. Vimal Parmanand Khandwala	Member	Managing Director (Executive)	02
3	Mr. Kushal Jayesh Khandwala	Member	Whole Time Director (Executive)	03
4	Ms. Bhavana Govindbhai Desai	Member	Non-Executive Director	02
5	**Mr. Vikas Kumar	Chairman	Independent Director (Non-Executive)	01

\*Mr. Satish Mehta had resigned the Company with effect from November 27, 2024 and thereby ceased to be the Member of the Committee.

\*\*Mr. Vikas Kumar was inducted as a Member of the Committee with effect from December 10, 2024.

## CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

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

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

Your Company was required to spend Rs. 45,07,502/- (Rupees Forty Five Lakhs Seven Thousand Five Hundred and Two) towards CSR activities during the year under review. Your Company approved the CSR expenditure of Rs. 45,08,000/- (Rupees Forty Five Lakhs Eight Thousand). Out of the total amount, Rs. 13,88,000/- (Rupees Thirteen Lakh and Eighty Eight Thousand) was spent towards Hunger Free Palghar at Palghar, Mumbai an initiative by Govardhan Annakshetra, ISKON, Rs. 19,65,000/- (Rupees Nineteen Lakhs and Sixty Five Thousand) was contributed to Tata Memorial Hospital for the research purpose for the treatment of the Cancer Patients at Mumbai and Rs. 11,55,000/- (Rupees Eleven Lakhs and Fifty Five Thousand) was contributed to Sankara Nethralaya (unit of Medical Research Foundation) for purchase of equipment for the treatment of eye surgeries and assistance for the cataract eye surgery in Chennai.

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

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

## MEETING OF INDEPENDENT DIRECTORS:

During the Financial Year under review, a separate meeting of the Independent Directors was proposed and the agenda was circulated to Mr. Vikas Kumar, Independent Director. In the absence of other Independent Directors, he engaged directly with the Management to discuss the matters outlined in the agenda. The Non-Independent Directors, Chairperson, Managing Director, Statutory Committees, and the Board as a whole were evaluated after assessing the quality, quantity and timelines of information flowing between the Management and the Board, which is necessary for effective and reasonable performance of the Board's duties.

## REMUNERATION OF DIRECTORS:

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

Details of the sitting fees have been provided below:

Particulars of Remuneration	Non-Executive Directors				Amount
	Mr. Kartik Mehta	*Mr. Satish Mehta	**Mr. Vikas Kumar	Ms. Bhavna Desai	
Fee for attending Board / Committee Meetings	10,000	1,60,000	1,70,000	60,000	4,00,000
Commission	-	-	-	-	-
Others*	-	1,95,968*	1,89,516**	-	3,85,484
<b>Total Managerial Remuneration</b>	<b>10,000</b>	<b>3,55,968</b>	<b>3,59,516</b>	<b>60,000</b>	<b>7,85,484</b>
Overall ceiling as per the Act	1% of the Net Profit of the Company				



\*Mr. Satish Mehta has received remuneration of Rs. 1,95,968/-\* in the capacity of chairman of the Audit Committee of the Company till he stepped down as an Independent Director from the company on November 27, 2024.

\*\*Mr. Vikas Kumar was inducted as the Chairman of the Audit Committee in the meeting held on August 14, 2024. Thereafter, he has received remuneration of Rs. 1,89,516/-\*\* in the capacity of chairman of the Audit Committee of the Company.

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

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

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

## **STATUTORY AUDITORS**

In terms of Section 139 of the Act, M/s Manubhai & Shah LLP (FRN: 106041W/ W100136), Chartered Accountants, were re-appointed as statutory auditors of the Company to hold office from the conclusion of the 6<sup>th</sup> AGM of the Company till the conclusion of the 11<sup>th</sup> AGM. The statutory auditors have confirmed they are not disqualified from continuing as auditors of the Company.

M/s Manubhai & Shah LLP (FRN: 106041W/ W100136), the Statutory Auditors of the Company have audited the books of accounts of the Company for the financial year ended March 31, 2025 and have issued the Auditors Report thereon. The Annual Accounts of the Company have been prepared on a going concern basis.

As per the provisions of the NHB Notification No. NHB.HFC.CGDIR.1/MD&CEO/2016 and newly notified Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, partner of the audit firm is being rotated every three years.

Your Directors confirm that the Statutory Audit Report for Financial Year 2024-25 does not contain any qualifications or reservations or adverse remarks.

In terms of the Master Circular – Housing Finance Companies - Auditor's Report (NHB) Directions, 2016, the auditors have also submitted an additional report for FY 2024-25. There were no comments or adverse remarks in the said report.

## **REPORTING OF FRAUDS BY AUDITORS**

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

## **INTERNAL FINANCIAL CONTROLS**

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

Further, the Company has procedures in place for Internal Financial Control ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

## SECRETARIAL AUDITOR

The Secretarial Auditor of the Company have given an unqualified report for the Financial Year 2024-25, however, they have reported certain observations which are as under:

Sr. No.	Secretarial Audit Observations	Comments from the Board
1	The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Women Director except, between period 27th November, 2024 to 29th May, 2025, there was only one Independent Director in the Company thereby violating the provisions of Section 149(4) of the Companies Act, 2013. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.	The Management was in the process of identifying a suitable candidate for appointment as an Independent Director and the Board was periodically updated on the status of this appointment during its meetings.
2	The Audit Committee of the Company was not duly constituted between period 27 <sup>th</sup> November, 2024 to 29 <sup>th</sup> May, 2025 as per the requirement of Section 177 of the Companies Act, 2013. The composition of the Audit Committee did not meet the prescribed requirement of minimum number of Independent Directors in Audit Committee.	Since the Company did not have a second Independent Director on its Board, the Audit Committee could not be duly constituted for the given period. However, upon the appointment of Independent Director, the Audit Committee was duly reconstituted.

The Secretarial Audit report for the financial year 2024-25 is annexed to this report in Annexure VI.

## INTERNAL AUDITOR

Your Company has appointed M/s KKC & Associates, LLP, as Internal Auditor of the Company, to conduct Internal Audit for the Financial Year 2024-2025.

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

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

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

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

## RISK MANAGEMENT FRAMEWORK

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

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



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

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

## **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

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

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

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

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

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

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

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

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

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

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

## **REGISTRAR & TRANSFER AGENT**

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

## CODE OF CONDUCT

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

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

### CONSERVATION OF ENERGY

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

### TECHNOLOGY ABSORPTION

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

### FOREIGN EXCHANGE EARNINGS AND OUTFLOW

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

## DIRECTORS' RESPONSIBILITY STATEMENT

The Board acknowledges its responsibility for ensuring compliance with the provisions of Section 134(1)(c) read with Section 134(5) of the Companies Act, 2013 in the preparation of annual accounts for the year ended March 31, 2025 and states that-

- (i) In the preparation of the annual financial statements for the financial year ended March 31, 2025, the applicable Accounting Standards had been followed along with proper explanation relating to material departures, if any;
- (ii) Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit and Loss of the Company for that period;
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The Directors have ensured preparation of annual accounts on a going concern basis;
- (v) The Company has laid down internal financial controls. The Company has also assessed the adequacy of the Company's internal controls over financial reporting as of March 31, 2025 and have found them to be adequate and
- (vi) The Directors have revised and reviewed proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## SANCTIONS

During the year under review, loans sanctioned amounted to **Rs. 716.41 Crores** as compared to **Rs. 488.03 Crores** in the previous year. The cumulative sanctions as on March 31, 2025 stood at **Rs. 2542.94 Crores**, as against **Rs. 1,826.53 Crores** in the previous year.



## DISBURSEMENTS

Loan disbursements during the year were **Rs. 466 Crores** as compared to **Rs. 320.81 Crores** in the previous year. The cumulative disbursements as on March 31, 2025 were **Rs. 1772.86 Crores**, as against **Rs. 1306.91 Crores** in the previous year.

## ASSETS UNDER MANAGEMENT (AUM)

As on March 31, 2025, the Company's AUM stood at Rs. 1050.06 Crores, comprising Home Loan and Loan against Property (LAP) portfolios, with a growing customer base of 12937 borrowers.

## NON-PERFORMING ASSETS (NPA)

As on March 31, 2025, 161 loan accounts out of a total of ~12937 loan accounts were classified as Non-Performing Assets, representing a Gross NPA ratio of 1.39%.

Region-wise classification of NPAs is as follows:

- **Maharashtra** – 53 cases (0.53% of the portfolio)
- **Gujarat** – 43 cases (0.35% of the portfolio)
- **Rajasthan** – 7 cases (0.06% of the portfolio)
- **Madhya Pradesh** – 34 cases (0.23% of the portfolio)
- **Delhi (NCR)** – 10 cases (0.11% of the portfolio)
- **Uttar Pradesh** – 7 cases (0.05% of the portfolio)
- **Chattisgarh** – 5 cases (0.05% of the portfolio)
- **Haryana** – 2 cases (0.02% of the portfolio)

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

## COLLECTION / RECOVERY

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

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

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

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

Pradhan Mantri Awas Yojana (PMAY) is a flagship initiative of the Government of India aimed at providing affordable housing to the urban poor. KHFL had signed an MoU with the Government of India for the implementation of the Credit Linked Subsidy Scheme (CLSS) under PMAY for the EWS, LIG and MIG segments. Over the years, KHFL has actively participated in this programme, facilitating subsidies for customers and thereby reducing their housing loan burden.

In the Union Budget 2024, the Hon'ble Finance Minister announced the launch of Pradhan Mantri Awas Yojana – Urban 2.0 (PMAY-U 2.0), with a target to meet the housing needs of 1 crore urban poor and middle-class families over the next 5 years. This new phase, effective from 1st September 2024, seeks to continue the vision of *Housing for All* by providing central assistance to eligible beneficiaries, households, and implementing agencies through States/UTs and Primary Lending Institutions (PLIs). The scheme covers construction, purchase, or rental of houses at affordable costs, thereby ensuring improved quality of life for urban citizens.

For the Financial Year 2024-25, KHFL did not receive any claims under the PMAY-U 2.0 scheme. However, the Company remains committed to extending the benefits of government housing initiatives to its customers in the coming years and will actively participate in this renewed mission as the scheme gains traction.

## **WILFUL DEFAULTERS**

In compliance with Policy Circulars 74 and 83 issued by the National Housing Bank (NHB), the Company reports that there were no wilful defaulters or customers during the financial year under review.

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

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

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

## **GRIEVANCE REDRESSAL SYSTEM**

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

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

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

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

## **REPORT ON LEGAL AND TECHNICAL RISK**

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

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



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

## TOTAL BORROWINGS:

### A. DEBENTURES

As on March 31, 2025, the Company had no outstanding Non-Convertible Debentures (NCDs), and no NCDs were issued during the financial year under review.

All previously issued NCDs have been fully redeemed, following which the Company has been delisted from BSE Limited. Accordingly, the disclosure requirements under Chapter XI – Guidelines on Private Placement of Non-Convertible Debentures of the RBI Master Directions are not applicable, as there are no outstanding or newly issued NCDs.

### B. REFINANCE FROM NATIONAL HOUSING BANK

During the financial year 2024-2025, your Company had not received any refinance sanction from NHB.

### C. BANK TERM LOAN & OTHERS

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

Total loan received from Banks during FY 24-25 amount to Rs. 434.00 Crores which included Rs. 100.00 Crores from the National Housing Bank, Rs. 85.00 Crores from the State Bank of India, Rs. 67.00 Crores from LIC Housing Finance Limited, Rs. 55.00 Crores from Federal Bank Limited, Rs. 35.00 Crores from ICICI Bank Limited, Rs. 25.00 Crores from the Indian Overseas Bank, Rs. 20.00 Crores from Poonawalla Fincorp Limited, Rs. 20 Crores from Utkarsh Small Finance Bank, Rs 15.00 Crores from Capital Small Finance Bank and Rs 12.00 Crores from Bajaj Finance Limited.

### CAPITAL ADEQUACY RATIO

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

The capital adequacy ratio maintained by your Company as at March 31, 2025 is 54.33 % as compared to 73.72% as on March 31, 2024, which is far above than the minimum required level of 15% as on March 31, 2025.

### CREDIT RATING

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

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

## STATUTORY, REGULATORY AND OTHER COMPLIANCES

The Company has complied with the applicable statutory provisions including inter alia the Companies Act, 2013 and Rules made thereunder, the Income Tax Act, 1961, Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, The National Housing Bank Act, 1987 and all other various circulars, notifications, directions and guidelines issued by NHB from time to time and all other laws as may be applicable to the Company. The Company has finalized its financial statements for the year under review as per the Accounting standards issued by Institute of Chartered Accountants of India.

## NOMINATION, REMUNERATION & EVALUATION POLICY

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

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

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

## INTERNAL GUIDELINES ON CORPORATE GOVERNANCE

During the financial year under review, your Company adhered to all Internal Guidelines on Corporate Governance in accordance with the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 issued by RBI dated February 17, 2021, which lay down the Corporate Governance practices.

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

## INTERNAL GUIDELINES ON CORPORATE GOVERNANCE

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



## HUMAN RESOURCES DEVELOPMENT

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

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

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

## PROVISIONS NOT APPLICABLE

- Disclosure under section 197(14) of the Companies Act, 2013 is not applicable as the Company does not have any Holding or Subsidiary Company.
- Maintenance of cost records under the provisions of Section 148(1) of Companies Act, 2013 are not applicable.
- Pursuant to Rule 2A of the Companies (Specification of Definitions Details) Rules, 2014, public companies which have not listed their equity shares on a recognized stock exchange but have listed their non-convertible debt securities issued on private placement basis in terms of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, shall not be considered as listed company in terms of the Act. Hence, Section 197(12) read with rules 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable.
- The Ministry of Corporate Affairs (MCA) vide Companies (Amendment) Act, 2017 has amended the provisions of Section 92(3) of the Companies Act, 2013 with effective from 28th August 2020. Post the amendment, every company shall place a copy of the annual return on the website of the company, if any, and the web-link of such annual return shall be disclosed in the Board's report. The requirement of annexing extract of annual return in Form MGT – 9 has been repealed.

Accordingly, the Annual Return in Form MGT-7 for the financial year ended March 31, 2025, shall be available on the website of the Company at <https://kifshousing.com/financial-reports/>.

## GENERAL DISCLOSURES

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

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

## ACKNOWLEDGEMENTS

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

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

sd/-

**Vimal Khandwala**  
(Chairman of CSR Committee)  
Managing Director  
DIN: 00477673

sd/-

**Kushal Khandwala**  
Whole Time Director  
DIN: 03345686

Date: September 15, 2025  
Place: Mumbai



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

Despite facing global challenges such as high interest rates and geopolitical uncertainties, India's macroeconomic fundamentals remained resilient. The economy recorded a year-on-year growth of 7.4% in the last quarter of FY 2024–25, with an overall growth of 6.5% for the year, laying a strong foundation for a more optimistic outlook in FY 2025–26. By 2030, the country is expected to add around 75 million middle-income class and 25 million rich and affluent households, with these segments projected to account for 56% of the population. This demographic shift will position India as one of the fastest-growing consumer markets globally.

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

The global economy in 2025 is likely to grow not only below its historical average (2000-19) of 3.7 per cent, but also below the growth of 3.3 per cent in 2024, on account of heightened global trade protectionism, rising policy uncertainty and ongoing geopolitical tensions.

Inflation converged closer towards the target during FY 2024-25 aided by easing input cost pressures, proactive supply management measures by the government and continuing transmission of past monetary policy actions. Headline inflation moderated to an average of 4.6 per cent during 2024-25 from 5.4 per cent in the previous year, largely driven by a moderation in core (CPI excluding food and fuel) inflation to 3.5 per cent and deflation in fuel at 2.5 per cent. The moderation in core inflation was broad-based across goods and services. The uptick in core inflation in the second half of the year was driven primarily by increase in international gold prices.

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

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

The affordable housing finance segment—typically defined as loans under ₹35 lakh extended to households earning ₹6–8 lakh per annum—remains the fastest-growing pocket of the mortgage market. According to India Ratings, the top 15 dedicated affordable HFCs are expected to report 21% asset growth in FY25 and 20% in FY26, outpacing their large-ticket counterparts. Care Edge echoes this outlook, projecting a CAGR of 18–20% through FY27, led by latent demand across Tier 2/3 cities and peri-urban clusters. Policy and macro enablers remain strong. The extension of PMAY-U 2.0 to 2029 has kept credit-linked subsidies in play. State-level stamp duty rebates, relaxed FSI norms, and a growing stock of entry-level housing have also supported demand. Meanwhile, the rapid formalization of informal-sector employment, particularly in MSMEs, is improving income visibility and creditworthiness for low income borrowers.

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

*(Sources: The Economic Times, Deloitte, indiabudget.gov.in.)*

## INDUSTRY OVERVIEW

The affordable housing finance industry in India continued to expand in FY24-25, albeit at a moderated pace due to evolving macroeconomic and operational challenges. Affordable Housing Finance Companies (AHFCs) are expected to grow at a rate of 20-22% in FY26, slightly lower than earlier projections of 22-24%. This deceleration can be attributed to rising cost structures and increased compliance requirements. However, the underlying fundamentals remain strong, supported by India's vast unmet housing demand, especially in Tier II and Tier III cities.

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

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

## COMPANY OVERVIEW

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

## COMPANY STRATEGY & OUTLOOK

The Company's strategy is aligned with sustainable growth while ensuring long-term profitability and value creation for stakeholders. Key focus areas include: (i) expanding presence in tier-II and tier-III cities where housing finance penetration remains low, (ii) leveraging technology to strengthen credit appraisal, loan origination, and collections, (iii) maintaining asset quality through conservative underwriting and proactive monitoring, and (iv) diversifying funding sources to optimize cost of borrowing. Looking ahead, the Company expects steady demand for affordable housing finance, driven by rising urbanization, government incentives, and improving income levels. The outlook for FY 2024–25 remains positive, with a targeted growth rate in line with the industry, supported by an improving macroeconomic environment and stable interest rate regime.

## OPPORTUNITIES

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



## THREATS & RISKS

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

## FINANCIAL PERFORMANCE OF KHFL

During the Financial Year ended March 31, 2025, your Company continued to demonstrate robust financial performance and operational resilience, reflecting the Company's commitment to prudent risk management and sustainable growth.

- **Balance Sheet & Loan Book:** As on March 31, 2025, the Company's balance sheet stood at Rs. 1123.37 Crores, with a total loan book of Rs. 1050.06 Crores.
- **Revenue & Profitability:** The Company recorded revenues of Rs. 137.76 Crores and profits of Rs. 9.92 Crores for the year.
- **Asset Quality:** The Company maintained stable asset quality, with Gross NPAs at 1.39 % and Net NPAs at 0.93 %. Total provisions of Rs. 12.37 Crores were maintained, nearly 2.92 times the regulatory requirement, representing a healthy 1.18% of the loan book.
- **Capital Adequacy:** KHFL remains among the most well-capitalized players in the sector, with a capital adequacy ratio of 54.33% on a standalone basis, reflecting a strong buffer to support business growth and mitigate unforeseen contingencies.

## OPERATIONAL HIGHLIGHTS

Despite a challenging macroeconomic environment during FY 2024–25, KHFL demonstrated resilience and delivered strong operational performance. The Company's continued emphasis on prudent risk management, strengthening the balance sheet and expanding its reach in the affordable housing segment contributed to its steady growth trajectory.

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

At the consolidated level, asset quality remained healthy, with Gross NPAs at 1.39% and Net NPAs at 0.93% of total loan assets, well within industry benchmarks. This performance underscores KHFL's robust underwriting practices and disciplined credit monitoring framework. Total provisions at the consolidated level stood at Rs. 12.37 Crores, representing 1.18% of the loan book, significantly higher than regulatory requirements and ensuring strong coverage against potential credit risks.

Operationally, KHFL continued to strengthen its distribution network, improve process efficiencies, and leverage technology for loan origination and collections. The Company's branch network expanded to 95 branches and 1 office as of March 31, 2025, enabling deeper penetration into semi-urban and rural markets. In addition, digital initiatives introduced during the year enhanced customer experience and improved turnaround time in loan disbursements.

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

## BRANCH NETWORK

KHFL expanded its footprint to 95 branches and 1 office across India as of March 31, 2025, with a focus on Tier II and Tier III cities where demand for affordable housing remains strong. This strategic expansion has enhanced customer reach, improved service delivery, and strengthened the Company's presence in underserved markets, while ensuring operational efficiency through a balanced network approach.

## RESOURCE MOBILIZATION

### SHARE CAPITAL

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

## BORROWED FUNDS

As on March 31, 2025, total borrowings from banks and financial institutions amounted to Rs. 434.00 Crores, which included Rs. 100.00 Crores from the National Housing Bank, Rs. 85.00 Crores from the State Bank of India, Rs. 67.00 Crores from LIC Housing Finance Limited, Rs. 55.00 Crores from Federal Bank Limited, Rs. 35.00 Crores from ICICI Bank Limited, Rs. 25.00 Crores from the Indian Overseas Bank, Rs. 20.00 Crores from Poonawalla Fincorp Limited, Rs. 20 Crores from Utkarsh Small Finance Bank, Rs 15.00 Crores from Capital Small Finance Bank and Rs 12.00 Crores from Bajaj Finance Limited.

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

## CREDIT RATINGS

The Company has been assigned the following ratings:

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

## HUMAN RESOURCE

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

### Key highlights:

- As of March 31, 2025, the employee count is 857, reflecting its strategy to scale operations efficiently while maintaining high-quality service standards.
- The Company focuses on employee development and growth, offering structured learning, performance management, and engagement initiatives to enhance skills, motivation and leadership capabilities.
- Equal opportunities and a merit-driven culture ensure that employee's professional aspirations are aligned with organizational goals, fostering long-term value creation.

## RBI REGULATORY UPDATE

In order to align the regulatory framework for NBFCs keeping in view their changing risk profile as many entities have grown and become systemically significant, RBI implemented a revised regulatory framework for NBFCs with effective from October 01, 2022. The Regulatory structure for NBFCs comprises of four layers based on their size, activity, and perceived risk



NBFCs in the lowest layer shall be known as NBFC - Base Layer (NBFC-BL). NBFCs in middle layer and upper layer shall be known as NBFC - Middle Layer (NBFC-ML) and NBFC - Upper Layer (NBFC-UL) respectively. The Top Layer is ideally expected to be empty and will be known as NBFC - Top Layer (NBFC-TL).

KIFS Housing Finance Limited has been classified as a Middle Layer NBFC.

Key regulatory notifications under the SBR framework applicable to Middle Layer NBFC are as follows: -

- Disclosures in Financial Statements – Notes to Accounts of NBFCs.
- Compliance Function and Role of Chief Compliance Officer (CCO).
- Regulatory Restrictions on Loans, Advances and Contracts to Directors & Senior Officers (including their relatives).
- Capital Requirements for NBFCs.
- Guidelines on Compensation of Key Managerial Personnel (KMP) and Senior Management in NBFCs.
- Implementation of 'Core Financial Services Solution' by Non-Banking Financial Companies (NBFCs).
- Prudential Norms on Income Recognition, Asset Classification and Provisioning Pertaining to Advances - Projects under Implementation.
- The Prudential Framework for Resolution of Stressed Assets.
- Framework for Compromise Settlements and Technical Write-offs.
- Penal charges in loan accounts.
- Responsible Lending Conduct – Release of movable/immovable property documents on repayment/settlement of personal loans.
- Guidelines on Digital Lending.
- Review of risk based categorization.

## **IMPORTANT REGULATORY FRAMEWORK ISSUED BY RESERVE BANK OF INDIA (RBI):**

### **i. Master Direction – Credit Information Reporting, 2025**

The RBI issued the Master Direction – Credit Information Reporting, 2025 on 6th January, 2025 to standardize and strengthen credit reporting across financial institutions. It mandates fortnightly data submissions, stricter correction protocols, a Data Quality Index, and mandatory credit reports in loan appraisals. The directive emphasises transparency, data protection, grievance redressal, and board-level oversight, reinforcing credit discipline and data accuracy in the financial ecosystem.

### **ii. RBI Circular on Prevention of Financial Frauds Perpetrated using Voice Calls and SMS – Regulatory Prescriptions and Institutional Safeguards**

The RBI on 17th January 2025 issued guidelines to curb digital fraud and misuse of mobile numbers in commercial communication via calls and SMS. Regulated Entities must use specific numbering series (1600xx for service, 140xx for promotions), register on the DLT platform, and obtain prior customer consent through Digital Consent Acquisition (DCA). The guidelines mandate strict data security, impose penalties for violations, and promote awareness on DND and fraud prevention to ensure secure and compliant communication practices.

### **iii. Treatment of Right-of-Use (ROU) Asset for Regulatory Capital Purposes**

The RBI has clarified that ROU assets arising from leases under Ind AS 116 need not be deducted from regulatory capital if the underlying asset is tangible (e.g. buildings, equipment); instead, they will be risk-weighted at 100%. However, ROU assets linked to intangible assets must continue to be deducted. This applies to NBFCs, HFCs, CICs, ARCs, Mortgage Guarantee Companies, and Standalone Primary Dealers following Ind AS.

### **iv. Amendment to the Master Direction - Know Your Customer (KYC) Direction, 2016**

The RBI, through its notification dated 6th November 2024, amended the Master Direction - KYC, 2016 to streamline and strengthen the KYC process. Regulated Entities ("RE") must follow a 'one customer, one KYC' approach at the UCIC level. Monitoring intensity must match the customer's risk profile, with clearer guidance for high-risk accounts. Periodic KYC updation is emphasised, including updates initiated by the RE. Updated customer data must be filed with CKYCR within 7 days of receipt.

## v. Review of Risk Weights for Housing Finance Companies (HFCs)

The RBI has revised norms for risk-weighted assets of HFCs. For undisbursed housing or other loans, the risk-weighted assets will now be capped at the notional risk weight of an equivalent disbursed loan. Additionally, fund- and non-fund based exposures to standard 'Commercial Real Estate – Residential Building' assets shall attract a 75% risk weight, while non-standard exposures shall follow the 100% risk weight under 'Other Assets (Others)'. These changes are effective from 12th August 2024, with all other provisions of the Master Direction remaining unchanged.

## vi. Master Direction on Treatment of Wilful Defaulters and Large Defaulters

The RBI's Master Direction on Treatment of Wilful Defaulters and Large Defaulters, effective from October 28 2024, sets out a structured process to identify and act against borrowers who deliberately default. It defines Large Defaults as ₹1 crore+ and Wilful Defaults as ₹25 lakh+ involving intentional non-payment, fund diversion, or misuse of assets. Regulated Entities must form dedicated committees, follow a transparent classification process, report cases to Credit Information Companies (CICs), and restrict credit facilities to such defaulters. The framework also covers internal audits, compromise settlements, and safeguards during credit appraisal and loan transfers.

## vii. Master Directions on Fraud Risk Management

The RBI, via notification dated 15th July, 2024, issued Master Directions on Fraud Risk Management for Non-Banking Financial Companies, including Housing Finance Companies. The framework enhances fraud prevention, detection, reporting, and monitoring mechanisms. Key provisions include stricter timelines for fraud classification and reporting to RBI, mandatory constitution of a Fraud Monitoring Committee, adoption of robust internal controls, and regular fraud risk assessments. NBFCs are also required to strengthen governance, conduct root cause analysis, and ensure accountability of staff involved in fraudulent activities.

## viii. Fair Practices Code for Lenders – Charging of Interest

The RBI's circular dated 29th April, 2024 on Fair Practices Code for Lenders – Charging of Interest addresses unfair practices observed during inspections. Key issues include charging interest from the loan sanction date or cheque issuance rather than the disbursement date, charging interest for an entire month despite mid-month disbursement or repayment, and collecting advance instalments while charging interest on the full loan amount. To ensure fairness and transparency, RBI has directed all regulated entities (REs) to review and correct their practices, including making necessary system adjustments.

## ix. Key Facts Statements (KFS) for Loans & Advances

RBI's 15th April, 2024 circular mandates that Key Facts Statements (KFS) be provided for all retail and MSME term loans by regulated entities (including NBFCs and HFCs), aimed at enhancing transparency and reducing information asymmetry between lenders and borrowers. KFS must be in clear language, include details like the Annual Percentage Rate (APR), loan proposal number, and amortisation schedule, and be validity period. All charges, including third-party service fees, must be disclosed in the APR. Borrowers must consent to any charges not mentioned in the KFS. The guidelines apply to all new loans from 1st October, 2024. Credit card receivables are exempt from this circular.

## ADHERENCE TO THE REGULATORY GUIDELINES

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

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



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

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

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

## **RISK MANAGEMENT FRAMEWORK**

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

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

## **CREDIT RISK**

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

## MARKET AND INTEREST RATE RISK

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

## LIQUIDITY RISK

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

## OPERATIONAL RISK

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

## INFORMATION SECURITY AND CYBER RISK

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

## COLLATERAL RISK

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

## CONCENTRATION RISK

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

## FRAUD RISK

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



## COMPLIANCE AND REGULATORY RISK

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

## OUTSOURCING RISK

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

## REPUTATIONAL RISK

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

## BUSINESS AND STRATEGY RISK

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

## CONCLUSION

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

## INTERNAL AUDIT CONTROL, INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY

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

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

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

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

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

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

## **INFORMATION SYSTEM UPDATES**

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

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

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

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



## RELATED PARTY TRANSACTION POLICY

### 1. PREAMBLE

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

### 2. PURPOSE AND OBJECTIVE

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

### 3. DEFINITIONS

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

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

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

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

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

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

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

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

**"Board"** means Board of Directors of the Company.

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

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

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

**“Policy”** means Related Party Transaction Policy.

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

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

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

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

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

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

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

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

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

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



#### 4. TERMS OF THE POLICY

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

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

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

## 5. PROCEDURE

### 1. Identification of Related Parties and Related Party Transactions

The Compliance Officer shall:

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

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

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



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

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

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

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

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

i. Although the term “Arm's Length Basis” has been defined under Section 188 of the Companies Act, 2013, what transactions would be considered to be in the “ordinary course of business” has not been specified under the Companies Act, 2013. In the case of *Seksaria Biswan Sugar Factory Ltd. v. Commissioner of Income Tax, Bombay*<sup>1</sup>, the Bombay High Court, in relation to what constitutes 'ordinary course of business', observed that “it must be found as to whether the particular act has any connection with the normal business that the company is carrying on and whether it is so related to the business of the company that it can be considered to be performed in the ordinary course of the business of that company.”

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

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

B. Any of the following conditions are met:

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

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

C. The transaction is not:

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

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

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

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

#### 4. Procedure for approval and review of Related Party Transactions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## 5. Omnibus Approval by the Audit Committee

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

## 6. Disclosures

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

## 7. Ratification

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

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

## 8. Exclusion of Policy

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

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



## FORM NO. AOC-2

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

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

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

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

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

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

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

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

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

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

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



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

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

## CORPORATE GOVERNANCE REPORT

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

## A Revised Regulatory Framework for NBFCs)

Being categorized as a Middle Layer Non-Banking Financial Company, the Company remains committed to comply with the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023. In pursuance of these regulatory requirements, the Corporate Governance Report is presented in this section, in accordance with the framework prescribed by the RBI.

## 1.Composition of the Board:

Sr. No	Name of Directors	Directors Since	Capacity (i.e. Executive/ Non Executive/ Chairman/ Promoter/ Nominee/ Independent)	DIN	No. of Board Meetings		No. of other Directorship	Remuneration			No. of shares held in the HFC
					Held	Attended		Salary & Compensation	Sitting Fees	Commission	
1	Mr. Rajesh Parmanand Khandwala	November 16, 2015	Chairman & Managing Director (Executive)	00477673	4	1	6	0	0	0	0
2	Mr. Vimal Parmanand Khandwala	November 16, 2015	Managing Director (Executive)	00477768	4	2	12	0	0	0	0
3	Mr. Kushal Jayesh Khandwala	March 20, 2023	Whole Time Director (Executive)	03345686	4	4	3	0	0	0	0
4	Ms. Bhavana Govindbhai Desai	December 01, 2020	Non-Executive Director	06893242	4	2	4	0	60,000	0	0
5	*Mr. Vikas Kumar	June 07, 2024	Independent Director (Non-Executive)	02213902	3	3	0	0	1,70,000	0	1,89,516*

\*Mr. Vikas Kumar was inducted as the Chairman of the Audit Committee in the meeting held on August 14, 2024. Thereafter, he has received remuneration of Rs. 1,89,516/-\* in the capacity of chairman of the Audit Committee of the Company.

#Mr. Satish Mehta had received sitting fees of Rs. 1,60,000/- and remuneration of Rs. 1,95,968/- in the capacity of chairman of the Audit Committee of the Company till he stepped down as an Independent Director from the company on November 27, 2024.

@Mr. Kartik Mehta had received sitting fees of Rs. 10,000 during his directorship period in the financial year.

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

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

1. Mr. Kartik Mehta ceased to be Independent Director of the Company with effect from May 30, 2024.
2. Ms. Purvi Bhavsar ceased to be Independent Director of the Company with effect from May 30, 2024.
3. Mr. Vikas Kumar was appointed as an Additional Director (Independent) of the Company on June 07, 2024 and his appointment as an Independent Director was regularized by the shareholders at the Extra - Ordinary General Meeting held on June 07, 2024.
4. Mr. Satish Mehta ceased to be Independent Director of the Company with effect from November 27, 2024.

Post the financial year ended March 31, 2025, following changes took place in the Composition of Board:

Mr. Kumar Sharadindu was appointed as an Additional Director (Independent) of the Company on May 30, 2025 and his appointment as an Independent Director was regularized by the shareholders at the Extra - Ordinary General Meeting held on May 30, 2025.

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

The below are the changes which took place in the composition of the Board of the Company during the Current Financial Year viz., 2024-25 and during Previous Financial Year viz., 2023-24, the details of the same are provided below:

Sr. No.	Name of the Directors	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter/ Nominee/ Independent)	Nature of change	Effective date
1.	Mr. Kartik Mehta	Independent Director	Ceased to be a Non-Executive Director (Independent Director) of the Company.	30/05/2024
2.	Ms. Purvi Bhavsar	Independent Director	Ceased to be a Non-Executive Director (Independent Director) of the Company.	30/05/2024
3.	Mr. Vikas Kumar	Independent Director	Appointed as a Non-Executive Additional Director (Independent Director).	07/06/2024
4.	Mr. Vikas Kumar	Independent Director	Regularized as a Non-Executive Director (Independent Director) of the Company.	07/06/2024
5.	Mr. Satish Mehta	Independent Director	Resigned as a Non-Executive Director (Independent Director) of the Company.	27/11/2024
6.	Ms. Bhavana Desai	Non-Executive Director	Re-designated as a Non-Executive, (Non-Independent Director) of the Company from Non-Executive Director (Independent Director) of the Company.	19/06/2023
7.	Ms. Purvi Bhavsar	Independent Director	Re-designated as a Non-Executive Director (Independent Director) from Non-Executive Director (Non-Independent Director) of the Company.	30/05/2023
8.	Mr. Kartik Mehta	Independent Director	Re-designated as a Non-Executive Director (Independent Director) from Non-Executive Director (Non-Independent Director) of the Company.	30/05/2023

**Where an Independent Director resigns before expiry of his/ her term, the reasons for resignation as given by him/her shall be disclosed:** During the Financial Year under review, Mr. Satish Mehta – Independent Director resigned from the position of Independent Director with effect from November 27, 2024 due to regulatory restrictions under the RBI Scale Based Regulations and personal reasons.

## 2. Committees of the Board and their composition:

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

### A. AUDIT COMMITTEE:

In accordance with the provisions of the Companies Act, 2013 and the rules made thereunder, the Board of the Company has constituted an Audit Committee. The Audit Committee of the Company as on March 31, 2025, comprised of 2 (Two) directors of the Company, of whom 1 (one) is an Independent Director and 1 (one) is Whole Time Director. 4 (Four) Audit committee meetings were held during the financial year under review.

Below are the requisite details of the Audit Committee:

Sr. No.	Name of the Director	Members of Committee since	Capacity (i.e. Executive/ Non Executive/ Chairman/ Promoter/ Nominee/ Independent	No. of Meetings attended out of 4		No. of shares held in the HFC
				Held	Attended	
1.	Mr. Kushal Jayesh Khandwala	May 30, 2023	Whole Time Director (Executive)	04	04	0
2.	#Mr. Vikas Kumar	Aug 14, 2024	Independent Director (Non-Executive)	02	02	0
3.	Mr. Satish Gordhan Mehta	Nov 30, 2022	Independent Director (Non-Executive) – Former Chairman of the Committee	02	02	0
4.	Mr. Vimal Parmanand Khandwala	Aug 06, 2018	Independent Director (Non-Executive) – Former Member of the Committee	02	01	0

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

1. #Mr. Vikas Kumar was inducted as a Member of the Committee with effect from June 07, 2024.
2. \*Mr. Satish Mehta resigned from the Company and thereby ceased to be the Member of the Committee with effect from November 27, 2024.
3. ^Mr. Kartik Mehta and Ms. Purvi Bhavsar, resigned from the Company with effect from May 30, 2024 and thereby ceased to be the Member of the Committee.
4. \*\*Mr. Vimal Khandwala ceased to be the Member of the Committee with effect from August 14, 2024.

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

- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Reviewing and examining the financial statements and the auditors' report thereon before submission to the Board for approval;
- Recommending the quarterly, half yearly and yearly Financial Results to the Board;



- Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
- Scrutiny of inter-corporate loans and investments of the Company;
- Evaluation of the internal financial controls and risk management systems of the Company;
- Approval or any subsequent modification of transactions of the Company with related parties including the omnibus approval for related parties transactions proposed to be entered into by the Company;
- Valuation of undertakings or assets of the Company, wherever it is necessary; and
- To perform such other functions as entrusted to it by the Board of the Company and by the law from time to time.

## B. NOMINATION AND REMUNERATION COMMITTEE:

In accordance with the provisions of the Companies Act, 2013 and the rules made thereunder, the Board of the Company has constituted a Nomination and Remuneration Committee. The Nomination and Remuneration Committee of the Company as on March 31, 2025, comprised of 2 (two) directors of the Company, of whom one (1) is an Independent Director and one (1) is Non-Executive Director. During the financial year under review, 2 (two) Meetings were held.

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

Sr. No.	Name of the Director	Members of Committee since	Capacity (i.e. Executive/ Non Executive/ Chairman/ Promoter/ Nominee/ Independent	No. of Meetings attended out of 2		No. of shares held in the HFC
				Held	Attended	
1.	*Mr. Rajesh Khandwala	November 08, 2017	Chairman & Managing Director (Executive) – Former Member	02	00	0
2.	Ms. Bhavna Desai	March 04, 2021	Non-Executive Director	02	02	0
3.	**Mr. Satish Mehta	March 20, 2023	Independent Director (Non-Executive) – Former Chairman of the Committee	02	02	0
4.	***Mr. Vikas Kumar	August 14, 2024	Independent Director (Non-Executive) – Chairman of the Committee	-	-	0

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

1. \*Mr. Rajesh Khandwala ceased to be the Member of the Committee with effect from August 14, 2024.
2. \*\*Mr. Satish Mehta resigned from and Company with effect from November 27, 2024 and thereby ceased to be the Member of the Committee.
3. \*\*\*Mr. Vikas Kumar was inducted as a Member and Chairman of the Committee with effect from August 14, 2024.
4. #Mr. Kartik Mehta and Ms. Purvi Bhavsar, resigned from the Company with effect from May 30, 2024 and thereby ceased to be the Member of the Committee.

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

- Identify persons who are qualified to become Directors of the Corporation and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
- Formulate the criteria for determining qualification, positive attribute and independence of a director;
- Specify manner for effective evaluation of performance of Individual Directors including Independent Directors, the Board and its Committees;
- To select and recommend from the Data Bank, if needed, Independent Directors to be appointed on the Board;
- To recommend the Board, the appointment and removal of Directors and Senior Management;
- To recommend the Board a policy relating to remuneration for Directors, Key Managerial Personnel and other employees;
- To devise a policy on Board diversity and succession planning;
- To review Nomination & Remuneration Policy, Fit & Proper Criteria Policy and such other Policies on annual basis and recommendation of modification, if any, to the Board;
- To implement and monitor the implementation of the ESOP Schemes of the Company;
- To grant and allot the ESOPs as per terms and conditions of the ESOP Schemes of the Company;
- To modify, alter, vary and/or cancel terms of ESOP schemes of the Company;
- To perform such other functions as entrusted to it by the Board of the Company and by the law from time to time.

### C. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

In accordance with the provisions of the Companies Act, 2013 and the rules made thereunder, the Board of the Company has constituted a Corporate Social Responsibility Committee. The Corporate Social Responsibility Committee of the Company as on March 31, 2025, comprised of 4 (Four) directors of the Company, of whom 1 (one) is an Independent Director, 2 (two) are Managing Directors and 1 (one) is Whole Time Director. During the financial year under review 1 (one) CSR Committee meeting was held.

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

S r. No.	Name of the Director	Members of Committee since	Capacity (i.e. Executive/ Non Executive/ Chairman/ Promoter/ Nominee/ Independent	No. of Meetings attended out of 1		No. of shares held in the HFC
				Held	Attended	
1.	Mr. Vimal Khandwala	Feb 10, 2020	Managing Director (Executive) – Chairman of the Committee	01	01	0
2.	Mr. Rajesh Khandwala	Feb 10, 2020	Chairman & Managing Director (Executive)	01	00	0
3.	Mr. Kushal Khandwala	May 30, 2023	Whole Time Director (Executive)	01	01	0
4.	*Mr. Satish Mehta	Feb 07, 2023	Independent Director (Non-Executive)	01	01	0
5.	**Mr. Vikas Kumar	Aug 14, 2024	Independent Director (Non-Executive)	-	-	0



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

1. \*Mr. Satish Mehta resigned from and Company with effect from November 27, 2024 and thereby ceased to be the Member of the Committee.
2. \*\*Mr. Vikas Kumar was inducted as a Member of the Committee with effect from August 14, 2024.

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

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

#### D. BORROWING AND INVESTMENT COMMITTEE:

The Borrowing and Investment Committee of the Company as on March 31, 2025, comprised of 4 (four) directors of the Company, of whom 2 (two) are Managing Directors, 1 (one) is Whole Time Director, and 1 (one) is an Independent Director. The Borrowing and Investment Committee held 11 (eleven) meetings during the financial year under review.

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

S r. No.	Name of the Director	Members of Committee since	Capacity (i.e. Executive/ Non Executive/ Chairman/ Promoter/ Nominee/ Independent	No. of Meetings attended out of 11		No. of shares held in the HFC
				Held	Attended	
1.	Mr. Vimal Khandwala	Sep 16, 2017	Managing Director (Executive) – Chairman of the Committee	11	09	0
2.	Mr. Rajesh Khandwala	Dec 10, 2018	Chairman & Managing Director (Executive)	11	03	0
3.	Mr. Kushal Khandwala	May 30, 2023	Whole Time Director (Executive)	11	11	0
4.	*Mr. Kartik Mehta	July 18, 2019	Independent Director (Non-Executive)	01	01	0
5.	*Mr. Satish Mehta	Feb 07, 2023	Independent Director (Non-Executive)	05	05	0
6.	**Mr. Vikas Kumar	Aug 14, 2024	Independent Director (Non-Executive)	08	07	0

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

1. \*Mr. Kartik Mehta ceased to be the Member of the Committee with effect from May 30, 2024.
2. \*\*Mr. Satish Mehta resigned from and Company with effect from November 27, 2024 and thereby ceased to be the Member of the Committee.
3. \*\*\*Mr. Vikas Kumar was inducted as a Member of the Committee with effect from August 14, 2024.

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

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

#### E. ASSET LIABILITY MANAGEMENT COMMITTEE:

The Asset Liability Management Committee of the Company as on March 31, 2025, comprised of 6 (six) members, of whom 1 (one) is an Independent Director, 2 (two) are Managing Directors, 1 (one) is Whole Time Director and other 2 (two) members are officials of the Company. The ALM Committee held 3 (three) meetings during the financial year under review.

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

S r. No.	Name of the Director	Members of Committee since	Capacity (i.e. Executive/ Non Executive/ Chairman/ Promoter/ Nominee/ Independent	No. of Meetings attended out of 3		No. of shares held in the HFC
				Held	Attended	
1.	Mr. Vimal Khandwala	Dec 06, 2016	Managing Director (Executive) – Chairman of the Committee	03	02	0
2.	Mr. Rajesh Khandwala	Dec 06, 2016	Chairman & Managing Director (Executive)	03	01	0
3.	Mr. Kushal Khandwala	May 30, 2023	Whole Time Director (Executive)	03	03	0
4.	*Mr. Satish Mehta	Feb 07, 2023	Independent Director (Non-Executive)	01	01	0
5.	**Mr. Vikas Kumar	Aug 14, 2024	Independent Director (Non-Executive)	02	02	0
6.	Mr. Vikki Soni	Aug 10, 2022	Chief Financial Officer	03	03	0
7.	Mr. Gundopant Salokhe	July 18, 2019	Chief Information and Technology Officer	03	03	0

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

1. #Mr. Kartik Mehta and Ms. Purvi Bhavsar ceased to be the Members of the Committee with effect from May 30, 2024.
2. \*Mr. Satish Mehta resigned from and Company with effect from November 27, 2024 and thereby ceased to be the Member of the Committee.
3. \*\*Mr. Vikas Kumar was inducted as a Member of the Committee with effect from August 14, 2024.



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

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

#### F. INFORMATION TECHNOLOGY STRATEGY COMMITTEE:

The Information Technology Strategy Committee of the Company as on March 31, 2025, comprised of 4 (four) members, of whom 1 (One) is Managing Director, 1 (One) is Whole Time Director, 1 (one) is Independent Director, and 1 (one) is Non-Executive Director of the Company. The Committee held 3 (three) meetings during the financial year under review.

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

Sr. No.	Name of the Director	Members of Committee since	Capacity (i.e. Executive/ Non Executive/ Chairman/ Promoter/ Nominee/ Independent	No. of Meetings attended out of 2		No. of shares held in the HFC
				Held	Attended	
1.	Mr. Vimal Khandwala	Oct 16, 2019	Managing Director (Executive)	03	02	0
2.	Mr. Kushal Khandwala	Aug 25, 2023	Whole Time Director (Executive)	03	03	0
3.	Ms. Bhavna Desai	Nov 11, 2022	Non-Executive Director	03	02	0
4.	*Mr. Satish Mehta	Feb 28, 2023	Independent Director (Non-Executive) – Former Chairman of the Committee	01	01	0
5.	**Mr. Vikas Kumar	Aug 14, 2024	Independent Director (Non-Executive)	01	01	0

During the financial year under review, the following changes took place in the Information Technology Strategy Committee:

1. \*Mr. Satish Mehta had resigned the Company with effect from November 27, 2024 and thereby ceased to be the Member of the Committee.
2. \*\*Mr. Vikas Kumar was inducted as a Member of the Committee with effect from December 10, 2024.

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

- Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;
- Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;
- Ensuring IT investments represent a balance of risks and benefits and those budgets are acceptable;
- Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high level direction for sourcing and use of IT resources;
- Ensuring proper balance of IT investments for sustaining HFC's growth and becoming aware about exposure towards IT risks and controls.
- Ensure that the Company has put an effective IT strategic planning process in place;
- Guide in preparation of IT Strategy and ensure that the IT Strategy aligns with the overall strategy of the Company towards accomplishment of its business objectives;
- Satisfy itself that the IT Governance and Information Security Governance structure fosters accountability, is effective and efficient, has adequate skilled resources, well defined objectives and unambiguous responsibilities for each level in the organisation;
- Ensure that the Company has put in place processes for assessing and managing IT and cyber security risks;
- Ensure that the budgetary allocations for the IT function (including for IT security), cyber security are commensurate with the Company's IT maturity, digital depth, threat environment and industry standards and are utilised in a manner intended for meeting the stated objectives; and
- Review, at least on annual basis, the adequacy and effectiveness of the Business Continuity Planning and Disaster Recovery Management of the Company.



## G. RISK MANAGEMENT COMMITTEE:

The Risk Management Committee of the Company as on March 31, 2025, comprised of 6 (six) members, of whom 1 (one) is Managing Director, 1 (one) is Whole Time Director, 1 (one) is an Independent Director and other 3 (three) members are officials of the Company. The Committee held 4 (four) meetings during the financial year under review.

Below are the requisite details of the Risk Management Committee:

Sr. No.	Name of the Director	Members of Committee since	Capacity (i.e. Executive/ Non Executive/ Chairman/ Promoter/ Nominee/ Independent	No. of Meetings attended out of 4		No. of shares held in the HFC
				Held	Attended	
1.	Mr. Vimal Khandwala	Oct 16, 2019	Managing Director (Executive) – Chairman of the Committee	04	03	0
2.	Mr. Kushal Khandwala	May 30, 2023	Whole Time Director (Executive)	04	04	0
3.	*Mr. Satish Mehta	Feb 07, 2023	Independent Director (Non-Executive)	02	02	0
4.	Mr. Saurabh Goel	Aug 10, 2023	Head – Credit and Risk	04	04	0
5.	Mr. Vikki Soni	Aug 10, 2022	Chief Financial Officer	04	04	0
6.	Mr. Gundopant Salokhe	March 04, 2021	Chief Information and Technology Officer	04	04	
7.	**Mr. Vikas Kumar	Aug 14, 2024	Independent Director (Non-Executive)	02	02	0

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

1. #Mr. Kartik Mehta and Ms. Purvi Bhavsar ceased to be the Members of the Committee with effect from May 30, 2024.
2. \*Mr. Satish Mehta resigned from and Company with effect from November 27, 2024 and thereby ceased to be the Member of the Committee.
3. \*\*Mr. Vikas Kumar was inducted as a Member of the Committee with effect from August 14, 2024.

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

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

## H. CUSTOMER GRIEVANCE REDRESSAL COMMITTEE

The Customer Grievance Redressal Committee of the Company as on March 31, 2025 comprised of 4 (Four) members, of whom 1 (one) is Managing Director, 1 (one) is Whole Time Director and other 2 (two) members are officials of the Company. The Committee held 4 (four) meetings during the financial year under review.

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

Sr. No.	Name of the Director	Members of Committee since	Capacity (i.e. Executive/ Non Executive/ Chairman/ Promoter/ Nominee/ Independent	No. of Meetings attended out of 4		No. of shares held in the HFC
				Held	Attended	
1.	Mr. Vimal Khandwala	July 18, 2019	Managing Director (Executive) – Chairman of the Committee	04	01	0
2.	Mr. Kushal Khandwala	July 18, 2019	Whole Time Director (Executive)	04	04	0
3.	Mr. Vikki Soni	Aug 10, 2022	Chief Financial Officer	04	04	0
4.	Mr. Gundopant Salokhe	July 18, 2019	Chief Information and Technology Officer	04	03	0
5.	*Mr. Sanjay Chavan	Feb 12, 2024	Operations Head – Former Member	02	02	0
6.	**Mr. Sandeep Verma	March 20, 2025	Operations Head	-	-	0

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

1. \*Mr. Sanjay Chavan stepped down from the Company and accordingly ceased to be a Member of the Committee with effect from December 07, 2024.
2. \*\*Mr. Sandeep Verma was inducted as a Member of the Committee with effect from March 20, 2025.

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

- Periodically meet and review the position of complaints received and action taken on various complaints.
- Formulate standard responses and corrective actions to reduce the incidence of complaints.
- Evaluate feedback on quality of customer services are followed
- Ensure that all the regulatory instructions regarding customer services are followed.
- Review that all the regulatory instructions regarding customer services are followed.
- Review unresolved complaints/ grievances and offer their advice/ corrective actions.
- Monitor the type of Grievances/ Complaints received and corrective practices to reduce complaints.



## I. WILFUL DEFAULTER IDENTIFICATION COMMITTEE

The Wilful Defaulter Identification Committee of the Company as on March 31, 2025, comprised of 5 (five) members, of whom 1 (one) is Whole Time Director, and other 3 (three) members are officials of the Company. The Committee held 4 (four) meetings during the financial year under review.

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

Sr. No.	Name of the Director	Members of Committee since	Capacity (i.e. Executive/ Non Executive/ Chairman/ Promoter/ Nominee/ Independent	No. of Meetings attended out of 4		No. of shares held in the HFC
				Held	Attended	
1.	Mr. Vimal Khandwala	June 03, 2021	Managing Director (Executive) – Chairman of the Committee	02	00	0
2.	Mr. Rajesh Khandwala	June 03, 2021	Chairman and Managing Director (Executive)	02	00	0
3.	Mr. Kushal Khandwala	June 03, 2021	Whole Time Director (Executive)	04	04	0
4.	Mr. Vikki Soni	Aug 10, 2022	Chief Financial Officer	04	04	0
5.	Mr. Saurabh Goel	Nov 27, 2023	Head – Credit and Risk	04	03	0
6.	***Mr. Yogesh Khakam	Nov 27, 2023	Senior Manager – Collections	04	03	0
7.	****Mr. Amit Shrivastava	Aug 14, 2024	Deputy Vice President – Legal	03	02	0

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

1. \*Mr. Vimal Khandwala ceased to be member of the Committee with effect from August 14, 2024.
2. \*\*Mr. Rajesh Khandwala ceased to be member of the Committee with effect from August 14, 2024.
3. \*\*\*Mr. Yogesh Khakam had resigned from the Company with effect from April 30, 2025 and thereby ceased to be the Member of the Committee.
4. \*\*\*\*Mr. Amit Shrivastava was inducted as a member of the Committee with effect from August 14, 2024.

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

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

## J. WILFUL DEFAULTER REVIEW COMMITTEE

The Wilful Defaulter Review Committee of the Company as on March 31, 2025, comprised of 2 (two) members, of whom 1 (one) is Managing Director and 1 (one) is Non-Executive Director. There were no meetings held during the financial year under review.

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

Sr. No.	Name of the Director Member	Members of Committee since	Capacity (i.e. Executive/ Non Executive/ Chairman/ Promoter/ Nominee/ Independent)	No Meetings were held in the F.Y. 2024-2025	No. of shares held in the HFC
1.	Mr. Vimal Khandwala	June 03, 2021	Managing Director (Executive) – Chairman of the Committee	00	0
2.	Ms. Bhavna Desai	June 03, 2021	Non-Executive Director	00	0
3.	*Mr. Satish Mehta	Aug 14, 2024	Independent Director	00	0

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

1. #Mr. Rajesh Khandwala ceased to be member of the Committee with effect from August 14, 2024.
2. \*Mr. Satish Mehta was inducted as a member with effect from August 14, 2024. However, he resigned as an Independent Director with effect from November 27, 2024 and thereby ceased to be member of the Committee with effect from November 27, 2024.

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

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

### 3. GENERAL BODY MEETINGS:

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

Sr. No.	Type of Meeting (Annual/Extra Ordinary)	Date and Place	Special Resolutions Passed
1	Extra Ordinary General Meeting	Date: June 07, 2024 Place: Corporate Office of the Company, situated at C - 902, Lotus Corporate Park, Graham Firth Compound, Western Express Highway, Goregaon (East), Mumbai – 400063	<ul style="list-style-type: none"> <li>• To approve appointment of Mr. Vikas Kumar (DIN: 02213902) as an Independent Director of the Company.</li> </ul>
2	Annual General Meeting	Date: September 09, 2024 Place: Corporate Office of the Company, situated at C - 902, Lotus Corporate Park, Graham Firth Compound, Western Express Highway, Goregaon (East), Mumbai – 400063	<ul style="list-style-type: none"> <li>• To approve and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2024.</li> <li>• To consider re-appointment of Mr. Rajesh Khandwala, Managing Director who retires by rotation pursuant to the provisions of Section 152 of the Companies Act, 2013 and, being eligible, offers himself for re-appointment.</li> <li>• To fix remuneration of Statutory Auditor of the Company for the FY 2024-25.</li> <li>• To approve borrowing limits under Section 180(1)(c) of the Companies Act, 2013.</li> <li>• To provide security by way of Pledge, Hypothecation, Mortgage, Lien and/or charge in such form or manner on all or any movable or immovable property of the Company under Section 180(1)(a).</li> <li>• To consider and approve conversion of Loan into Equity under Section 62(3) of the Companies Act, 2013.</li> <li>• To approve/ratify the Related Party Transactions.</li> </ul>



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

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

Sr. No.	Secretarial Audit Observations	Comments from the Board
1.	The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Women Director <i>except, between period 27th November, 2024 to 29th May, 2025, there was only one Independent Director in the Company thereby violating the provisions of Section 149(4) of the Companies Act, 2013.</i> The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.	The Management was in the process of identifying a suitable candidate for appointment as an Independent Director and the Board was periodically updated on the status of this appointment during its meetings.
2.	The Audit Committee of the Company was not duly constituted between period 27 <sup>th</sup> November, 2024 to 29 <sup>th</sup> May, 2025 as per the requirement of Section 177 of the Companies Act, 2013. The composition of the Audit Committee did not meet the prescribed requirement of minimum number of Independent Directors in Audit Committee.	Since the Company did not have a second Independent Director on its Board, the Audit Committee could not be duly constituted for the given period. However, upon the appointment of Independent Director, the Audit Committee was duly reconstituted.

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

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

## ANNEXURE- V

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

#### 1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY.

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

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

S r. No.	Name of the Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Vimal Khandwala	Chairman/ Managing Director	1	1
2.	Mr. Rajesh Khandwala	Member/ Chairman and Managing Director	1	0
3.	Mr. Kushal Khandwala	Member/ Whole Time Director	1	1
4.	*Mr. Satish Mehta	Former Member/ Independent Director	1	1
5.	**Mr. Vikas Kumar	Member/ Independent Director	-	-

\* Mr. Satish Mehta resigned as an Independent Director from the Company and thereby ceased to be member of the Committee with effect from November 27, 2024.

\*\* Mr. Vikas Kumar was appointed as a Member with effect from August 14, 2024.

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

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

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

Sr. No.	Financial Year	Amount available for set-off from preceding financial year (in Rs.)	Amount required to be set – off for the financial year, if any (in Rs.)
1	2024-25	575.81	NIL



6. Average net profit of the Company as per section 135(5) : Rs. 22,53,75,076/-.

7. (a) Two percent of average net profit of the Company as per section 135(5) : Rs. 45,07,502/- (Company has spent amount of Rs. 45,08,000/- as against 2% of average profit i.e. Rs. 45,07,502/-).

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year, if any: Nil

(d) Total CSR obligation for the financial year (7a+7b+7c): Rs. 45,07,502/-.

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

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the fund	Amount	Date of Transfer
Company has spent amount of Rs. 45,08,000/- as against 2% of average profit i.e. Rs. 45,07,502/-.	NIL	NIL	NIL	NIL	NIL

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

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

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

1	2	3	4	5		6	7	8	9	10	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project.		Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation -Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District					Name	CSR Registration No
1.	Research for the treatment of the Cancer Patients.	Promoting health care including preventive health care	Yes	Maharashtra	Mumbai City	19,65,000/-	19,65,000/-	Nil	No	Tata Memorial Centre	CSR00001287
2.	Hunger Free Palghar at Palghar, Mumbai an initiative by Govardhan Annakshetra, ISKON	Eradicating hunger	Yes	Maharashtra	Mumbai City	13,88,000/-	13,88,000/-	Nil	No	International Society for Krishna Consciousness	CSR00005241
3.	Purchase of equipment for the treatment of eye surgeries and assistance for the cataract eye surgery.	Promoting healthcare including preventive health care.	No	Tamil Nadu	Chennai City	11,55,000/-	11,55,000/-	Nil	No	Sankara Nethralaya (unit of Medical Research Foundation)	CSR00002623

(d) Amount spent in Administrative Overheads: None

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 45,08,000/-.

(g) Excess amount for set off, if any

Sr. No	Particulars	Amounts (in Rs.)
1	Two percent of average net profit of the Company as per section 135(5)	45,07,502/-
2	Total amount spent for the Financial Year	45,08,000/-
3	Excess amount spent for the financial year [(ii)-(i)]	498/-
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
5	Amount available for set off in succeeding financial years [(iii)-(iv)]	498/-



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

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

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

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

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

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

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

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

sd/-

**Vimal Khandwala**  
(Chairman of CSR Committee)  
Managing Director  
DIN: 00477673

sd/-

**Kushal Khandwala**  
Whole Time Director  
DIN: 03345686

Date: September 15, 2025

Place: Mumbai

**KIRAN DOSHI & CO.**  
Company Secretaries

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

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2025**  
**[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule no. 9 of the**

**To**  
**The Members,**  
**KIFS HOUSING FINANCE LIMITED**

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by (CIN: U65922GJ2015PLC085079) (hereinafter called '**the Company**') for the Financial Year ended on **31<sup>st</sup> March, 2025** (the '**audit period**'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31<sup>st</sup> March, 2025 according to the provisions of:

1. The Companies Act, 2013 (the 'Act') and the Rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder [**Not Applicable during the Audit period**]
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings [**Not Applicable during the Audit period**];
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

- (a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 [**Not Applicable during the Audit period**];
  - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 [**Not Applicable during the Audit period**];
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 [**Not Applicable during the Audit Period**];
  - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client [**Not Applicable during the Audit period**];
  - (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [**Not Applicable during the Audit period**];
  - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 [**Not Applicable during the Audit period**];
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 [**Not Applicable during the Audit period**];
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 [**Not Applicable during the Audit period**];
6. We further report that based on the information received and records maintained by the Company, in our opinion the Company has complied with the provisions of:
- a. Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, issued by Reserve Bank of India.
  - b. The National Housing Banking Act, 1987;
  - c. Guidelines, Directions, Policy, Circulars, Notifications of Reserve Bank of India and National Housing Bank as applicable.

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

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

**7. We further report that –**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Women Director *except, between period 27<sup>th</sup> November, 2024 to 29<sup>th</sup> May, 2025, there was only one Independent Director in the Company thereby violating the provisions of Section 149(4) of the Companies Act, 2013.* The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

**We further report that –**

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

**8. We further report that during the Audit Period:**

- a) Mr. Kartik Shailesh Mehta (DIN: 02083342) resigned from the Directorship with effect from 30<sup>th</sup> May, 2024.
- b) Mrs. Purvi Bhavsar (DIN: 02102740) resigned from the Directorship with effect from 30<sup>th</sup> May, 2024.
- c) Mr. Vikas Kumar (DIN: 02213902) was appointed as an Additional Director in capacity of Independent Director of the Company with effect from 7<sup>th</sup> June, 2024 and his designation was changed to Independent Director with effect from 7<sup>th</sup> June, 2024 for period of five consecutive years.
- d) Mr. Satish Mehta (DIN: 00110640) resigned from the post of Independent Director with effect from 27<sup>th</sup> November, 2024.
- e) The Company received Form BEN-1 from the Significant Beneficial Owners and duly filed in Form BEN-2 within the prescribed due date.
- f) *The Audit Committee of the Company was not duly constituted between period 27<sup>th</sup> November, 2024 to 29<sup>th</sup> May, 2025 as per the requirement of Section 177 of the Companies Act, 2013. The composition of the Audit Committee did not meet the prescribed requirement of minimum number of Independent Directors in Audit Committee.*

**FOR KIRAN DOSHI & CO.**  
**COMPANY SECRETARIES**

Sd/-

**KIRAN P DOSHI**  
(Proprietor)  
**CP. No.: 9890, FCS No.: 13007**  
**Peer Reviewed Firm: 1977/2022**  
**UDIN: F013007G001247746**  
**Place: Mumbai**  
**Date: 15<sup>th</sup> September, 2025**

*Note: This report is to be read with our letter of even date which is annexed to this report as Annexure – I and forms an integral part of this report.*



# KIRAN DOSHI & CO.

## Company Secretaries

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

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### *Annexure I*

To  
**The Members,**  
**KIFS HOUSING FINANCE LIMITED**  
6<sup>th</sup> Floor, KIFS Corporate House, Beside Hotel Planet Landmark,  
Near Ashok Vatika BRTS, Bodakdev, ISKON-Ambli Road, Ambli,  
Ahmedabad, Gujarat 380054.

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

**FOR KIRAN DOSHI & CO.**  
**COMPANY SECRETARIES**

Sd/-

**KIRAN P DOSHI**  
(Proprietor)  
**CP. No.: 9890, FCS No.: 13007**  
**Peer Reviewed Firm: 1977/2022**  
**UDIN: F013007G001247746**  
**Place: Mumbai**  
**Date: 15<sup>th</sup> September, 2025**

## ANNEXURE- VII

### DISCLOSURE OF COMPLAINTS

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

Sr No	Particulars No	March 31, 2025	March 31, 2024
	Complaints received by the NBFC from its customers		
1	Number of complaints pending at beginning of the year	02	00
2	Number of complaints received during the year	69	60
3	Number of complaints disposed during the year	71	58
3.1	Of which, number of complaints rejected by the NBFC	00	00
4	Number of complaints pending at the end of the year Maintainable complaints received by the NBFC from Office of Ombudsman	00	00
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman	00	00
5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	00	00
5.2	Of 5, number of complaints resolved through conciliation/mediation/ advisories issued by Office of Ombudsman	00	00
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	00	00
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	00	00

\*Ombudsman scheme is not applicable to the company for the year ended March 31, 2025.

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

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the Year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
<b>Current Year</b>					
Foreclosure Related	1	19	Decrease by 17.4%	0	0
Fraud Sanction Letter	0	14	-	0	4
Loan Related	0	10	-	0	0
PMAY Related	1	6	Decrease by 25%	0	1
Refund Related	0	3	-	0	0
Others	-	-	-	-	-
<b>Total</b>	<b>2</b>	<b>52</b>	<b>-</b>	<b>0</b>	<b>5</b>
<b>Previous Year</b>					
Foreclosure Related	0	23	-	1	7
PMAY Related	0	8	-	1	6
EMI Related	0	7	-	0	1
Refund Related	0	3	-	0	3
Documents Retrieval	0	3	-	0	1
Others	-	-	-	-	-
<b>Total</b>	<b>0</b>	<b>44</b>	<b>-</b>	<b>2</b>	<b>18</b>



# INDEPENDENT AUDITOR'S REPORT

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

To  
The Board of Directors of  
KIFS HOUSING FINANCE LIMITED

### BACKGROUND

Pursuant to the Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 ("the Directions") which became effective from February 17, 2021, we have examined the matters specified in the Paragraph 70 of the said directions in respect of KIFS Housing Finance Limited (the "Company") for the year ended 31st March 2025.

### MANAGEMENT'S RESPONSIBILITY

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

### AUDITORS' RESPONSIBILITY

Our responsibility is to report on the matters specified in Paragraph 70 of the Directions based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India (ICAI). Those involves performing procedures to obtain audit evidence about the compliance with the Directions. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the information and records, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's compliance with the Directions in order to design audit procedures that are appropriate in the circumstances. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our report. We conducted our examination in accordance with the Guidance Note on Audit Reports and Certificates issued for Special Purpose by the Institute of Chartered Accountants of India.

### OPINION

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

- (1) The Company had applied for registration as required under Section 29A of the National Housing Bank Act, 1987 and has been granted the certificate of registration dated October 27, 2016. In Financial Year 2019-20, the Company has been converted from private limited to public limited (through revised certificate of incorporation dated 24th February, 2020) and thus, it has applied to Reserve Bank of India for fresh certificate of registration vide their application letter dated 27th February, 2020. The fresh certificate of registration is received dated 12th August, 2020.
- (2) The Company is meeting the required Net Owned Fund as prescribed under Section 29A of the National Housing Bank Act, 1987.
- (3) The Company has complied with Section 29C of the National Housing Bank Act, 1987.

- (4) The total borrowings of the Company are within the limits prescribed under paragraph 27.2 of the Directions.
- (5) The Company has complied with the prudential norms on income recognition, accounting standards, asset classification, loan-to-value ratio, provisioning requirements, disclosure in the balance sheet, investment in real estate, exposure to capital market, engagement of brokers and concentration of credit / investments as specified in the Directions.
- (6) The capital adequacy ratio as disclosed in the return submitted to the National Housing Bank has been correctly determined and such ratio is in compliance with the minimum capital to risk weighted asset ratio as prescribed by the Directions.
- (7) The Company has furnished to the Bank within stipulated period the provisional schedule II return for the half year ended on 30th September 2024 and 31st March 2025 as specified in Directions. However, final return for both the periods is yet to be filed as at date of our report.
- (8) The company is not required to file Schedule III returns as the same is not applicable.
- (9) The Company has complied with the requirements relating to opening of new branches / offices or closure of existing branches / offices as specified in the Directions.
- (10) The Company has not given any loans against security of shares, loans against security of single product (Gold / Jewellery) and loans against Company's own shares.
- (11) The Board of Directors of the Company has passed a resolution for non-acceptance of any public deposits.
- (12) The Company has not accepted any public deposits during the year ended and as at 31st March 2025.

## RESTRICTION OF USE

This report is issued pursuant to the requirement as per Paragraph 70 of the Directions and should not be used by any other person or for any other purpose. We neither accept nor assume any duty or liability for any other purpose or to any other party to whom our report is shown or into whose hands it may come without our prior consent in writing.

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

sd/-

**Vitesh D. Gandhi**  
**Partner**  
**Membership No.: 110248**  
**UDIN: 25110258BMMBYI9765**

**Place:** Mumbai  
**Date:** September 15, 2025



# INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

To  
The Members of KIFS Housing Finance Limited  
Report on the Audit of the Financial Statements

## OPINION

We have audited the accompanying financial statements of KIFS Housing Finance Limited ('the Company'), which comprise the Balance Sheet as at 31st March 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information (herein after referred to as 'the financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2025, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

## BASIS FOR OPINION

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

## KEY AUDIT MATTER

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

Sr. No.	Key Audit Matters	How was the matter addressed in our audit
1.	<p><b>Impairment of Loans as at Balance Sheet Date (Expected Credit Losses): (Refer Note No. 7, 39 &amp; 60 to the financial statements)</b></p> <p>Ind AS 109 requires the Company to provide for impairment of its loans designated at amortised cost using the Expected Credit Loss (ECL) approach. ECL involves an estimation of probability weighted loss on loans receivable over their life, considering reasonable and supportable information about past events, current conditions and forecast of future economic conditions which could impact the credit quality of the Company's loan receivables.</p>	<p><b>We have performed following audit procedures:</b></p> <p>(a) We have examined the Company's policy, for impairment of carrying value of loans and advances and assessed appropriateness of the Company's impairment methodologies as required under Ind AS 109.</p> <p>(b) Evaluated reasonableness of management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation.</p>

<p>In the process, significant degree of judgment has been applied by the management for;</p> <ul style="list-style-type: none"> <li>(a) Staging of the loan receivable (i.e., classification in significant increase in credit risk (“SICR”) and default categories)</li> <li>(b) Grouping of borrowers based on category of loans.</li> <li>(c) Estimation of life of loans under various stages for each category, recoverable amounts in case of defaults etc.</li> <li>(d) Determining macro-economic factors impacting the credit quality of loans.</li> <li>(e) Estimation of losses for loans receivable with no / minimal historical defaults.</li> <li>(f) Determination of whether restructuring of principal / interest to a borrower under regulatory directions resulting in restructuring conclusion under Ind AS is subject to interpretation / judgment.</li> <li>(g) Determination of probability of defaults (PD) and loss given defaults (LGD) based on the default history of loans, subsequent recoveries made and other relevant factors and</li> <li>(h) Assessment of qualitative factors having an impact on the credit risk.</li> </ul> <p>Since the loan receivable form major portion of Company’s assets and due to the significance of judgments used in classifying loans into various stages as stipulated in Ind AS 109 and determining related impairment provision requirements this is considered to be area of key focus of overall Company audit and thus a key audit matter.</p>	<ul style="list-style-type: none"> <li>(c) <b>Model validation:</b> We have obtained an understanding of the ECL model adopted by the Company including the key inputs and assumptions including management overlays. This included assessment of the methodologies for determining Probability of Default (PD), Loss Given Default (LGD), Exposure at Default (EAD), and the incorporation of forward looking macroeconomic variables.</li> <li>(d) <b>Assessment of significant judgments:</b> We evaluated management’s definition and application of thresholds for Significant Increase in Credit Risk (SICR) or loss indicators were present requiring them to be classified under stage 2 or 3.</li> <li>(e) <b>Disclosures:</b> We evaluated the adequacy of disclosures made in the financial statements in respect of credit risk and ECL estimation in accordance with the requirements of Ind AS 109.</li> </ul>
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## INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR’S REPORT THEREON

The Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report, but does not include the financial statements and our auditor’s report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstance and the applicable laws and regulation. We have nothing to report in this regard.



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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

## **AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIALS STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraphs 3 and 4 of the order, to the extent applicable.

2) As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2h(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014;
- (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;
- (e) On the basis of the written representations received from the directors as on 01st April 2025, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2025 from being appointed as a director in terms of Section 164(2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, we report that, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.



- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 35 to the Financial Statements.
  - (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
  - (iii) There are no such amounts, required to be transferred to the Investor Education and Protection Fund by the Company.
  - (iv) (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes to Financial Statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to Financial Statements, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (v) During the current year, the Company has neither declared nor paid any dividend.
- (vi) Based on our examination, which included test checks, except for the instances mentioned below, the Company has used an accounting software for maintaining its books of account for the year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software.
- In respect of a software (operated by a third-party software service providers) for payroll record maintenance and processing, in the absence of an appropriate Service Organization Controls report, we are unable to comment on whether the audit trail feature was enabled and operated throughout the year for all relevant transactions recorded in such software or whether there were any instances of the audit trail feature being tampered with.
  - The feature of recording audit trail (edit log) was not available in respect of one software for loan management throughout the year as described in Note 69 to the financial statements.

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

Additionally, the audit trail of relevant prior years has been preserved by the Company as per the statutory requirements for record retention, to the extent it was enabled and recorded in those respective years, as stated in Note 69 to the financial statements.

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

sd/-

**Vitesh D. Gandhi**  
**Partner**  
**Membership No.: 110248**  
**UDIN: 25110258BMMBYI9765**

**Place: Mumbai**  
**Date: September 15, 2025**



## ANNEXURE – A TO THE INDEPENDENT AUDITOR’S REPORT

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

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

- (i) (a) i. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment;
- ii. The Company has maintained proper records showing full particulars of Intangible Assets.
- (b) The Company has a program of verification to cover all items of property, plant and equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain items of Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies have been noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records, the Company does not have any immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in Property, Plant and Equipment.
- (d) The company has not revalued its Property, Plant and Equipment (including right of use assets) or intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at 31st March 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The Company is in the business of providing loans and does not have any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. five crores, in aggregate, from banks or financial institutions on the basis of security of Term Deposits. According to the information and explanation given to us and on the basis of our examination, there was no requirement of filing any quarterly returns or statements by the company with such Banks, hence reporting under clause 3(ii)(b) of the Order is not applicable.
- (iii) (a) The Company's principal business is to give loans, and hence reporting under clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) In our opinion and according to the information and explanations given to us, the investments made, security given and the terms and condition of the grants of loans and advances in the nature of loans, during the year are, prima facie not prejudicial to the interest of the Company.
- (c) In respect of loans given and advances in the nature of loans, the Company has stipulated the schedule of repayment of principal and payment of interest. However, given the nature of business of the Company being NBFC, there are some cases during the year and as at March 31, 2025 wherein the amounts were overdue vis-a- vis stipulated terms.
- (d) In respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount for more than ninety days as at March 31, 2025 except for the following cases:

Number of Cases	Principal Amount overdue	Interest amount overdue	Total Amount due
161	1462.45	200.15	1,662.60

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

- (e) The Company's principal business is to give loans, and hence reporting under clause 3(iii)(e) of the Order is not applicable.
- (f) Based on the information and explanations provided to us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
- (iv) According to information and explanation given to us, there are no loans granted, guarantees and securities given in respect of which provisions of Section 185 of the Act are applicable. The Company has not made any investments through investment companies. Other provisions of Section 186 of the Act are not applicable to the Company as per sub Section (11) since it is a housing finance company and hence not commented upon.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public and hence provisions of Sections 73 to 76 and other relevant provision of the Act and Companies (Acceptance of Deposits) Rules, 2014 are not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, in respect of the services rendered by the Company. Hence, reporting under clause 3(vi) of the Order is not applicable.
- (vii)(a) According to the information and explanations given to us and based on the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income tax, Goods and Service Tax, Cess and other material statutory dues, as applicable, with the appropriate authorities though there has been a slight delay in a few cases of professional tax.

According to the information and explanations given to us and based on the records of the Company examined by us, in our opinion, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Cess and other material statutory dues, as applicable were in arrears as at 31st March 2025 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of Income Tax, Goods and Service Tax, Cess and other material statutory dues as at 31st March 2025 which have not been deposited on accounts of any disputes except as stated below:

Nature of Statut	Nature of Dues	Forum Where Dispute is Pending	Period to which the Amount Relates	Amount (Rs. Lakh)
The Income Tax Act, 1961	Income Tax	CIT(A)	AY 2020-21	6.60

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

- (ix)(a) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us, the Company has utilized the term loans obtained from banks during the year for the purposes for which they were obtained.
- (b) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long term purposes by the Company.
- (e) The Company does not have any subsidiaries, associates, or joint ventures. Accordingly, reporting on clause 3(ix)(e) of the Order is not applicable.
- (f) The Company does not have any subsidiaries, associates, or joint ventures. Accordingly, reporting on clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi)(a) According to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report
- (c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, reporting under clause 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable Indian Accounting Standards.
- (xiv)(a) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- (b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto March 31, 2025.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with its directors or persons connected with them. Accordingly, reporting under clause 3 (xv) of the Order is not applicable.

- (xvi)(a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934, hence reporting requirement of clause 3(xvi) (a) of the Order is not applicable to the Company.
- (b) The Company is a registered Housing Finance Company (HFC) and holds a valid Certificate of Registration from National Housing Bank and hence reporting under clause 3(xvi) (b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations issued by the Reserve Bank of India and hence reporting under clause 3(xvi) (c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us, the Group has no Core Investment Company (CIC) as part of the Group as per the definition of Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016.
- (xvii) The Company has not incurred cash losses during the financial year and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company. Hence, reporting under clause 3(xviii) of the Order is not applicable.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In respect of other than ongoing projects, there are no unspent amounts towards Corporate Social Responsibility (CSR) requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act.
- (b) In respect of ongoing projects, no amount is remaining unspent towards Corporate Social Responsibility (CSR), which was required to be transferred to special account in compliance with provision of sub- section (6) of Section 135 of the said Act.

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

sd/-

**Vitesh D. Gandhi**  
**Partner**  
**Membership No.: 110248**  
**UDIN: 25110258BMMBYI9765**

**Place: Mumbai**  
**Date: September 15, 2025**



## ANNEXURE – B TO THE INDEPENDENT AUDITOR’S REPORT

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

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

We have audited the internal financial controls with reference to financial statements of **KIFS Housing Finance Limited** (“the Company”) as of 31st March, 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Management and the Board of Directors of the Company are responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) issued by ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

### MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS**

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

### **OPINION**

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

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

sd/-

**Vitesh D. Gandhi**  
**Partner**  
**Membership No.: 110248**  
**UDIN: 25110258BMMBYI9765**

**Place: Mumbai**  
**Date: September 15, 2025**



**BALANCE SHEET**  
as at March 31, 2025

Rs in lakhs

Particulars	Note No.	As at March 31, 2025	As at March 31, 2024
<b>ASSETS</b>			
<b>(1) Financial Assets</b>			
(a) Cash and cash equivalents	4	475.67	333.56
(b) Bank balance other than (a) above	5	5,854.30	5,448.66
(c) Derivative financial instruments		-	-
(d) Receivables			
(i) Trade receivables	6	-	-
(ii) Other receivables	6.1	240.04	146.34
(e) Loans	7	1,03,768.64	78,644.97
Asset held for sale			
(f) Investments	8	-	-
(g) Other financial assets	9	218.26	123.66
<b>Total Financial Assets</b>		<b>1,10,556.91</b>	<b>84,697.19</b>
<b>(2) Non-Financial Assets</b>			
(a) Current tax assets (Net)		160.57	-
(b) Deferred tax assets (Net)	33.2	166.79	98.39
(c) Property, Plant and Equipment	10	1,035.77	888.88
(d) Other intangible assets	11	3.24	15.89
(e) Intangible assets under development	11.1	-	-
(f) Other non-financial assets	12	414.26	258.78
<b>Total Non-Financial Assets</b>		<b>1,780.63</b>	<b>1,261.94</b>
<b>Total Assets</b>		<b>1,12,337.54</b>	<b>85,959.13</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>(1) Financial liabilities</b>			
(a) Trade Payables	13		
i) Total outstanding dues to micro enterprises and small enterprises		0.87	1.94
ii) Total outstanding dues to creditors other than micro enterprises and small enterprises		251.35	440.02
Other Payables	13.1		
i) Total outstanding dues to micro enterprises and small enterprises		-	-
ii) Total outstanding dues to creditors other than micro enterprises and small enterprises		-	-
(b) Debt securities	14	-	-
(c) Borrowings (other than debt securities)	15	72,439.21	45,345.26
(d) Subordinated liabilities		-	-
(e) Other financial liabilities	16	4,720.52	6,404.60
<b>Total Financial Liabilities</b>		<b>77,411.95</b>	<b>52,191.82</b>

**BALANCE SHEET**  
as at March 31, 2025

<b>(2) Non-Financial Liabilities</b>			
(a) Current tax liabilities (Net)		-	55.27
(b) Provisions	17	261.43	184.70
(c) Other non - financial liabilities	18	762.35	630.52
<b>Total Non-Financial Liabilities</b>		<b>1,023.78</b>	<b>870.49</b>
<b>(3) Equity</b>			
(a) Equity share capital	19	24,998.65	24,998.65
(b) Other equity	20	8,903.16	7,898.17
(c) Share application money pending allotment			
<b>Total Equity</b>		<b>33,901.81</b>	<b>32,896.82</b>
<b>Total Liabilities and Equity</b>		<b>1,12,337.54</b>	<b>85,959.13</b>

The accompanying notes form an integral part of Financial Statements (1 to 100)

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

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

sd/-

**Kushal J. Khandwala**  
Whole Time Director  
DIN: 03345686

sd/-

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

sd/-

**Vitesh D.Gandhi**  
Partner  
M. No. 110248

sd/-

**Vikki Vijay Soni**  
Chief Financial Officer

sd/-

**Samrudhi Satish Shetty**  
Company Secretary

Place: Mumbai  
Date: September 15, 2025

Place: Mumbai  
Date: September 15, 2025

Place: Mumbai  
Date: September 15, 2025



**STATEMENT OF PROFIT AND LOSS**  
for the year ended March 31, 2025

Rs in lakhs

Particulars	Note No.	For the year ended	For the year ended
		2024-2025	2023-2024
<b>Revenue from operations</b>	21		
(i) Interest Income	21(a)	12,505.14	9,628.61
(ii) Fees and commission income	21(b)	219.99	242.31
(iii) Net gain on fair value changes	22	-	47.14
(iv) Other operating revenue	23	1,050.44	1,062.14
<b>(I) Total Revenue from Operations</b>		<b>13,775.57</b>	<b>10,980.20</b>
<b>(II) Other Income</b>	24	-	6.40
<b>(III) Total Income (I+II)</b>		<b>13,775.57</b>	<b>10,986.60</b>
<b>Expenses :</b>			
(i) Finance cost	25	5,907.49	3,680.96
(ii) Impairment on financial instruments under amortised cost	26	343.89	132.72
(iii) Employee benefits expense	27	4,677.79	3,091.74
(iv) Depreciation and amortisation expenses	10,11	345.15	322.06
(v) Other expenses	28	1,246.11	931.04
<b>(IV) Total expenses</b>		<b>12,520.43</b>	<b>8,158.52</b>
<b>(V) Profit before tax (III - IV)</b>		<b>1,255.14</b>	<b>2,828.08</b>
<b>Tax Expense :</b>			
Current tax	33	372.35	696.92
(Excess)/Short provision of tax for earlier year		(36.69)	23.97
Deferred tax	33	(72.70)	28.58
<b>(VI) Total tax expense</b>		<b>262.96</b>	<b>749.47</b>
<b>(VII) Profit for the Year (V - VI)</b>		<b>992.18</b>	<b>2,078.61</b>
<b>(VIII) Other comprehensive income (OCI)</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement of defined benefit plans		17.10	3.21
Income tax expense on remeasurement of defined benefit plans		(4.30)	(0.81)
<b>Total Other Comprehensive Income</b>		<b>12.80</b>	<b>2.40</b>
<b>(IX) Total Comprehensive Income for the year (VII + VIII)</b>		<b>1,004.98</b>	<b>2,081.01</b>
<b>(X) Earning per Equity Share :</b>	30		
Basic (Rs.)		0.40	0.83
Diluted (Rs.)		0.40	0.83

The accompanying notes form an integral part of Financial Statements (1 to 100)

**STATEMENT OF PROFIT AND LOSS**  
for the year ended March 31, 2025

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

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

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

Place: Mumbai  
Date: September 15, 2025

sd/-  
**Kushal J. Khandwala**  
Whole Time Director  
DIN: 03345686

sd/-  
**Vikki Vijay Soni**  
Chief Financial Officer

Place: Mumbai  
Date: September 15, 2025

sd/-  
**Vimal P. Khandwala**  
Managing Director  
DIN: 00477768

sd/-  
**Samrudhi Satish Shetty**  
Company Secretary

Place: Mumbai  
Date: September 15, 2025



**STATEMENT OF CHANGES IN EQUITY**  
for the year ended March 31, 2025

**A Equity Share Capital**

Rs. In Lakhs

Particulars	Balance as at April 01, 2024	Changes in Equity Share Capital during the year	Balance as at March 31, 2025
Equity Share Capital	24,998.65	-	<b>24,998.65</b>

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

**B. Other Equity**

Rs. In Lakhs

Particulars	Reserves and Surplus		Items of OCI	Total
	Statutory reserve	Retained earnings	Other comprehensive income (OCI)	
<b>Balance as at April 1, 2023</b>	<b>1,675.74</b>	<b>4,538.38</b>	-	<b>6,214.12</b>

Profit for the year	-	2,078.61	-	2,078.61
Deduction u/s 36(1)(vii)(d)-Opening*	-	(396.96)	-	(396.96)
Transfer from retained earnings	546.67	(546.67)	-	-
Remeasurement benefit of defined benefit plans	-	2.40	-	2.40
<b>Balance as at March 31, 2024</b>	<b>2,222.41</b>	<b>5,675.76</b>	-	<b>7,898.17</b>

Profit for the year	-	992.18	-	992.18
Transfer from retained earnings	223.51	(223.51)	-	-
Remeasurement benefit of defined benefit plans	-	12.80	-	12.80
<b>Balance as at March 31, 2025</b>	<b>2,445.92</b>	<b>6,457.23</b>	-	<b>8,903.16</b>

\* **Note** : Refer note no. 32

The accompanying notes form an integral part of Financial Statements (1 to 100)

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

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

sd/-

**Kushal J. Khandwala**  
Whole Time Director  
DIN: 03345686

sd/-

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

sd/-

**Vitesh D. Gandhi**  
Partner  
M. No. 110248

sd/-

**Vikki Vijay Soni**  
Chief Financial Officer

sd/-

**Samrudhi Satish Shetty**  
Company Secretary

Place: Mumbai  
Date: September 15, 2025

Place: Mumbai  
Date: September 15, 2025

Place: Mumbai  
Date: September 15, 2025

**STATEMENT OF CASH FLOW**  
for the year ended March 31, 2025

Rs. In Lakhs

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
<b>A. Cash flow from operating activities</b>		
<b>Profit before tax</b>	1,255.14	2828.08
<b>Adjustments for :</b>		
Depreciation and amortization	345.15	322.06
Net gain on fair value changes	-	(47.14)
Interest income on loans	(12,505.14)	(9,628.61)
Interest expenses on borrowings	5,907.49	3,680.96
Impairment on financial instruments	343.89	132.72
<b>Operating profit before working capital changes</b>	<b>(4,653.47)</b>	<b>(2,711.93)</b>
<b>Movement in working capital :</b>		
Increase/(decrease) in other financial liabilities	(1,740.01)	941.71
Increase/(decrease) in provisions	76.95	27.12
Increase/(decrease) in other non-financial liabilities	148.94	149.31
Increase/(decrease) in trade payables	(189.74)	43.72
(Increase)/decrease in trade receivables	(93.70)	(126.48)
(Increase)/decrease in loans	(25,289.73)	(19,512.29)
(Increase)/decrease in other financial assets	(94.59)	25.66
(Increase)/decrease in other non-financial assets	(155.50)	(142.53)
<b>Movement in working capital - total</b>	<b>(27,337.38)</b>	<b>(18,593.78)</b>
Interest income on loan received	12,327.08	9,482.19
Interest expenses on borrowings paid	(5,903.20)	(3,743.49)
<b>Cash generated from /(used in) operations</b>	<b>(25,566.97)</b>	<b>(15,567.01)</b>
Direct taxes paid (net of refunds)	(551.51)	(587.96)
<b>Net cash flow generated from / (used in) operating activities (A)</b>	<b>(26,118.48)</b>	<b>(16,154.97)</b>
<b>B. Cash flow from investing activities :</b>		
Purchase / Sale of PPE (Net)	(307.99)	(246.00)
Sale of Mutual Fund (Net)	-	47.14
Fixed Deposits matured / (placed) (Net)	(405.64)	(701.17)
<b>Net cash flow generated from / (used in) investing activities (B)</b>	<b>(713.63)</b>	<b>(900.03)</b>
<b>C. Cash flow from financing activities :</b>		
Repayment of Debt Securities	-	(2,079.01)
Repayment of Other Borrowings	(16,684.05)	(19,797.10)
Proceeds of Other Borrowings	43,778.00	39,195.77
Repayment of lease liabilities	(119.73)	(19.99)
<b>Net cash flow generated from / (used in) financing activities (C)</b>	<b>26,974.22</b>	<b>17,299.67</b>
Net increase/(decrease) in cash and cash equivalents (A)+(B)+(C)	142.11	244.66
Opening Balance of Cash and cash equivalents	333.56	88.90
<b>Closing Balance of Cash and cash equivalents</b>	<b>475.67</b>	<b>333.56</b>

**Notes:**

Rs. In Lakhs

Components of cash & cash equivalents	March 31, 2025	March 31, 2024
Cash on hand	7.00	12.82
Balance with banks in current accounts	468.67	320.74
Deposits with maturity less than 3 months	-	-
<b>Total</b>	<b>475.67</b>	<b>333.56</b>



**STATEMENT OF CASH FLOW**  
for the year ended March 31, 2025

- (ii) Statement of Cash Flow has been prepared using Indirect Method as per Ind. AS 7.  
(iii) Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities are as below :

Rs. In Lakhs

	As at March 31, 2023	Cash flow	Fair Value Charges	Current / Non-Current Classification	As at March 31, 2025
Borrowings - Non Current	33,633.73	20,222.96	-	-	53,856.69
Borrowings - Current	16,577.25	5,274.36	-	-	21,851.61

The accompanying notes form an integral part of Financial Statements (1 to 100)

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

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

sd/-

**Kushal J. Khandwala**  
Whole Time Director  
DIN: 03345686

sd/-

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

sd/-

**Vitesh D. Gandhi**  
Partner  
M. No. 110248

sd/-

**Vikki Vijay Soni**  
Chief Financial Officer

sd/-

**Samrudhi Satish Shetty**  
Company Secretary

Place: Mumbai  
Date: September 15, 2025

Place: Mumbai  
Date: September 15, 2025

Place: Mumbai  
Date: September 15, 2025

## NOTES FORMING PART OF FINANCIAL STATEMENTS

for the year ended on March 31, 2025

### 1. CORPORATE INFORMATION

KIFS Housing Finance Limited (the Company) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act. The Company is a non-deposit taking Housing Finance Company registered with the National Housing Bank (NHB) and is governed by the regulatory framework for Housing Finance Companies (HFCs) as issued by Reserve Bank of India (RBI) and other directions, regulations and circulars issued by NHB. The Company's registered office is Regd. Office: 6th Floor, KIFS Corporate House, Beside Hotel Planet Landmark, Near Ashok Vatika BRTS, ISKON-Ambli, Ahmedabad, Gujarat-India. The principal place of business of the Company is at C-902, Lotus Corporate Park, Graham Firth Compound, Western Express Highway, Goregaon (East), Mumbai. The principal business is providing finance to individuals, corporates and developers for the purchase, construction, development and repair of houses, apartments, residential and commercial properties in India. The Company also provides loans for specified purposes against the security of immovable property. Under the Scale Based Regulation, the Company is categorised as middle layer (HFC - ML). The Board of Directors approved the financial statements on September 15, 2025.

### 2. BASIS OF PREPARATION & PRESENTATION OF FINANCIAL STATEMENTS

#### 2.1 Statement of Compliance

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

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

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

The Company presents its Balance Sheet in the order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date and more than 12 months after the reporting date is presented in Note 29.

Accounting policies have been consistently applied except where a newly issued Ind AS is initially adopted or a revision to an existing Ind AS requires a change in the accounting policy hitherto in use.

#### 2.2 Functional and presentation currency

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

#### 2.3 Basis of measurement

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

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



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

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

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

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

### 2.4 Use of estimates and judgements

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

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

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

## 3. MATERIAL ACCOUNTING POLICIES

### 3.1 Revenue Recognition

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

#### 3.1.1. Interest income

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

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

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

### 3.1.2 Dividend

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

### 3.1.3 Fee and Commission Income

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

### 3.1.4 Other Income

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

## 3.2 Property, plant and equipment

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

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

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

## 3.3 Intangible assets

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

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

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



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2025

### 3.4 Depreciation and amortization

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

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

Intangible assets are amortized over the expected duration of benefit on a straight-line basis. Amortisation for additions/deductions during the year is calculated pro-rata to the period of use. Software cost related to computers is capitalized and amortised using the straight-line method over a period of three years. The residual value and useful life and method of amortisation are reviewed at each financial year-end with the effect of changes recognised prospectively.

### 3.5 Impairment of PPE/Intangible assets

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

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

### 3.6 Cash and cash equivalent

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

### 3.7 Statement of cash flow

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

### 3.8 Earnings per share

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

### 3.9 Borrowing costs

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

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2025

### 3.10 Goods and Services Input Tax Credit

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

### 3.11 Income taxes

#### Current Tax

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

#### Deferred Tax

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

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

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

### 3.12 Employee Benefits

#### Short-term employee benefits

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

#### Long-term Employee Benefits

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

#### Provident fund

Retirement benefit in the form of provident fund is a defined contribution scheme. All employees of the Company are entitled to receive benefits under the Provident Fund. The Company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service.



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2025

### Gratuity

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

### 3.13 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

#### Contingent Liability

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

#### Contingent asset

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

### 3.14 Commitments

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

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

### 3.15 Segment Reporting

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

### 3.16 Foreign currencies

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

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2025

### 3.17 Lease

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

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

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

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

#### Short-term leases and leases of low-value assets

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

### 3.18 Financial Instruments

#### 3.18.1 Recognition and initial measurements

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

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

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

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



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

### 3.18.2 Classification and subsequent measurement of Financial Assets and Liabilities

#### 3.18.2.1 Financial Assets

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

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

##### 3.18.2.1.1 Amortized cost

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

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

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

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

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

Financial assets at FVTPL are

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

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

##### 3.18.2.1.4 Business Model Test

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

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

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2025

### 3.18.2.1.5 Solely Payments of Principal and Interest (“SPPI”) on the principal amount outstanding

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

### 3.18.2.1.6 Subsequent Measurement and Gain and Losses

#### Financial Assets at Amortised Cost

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

#### Debt Instrument at FVOCI

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

#### Equity Instrument at FVOCI

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

#### Financial assets at FVTPL

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

### 3.18.2.1.7 Co-Lending

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

### 3.18.2.1.8 Reclassifications

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

### 3.18.2.2 Financial liabilities and equity instruments

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



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2025

### Equity

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

### Financial liabilities

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

#### 3.18.3 Impairment and write-off

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

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

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

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

#### Stage 1: 12-months ECL

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

#### Stage 2: Lifetime ECL – not credit impaired

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

#### Stage 3: Lifetime ECL – credit impaired

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

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

#### Methodology for calculating ECL

The Company determines ECL based on a probability-weighted outcome of factors indicated below to measure the shortfalls in collecting contractual cash flows. The Company does not discount such shortfalls considering relatively shorter tenure of loan contracts.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

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

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

The measurement of ECL is calculated using three main components: (i) probability of default (PD) (ii) loss given default (LGD) and (iii) the exposure at default (EAD). The 12 month ECL is calculated by multiplying the 12 month PD, LGD and the EAD. The 12 month and lifetime PDs represent the PD occurring over the next 12 months and the remaining maturity of the instrument respectively. The EAD represents the expected balance at default, taking into account the repayment of principal and interest from the balance sheet date to the default event together with any expected drawdowns of committed facilities. The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

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

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

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

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

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

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

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

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



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2025

### Forward looking information

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

### Write off

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

### Recovery from NPA

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

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

### 3.18.4 Modification and derecognition of financial assets

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

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

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

### 3.18.5 Collateral Valuation and Repossession

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

### 3.18.6 Derecognition of financial liabilities

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

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2025

### 3.19 Off-setting

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

Rs in lakhs

Note No.	Particulars	As at March 31, 2025	As at March 31, 2024
<b>4</b>	<b>Cash and cash equivalents</b>		
4.1	Cash on hand	7.00	12.82
4.2	<b>Balances with banks</b>		
	In current accounts	468.67	320.74
	In term deposit accounts with original maturity of 3 months or less	-	-
		<b>468.67</b>	<b>320.74</b>
	<b>Total</b>	<b>475.67</b>	<b>333.56</b>
<b>5</b>	<b>Bank balance other than cash and cash equivalent</b>		
	Balance with banks in fixed deposits held as margin money (*)	5,854.30	5,448.66
	*Represents margin money placed against term loans from banks and others		
	<b>Total</b>	<b>5,854.30</b>	<b>5,448.66</b>
<b>6</b>	<b>Trade Receivables</b>		
	Receivables considered good - Unsecured	-	-
	Less - Provision for expected credit loss	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>
<b>6.1</b>	<b>Other Receivables</b>		
	Receivables considered good - Unsecured	269.91	176.76
	Less - ECL Provision on Other Receivables	(29.87)	(30.42)
	<b>Total</b>	<b>240.04</b>	<b>146.34</b>

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



**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended March 31, 2025

**6.3 Other Receivables Ageing Schedule**

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

Other Receivables (F.Y 2023-24)	Not Due	Outstanding for following periods from due date of Payment					Rs. In Lakhs
		Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Other Receivables - Considered Good	-	147.96	28.80	-	-	-	176.76
(ii) Undisputed Other Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Other Receivables - Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Other Receivables - Considered Good	-	-	-	-	-	-	-
(v) Disputed Other Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Other Receivables - Credit Impaired	-	-	-	-	-	-	-
<b>Gross Total</b>	-	<b>147.96</b>	<b>28.80</b>	-	-	-	<b>176.76</b>
Less : ECL Provision on Other Receivables							<b>30.42</b>
<b>Total</b>							<b>146.34</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended March 31, 2025

Rs. In Lakhs

Note No.	Particulars	As at March 31, 2025	As at March 31, 2024
7	<b>Loans</b>		
	<b>At amortised cost</b>		
	Individual Loans	1,05,006.05	79,741.52
	Corporate bodies	-	-
	<b>Total (A) - Gross</b>	<b>1,05,006.05</b>	<b>79,741.52</b>
	Less: Impairment loss allowance (Expected Credit Loss)	(1,237.41)	(1,096.55)
	<b>Total (A) - Net</b>	<b>1,03,768.64</b>	<b>78,644.97</b>
	Secured by tangible assets	1,05,006.05	79,741.52
	Secured by intangible assets	-	-
	Covered by bank / Government guarantees	-	-
	Unsecured	-	-
	<b>Total (B) - Gross</b>	<b>1,05,006.05</b>	<b>79,741.52</b>
	Less: Impairment loss allowance (Expected Credit Loss)	(1,237.41)	(1,096.55)
	<b>Total (B) - Net</b>	<b>1,03,768.64</b>	<b>78,644.97</b>
	<b>Loans in India</b>		
	Public Sector	-	-
	Other than public sector	1,05,006.05	79,741.52
	<b>Total (C - I) - Gross</b>	<b>1,05,006.05</b>	<b>79,741.52</b>
	Less: Impairment loss allowance (Expected Credit Loss)	(1,237.41)	(1,096.55)
	<b>Total (C - I) - Net</b>	<b>1,03,768.64</b>	<b>78,644.97</b>
	Loans outside India (C - II)	-	-
	<b>Total C (I+II)</b>	<b>1,03,768.64</b>	<b>78,644.97</b>

Rs. In Lakhs

Note No.	Particulars	As at March 31, 2025	As at March 31, 2024
8	<b>Investments</b>		
A	<b>Fair value through profit or loss</b>		
	Mutual funds	-	-
	<b>Total (A) - Gross</b>	<b>-</b>	<b>-</b>
B	Investments in India	-	-
	Investment outside India	-	-
	<b>Total (B) - Gross</b>	<b>-</b>	<b>-</b>
	Less: Allowance for impairment loss (C)	-	-
	<b>Total - Net D = (B) - (C)</b>	<b>-</b>	<b>-</b>



**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended March 31, 2025

Rs. In Lakhs

Note No.	Particulars	As at March 31, 2025	As at March 31, 2024
<b>9</b>	<b>Other financial assets</b>		
	Security Deposits	78.84	59.16
	Loan to employee	6.94	8.87
	Interest Accrued But Not Due on Fixed Deposits	114.09	45.43
	Advance to Employee	18.39	10.20
	<b>Total</b>	<b>218.26</b>	<b>123.66</b>

Rs. In Lakhs

No.	Particulars	Leasehold Improvements	Right of use - Assets	Computers	Furniture & Fixtures	Office Equipment	Motor Vehicle	Total
<b>10</b>	<b>Property, Plant and Equipment</b>							
<b>a</b>	<b>Gross Block</b>							
	<b>Balance as at March 31, 2023</b>	<b>159.02</b>	<b>1,008.84</b>	<b>127.41</b>	<b>74.21</b>	<b>57.29</b>	<b>21.44</b>	<b>1,448.21</b>
	Additions	5.10	367.36	31.50	4.87	13.33	-	422.16
	Deductions	-	(257.58)	-	(0.11)	(0.23)	-	(257.92)
	<b>Balance as at March 31, 2024</b>	<b>164.12</b>	<b>1,118.62</b>	<b>158.91</b>	<b>78.97</b>	<b>70.39</b>	<b>21.44</b>	<b>1,612.45</b>
	Additions	11.29	363.48	99.31	41.38	31.85	-	547.31
	Deductions	-	(192.07)	-	-	-	-	(192.07)
	<b>Balance as at March 31, 2025</b>	<b>175.41</b>	<b>1,290.03</b>	<b>258.22</b>	<b>120.35</b>	<b>102.24</b>	<b>21.44</b>	<b>1,967.69</b>
<b>b</b>	<b>Accumulated Depreciation</b>							
	<b>Balance as at March 31, 2023</b>	<b>84.61</b>	<b>412.90</b>	<b>71.72</b>	<b>25.41</b>	<b>18.25</b>	<b>3.84</b>	<b>616.73</b>
	Additions	19.11	244.76	27.18	6.68	10.23	2.55	310.51
	Deductions	-	(203.39)	-	(0.05)	(0.22)	-	(203.67)
	<b>Balance as at March 31, 2024</b>	<b>103.72</b>	<b>454.27</b>	<b>98.90</b>	<b>32.04</b>	<b>28.26</b>	<b>6.39</b>	<b>723.57</b>
	Additions	18.60	242.17	42.16	9.57	15.82	2.55	330.87
	Deductions	-	(122.52)	-	-	-	-	(122.52)
	<b>Balance as at March 31, 2024</b>	<b>122.32</b>	<b>573.92</b>	<b>141.06</b>	<b>41.61</b>	<b>44.08</b>	<b>8.94</b>	<b>931.92</b>
<b>c</b>	<b>Net Block</b>							
	<b>Balance as at March 31, 2024</b>	<b>60.40</b>	<b>664.35</b>	<b>60.01</b>	<b>46.93</b>	<b>42.13</b>	<b>15.05</b>	<b>888.88</b>
	<b>Balance as at March 31, 2025</b>	<b>53.09</b>	<b>716.12</b>	<b>117.16</b>	<b>78.74</b>	<b>58.16</b>	<b>12.50</b>	<b>1,035.77</b>

**10.1** During the Year, The Company has not revalued its property, plant and equipment (including Right of Use Assets). The Company does not hold any immovable property as on 31st March 2025 and 31st March 2024. All the lease agreements are duly executed in the favour of the company for properties where the company is the lessee.

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended March 31, 2025

Rs. In Lakhs

No.	Particulars	Leasehold improvements	Right of use - Assets	Computers	Furniture & Fixtures	Office Equipment	Motor Vehicle	Rs. In Lakhs
<b>11</b>	<b>Other Intangible assets</b>							
<b>a</b>	<b>Gross Block</b>							
	<b>Balance as at March 31, 2023</b>							<b>75.98</b>
	Additions							-
	Deduction							-
	<b>Balance as at March 31, 2024</b>							<b>75.98</b>
	Additions							1.64
	Deductions							-
	<b>Balance as at March 31, 2025</b>							<b>77.62</b>
<b>b</b>	<b>Accumulated Amortisation</b>							
	<b>Balance as at March 31, 2023</b>							<b>36.41</b>
	Additions							23.69
	Deduction							-
	<b>Balance as at March 31, 2024</b>							<b>60.10</b>
	Additions							14.29
	Deductions							-
	<b>Balance as at March 31, 2025</b>							<b>74.39</b>
<b>c</b>	<b>Net Block</b>							
	<b>Balance as at March 31, 2024</b>							<b>15.89</b>
	<b>Balance as at March 31, 2025</b>							<b>3.22</b>

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

Rs. In Lakhs

Note No.	Particulars	As at March 31, 2025	As at March 31, 2024
<b>12</b>	<b>Other non-financial assets</b>		
	Balance with Government Authorities	53.78	14.31
	Prepaid expense	100.68	92.46
	Advances to vendors	109.27	82.52
	Advances to others	150.53	67.53
	Capital advance	-	1.96
	<b>Total</b>	<b>414.26</b>	<b>258.78</b>
<b>13</b>	<b>Trade payables</b>		
	Dues to micro enterprises and small enterprises	0.87	1.94
	Due to creditors other than micro enterprises and small enterprises	251.35	440.02
<b>8</b>	<b>Total</b>	<b>252.22</b>	<b>441.96</b>



**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended March 31, 2025

Rs in lakhs

<b>13.1</b>	<b>Details of dues to micro and small enterprises as per Micro, Small and Medium Enterprises Development Act, 2006</b>		
	i. The principal amount and the interest due thereon remaining unpaid to any supplier	0.87	1.94
	ii. The interest amount remaining unpaid to any supplier	-	-
	iii. Interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
	iv. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006	-	-
	v. The amount of further interest remaining due and payable even in the succeeding years	-	-

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

**13.3 Payables Aging Schedule**

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

Trade Payables(F.Y 2023-24)	Not Due	Outstanding for following periods from due date of Payment				Rs. In Lakhs
		Less than 1 Year	1 -2 Years	2 -3 Years	More than 3 Years	Total
(i) MSME	1.94	-	-	-	-	1.94
(ii) Others	-	433.06	-	6.95	-	440.02
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>1.94</b>	<b>433.06</b>	<b>-</b>	<b>6.95</b>	<b>-</b>	<b>441.95</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2025

### 14. DEBT SECURITIES

Rs in lakhs

Note No.	Particulars	As at March 31, 2025	As at March 31, 2024
<b>A</b>			
i	<b>At amortised cost</b>		
	Non-Convertible Debentures		
	Secured	-	-
	Unsecured	-	-
	Less - Unamortised borrowing cost	-	-
	<b>Total (A)</b>	-	-
<b>B</b>			
i	Debt securities in India	-	-
	Less - Unamortised borrowing cost	-	-
	<b>Total (B - I)</b>	-	-
ii	Debt securities outside India	-	-
	<b>Total (B - ii)</b>	-	-
	<b>Total B ( i + ii )</b>	-	-

### 15. BORROWINGS (other than debt securities)

Rs in lakhs

Note No.	Particulars	As at March 31, 2025	As at March 31, 2024
<b>A</b>			
	<b>At Amortised Cost</b>		
i	Term loan from banks - Secured	39,546.56	24,674.80
ii	Term loan from National Housing Bank - Secured	18,306.45	12,694.67
iii	Term loan from - others-Secured	15,156.52	8,324.64
iv	Loans repayable on demand from banks - Secured	-	-
	Less - Unamortised borrowing cost	(570.32)	(348.85)
	<b>Total borrowings</b>	<b>72,439.21</b>	<b>45,345.26</b>
<b>B</b>			
i	Borrowings in India	73,009.53	45,694.11
	Less - Unamortised borrowing cost	(570.32)	(348.85)
	<b>Total (B - I)</b>	<b>72,439.21</b>	<b>45,345.26</b>
ii	Borrowings outside India	-	-
	Less - Unamortised borrowing cost	-	-
	<b>Total (B - ii)</b>	-	-
	<b>Total B ( i + ii )</b>	<b>72,439.21</b>	<b>45,345.26</b>

15.1 There has not been any default in repayment of borrowings and interest during financial year ended March 31, 2025 and March 31, 2024. There have been no instances of breach of Covenants of loan availed during the Year ended March 31, 2025 and March 31, 2024.



**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended March 31, 2025

**15.2 Terms of repayment**

**As at March 31, 2025**

Rs in lakhs

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

**As at March 31, 2024**

Rs in lakhs

Sr. No.	Interest rate	0-1 years	1-3 years	3-5 years	Above 5 years	Total
1	Term loans from banks					
	9% - 10%	5,625.43	9,434.32	4,046.99	-	19,106.74
	10%-11%	1,503.15	2,454.60	1,073.68	519.96	5,551.40
	11%-12%	16.67	-	-	-	16.67
	<b>Total</b>	<b>7,145.25</b>	<b>11,888.92</b>	<b>5,120.67</b>	<b>519.96</b>	<b>24,674.80</b>
2	Term loans from NHB					
	8%-9%	2,159.10	5,203.60	2,232.75	3,099.22	12,694.67
	<b>Total</b>	<b>2,159.10</b>	<b>5,203.60</b>	<b>2,232.75</b>	<b>3,099.22</b>	<b>12,694.67</b>
3	Loan from Others					
	9%-10%	1,743.45	3,424.09	1,823.77	-	6,991.31
	10%-11%	666.67	666.67	-	-	1,333.33
	<b>Total</b>	<b>2,410.12</b>	<b>4,090.76</b>	<b>1,823.77</b>	<b>-</b>	<b>8,324.64</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2025

### 15.3 As at March 31, 2025

Rs in lakhs

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

### As at March 31, 2024

Rs in lakhs

Sr. No.	Interest rate	0-1 years	1-3 years	3-5 years	Above 5 years	Grand Total
1	Term loans from NHB - Quarterly Floating 8%-9%	2,159.10	5,203.60	2,232.75	3,099.22	12,694.67
2	Term loans from banks - Quarterly Fixed 9%-10%	2,401.16	4,138.98	2,014.14	-	8,554.28
3	Term loans from banks - Monthly Floating 9%-10%	3,224.28	5,295.34	2,032.85	-	10,552.46
	10%-11%	1,503.15	2,454.60	1,073.68	519.96	5,551.40
	11% - 12%	16.67	-	-	-	16.67
4	Loan from Others - Quarterly Floating 10%-11%	666.67	666.67	-	-	1,333.33
5	Loan from Others - Monthly Fixed 9%-10%	1,443.45	2,824.09	1,482.10	-	5,749.64
	Floating 9%-10%	300.00	600.00	341.67	-	1,241.67
	<b>Subtotal</b>	<b>11,714.47</b>	<b>21,183.28</b>	<b>9,177.19</b>	<b>3,619.18</b>	<b>45,694.11</b>
	Unamortised borrowing cost					(348.85)
	<b>Total</b>					<b>45,345.26</b>



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2025

**15.4** The Company has obtained borrowings from banks or financial institutions on the basis of security of Current Assets

**15.5** The Company has used the Borrowings from banks & financial institutions for the specific purpose for which it was taken

Rs in lakhs

Note No.	Particulars	As at March 31, 2025	As at March 31, 2024
<b>16</b>	<b>Other financial liabilities</b>		
	Book overdraft	3,269.08	4,865.70
	Interest accrued but not due on borrowings and debt securities	105.57	101.29
	Payable to Employees	120.68	66.82
	Payable to Customers	399.35	596.59
	Lease liability	825.86	774.20
	<b>Total</b>	<b>4,720.52</b>	<b>6,404.60</b>
<b>17</b>	<b>Provisions</b>		
	<b>Employee benefit</b>		
	Gratuity	81.71	59.86
	Compensated absence	177.10	122.55
	ECL Provision on Other Assets	2.62	2.29
	<b>Total</b>	<b>261.43</b>	<b>184.70</b>
<b>18</b>	<b>Other non financial liabilities</b>		
	Statutory dues	114.07	121.11
	Advance EMI	-	17.09
	Advance from customers	60.63	42.60
	Provision for expenses	587.65	449.72
	<b>Total</b>	<b>762.35</b>	<b>630.52</b>
<b>19</b>	<b>Equity Share Capital</b>		
<b>19.1</b>	<b>Authorised Capital</b>		
	250,000,000 Equity Shares of Rs.10/- each (P.Y 250,000,000 Equity Shares of Rs.10/- each)	25,000.00	25,000.00
	<b>Total</b>	<b>25,000.00</b>	<b>25,000.00</b>
<b>19.2</b>	<b>Issued, Subscribed and Paid Up Capital</b>		
	249,986,452 Equity Shares of Rs.10/- each (P.Y 249,986,452 Equity Shares of Rs.10/- each)	24,998.65	24,998.65
	<b>Total</b>	<b>24,998.65</b>	<b>24,998.65</b>

### 19.3 Rights, preferences and restrictions :

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

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended March 31, 2025

**19.4 Details of equity shareholders holding more than 5% shares**

Name of the Shareholder	As on March 31, 2025	As on March 31, 2024
	No. of Shares %	No. of Shares %
KIFS International LLP	24,94,85,752 99.80%	24,94,85,752 99.80%

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

Particulars	2024 - 2025		2023 - 2024	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares at the beginning of the year	24,99,86,452	24,998.65	24,99,86,452	24,998.65
Changes in Equity share Capital during the Year		-		-
<b>Equity Shares at the end of the year</b>	<b>24,99,86,452</b>	<b>24,998.65</b>	<b>24,99,86,452</b>	<b>24,998.65</b>

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

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

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

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

Promoter Name	As at March31, 2025		As at March31, 2024		% Change during the year
	No. of Shares	% of Holding	No. of Shares	% of Holding	
KIFS International LLP	24,94,85,752	99.80%	24,94,85,752	99.80%	-

**20. OTHER EQUITY**

Rs. In Lakhs

Other equity	As at March 31, 2025	As at March 31, 2024
Retained Earnings	6,457.23	5,675.76
Statutory Reserve	2,445.92	2,222.41
<b>Total</b>	<b>8,903.15</b>	<b>7,898.17</b>



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2025

### Retained Earnings

This Represents surplus in profit and loss account after appropriations.

### Statutory Reserve

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

### Other Comprehensive Income - Employee Benefits

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

Rs. In Lakhs

Note No.	Particulars	For the year ended 2024-2025	For the year ended 2023-2024
21(a)	<b>Interest Income</b>		
	<b>Interest on Financial Assets carried at Amortised Cost</b>		
	Interest on Loans	12,505.14	9,628.61
	<b>Total</b>	<b>12,505.14</b>	<b>9,628.61</b>
21(b)	<b>Fees and Commission Income</b>		
	Fees and commission income	219.99	242.31
	<b>Total</b>	<b>219.99</b>	<b>242.31</b>
22	<b>Net gain on fair value changes</b>		
	Net gain on financial instruments designated at fair value through profit or loss	-	47.14
	<b>Total</b>	<b>-</b>	<b>47.14</b>
22.1	<b>Fair value changes</b>		
	Realised	-	47.14
	Unrealised	-	-
	<b>Total</b>	<b>-</b>	<b>47.14</b>
23	<b>Other operating revenue</b>		
	Interest on fixed deposits with banks	411.22	321.60
	Other ancillary services	639.22	740.54
	<b>Total</b>	<b>1,050.44</b>	<b>1062.14</b>
24	<b>Other Income</b>		
	Interest on Income Tax Refund	-	6.40
	<b>Total</b>	<b>-</b>	<b>6.40</b>
25	<b>Finance Cost</b>		
25.1	<b>Interest on financial liabilities measured at amortized cost</b>		
	Interest on borrowing	5,733.15	3,463.93
	Interest on debt securities	-	75.55
	Interest on lease liabilities	70.50	55.49
	Other borrowings cost	103.84	85.99
	<b>Total</b>	<b>5,907.49</b>	<b>3,680.96</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended March 31, 2025

Rs. In Lakhs

Note No.	Particulars	For the year ended 2024-2025	For the year ended 2023-2024
<b>26</b>	<b>Impairment on financial instruments</b>		
	<b>On financial instruments measured at amortized cost</b>		
	Impairment allowance on Loans	140.86	70.59
	Bad debts written off	203.25	29.42
	Impairment allowance on other assets	(0.22)	32.71
	<b>Total</b>	<b>343.89</b>	<b>132.72</b>
<b>27</b>	<b>Employee Benefits Expense</b>		
	Salaries and wages	4,404.89	2,898.26
	Contribution to Provident Fund and other funds	213.48	150.33
	Staff Welfare expenses	59.42	43.15
	<b>Total</b>	<b>4,677.79</b>	<b>3,091.74</b>
<b>28</b>	<b>Other Expenses</b>		
	Rent, taxes and energy costs	84.79	80.41
	Repair and Maintenance	256.62	204.23
	Communication cost	53.98	41.61
	Printing and Stationery	32.84	34.00
	Advertisement expenses	40.59	13.33
	Recruitment Expenses	6.98	5.15
	Directors Sitting fees & Others	4.36	8.05
	Auditor's Remuneration (excluding GST)	17.40	16.18
	Legal and Professional charges	229.36	138.29
	Business Promotion expenses	35.25	10.07
	Commission & Brokerage	0.70	0.69
	Travelling and Conveyance	272.18	165.34
	Insurance	104.71	45.15
	Membership & Subscription fees	4.12	2.59
	CSR Expenses	45.08	39.00
	Office Expenses	41.19	24.86
	Others	15.96	102.11
	<b>Total</b>	<b>1,246.11</b>	<b>931.04</b>
<b>28.1</b>	<b>Payment to auditors</b>		
	for statutory audit	13.50	9.50
	for Limited Review	-	1.00
	for tax audit	2.00	1.50
	for other services (Certification, etc)	1.90	3.45
	for out of pocket expenses	-	0.73
	<b>Total</b>	<b>17.40</b>	<b>16.18</b>



**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended March 31, 2025

**29. CURRENT & NON-CURRENT ASSETS & LIABILITIES**

Balance sheet as at March 31, 2025

Rs. in Lakhs

Particulars	Current	Non-Current	Total
<b>Assets</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	475.67	-	475.67
Bank balance other than cash & cash equivalents	3,009.07	2,845.23	5,854.30
Derivative financial instruments	-	-	-
Receivables			
(i) Trade receivables	-	-	-
(ii) Other receivables	240.04	-	240.04
Loans	15,754.32	88,014.32	1,03,768.64
Investments	-	-	-
Other Financial Assets	144.36	73.90	218.26
<b>Total financial assets</b>	<b>19,623.46</b>	<b>90,933.45</b>	<b>1,10,556.91</b>
<b>Non-Financial Assets</b>			
Current tax assets (Net)	-	160.57	160.57
Deferred tax assets (Net)	-	166.79	166.79
Property, Plant and Equipment	-	1,035.77	1,035.77
Intangible assets under development	-	-	-
Other intangible assets	-	3.24	3.24
Other non-financial assets	414.25	0.01	414.26
<b>Total Non-financial assets</b>	<b>414.25</b>	<b>1,366.38</b>	<b>1,780.63</b>
<b>Total Assets</b>	<b>20,037.71</b>	<b>92,299.83</b>	<b>1,12,337.54</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial liabilities</b>			
Trade Payables			
(i) total outstanding dues to micro enterprises and small enterprises	0.87	-	0.87
(ii) total outstanding dues to creditors other than micro enterprises and small enterprises	251.35	-	251.35
<b>Other Payables</b>			
(i) total outstanding dues to micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues to creditors other than micro enterprises and small enterprises	-	-	-
Debt securities	-	-	-
Borrowings (other than debt securities)	18,582.53	53,856.68	72,439.21
Subordinated liabilities	-	-	-
Other financial liabilities	4,461.01	259.51	4,720.52
<b>Total financial liabilities</b>	<b>23,295.76</b>	<b>54,116.19</b>	<b>77,411.94</b>
<b>Non-Financial Liabilities</b>			
Current tax liabilities (Net)	-	-	-
Provisions	23.08	238.36	261.44
Other non - financial Liabilities	762.34	0.01	762.35
<b>Total non-financial liabilities</b>	<b>785.42</b>	<b>238.37</b>	<b>1,023.79</b>
<b>Equity</b>			
Equity share capital	-	24,998.65	24,998.65
Other equity	-	8,903.16	8,903.16
Share application mone pending allotments	-	-	-
<b>Total Equity</b>	<b>-</b>	<b>33,901.81</b>	<b>33,901.81</b>
<b>Total liabilities and Equity</b>	<b>24,081.18</b>	<b>88,256.36</b>	<b>1,12,337.54</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended March 31, 2025

**Balance sheet as at March 31, 2024**

Rs. in Lakhs

Particulars	Current	Non-Current	Total
<b>Assets</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	333.56	-	333.56
Bank balance other than cash & cash equivalents	3,031.53	2,417.12	5,448.66
Derivative financial instruments	-	-	-
Receivables			
(i) Trade receivables	-	-	-
(ii) Other receivables	146.34	-	146.34
Loans	7,548.04	71,096.93	78,644.97
Investments	-	-	-
Other Financial Assets	19.07	104.59	123.66
<b>Total financial assets</b>	<b>11,078.55</b>	<b>73,618.63</b>	<b>84,697.19</b>
<b>Non-Financial Assets</b>			
Current tax assets (Net)	-	-	-
Deferred tax assets (Net)	-	98.39	98.39
Property, Plant and Equipment	-	888.88	888.88
Intangible assets under development	-	-	-
Other intangible assets	-	15.89	15.89
Other non-financial assets	258.78	-	258.78
<b>Total Non-financial assets</b>	<b>258.78</b>	<b>1,003.16</b>	<b>1,261.95</b>
<b>Total Assets</b>	<b>11,337.33</b>	<b>74,621.80</b>	<b>85,959.13</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial liabilities</b>			
Trade Payables			
(i) total outstanding dues to micro enterprises and small enterprises	1.94	-	1.94
(ii) total outstanding dues to creditors other than micro enterprises and small enterprises	440.02	-	440.02
<b>Other Payables</b>			
(i) total outstanding dues to micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues to creditors other than micro enterprises and small enterprises	-	-	-
Debt securities	-	-	-
Borrowings (other than debt securities)	11,711.55	33,633.72	45,345.26
Subordinated liabilities	-	-	-
Other financial liabilities	5,829.21	575.39	6,404.60
<b>Total financial liabilities</b>	<b>17,982.71</b>	<b>34,209.10</b>	<b>52,191.81</b>
<b>Non-Financial Liabilities</b>			
Current tax liabilities (Net)	-	55.27	55.27
Provisions	-	184.70	184.70
Other non - financial Liabilities	570.62	59.89	630.52
<b>Total non-financial liabilities</b>	<b>570.62</b>	<b>299.87</b>	<b>870.49</b>
<b>Equity</b>			
Equity share capital	-	24,998.65	24,998.65
Other equity	-	7,898.17	7,898.17
Share application mone pending allotments	-	-	-
<b>Total Equity</b>	<b>-</b>	<b>32,896.82</b>	<b>32,896.82</b>
<b>Total liabilities and Equity</b>	<b>18,553.33</b>	<b>67,405.79</b>	<b>85,959.13</b>



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2025

### 30. EARNING PER SHARE

Particulars	For the year ended 2024-2025	For the year ended 2023-2024
<b>Basic</b>		
Net Profit as as per statement of Profit & Loss (Rs. In Lakhs)	992.18	2,078.61
Profit available to Equity Shareholders (Rs. In Lakhs)	992.18	2,078.61
Weighted average of number of equity shares outstanding during the year (in Nos.)	24,99,86,452	24,99,86,452
<b>Basic Earning per share of face value of ₹ 10 each (₹)</b>	<b>0.40</b>	<b>0.83</b>
<b>Diluted Earning per share of face value of ₹ 10 each (₹)</b>	<b>0.40</b>	<b>0.83</b>

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

There are no instruments outstanding that could potentially dilute basic earnings per share in the future but were not included in the calculation of diluted earnings per share because they are anti dilutive for the periods presented.

There were no transactions that have occurred after the reporting date that would have changed significantly the number of ordinary shares outstanding or potential ordinary shares outstanding at the reporting Date.

### 31. SEGMENT REPORTING

The Company is engaged in lending business. The Company provides mortgages Loans (Home Loan, Loan against properties, construction reality) and operates with in India only. The Board of company reviews the companies performance as a single business. There being only one segment, disclosure for segment is not applicable.

### 32. TRANSFER TO SPECIAL RESERVES

Special Reserve has been created from the Financial Year 2019-20 onwards in terms of Section 36(1)(viii) of the Income-tax Act, 1961, out of the distributable profits of the Company. In the current financial year, Rs. 223.51 lakhs (Previous Year: Rs. 546.67 lakhs) has been transferred to Special Reserve & Statutory Reserve in terms of Section 36(1)(viii) of the Income tax Act, 1961 & Section 29C the NHB Act as per notification no. RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21. As per National Housing Bank's (NHB) circular vide circular NHB(ND)/DRS/Pol. 62/2014 dated 27th May, 2014, the Company had adjusted the opening balance of reserves for creation of Deferred Tax Liability (DTL) Rs. 396.96 lakhs on the Special Reserve as at 1st April, 2023 created under Section 36(1)(viii) of the Income tax Act, 1961 during the Financial Year 2023-24. Further, an amount of Rs. 56.25 lakhs (Previous Year: Rs. 137.58 lakhs) has been provided during the current year.

### 33. TAXATION

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

Rs. In Lakhs

Particulars	For the year ended 2024-2025	For the year ended 2023-2024
Current Tax	372.35	696.92
Current Tax - Short/(Excess) provision of tax for earlier year	(36.69)	23.97
<b>Total current tax expenses</b>	<b>335.66</b>	<b>720.89</b>
<b>Deferred tax in Statement of Profit &amp; Loss</b>		
Relating to origination and reversal of temporary difference	(72.70)	28.58
Impact of changes in tax rates	-	-
<b>Total deferred tax expenses/(income)</b>	<b>(72.70)</b>	<b>28.58</b>
<b>Total income tax expenses</b>	<b>262.96</b>	<b>749.47</b>

The tax expense & tax assets have been computed as per applicable tax laws and generally accepted tax computation policies and procedures. There is no uncertain tax treatment.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2025

### The details of income tax assets/(liabilities) and deferred tax assets (liabilities)

Rs. in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Net income tax assets/(liabilities)	160.57	(55.27)
Deferred tax assets/(liabilities)	166.79	98.39

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

Rs. in Lakhs

Particulars	For the year March 31, 2025	For the year March 31, 2024
Accounting profit before tax	1,255.14	2,828.08
Statutory tax rate	25.168%	25.168%
Computed enacted tax expense	315.89	711.77
<b>Tax effect of</b>		
Expense Dis-allowed under Income Tax Act	11.35	9.82
Income tax deduction including for Special Reserve available to financial institution	(56.25)	(137.58)
Tax expense pertaining to previous year	(36.69)	23.97
Others	28.66	141.50
<b>Income tax expenses as per books</b>	<b>262.96</b>	<b>749.47</b>
<b>Effective income tax rate</b>	<b>20.95%</b>	<b>26.50%</b>

### 33.2 Details of each type of recognized temporary differences, unused tax losses and unused tax credit

Rs. in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Deferred tax related to items recognised through profit or loss</b>		
<b>Deferred tax liabilities</b>		
Unrealized gain or investments	-	-
Unamortised expenses or borrowings	(143.54)	(87.80)
Others (DTL on Special Reserve)*	(590.80)	(534.54)
<b>Total - Deferred tax liabilities</b>	<b>(734.34)</b>	<b>(622.34)</b>
<b>Deferred tax assets</b>		
Unamortized income/expenses (net) on loans given	477.51	353.82
Expected credit losses	311.43	275.98
Employee benefits	65.14	45.91
Related to property, plant and Equipment and losses	46.39	44.45
Others	0.66	0.58
<b>Total- Deferred tax assets</b>	<b>901.13</b>	<b>720.73</b>
<b>Deferred tax assets/(liabilities)</b>	<b>166.79</b>	<b>98.39</b>



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2025

### Details of movement in deferred tax balances

Rs. in Lakhs

Particulars	As at April 1, 2024	(Charge)/credit to profit and loss account	(Charge)/credit to other comprehensive income	As at March 31, 2025
Unamortized income/expenses (net) on loans given	353.82	123.69	-	477.51
Unamortized expenses for borrowings	(87.80)	(55.74)	-	(143.54)
Unrealized gain on investments	-	-	-	-
Others-(Deduction u/s 36(1)(vii)(d))	(534.54)	(56.25)	-	(590.80)
Expected credit losses	275.98	35.45	-	311.43
Employee benefits	45.91	23.53	(4.30)	65.14
Property, plant and equipment and leases	44.45	1.95	-	46.39
Others	0.58	0.08	-	0.66
<b>Total</b>	<b>98.39</b>	<b>72.71</b>	<b>(4.30)</b>	<b>166.79</b>

Particulars	As at April 1, 2023	(Charge)/credit to profit and loss account	(Charge)/credit to other comprehensive income	As at March 31, 2024
Unamortized income/expenses (net) on loans given	242.89	110.95	-	353.82
Unamortized expenses for borrowings	(42.02)	(45.79)	-	(87.80)
Unrealized gain on investments	-	-	-	-
Others-(Deduction u/s 36(1)(vii)(d))	-	(534.54)	-	(534.54)
Expected credit losses	258.21	17.77	-	275.98
Employee benefits	31.43	15.29	(0.81)	45.91
Property, plant and equipment and leases	34.23	10.21	-	44.45
Others	-	0.58	-	0.58
<b>Total</b>	<b>524.74</b>	<b>(425.55)</b>	<b>(0.81)</b>	<b>98.39</b>

### 34. CAPITAL MANAGEMENT

The Company maintains an actively managed capital base to cover risks inherent in business & in meeting the capital adequacy requirements of Reserve Bank of India. The adequacy of the company capital is monitored using, among other measures, the regulations issued by regulators. The company has complied in full with all its externally imposed capital requirements over the reported periods.

Particulars	As at March 31, 2025	As at March 31, 2024
Debt	75,708.29	50,210.96
Equity	33,901.81	32,896.82
<b>Debt to Equity Ratio</b>	<b>2.23</b>	<b>1.53</b>

#### Loan covenants

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

### 35. CONTINGENT LIABILITIES & COMMITMENTS

The company has filed its Income tax return for FY 2019-20. There are outstanding demand of Rs. 6.60 Lakhs (including interest) relating to leave encashment as per intimation order received by company dated December 24, 2021. Company has disagreed with demand dated October 03, 2022. Matter is under litigation (CIT Appeal) as on March 31, 2025.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2025

### Loan commitments

The Company has outstanding undrawn commitments to provide loans to customers. These loan commitments aggregated Rs. 11,728.57 Lakhs at March 31, 2025 (March 31, 2024: Rs. 7,166.69 lakhs). Further, the commitments have fixed expiration dates and are contingent upon the borrower's ability to maintain specific credit standards.

### Capital commitments

There is no estimated value of contracts remaining to be executed on capital account which are not provided for as on March 31, 2025 (PY : Rs.1.93 Lakhs). 2025.

## 36. LEASES

The Company has taken various office premises under lease. The lease terms in respect of such premises are on the basis of individual agreement entered into with the respective landlords.

### Movement in Carrying Value of Right of Use Assets is given below

Rs. in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	664.36	595.94
Addition	363.48	367.36
Deletion	(192.07)	(257.58)
Depreciation for the year	(119.65)	(41.36)
<b>Closing balance</b>	<b>716.12</b>	<b>664.36</b>

### Movement in Carrying Value of Lease liability is given below

Rs. in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	774.20	684.47
Addition	363.48	367.36
Deletion	(678.43)	(616.07)
Finance cost accrued during the period	70.50	71.64
Payment	296.11	266.80
<b>Closing balance</b>	<b>825.86</b>	<b>774.20</b>
- Current	566.34	198.81
- Non-current	259.52	575.39

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

Rs. in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Less than 1 year	284.23	255.56
Between 1 and 2 years	243.06	240.40
Between 2 and 3 years	161.88	186.16
Between 3 and 4 years	90.10	117.31
Between 4 and 5 years	69.82	47.91
More than 5 years	132.79	63.70
<b>Total</b>	<b>981.88</b>	<b>911.05</b>

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The Company did not have any variable lease payments and also did not sub-leased right of use assets. Further, the Company does not have any significant restrictions or covenants imposed by leases.



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2025

### 37. CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENSES :

Rs. in Lakhs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Gross amount required to be spent by the Company during the year	45.08	38.99
Amount of Expenditure Incurred	45.08	39.00
<b>Amount spent during the year on purposes other than construction / acquisition of any asset</b>	<b>45.08</b>	<b>39.00</b>
Paid	45.08	39.00
Yet to be paid	-	-
Total	45.08	39.00

#### 37.1 Shortfall in Payment :

There is no shortfall in the CSR amount required to be spent by the Company as per Section 135(5) of the Act for the financial year ended March 31, 2025 and March 31, 2024.

#### 37.2 Nature of CSR Activities :

##### For the year ended March 31, 2025:

Out of the total amount of Rs.45.08 Lakhs, the company:

- Spent Rs.13.88 lakhs towards Hunger Free Palghar, an initiative by Govardhan Annakshetra, ISKCON;
- Contributed Rs.19.65 lakhs to TATA Memorial Hospital for the purchase of medical equipments;
- Contributed Rs.11.55 lakhs to Medical Research Foundation for Purchase of Topcon Slit lamp with MIT and performed cataract surgery of one patient.

#### 37.2 Nature of CSR Activities :

##### For the year ended March 31, 2024:

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

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

#### 37.3 Related Party Transactions & Provision

The Company has neither made any CSR contribution towards its related parties nor has recorded any provision for CSR expenditure during the financial years ended March 31, 2025 and March 31, 2024.

### 38. OFFSETTING FINANCIAL ASSETS & FINANCIAL LIABILITIES

Financial assets and financial liabilities are subject to offsetting where there is a legally enforceable right to set-off recognised amounts and the company intends to either settle on a net basis or to realize the asset and settle the liability. Simultaneously, at March 31, 2025 and March 31, 2024, there was no offsetting of financial assets and financial liabilities.

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended March 31, 2025

**39. FINANCIAL RISK MANAGEMENT**

**Liquidity Risk**

The table below provide details regarding the contractual maturities of financial liabilities as at March 31, 2025

Rs. in Lakhs

Particulars	Upto 1 year	1-3 year	3-5 year	Over 5 years	Total
Borrowings	18,589.42	31,339.65	16,195.03	6,885.42	<b>73,009.52</b>
Debt securities	-	-	-	-	-
<b>Total</b>	<b>18,589.42</b>	<b>31,339.65</b>	<b>16,195.03</b>	<b>6,885.42</b>	<b>73,009.52</b>

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

Rs. in Lakhs

Particulars	Upto 1 year	1-3 year	3-5 year	Over 5 years	Total
Borrowings	11,714.47	21,183.28	9,177.19	3,619.18	<b>45,694.12</b>
Debt securities	-	-	-	-	-
<b>Total</b>	<b>11,714.47</b>	<b>21,183.28</b>	<b>9,177.19</b>	<b>3,619.18</b>	<b>45,694.12</b>

**Credit Risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk encompasses both, the direct risk of default and the risk of deterioration of credit worthiness.

The maximum exposure to the credit risk is as follows:

Rs. in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Other Receivables	240.04	146.34
Loans	1,03,768.64	78,644.97
Other Financial Assets	218.26	123.66

For the loan portfolio, an impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of credit risk. For the purposes of this analysis, the loan portfolio is categorised into groups based on days past due. Each group is then assessed for impairment using the ECL model as per the provisions of Ind AS 109 - financial instruments. The impairment assessment is also carried out in accordance with the regulations prescribed by RBI. The provision for impairment is considered at higher of the amount worked out as per Ind AS 109 and as per RBI Regulations.

**Reconciliation of gross carrying amount of loan portfolio**

Rs. in Lakhs

Particulars	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying amount balance as at April 1, 2023</b>	<b>58,475.11</b>	<b>893.25</b>	<b>743.87</b>	<b>60,112.23</b>
New asset originated	32,113.20	-	3.62	<b>32,116.82</b>
Assets derecognized or repaid	(12,129.34)	(168.56)	(189.64)	<b>(12,487.54)</b>
Transfers from Stage 1	(1,319.21)	1,064.69	254.52	-
Transfers from Stage 2	351.79	(422.10)	70.31	-
Transfers from Stage 3	175.58	-	(175.58)	-
<b>Gross carrying amount balance as at March 31, 2024</b>	<b>77,667.14</b>	<b>1,367.28</b>	<b>707.10</b>	<b>79,741.52</b>
New asset originated	46,599.13	0.57	-	<b>46,599.70</b>
Assets derecognized or repaid	(20,618.03)	(318.84)	(398.30)	<b>(21,335.17)</b>
Transfers from Stage 1	(2,336.12)	1,370.45	965.67	-
Transfers from Stage 2	(739.02)	(544.85)	222.13	-
Transfers from Stage 3	34.15	-	(34.15)	-
<b>Gross carrying amount balance as at March 31, 2025</b>	<b>1,01,668.99</b>	<b>1,874.61</b>	<b>1,462.45</b>	<b>1,05,006.05</b>



**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended March 31, 2025

**Reconciliation of ECL Balance**

Rs. in Lakhs

Particulars	Stage 1	Stage 2	Stage 3	Total
<b>ECL Allowance as at April 1, 2023</b>	<b>165.97</b>	<b>67.61</b>	<b>211.67</b>	<b>445.25</b>
New asset originated	97.60	-	1.03	<b>98.63</b>
Assets derecognized or repaid	35.63	12.75	53.96	<b>102.34</b>
Due to changes in assumptions	(167.88)	50.35	(18.15)	<b>(135.68)</b>
Transfers from Stage 1	(3.92)	3.09	0.83	-
Transfers from Stage 2	26.66	(31.94)	5.28	-
Transfers from Stage 3	49.96	-	(49.96)	-
<b>ECL Allowance as at March 31, 2024</b>	<b>204.01</b>	<b>101.86</b>	<b>204.67</b>	<b>510.54</b>
New asset originated	153.23	-	-	<b>153.23</b>
Assets derecognized or repaid	58.89	25.83	114.95	<b>199.67</b>
Due to changes in assumptions	456.56	51.45	(225.75)	<b>282.26</b>
Transfers from Stage 1	(631.91)	310.12	321.79	-
Transfers from Stage 2	0.55	(74.66)	74.10	-
Transfers from Stage 3	0.05	-	(0.05)	-
<b>ECL Allowance as at March 31, 2025</b>	<b>241.37</b>	<b>414.61</b>	<b>489.72</b>	<b>1,145.70</b>

The Company is having additional floating provision of Rs.Nil (P.Y. Rs. 501.60 Lakhs) for loan losses, provision of Rs.50.46 lakhs (P.Y. Rs. 63.83 Lakhs) for restructured loans.

**40. FAIR VALUATION**

**Carrying value and fair value of financial instruments by categories at March 31, 2025**

Rs. in Lakhs

Particulars	FVTPL	FVPCI	Amortised Cost	Total Carrying Value	Fair Value
<b>Financial Assets</b>					
Cash & cash equivalents	-	-	475.67	475.67	475.67
Bank balance other than above	-	-	5,854.30	5,854.30	5,854.30
Other Receivable	-	-	240.04	240.04	240.04
Loans	-	-	1,03,768.64	1,03,768.64	1,03,768.64
Investments	-	-	-	-	-
Other Financial Assets	-	-	218.26	218.26	218.26
<b>Total Financial Assets</b>	<b>-</b>	<b>-</b>	<b>1,10,556.91</b>	<b>1,10,556.91</b>	<b>1,10,556.91</b>
<b>Financial liabilities</b>					
Trade Payables	-	-	252.22	252.22	252.22
Other Payables	-	-	-	-	-
Debt Securities	-	-	-	-	-
Borrowings	-	-	72,439.21	72,439.21	72,439.21
Other financial liabilities	-	-	4,720.52	4,720.52	4,720.52
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>77,411.95</b>	<b>77,411.95</b>	<b>77,411.95</b>

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

Rs. in Lakhs

Particulars	FVTPL	FVPCI	Amortised Cost	Total Carrying Value	Fair Value
<b>Financial Assets</b>					
Cash & cash equivalents	-	-	333.56	333.56	333.56
Bank balance other than above	-	-	5,448.66	5,448.66	5,448.66
Other Receivable	-	-	146.34	146.34	146.34
Loans	-	-	78,644.97	78,644.97	78,644.97
Investments	-	-	-	-	-
Other Financial Assets	-	-	123.66	123.66	123.66
<b>Total Financial Assets</b>	-	-	<b>84,697.19</b>	<b>84,697.19</b>	<b>84,697.19</b>
<b>Financial liabilities</b>					
Trade Payables	-	-	441.95	441.95	441.95
Other Payables	-	-	-	-	-
Debt Securities	-	-	-	-	-
Borrowings	-	-	45,345.26	45,345.26	45,345.26
Other financial liabilities	-	-	6,404.60	6,404.60	6,404.60
<b>Total financial liabilities</b>	-	-	<b>52,191.81</b>	<b>52,191.81</b>	<b>52,191.81</b>

**Fair Value measurement of financial asset and liabilities**

The Fair value of Loan given and funds borrowed approximate carrying value as the respective interest rates of the said instruments are at the prevailing market rate of interest.

The carrying amount of other financial assets and other financial liabilities measured at amortized cost in the financial statements are a reasonable approximation of their fair values since the company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

During financial year ended March 31, 2025 and March 31, 2024, the company has not reclassified any of the financial assets from one category to another category. Hence, fair value hierarchy is not given for the same.

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian Accounting standard.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, units of mutual funds (open ended) and traded bonds that have quoted price. Open-ended mutual funds are valued at Net Asset Value (NAV) declared by respective fund house and are classified under Level 1.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2, this level of hierarchy includes financial assets, measured using inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices)



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2025

**Level 3:** This level of hierarchy includes financial instruments measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

There have been no transfers amongst the levels of hierarchy during the year ended 31 March 2025 and 31 March 2024.

### An analysis of financial instruments grouped into Level 1, 2 and 3 at March 31, 2025

Rs. in Lakhs

Particulars	Stage 1	Stage 2	Stage 3	Total
<b>Financial assets</b>				
Loans	-	-	1,03,768.64	1,03,768.64
Investments	-	-	-	-
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>1,03,768.64</b>	<b>1,03,768.64</b>
<b>Financial liabilities</b>				
Debt securities	-	-	-	-
Borrowings	-	-	72,439.21	72,439.21
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>72,439.21</b>	<b>72,439.21</b>

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

Rs. in Lakhs

Particulars	Stage 1	Stage 2	Stage 3	Total
<b>Financial assets</b>				
Loans	-	-	78,644.97	78,644.97
Investments	-	-	-	-
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>78,644.97</b>	<b>78,644.97</b>
<b>Financial liabilities</b>				
Debt securities	-	-	-	-
Borrowings	-	-	45,345.26	45,345.26
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>45,345.26</b>	<b>45,345.26</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended March 31, 2025

**41. RELATED PARTY DISCLOSURES**

Related party	Name of related parties
Holding enterprises	KIFS International LLP
<b>Key Managerial person</b>	
Chairman and Managing Director	Rajesh P. Khandwala
Managing Director	Vimal P. Khandwala
Whole Time Director (Additional Director)	Kushal Jayesh Khandwala (appointed w.e.f. March 20, 2023)
Chief Financial Officer	Vikki Vijay Soni (appointed w.e.f. July 18, 2022)
Company Secretary	Samrudhi Satish Shetty (appointed w.e.f March 20, 2023)
<b>Enterprises over which Key Managerial person have control</b>	KIFS Trade Capital Private Limited
	KIFS Financial Services Limited
	KIFS Finstock Limited
	KIFS Motors Private Limited
	Khandwala Commercial Private Limited
	Amoureux Enterprise Private Limited
	Endroit Enterprise Private Limited
	KIFS Bullion Private Limited
	KIFS (IFSC) Private Limited
	KIFS Enterprise (Partnership Firm)
	KIFS Commercial (Partnership Firm)
	KIFS Dealers (Partnership Firm)
	Khandwala Tradelink Co. (Partnership Firm)
	KIFS Trading LLP
	KIFS Infrastructure LLP
	KIFS Estate LLP
	KIFS Realty LLP
	Cashyu Services LLP
	24KT Jewels Private Limited
	KIFS Insurance Broking Private Limited
	KIFS Broking Private Limited
	Aananta Exim LLP
	Anantadrishti Pedestal Private Limited
	Padmaja E – Commerce Private Limited
	S K Z Developers LLP
	VPriya Dealers Private Limited
	Greensward Enterprise Private Limited
	Khandwala Finstock Private Limited (Amalgamated)
<b>Independent / Non-executive Directors</b>	Bhavana Desai (Non-Executive Director)
	Purvi Bhavsar (resigned w.e.f May 30, 2024) (Independent Director)
	Kartik Mehta (resigned w.e.f May 30, 2024) (Independent Director)
	Satish Mehta (resigned w.e.f November 27, 2024) (Independent Director)
	Vikas Kumar (appointed w.e.f June 07, 2024) (Independent Director)



**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended March 31, 2025

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

Rs. in Lakhs

Transactions	Name of related party	Holding enterprises	Enterprises over which KMP have control	KMP/ relatives of KMP	Independent / Non-Executive Directors
Loan Taken	KIFS Finstock Limited		5,000.00		
			(2,000.00)		
<b>Total Loan Taken</b>			<b>5,000.00</b>		
			2,000.00		
Repayment paid on loan Taken	KIFS Finstock Limited		<b>5,000.00</b>		
			(2,000.00)		
<b>Total Repayment made on loan Taken</b>			<b>5,000.00</b>		
			(2,000.00)		
Interest Expenses	KIFS Finstock Limited		39.33		
			(14.77)		
Rent	KIFS International LLP		5.25		
			(5.25)		
	KIFS Realty LLP		9.94		
			(9.94)		
	KIFS Trade Capital Pvt. Ltd.		19.20		
			(19.20)		
<b>Managerial Remuneration</b>	Samrudhi Satish Shetty			11.26	
				(8.98)	
	Vikki Vijay Soni			79.80	
				(66.59)	
<b>Re-imbursment of Expenses</b>	Vikki Vijay Soni			8.18	
				(6.01)	
	Samrudhi Satish Shetty			0.51	
				(0.66)	
Sitting Fees	Bhavna Desai				0.60
					(1.20)
	Purvi Bhavsar				-
					(1.10)
	Kartik Mehta				0.10
					(1.60)
	Satish Mehta				1.60
					(3.40)
	Vikas Kumar				1.70
					-
Director Remuneration	Satish Mehta				2.46
					(2.50)
	Vikas Kumar				1.90
					-
<b>Total Expenses</b>			<b>73.71</b>	<b>99.75</b>	<b>8.36</b>
			<b>(49.16)</b>	<b>(82.24)</b>	<b>(9.80)</b>

**Note – Previous year figures are given in bracket.**

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2025

**Note – The company has not granted any loans to promoters, directors, KMP's & related parties during the financial year 2024-2025 & 2023-2024.**

# For Continuing employees, expenses towards gratuity and leave encashment provisions are determined actuarially on overall Company basis as at the end of each year and accordingly, have not been considered in the above information.

### Balances outstanding at the end of the year

Rs. in Lakhs

Sr. no.	Particulars	As at March 31, 2025	As at March 31, 2024
1	<b>Equity share capital</b>		
	- KIFS International LLP	24,948.58	24,948.58

## 42. EMPLOYEE BENEFITS

### Defined Benefit Plan

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below :

#### Asset Volatility:

The plan liabilities are calculated using a discount rate set with references to government bond yields; this may carry volatility and associated risk.

#### Inflation Risk

The present value of some of the defined benefit plan obligations are calculated with reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. The post retirement medical benefit obligation is sensitive to medical inflation and accordingly, an increase in medical inflation rate would increase the plan's liability.

#### Life Expectancy

The present value of defined benefit plan obligation is calculated by reference to the best estimate of the mortality of plan participants, both during and after the employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Gratuity benefit liabilities of the company are unfunded.

**The following tables set out the status of the gratuity plan as required under Ind AS 19.**

Rs. in Lakhs

Particulars	Year ended March 31, 2025 (Unfunded)	Year ended March 31, 2024 (Unfunded)
<b>Employee benefit expense recognized in Statement of Profit &amp; Loss:</b>		
Current service cost	45.32	24.72
Net Interest cost	4.26	3.12
<b>Net benefit expense</b>	<b>49.58</b>	<b>27.83</b>
<b>Employee benefit expense recognized in Other comprehensive income (OCI):</b>		
Actuarial (gain)/losses on obligation for the period	(17.10)	(3.21)
Actual Returns on Plan Assets excluding Interest Income	-	-
<b>Net expense recognized in OCI for the period</b>	<b>(17.10)</b>	<b>(3.21)</b>



**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended March 31, 2025

Rs. in Lakhs

Particulars	Year ended March 31, 2025 (Unfunded)	Year ended March 31, 2024 (Unfunded)
<b>Changes in the present value of the defined benefit obligation are as follows:</b>		
Opening defined benefit obligation	59.87	42.32
Interest cost	4.26	3.12
Current service cost	45.32	24.72
Actuarial (gains) / losses	(17.10)	(3.21)
Benefit paid by company	(10.64)	(7.07)
<b>Closing defined benefit obligation</b>	<b>81.71</b>	<b>59.87</b>
<b>Amount recognised in balance sheet</b>	<b>-</b>	<b>-</b>
Defined benefit obligation	<b>81.71</b>	<b>59.87</b>
Fair Value of plan assets	-	-
<b>(Asset)/liability</b>	<b>81.71</b>	<b>59.87</b>

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

Rs. in Lakhs

Particulars	Year ended March 31, 2025 (Unfunded)	Year ended March 31, 2024 (Unfunded)
Discount rate per annum	6.70% p.a	7.20% p.a
Rate of Salary increment	10.00% p.a	10.00% p.a
Withdrawal Rates	i ) Age 25 & Below : 25% p.a. ii) Age 25 to 35 : 25% p.a. iii) Age 35 to 45 : 10% p.a. iv) Age 45 to 55 : 5% p.a. v) Age 55 & above : 5% p.a.	i ) Age 25 & Below : 25% p.a. ii) Age 25 to 35 : 25% p.a. iii) Age 35 to 45 : 10% p.a. iv) Age 45 to 55 : 5% p.a. v) Age 55 & above : 5% p.a.
Mortality Rate	Indian Assured Lives Mortality (2012-14) Table	Indian Assured Lives Mortality (2012-14) Table

**Projection Risks:**

**Interest Risk** - A decrease in the bond interest rate will increase the plan liability.

**Longevity Risk** - The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary Risk** - The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended March 31, 2025

**Maturity Profile of Defined Benefit Obligations**

Rs. in Lakhs

Particulars	Year ended March 31, 2025 (Unfunded)	Year ended March 31, 2024 (Unfunded)
Maturity benefits payable in future years from the date of reporting		
1st Following year	1.22	1.40
2nd Following year	1.79	2.11
3rd Following year	3.82	2.50
4th Following year	5.34	4.29
5th Following year	7.28	5.36
Sum of years 6 to 10	40.77	27.30
After 10 years	21.49	16.91
<b>Total</b>	<b>81.71</b>	<b>59.87</b>

**Quantitative sensitivity analysis for significant assumption**

Rs. in Lakhs

Particulars	March 31, 2025 (12 Months)	March 31, 2024 (12 Months)
<b>Discount Rate Sensitivity</b>		
Increased by 0.5%	77.37	56.79
(%change)	-5.31%	-5.13%
Decrease by 0.5%	86.41	63.18
(%change)	5.75%	5.54%
<b>Salary Growth Rate Sensitivity</b>		
Increased by 0.5%	85.12	62.12
(%change)	4.17%	3.77%
Decrease by 0.5%	78.43	57.50
(%change)	-4.02%	-3.95%
<b>Withdrawal Rate (W.R.) Sensitivity</b>		
W.R x 110%	78.30	57.83
(%change)	-4.18%	-3.40%
W.R x 90%	85.37	62.01
(%change)	4.47%	3.59%

**Compensated absence**

Cost for compensated absence is included in the line item 'Employee benefits' in the statement of profit and loss. Details for compensated absence are as given below.

Rs. in Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Cost	131.11	109.79
Discount rate used	6.70% p.a	7.20% p.a
Salary escalation rate used	10.00% p.a	10.00% p.a

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

Rs. in Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Provident Fund	201.56	141.98
Employees State Insurance Scheme	11.10	7.71



**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended March 31, 2025

**43. EVENTS AFTER REPORTING DATE**

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

**Disclosures as required by Reserve Bank of India**

**44. CAPITAL TO RISK ASSETS RATIO (CRAR) (COMPUTED AS PER METHOD PRESCRIBED BY RBI)**

Sr. No.	Particulars	As at March 31, 2025	As at March 31, 2024
(i)	CRAR (%) [(ii) + (iii)]	54.33%	73.72%
(ii)	CRAR- Tier I Capital (%)	53.93%	73.26%
(iii)	CRAR- Tier II Capital (%)	0.39%	0.46%
(iv)	Amount of subordinated debt considered as Tier-II capital (In ₹)	Nil	Nil
(v)	Amount raised by issue of Perpetual Debt Instruments	Nil	Nil

**45. PRINCIPAL BUSINESS CRITERIA**

Particulars	As at March 31, 2025	As at March 31, 2024
Percentage (%) of housing loans to total assets less intangible assets	68.93%	70.82%
Percentage (%) of housing loans to individuals to total assets less intangible assets	68.93%	70.82%

**46. GROUP STRUCTURE**



**47. STATUTORY RESERVE**

The Company creates a reserve fund as required by section 29C of National Housing Bank Act, 1987, wherein a sum equal to twenty percent of its profits derived from eligible business (business of providing long term finance for the construction or purchase of houses in India for residential purposes) every year, and before any dividend is declared, is transferred. The Special Reserve qualifies for deduction as specified u/s 36 (1) (viii) of the Income Tax Act, 1961 and accordingly, the Company has been availing tax benefits for such transfers

**NOTES TO THE FINANCIAL STATEMENTS**  
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Rs. in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Opening balance</b>		
- Statutory Reserve u/s 29C of National Housing Bank, Act 1987	1,867.83	1,452.10
- Amount of Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under section 29C of the NHB Act, 1987	354.58	223.64
<b>Total</b>	<b>2,222.41</b>	<b>1,675.74</b>
<b>Addition/withdrawal during the year</b>		
Add:		
- Amount transferred u/s 29C of the NHB Act, 1987	198.44	415.72
- 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	25.07	130.95
<b>Less:</b>		
- Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
- Amount withdrawn from the special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	-	-
<b>Closing balance</b>	<b>2,445.92</b>	<b>2,222.41</b>
- Statutory Reserve u/s 29C of National Housing Bank, Act 1987	2,066.26	1,867.82
- Amount of Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under section 29C of the NHB Act, 1987	379.66	354.59
<b>Total</b>	<b>2,445.92</b>	<b>2,222.41</b>

There has been no draw down from reserves during the year ended March 31, 2025 and during the year ended March 31, 2024

48. The Company has borrowings from banks and financial institutions on the basis of security of current assets and the quarterly returns filed by the Company with the banks and financial institutions are in accordance with the books of accounts of the Company for the respective quarters.

**49. INVESTMENTS**

Rs. in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
a) Value of Investment		
i) Gross value of Investments		
a) In India	-	-
b) Outside India	-	-
ii) Provision for depreciation		
a) In India	-	-
b) Outside India	-	-
iii) Net value of investments		
a) In India	-	-
b) Outside India	-	-
<b>b) Movements of provisions held towards depreciation in investments</b>		
i) Opening balance		
ii) Add: Provisions made during the year	-	-
iii) Less: Write off/write back of excess provisions during the year	-	-
iv) Closing balance	-	-



**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended March 31, 2025

**50. PROVISIONS AND CONTINGENCIES**

Rs. in Lakhs

Particulars (break-up of provisions and contingencies shown under the head 'Expenses' in profit and loss)	Year ended March 31, 2025	Year ended March 31, 2024
Provisions made towards income tax	335.66	720.89
Provisions towards NPAs	285.05	(7.00)
Provisions for standard assets	350.11	72.29
Additional floating provision on loan assets	(501.60)	(0.00)
Provision for restructured cases	(13.36)	(6.82)
Provision for commitments	20.66	12.12
Other provisions and contingencies		
- Gratuity	21.85	17.55
- Compensated absences	54.55	39.98
- Provision for expenses	587.65	449.72

**51. CONCENTRATION OF NPAS**

Rs. in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Total exposure to top ten NPA accounts	251.96	204.94

**52. SECTOR WISE NPAS PROVISIONS AND CONTINGENCIES**

Rs. in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
<b>A. Housing Loan</b>		
(I) Individual (out of total advances in that sector)	399.25	134.67
Individual (in %) (out of total advances in that sector)	0.52%	0.22%
<b>B. Non-Housing Loan</b>		
(I) Individual (out of total advances in that sector)	90.46	69.99
Individual (in %) (out of total advances in that sector)	0.32%	0.36%

**53. MOVEMENT OF NPAS**

Rs. in Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
(i) Net NPAs to net advances (%)	0.93%	0.63%
(ii) Movement of gross NPAs		
a) Opening balance	707.10	743.87
b) Addition during the year	1,187.80	324.82
c) Reduction during the year	432.45	361.59
<b>d) Closing balance</b>	<b>1,462.45</b>	<b>707.10</b>
(iii) Movement of net NPAs		
a) Opening balance	502.43	532.20
b) Addition during the year	786.61	230.81
c) Reduction during the year	298.54	260.57
<b>d) Closing balance</b>	<b>972.50</b>	<b>502.43</b>
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	204.67	211.67
b) Addition during the year	419.13	94.02
c) Reduction during the year	134.09	101.02
<b>d) Closing balance</b>	<b>489.71</b>	<b>204.67</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended March 31, 2025

**54. CUSTOMER COMPLAINTS**

Particulars	As at March 31, 2025	As at March 31, 2024
(a) No. of complaints pending at the beginning of the year	2	-
(b) No. of complaints received during the year	69	60
(c) No. of complaints redressed during the year	71	58
(d) No. of complaints pending at the end of the year	-	2

**55. CONCENTRATION OF PUBLIC DEPOSITS**

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

**56. CONCENTRATION OF LOANS AND ADVANCES**

Rs. in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Total loans of twenty largest borrowers	1,113.26	939.96
Percentage of exposure to twenty largest borrowers/customers to total exposure of the HFC on borrowers/customers	1.06%	1.18%

**57. CONCENTRATION OF ALL EXPOSURES (INCLUDING OFF BALANCE SHEET EXPOSURE)**

Rs. in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Total loans of twenty largest borrowers	1,144.68	979.21
Percentage of exposure to twenty largest borrowers/customers to total exposure of the HFC on borrowers/customers	1.02%	1.13%

**58. RATING ASSIGNED BY RATING AGENCIES DURING THE YEAR**

Rs. in Lakhs

Instruments	F.Y. 2024-25	F.Y. 2023-24
<b>Long term bank facilities</b>		
-Acuite	A- Stable outlook	A- Stable outlook
<b>Non-convertible debentures</b>		
-Acuite	NA	NA
-Brickworks	NA	NA



**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended March 31, 2025

**59. BREAK-UP OF LOANS AND ADVANCES AND PROVISIONS THEREON**

Rs. in Lakhs

Particulars	Housing Loan	Non-Housing Loan
<b>As at March 31, 2025</b>		
<b>Standard assets</b>		
Principal outstanding	75,799.91	27,646.09
EMI/PEMI-interest/fee debtors	-	97.60
Provisions	545.09	154.09
<b>Sub-standard assets</b>		
Principal outstanding	873.42	314.39
Provisions	334.78	70.82
<b>Doubtful assets – Category I</b>		
Principal outstanding	89.76	76.83
Provisions	34.15	15.96
<b>Doubtful assets – Category II</b>		
Principal outstanding	86.10	21.95
Provisions	34.59	6.68
<b>Total</b>		
<b>Principal outstanding</b>	<b>76,849.19</b>	<b>28,059.26</b>
<b>EMI/PEMI-interest/fee debtors</b>	<b>-</b>	<b>97.60</b>
<b>Provisions</b>	<b>948.61</b>	<b>247.55</b>

Rs. in Lakhs

Particulars	Housing Loan	Non-Housing Loan
<b>As at March 31, 2024</b>		
<b>Standard assets</b>		
Principal outstanding	60,018.12	18,945.27
EMI/PEMI-interest/fee debtors	-	71.03
Provisions	253.42	100.91
<b>Sub-standard assets</b>		
Principal outstanding	171.46	165.44
Provisions	49.63	47.89
<b>Doubtful assets – Category I</b>		
Principal outstanding	135.05	44.02
Provisions	41.59	15.77
<b>Doubtful assets – Category II</b>		
Principal outstanding	158.77	32.36
Provisions	53.51	11.65
<b>Total</b>		
<b>Principal outstanding</b>	<b>60,483.40</b>	<b>19,187.09</b>
<b>EMI/PEMI-interest/fee debtors</b>	<b>-</b>	<b>71.03</b>
<b>Provisions</b>	<b>398.15</b>	<b>176.21</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2025

### 59.1 Divergence in Asset Classification and Provisioning

There has been no divergence in asset classification and provisioning requirements as assessed by NHB during the year ended 31 March 2025 and 31 March 2024.

### 60. Disclosure required as per Circular DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 - Implementation of Indian Accounting Standards as at March 31, 2025.

Rs. in Lakhs

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5 = 3 - 4	6	7 = 4 - 6
<b>Performing assets</b>				0		0
Standard	Stage 1	1,01,668.97	241.37	1,01,427.60	291.01	(49.64)
	Stage 2	1,874.62	414.61	1,460.01	5.25	409.36
<b>Subtotal</b>		<b>1,03,543.59</b>	<b>655.98</b>	<b>1,02,887.61</b>	<b>296.26</b>	<b>359.72</b>
<b>Non-performing assets (NPA)</b>						
Substandard	Stage 3	1,187.80	402.22	785.58	181.43	220.79
Doubtful - up to 1 year	Stage 3	166.60	50.12	116.48	42.41	7.70
1 to 3 years	Stage 3	108.05	37.38	70.68	44.01	(6.64)
More than 3 year	Stage 3	-	-	-	-	-
<b>Subtotal for doubtful</b>		<b>274.65</b>	<b>87.49</b>	<b>187.16</b>	<b>86.42</b>	<b>1.07</b>
<b>Loss</b>	<b>Stage 3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Subtotal for NPA</b>		<b>1,462.45</b>	<b>489.71</b>	<b>972.74</b>	<b>267.85</b>	<b>221.86</b>
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	11,596.78	17.57	11,579.22	-	17.57
	Stage 2	60.85	8.52	52.33	-	8.52
	Stage 3	70.93	15.16	55.78	-	15.16
<b>Subtotal</b>		<b>11,728.57</b>	<b>41.25</b>	<b>11,687.32</b>	<b>-</b>	<b>41.25</b>
	<b>Stage 1</b>	<b>1,13,265.76</b>	<b>258.94</b>	<b>1,13,006.82</b>	<b>291.01</b>	<b>(32.07)</b>
<b>Total</b>	<b>Stage 2</b>	<b>1,935.47</b>	<b>423.13</b>	<b>1,512.34</b>	<b>5.25</b>	<b>417.88</b>
	<b>Stage 3</b>	<b>1,533.39</b>	<b>504.87</b>	<b>1,028.52</b>	<b>267.85</b>	<b>237.02</b>
	<b>Total</b>	<b>1,16,734.61</b>	<b>1,186.94</b>	<b>1,15,547.67</b>	<b>564.11</b>	<b>622.83</b>

The Company is having additional provision of Rs.Nil (P.Y. Rs. 501.60 Lakhs) for loan losses, provision of Rs.50.46 lakhs (P.Y. Rs. 63.83 Lakhs ) for restructured loans.

In accordance with ECL framework under Ind AS 109 implemented by the company, it is carrying an allowance for Expected Credit Loss ("ECL") of Rs. 1237.41 lakhs as on 31.03.2025, in respect of loans given including provision for loan commitment and restructuring cases, after adjusting Rs. 501.60 lakhs of additional floating provision.



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2025

### 61. Disclosures pursuant to Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 dated September 24, 2021:

- The Company has not transferred any loans not in default through assignment during the year ended March 31, 2025
- The Company has not transferred or acquired, any stressed/default loans during the year ended March 31, 2025.
- Details of transfer through Co-lending in respect of loans not in default during the year ended March 31, 2025.

Particulars	For the year ended March 31, 2025
Entity	NBFC (Housing Finance Company)
Count of Loan Accounts Assigned	28
Amount of Loan Accounts Assigned ( in Lakhs)	499.15
Weighted average maturity (in Months)	195
Weighted average holding period (in Months)	1
Retention of beneficial economic interest (MRR)	20%
Coverage of tangible security coverage	100%
Rating-wise distribution of rated loans	Unrated

62. There are no unsecured advances against intangible securities such as rights, licenses, and authorisations as collateral security during the financial year ended March 31, 2025 and March 31, 2024.

63. The Company does not have any prior period items / change in accounting policies during the current year other than disclosed in financials

### 64. Maturity Pattern of Certain items of assets and liabilities

Rs. in Lakhs

	As at March 31, 2025			
	Loans	Bank borrowings#	Market borrowings	Investments
1-7 days	307.02	254.64	-	-
8-14 days	1,228.08	63.10	-	-
15-1 month	334.25	1,319.99	-	-
1-2 months	1,149.81	1,331.23	-	-
2-3 months	1,156.71	1,039.77	-	-
3-6 months	3,512.41	4,949.42	-	-
6-1 year	8,066.05	9,624.39	-	-
1-3 years	16,898.17	31,231.70	-	-
3-5 years	22,949.19	15,875.62	-	-
5 years	48,166.95	6,749.36	-	-
<b>Total</b>	<b>1,03,768.64</b>	<b>72,439.22</b>	<b>-</b>	<b>-</b>

# Excluding loans repayable on demand from banks.

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended March 31, 2025

Rs. in Lakhs

	As at March 31, 2024			
	Loans	Bank borrowings#	Market borrowings	Investments
1-7 days	350.25	70.81	-	-
8-14 days	525.38	33.33	-	-
15-1 month	253.30	661.01	-	-
1-2 months	565.35	1,015.57	-	-
2-3 months	567.03	553.91	-	-
3-6 months	1,711.36	3,122.28	-	-
6-1 year	3,575.36	6,254.64	-	-
1-3 years	11,434.37	21,050.79	-	-
3-5 years	10,968.00	8,990.25	-	-
5 years	48,694.56	3,592.68	-	-
<b>Total</b>	<b>78,644.97</b>	<b>45,345.27</b>	-	-

**# Excluding loans repayable on demand from banks.**

1. The Company does not have foreign currency liabilities, deposits and foreign currency assets as at March 31, 2025 and March 31, 2024.
2. Classification of assets and liabilities under different maturity buckets is based on the same estimates and assumptions as used by the Company for compiling the return submitted to NHB.

**65. Exposure to real estate sector**

Rs. in Lakhs

Particulars	F.Y. 2024-2025	F.Y. 2023-2024
<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	61,495.57	50,337.44
Housing loan more than Rs. 15 Lakhs	15,353.61	10,145.95
<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)	-	-



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2025

### 66. Exposure to group companies engaged in real estate activities

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

### 67. Consolidated Financial Statements

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

### 68. Schedule to the Balance Sheet of the Housing Finance Company as required under Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021

#### Liabilities side

Rs. in Lakhs

Sr. no.	Particulars	Total Amount Outstanding	Amount Overdue
1)	<b>Loans and Advances availed by the non- banking financial company inclusive of interest accrued thereon but not due</b>		
a)	Debentures :		
	- Secured	-	-
	- Unsecured	-	-
	(other than falling within the meaning of public deposits*)		
b)	Deferred Credits	-	-
c)	Term Loans	72,544.77	-
d)	Inter-corporate loans and borrowing	-	-
e)	Commercial Paper	-	-
f)	Loans repayable on demand from banks	-	-
g)	Sub ordinate debt	-	-
h)	Working capital facility	-	-
i)	Book overdraft	3,269.08	-

#### Assets side

Rs. in Lakhs

Sr. no.	Particulars	Amount
2)	<b>Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :</b>	
	a) Secured	1,03,768.64
	b) Unsecured	240.04
3)	<b>Break up of Leased Assets and stock on hire and other assets counting towards AFC activities:</b>	
I	Lease assets including lease rentals under sundry debtors :	
	a) Financial Lease	-
	b) Operating Lease	-
II	Stock on hire including hire charges under sundry debtors:	
	a) Assets on hire	-
	b) Repossessed Assets	-
III	Other loans counting towards AFC activities :	
	a) Loans where assets have been repossessed	-
	b) Loans other than (a) above	-

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended March 31, 2025

Rs. in Lakhs

Sr. no.	Particulars	Amount
<b>4)</b>	<b>Break- up of Investments:</b>	
	<b>Current Investments</b>	
<b>I</b>	<b>Quoted</b>	
i	Shares	
	a) Equity	-
	b ) Preference	-
ii	Debenture and Bonds	-
iii	Units of Mutual Funds	-
iv	Government Securities	-
V	Others	-
<b>II</b>	<b>Unquoted</b>	
i	Shares	
	c) Equity	-
	d) Preference	-
ii	Debenture and Bonds	-
iii	Units of Mutual Funds	-
iv	Government Securities	-
v	Others	-
	<b>Long Term Investments</b>	
<b>I</b>	<b>Quoted</b>	
i	Shares	
	e) Equity	-
	f) Preference	-
ii	Debenture and Bonds	-
iii	Units of Mutual Funds	-
iv	Government Securities	-
v	Others	-
<b>II</b>	<b>Unquoted</b>	
i	Shares	
	g) Equity	-
	h) Preference	-
ii	Debenture and Bonds	-
iii	Units of Mutual Funds	-
iv	Government Securities	-
v	Others	-

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

Rs. in Lakhs

Category	Amount of Net Provision		
	Secured	Unsecured	Total
Related Parties			
a) Subsidiaries	-	-	-
b) Companies in the same group	-	-	-
c) Other Related Parties	-	-	-
Other than related parties	1,03,768.64	240.04	1,04,008.68
<b>Total</b>	<b>1,03,768.64</b>	<b>240.04</b>	<b>1,04,008.68</b>



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

Rs. in Lakhs

Category	Market Value/Break up or Fair Value or NAV	Book Value (Net of Provisions)
<b>Related Parties</b>		
a) Subsidiaries	-	-
b) Companies in the same group	-	-
c) Other Related Parties	-	-
<b>Other than related parties</b>	-	-
<b>Total</b>	-	-

### Other Information

Rs. in Lakhs

Particulars	Amount
<b>Gross Non- Performing Assets</b>	
a) Related Parties	-
b) Other than related parties	1,462.45
<b>Net Non- Performing Assets</b>	
c) Related Parties	-
d) Other than related parties	972.74
<b>Assets acquired in satisfaction of Debts</b>	-

69. The Company has used an accounting Software for maintaining its books of account for the year ended March 31, 2025 which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in software, except that for :

- In respect of a software (operated by a third-party software service providers) for payroll record maintenance and processing, the management is not in the possession of the Service Organisation Controls report or other relevant evidence to determine whether the audit trail feature was enabled and operated throughout the year for all relevant transactions recorded in such software or whether there were any instances of the audit trail feature being tampered with.
- The feature of recording audit trail (edit log) was not available in respect of one software for loan management throughout the year.

Further, audit trail feature has not been tampered with in respect of accounting software where the audit trail has been enabled. Additionally, the audit trail of relevant prior years has been preserved by the Company as per the statutory requirements for record retention, to the extent it was enabled and recorded in those respective years

70. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Women Director except, between period 27th November, 2024 to 29th May, 2025, there was only one Independent Director in the Company thereby violating the provisions of Section 149(4) of the Companies Act, 2013. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013.

71. The Company has not undertaken assignments of loans during the financial year ended March 31, 2025 and March 31, 2024.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2025

72. The Company has not undertaken securitization of loans during the financial year ended March 31, 2025 and March 31, 2024. The company has not sponsored any SPV's during the current year and previous year, and there is no outstanding amount securitized assets as a result of any such sponsorships.
73. The Company has not disbursed any loans against security of gold.
74. The Company has no exposure in capital market in the current financial year and previous financial year.
75. The Company has no Transactions/exposures in forward rate agreement/interest rate swap in the current and previous financial year.
76. The Company has no Transactions/exposures in derivatives in the current and previous financial year.
77. The Company has not witnessed/reported any instances of fraud in the current and previous financial year.
78. The Company has not purchased/sold non performing financial assets from other Housing Finance Companies in the Current and previous financial year.
79. The Company has not sold any financial assets to Securitization/Reconstruction company for assets reconstruction in the Current and Previous financial year.
80. The Company has not exceeded single borrower limit and group borrower limit as set by regulator during the current and previous financial year.
81. The Company is not registered with any other financial regulator.
82. During the F.Y.2022-2023, in line with Indian Accounting Standards, the share issue expenses of Rs. 47.51 lakh have been reclassified to Other Equity from Equity Share Capital. As a result of above the Retained Earnings are lower to the extent of Rs. 47.51 lakh and Equity Share Capital is higher to the extent of Rs. 47.51 lakh. However, there is no change in the networth of the Company.
83. There is no financing of the parent company's products during the current year and previous financial year.
84. The Company did not have overseas assets as at March 31, 2025 and March 31, 2024

### 85. Penalties

Rs. in Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
National Housing Bank	NIL	NIL

86. No adverse remarks were levied by National Housing Bank and Reserve Bank of India during the Current and previous year.
87. The accounting policies regarding key areas of operation are disclosed as Note 3 to the Financial Statements.
88. There has been no instances except for interest on non-performing loans in which revenue recognition is postponed pending the resolution of significant uncertainties.
89. Details of all material transactions with related parties are disclosed in note 41 of financial statements.
90. Refer to the Management Discussion and Analysis report for the management related disclosures.



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2025

- 91.** The Company does not have any benami property in its name. No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- 92.** The Company has not been declared as wilful defaulter by any bank, financial institution, government, any government authority or any other lender during the current financial year and previous financial year.
- 93.** The Company has not undertaken any transactions with companies struck off under section 248 of Companies Act, 2013 or section 560 of the Companies Act, 1956.
- 94.** No charges or satisfaction are pending to be registered with ROC beyond the statutory period.
- 95.** Compliance with number of layers of companies is not applicable since the Company does not have any subsidiary

### 96. Disclosure of Ratios:

S.No	Particulars	Numerator (Rs. In Lakhs)			Denominator (Rs. In Lakhs)			Ratio		Variance (%)
		Particulars	2024-25	2023-24	Particulars	2024-25	2023-24	2024-25	2023-24	
(a)	Liquidity coverage ratio	High Liquid Assets	3,181.02	1,649.16	High Liquid Liabilities	4,316.47	3,997.78	0.74	0.41	78.65%
(b)	Debt –Equity Ratio	Total Debt (Borrowing + Debentures)	75,708.29	50,210.96	Shareholder's Equity	33,901.81	32,896.82	2.23	1.53	46.31%
(c)	Total debts to total assets	Total Debt (Borrowing + Debentures)	75,708.29	50,210.96	Total Assets	1,12,337.54	85,959.13	0.67	0.58	15.38%
(d)	Operating margin	Profit before tax	1,255.14	2,828.08	Total Income	13,775.57	10,986.60	9.11%	25.74%	(64.60%)
(e)	Net profit margin	Profit after tax	992.18	2,078.61	Total Income	13,775.57	10,986.60	7.20%	18.92%	(61.93%)
(f)	Gross stage 3 loans to gross loans	Gross stage 3 loans	1,462.45	707.10	Gross Loans outstanding	1,05,006.05	79,741.52	1.39%	0.89%	57.06%
(g)	Net stage 3 loans to net loans	Gross NPA less NPA Provision	972.74	502.43	Sum of Stage 1,2,3 Loans Less Stage 3 Provision	1,04,516.33	79,536.85	0.93%	0.63%	47.33%

### Reason for change in ratios by more than 25% :

#### (a) Liquidity Coverage Ratio (% change : 78.65%)

The company has increased the liquidity position as on March 2025 resulting in higher High Liquid Assets as compared to previous year with the increased in size of operation.

#### (b) Debt –Equity Ratio (% change : 46.31%)

The company has grown the Loan book from Rs 79741.52 Lakhs to Rs. 105006.05 Lakhs during FY 2025 and subsequently, the required funds have been raised from Banks/ NBFC/FI resulting in an increase of leverage from 1.53X to 2.23X.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2025

### (c) Total debts to total assets (% change : 15.38%)

The company has grown the Loan book from Rs 79741.52 Lakhs to Rs. 105006.05 Lakhs during FY 2025 and subsequently the required funds have been raised from Banks/ NBFC/FI resulting in increase of total debts ratio from 0.58X to 0.67X.

### (d) Operating margin : (% Change: -64.60%)

The company has increased the scale of operation in the current F.Y.2024-2025. Further the company has increased its borrowing from Rs. 50210.93 Lakhs to Rs. 75708.30 Lakhs resulting in incremental cost of P&L.

### (e) Net profit margin: (% Change: -61.93%)

The company has increased the scale of operation in the current F.Y.2024-2025. Further the company has increased its borrowing from Rs. 50210.93 Lakhs to Rs. 75708.30 Lakhs resulting in incremental cost of P&L.

### (f) Gross stage 3 loans to gross loans (% change : 57.06%)

The increase in GNPA from Rs. 707.10 Lakhs to Rs. 1462.45 Lakhs and NNPA from Rs. 502.43 Lakhs to Rs. 972.74 Lakhs Crs during FY 2024–25 is largely on account of stress in specific borrower segments and geographies. However, the rise in NPAs is marginal when viewed in proportion to the growth in AUM, which increased significantly from approximately from Rs 79741.52 Lakhs to Rs. 105006.05 Lakhs during the same period. Recovery efforts have been strengthened through legal actions under the SARFAESI Act and intensified field-level recovery drives. The company has also initiated a structured action plan to monitor delinquent accounts and improve recovery efficiency going forward.

### (g) Net stage 3 loans to net loans (% change : 47.33%)

The increase in GNPA from Rs. 707.10 Lakhs to Rs. 1462.45 Lakhs and NNPA from Rs. 502.43 Lakhs to Rs. 972.74 Lakhs Crs during FY 2024–25 is largely on account of stress in specific borrower segments and geographies. However, the rise in NPAs is marginal when viewed in proportion to the growth in AUM, which increased significantly from approximately from Rs 79741.52 Lakhs to Rs. 105006.05 Lakhs during the same period. Recovery efforts have been strengthened through legal actions under the SARFAESI Act and intensified field-level recovery drives. The company has also initiated a structured action plan to monitor delinquent accounts and improve recovery efficiency going forward.

97. (i) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies) including foreign entities (intermediaries) with the understanding that the intermediary shall :
- (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- (ii) The Company has not received any fund from any person(s) or entities (ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall
- (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

98. There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.



99. The Company has not traded or invested in Crypto or Virtual Currency during the year.

100. Previous financial year figures have been reclassified/regrouped/restated to confirm to current financial year's classification

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

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

sd/-

**Kushal J. Khandwala**  
Whole Time Director  
DIN: 03345686

sd/-

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

sd/-

**Vitesh D. Gandhi**  
Partner  
M. No. 110248

sd/-

**Vikki Vijay Soni**  
Chief Financial Officer

sd/-

**Samrudhi Satish Shetty**  
Company Secretary

Place: Mumbai  
Date: September 15, 2025

Place: Mumbai  
Date: September 15, 2025

Place: Mumbai  
Date: September 15, 2025



# NOTICE OF ANNUAL GENERAL MEETING





NOTICE IS HEREBY GIVEN THAT THE 10<sup>TH</sup> ANNUAL GENERAL MEETING (“AGM”) OF THE MEMBERS OF KIFS HOUSING FINANCE LIMITED WILL BE HELD AT A SHORTER NOTICE ON MONDAY, SEPTEMBER 22, 2025 AT 11.00 A.M. AT THE CORPORATE OFFICE OF THE COMPANY SITUATED AT C-902, LOTUS CORPORATE PARK, GRAHAM FIRTH COMPOUND, WESTERN EXPRESS HIGHWAY, GOREGAON (EAST), MUMBAI - 400063, TO TRANSACT THE FOLLOWING BUSINESS:

#### **ORDINARY BUSINESS:**

- 1. To receive, consider, approve and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2025, including the Audited Balance Sheet as at March 31, 2025 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.**
- 2. To appoint a director in place of Mr. Kushal Khandwala (DIN: 03345686), who retires by rotation pursuant to the provision of Section 152 of the Companies Act, 2013 and, being eligible, offers himself for re-appointment.**

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

“**RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Kushal Khandwala (DIN: 03345686) who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a director of the Company.”

#### **SPECIAL BUSINESS:**

- 3. Appointment of M/s. J H Mehta & Co., Chartered Accountants (Firm Registration No. 106227W) as the Statutory Auditors of the Company.**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 139 to 142 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with the Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021 issued by the Reserve Bank of India ('RBI') ('RBI Guidelines'), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and other applicable regulatory provisions, if any, M/s J H Mehta & Co., Chartered Accountant (FRN: 106227W) who have offered themselves for appointment and have confirmed their eligibility to be appointed as Statutory Auditors, be and are hereby appointed as Statutory Auditors of the Company for the first term of three years i.e., from F.Y. 2025-26 till F.Y. 2027-28, who will hold the office till the conclusion of 13th Annual General Meeting.

**RESOLVED FURTHER THAT** the Board of Directors (including any duly constituted Committee of the Board or any other person(s) authorised by the Board or the Audit Committee in this regard), be and is hereby authorised to decide and finalise the terms and conditions of appointment (including remuneration) and to do all such other acts, matters, deeds and things as may be deemed necessary or expedient to give effect to this resolution and for the matters connected therewith or incidental thereto.”

- 4. To approve borrowing limits under Section 180(1)(c) of the Companies Act, 2013.**

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

“**RESOLVED THAT** pursuant to Section 180(1)(c) of the Companies Act, 2013 and Rules made there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company or any committee of directors to raise or borrow from time to time, any sum or sums of money

for the business of the Company by way of loans or debentures (whether secured or unsecured), bonds, deposits, fund based, non-fund based or in any other manner for the purpose of business of the Company any sums or sums of money whether in Indian or foreign currency from time to time from any bank(s) or any financial institutions or any other institution(s), firm(s), body corporate(s) or other person(s) or from any other source in India or outside India whomsoever from time to time with or without security and upon such terms and conditions as the Board of Directors or any other committee of directors of the Company may deem fit and expedient for the purpose of the business of the Company, notwithstanding, that the monies to be borrowed, together with the monies already borrowed by the Company and remaining undischarged at any given time (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the Company's paid-up share capital, free reserves and securities premium, provided that the total amount so borrowed/amount to be borrowed by the Board (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) shall not at any time exceed borrowing power limit of Rs. 2000 Crores (Rupees Two Thousand Crores).

**RESOLVED FURTHER THAT** the powers to approve the borrowing transaction and determine the terms and conditions of such borrowings, including the quantum, interest rate, tenor, security & and other related sanction & disbursement conditions, be and are hereby delegated to the Borrowing and Investment Committee of the Company.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to approve the borrowing transactions and determine the terms and conditions thereof, including the quantum, interest rate, tenor, security, and other related sanction and disbursement conditions, and be further authorised to delegate such powers, as it may deem fit, to the Borrowing and Investment Committee of the Company.

**RESOLVED FURTHER THAT** the Board of Directors/ Borrowing and Investment Committee be and are hereby authorized to further delegate the powers conferred under this resolution to any Authorized Signatory(ies) of the Company for the purpose of execution of the necessary loan agreements, deeds, documents, undertakings, declarations, security documents and any such other documents as may be required in connection with the borrowings.

**RESOLVED FURTHER THAT** any Director or Chief Financial Officer of the Company be and are hereby authorized severally to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution.

**RESOLVED FURTHER THAT** any Director or the Chief Financial Officer or the Company Secretary of the Company be and are hereby severally authorized to sign certified true copy of the resolution and to furnish the same to all such appropriate statutory authorities as may be requested thereupon.”

**5. To provide security by way of Pledge, Hypothecation, Mortgage, Lien and/or charge in such form or manner on all or any movable or immovable property of the Company under Section 180(1)(a) of the Companies Act, 2013.**

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

“**RESOLVED THAT** pursuant to Section 180(1)(a) of the Companies Act, 2013 and Rules made there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the consent of the members of the Company is hereby accorded to the Board of Directors or any committee of directors of the Company to provide security by way of pledge, hypothecation, mortgage, lien and/or charge in such form and manner and with such ranking and at such time and on such terms as the Board of Directors may determine, on all or any of the immovable and/or movable properties of the Company (including but not limited to fixed assets, current assets, shares and other investments held by the Company, all intangible property, rights and benefits under all contracts and agreements entered into by the Company and the monies of, long term receivables of and the loans and advances made by the Company, both present and future, and/or the whole or substantially the whole of the undertaking or any part of the properties of the Company wheresoever situated, together with the power to take over the management of the business and the concern of the Company, on such terms and conditions and at such time or times and in such form or manner as the Board of Directors may deem fit, to or in favour of national/international financial institutions or banks or trustees for the bond/debenture holders (in case of



issue of bonds or debentures) etc. (herein after referred as “**the Lenders**” to secure any term loans or cash credit facilities or debentures or bond or such other credit facilities obtained/to be obtained from any of the Lenders together with interest, compound interest, additional interest, liquidated damage(s), commitment charges, premia on prepayment or on redemption, cost, charge(s), expenses and all other monies payable by the Company to such Lenders subject to aggregate amount of such outstanding credit facilities not exceeding Rs. 2000 Crores (Rupees Two Thousand Crores) at any point of time.

**RESOLVED FURTHER THAT** such security shall be created only to secure the borrowings within the borrowing limits as approved by the Board or shareholders of the Company under Section 180(1)(c) of the Companies Act, 2013, from time to time.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to to negotiate, finalise, and approve the terms and conditions of such charge or security, and to take all necessary steps for creation of such charge or encumbrance as may be required and be further authorised to delegate such powers, as it may deem fit, to the Borrowing and Investment Committee of the Company.

**RESOLVED FURTHER THAT** the Borrowing and Investment Committee be and are hereby authorised to further delegate the powers conferred herein to the Authorized Signatories of the Company for the purpose of execution of loan documents, security agreements, deeds, declarations, and other ancillary documents, including filing of forms with the Registrar of Companies and other regulatory authorities as may be required.

**RESOLVED FURTHER THAT** any Director or Chief Financial Officer or Company Secretary of the Company be and are hereby authorized severally to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution.

**RESOLVED FURTHER THAT** any Director or the Chief Financial Officer of the Company be and are hereby severally authorized to sign certified true copy of the resolution and to furnish the same to all such appropriate statutory authorities as may be requested thereupon.”

## **6. To consider and approve conversion of Loan into Equity under Section 62(3) of the Companies Act, 2013.**

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

“**RESOLVED THAT** pursuant to the provisions of Section 62(3) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force), the rules framed thereunder and in accordance with the Memorandum of Association and Articles of Association of the Company, the consent of the members of the Company be and is hereby accorded to the Lender(s) to convert all or part of outstanding amounts under the Facility to be extended, into fully paid-up equity shares (carrying voting rights) of the Company at a price and on terms complying with, (i) the terms of the Facility Agreement, (ii) any approvals, consents, permissions and sanctions of appropriate authorities, wherever required, and (iii) applicable laws subject to the approval of members of the Company.

**RESOLVED FURTHER THAT** the board of directors (the “**Board**”) be and is hereby severally authorized to offer, issue and allot fully paid-up equity shares (carrying voting rights) of the Company to the Lender(s), in accordance with applicable laws, in furtherance of the aforesaid resolution.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the aforesaid resolutions and the conversion rights of the Lender(s) pursuant to the proposed Facility Agreement to be executed by the Company, the Board, be and is hereby severally authorised to do all such acts, deeds, matters and things as the Board may in its absolute discretion deem necessary, proper or desirable, to create, offer, issue and allot the aforesaid shares of the Company, to dematerialize the said shares, to convert the outstanding obligations of the Company into fully paid-up equity shares (carrying voting rights) of the Company, and to resolve and settle any question, difficulty or doubt that may arise in this regard and to do all such other acts, deeds, matters and things in connection or incidental thereto as the Board in its absolute discretion

may deem fit, without being required to seek any further consent or approval of the members or otherwise, and to that end and intent the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** the Company do file this resolution and make any other filings required under the Companies Act, 2013 (or Companies Act, 1956, wherever applicable), with the concerned Registrar of Companies and other statutory/governmental authorities as may be required within the time prescribed by law therefore and undertake any other registration requirements (as may be required).

**RESOLVED FURTHER THAT** any Director or Chief Financial Officer of the Company be and are hereby authorized severally to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution.

**RESOLVED FURTHER THAT** any Director or the Chief Financial Officer or the Company Secretary of the Company be and are hereby severally authorized to sign certified true copy of the resolution and to furnish the same to all such appropriate statutory authorities as may be requested thereupon.”

## 7. To approve/ratify the Related Party Transactions for FY 2025-26.

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

“**RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions of Companies Act, 2013 (“the Act”) and Rules made thereunder, other applicable laws / statutory provisions, if any, (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force), and subject to such approval(s), consent(s), permission(s) as may be necessary from time to time and based on the approval and recommendation of the Audit Committee and the Board of Directors of the company, consent of the members of the company be and is hereby accorded to the company to enter/continue to enter into contract(s)/ arrangement(s)/ transaction(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) with related parties as detailed in the Explanatory Statement annexed to this notice and on such terms and conditions as may be mutually agreed between the parties and detailed in the explanatory statement, such that the maximum value of the contracts/ arrangements/ transactions, in the aggregate, does not exceed Rs. 60 crore (Rupees Sixty Crores only) during the Financial Year 2025-26 with respect to any of the following transactions:

- a) sale, purchase or supply of any goods or materials;
- b) selling or otherwise disposing of, or buying properties of any kind;
- c) granting or taking on lease of property of any kind;
- d) availing or rendering of any services;
- e) appointment of any agent for purchase or sale of goods, materials, services or property;
- f) such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
- g) underwriting the subscription of any securities or derivatives thereof, of the company;
- h) Borrowing & lending of loans and advances, reimbursement of expenses including towards sharing / using each other's resources, e.g. employees, office space, infrastructure, assets etc.

for each of the financial years hereinafter, unless revoked and such that the maximum value of the related party transactions with such parties, in aggregate, does not exceed value as specified under each category for each financial year, whether or not the said contract(s)/ arrangement(s)/ transaction(s) be carried out in the ordinary course of business of the company or at arm's length basis in respect to transactions with related parties under section 2(76) of the act parties as detailed in the Explanatory Statement annexed to this notice.

Following are the specified criteria for making the omnibus approval: .



- a) maximum value of the transactions, in aggregate, which can be allowed under the omnibus route in a year: Rs. 60 crores.
- b) the maximum value per transaction which can be allowed: Rs. 50 crores
- c) extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval: All the RPTs to be disclosed to the Committee on Quarterly basis for its noting and ratification, if any. Any new RPT will require approval/ratification at the next meeting.
- d) review, at such intervals as the Audit Committee may deem fit, related party transaction entered into by the company pursuant to each of the omnibus approval made: Quarterly review.
- e) transactions which cannot be subject to the omnibus approval by the Audit Committee: transactions in respect of selling or disposing of the undertaking of the company.

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

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

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

By Order of the Board of Directors

**For KIFS Housing Finance Limited,**

Sd/-

**Vimal Khandwala**  
Managing Director  
DIN: 00477768

**Date: 19/09/2025**  
**Place: Mumbai**

**NOTES:**

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



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

### AGENDA ITEM NO. 3

The Members are informed that M/s Manubhai & Shah LLP, Chartered Accountants (FRN: 106041W/W100136), were appointed as the Statutory Auditors of the Company for a term up to the conclusion of the 11<sup>th</sup> Annual General Meeting (AGM).

However, pursuant to the Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs, and NBFCs (including HFCs) vide circular dated April 27, 2021 issued by Reserve Bank of India ("RBI"), an audit firm is eligible to continue as Statutory Auditor of an NBFC/HFC only if its tenure has not exceeded a continuous period of three years, subject to eligibility norms.

As the Company has crossed the asset size threshold of ₹1,000 crore and M/s Manubhai & Shah LLP have already completed more than three years as Statutory Auditors of the Company, they are not eligible to be re-appointed for further term in accordance with the RBI Guidelines. Accordingly, M/s Manubhai & Shah LLP have tendered their resignation with effect from September 16, 2025. The Board places on record its deep appreciation for the valuable services rendered by them during their tenure as Statutory Auditors of the Company.

Based on the recommendation of the Audit Committee, the Board of Directors proposes the appointment of M/s J H Mehta & Co., Chartered Accountant (Firm Registration Number: 106227W), as the Statutory Auditors of the Company, to hold office from the conclusion of this AGM until the conclusion of the 13<sup>th</sup> AGM, in compliance with the aforesaid RBI Guidelines and the provisions of the Companies Act, 2013.

None of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice.

In the opinion of the Board, SRB possess the relevant expertise and experience which is commensurate with the size and requirements of the Company and accordingly recommends the Ordinary Resolution set forth in item no. 3 of the Notice for approval of the Members.

None of the Directors, Key Managerial Personnel of the Company or their respective relatives are interested, except to the extent of their equity shareholding in the company or has any concern or interest in respect of the above mentioned Special Resolution.

### AGENDA ITEM NO. 4

The Board of Directors of a Company shall not, except with the consent of Company by Special Resolution borrow money together with the money already borrowed, if any (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), exceeding the aggregate of the paid up capital and its free reserves as per the provisions of Section 180(1)(c) of the Companies Act, 2013 ("the Act") and its rules thereunder.

The Members of the Company at its previous Annual General Meeting held on September 09, 2024, had approved by way of a Special Resolution under Section 180(1)(c) of the Companies Act, 2013, borrowing limits over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs. 1000 Crore (Rupees One Thousand Crore) for the FY 2024-2025.

The Members are further informed that the borrowings of the Company for the FY 2025-2026 has yet not reached the limit, however, the Company would like to increase the limit to borrow funds to meet the increased business volumes and growth of the Company, thus it is necessary that the borrowing powers shall be increased to Rs. 2000 Crore (Rupees Two Thousand Crore) so as to match the business targets.



The borrowings of the Company, if required, is to be secured by mortgage or charge on all or any of the moveable or immovable or any other tangible/ intangible assets/ properties of the Company (both present & future), in favour of any lender including the financial institution/banks/debenture etc., in such form, manner and ranking as may be determined by the Board of Directors and committee of directors of the Company from time to time as may be mutually agreed with the lender(s).

Hence, the consent of the Members is therefore sought to pass Special Resolution under Section 180(1)(c) of the Act, as set out in item no. 4 of the notice, to enable the Board of Directors/ committee of directors to borrow monies and inter alia, authorize the Board to secure its borrowing by way of mortgage / charge on the assets of the Company, which shall not exceed a sum of Rs. 2000 Crores for the FY 2025-2026.

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

None of the Directors, Key Managerial Personnel of the Company or their respective relatives are interested, except to the extent of their equity shareholding in the company or has any concern or interest in respect of the above mentioned Special Resolution.

#### **AGENDA ITEM NO. 5**

In order to facilitate securing the borrowings availed / to be availed by the company or subsidiary(ies) or associates of company, by way of loans, debentures or any other securities or otherwise, in foreign currency or in Indian rupees, it is proposed to obtain the approval of the shareholders by way of a special resolution under section 180(1)(a) of the Companies Act, 2013, to create charge / mortgage / hypothecation / pledge on the company's assets including tangible and intangible, both present and future, or provide other securities in favour of the banks, financial institutions, any other lender(s), agent(s) and trustee(s), from time to time up to the limits approved or as may be approved by the shareholders from time to time under section 180(1)(a) of the Companies Act, 2013.

The borrowings of the Company, if required, is to be secured by mortgage or charge on all or any of the moveable or immovable or any other tangible/intangible assets/ properties of the Company (both present & future), in favour of any lender including the financial institution/banks/debenture etc, in such form manner and ranking as may be determined by the Board of Directors or committee of directors of the Company from time to time as may be mutually agreed with the lender(s).

Hence, the consent of the Members is therefore sought to pass Special Resolution under Section 180(1)(a) of the Act, as set out in item no. 5 of the notice, to enable the Board of Directors/ Committee of Directors to borrow monies and inter alia, authorize the Board to secure its borrowing by way of mortgage / charge on the assets of the Company, which shall not exceed a sum of Rs. 2000 Crores, for the FY 2025-2026.

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

None of the Directors, Key Managerial Personnel of the Company or their respective relatives are interested, except to the extent of their equity shareholding in the company or has any concern or interest in respect of the above mentioned Special Resolution.

#### **AGENDA ITEM NO. 6**

The Company will be granted Loan by the Lenders enabling the company to run its operation besides restructuring the existing debt in line with the debt repayment capability of the Company.

A Facility Agreement will be executed with the lender, which, inter alia, contains a clause that in case of default of payment of any dues to the Lenders in accordance with the terms of the above Agreement or failure by the promoters for timely payment of moneys and continuance of the same, the Lenders can exercise various rights as a consequence of event of default including exercise of their rights of conversion of debt into equity called as 'Conversion Right'. It is also agreed that the Lenders shall reserve the right to sell equity shares to any person without limitation, under applicable laws, in case of any event of default.



Hence, the consent of the Shareholders is therefore, sought in accordance with the provisions of Section 62(3) of the Act.

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

None of the Directors, Key Managerial Personnel of the Company or their respective relatives are interested, except to the extent of their equity shareholding in the company or has any concern or interest in respect of the above mentioned Special Resolution.

### AGENDA ITEM NO. 7

The Board of Directors of the Company ('the Board') at its Meeting held on September 15, 2025, on the recommendation of the Audit Committee, recommended for the approval/ratification of the Members, entering into related party contracts / arrangements / transactions in the ordinary course of business and on arm's length basis/not at arm's length basis during the Financial Year 2025-26, as set out in the Resolution.

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

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

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

Sr. No.	Proposed Related Party Transactions	Maximum value of the proposed transactions (in aggregate)
1.	Granting or taking on lease of property of any kind	<b>Rs, 60,00,00,000</b>
2.	Availing or rendering of any services	
3.	Borrowing & lending of loans and advances, reimbursement of expenses including towards sharing / using each other's resources, e.g. employees, office space, infrastructure, assets etc.	



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

Name of the party with which contract shall be entered	Name of the interested Director and Nature of Relationship.	Particulars of the transaction	Nature, Material Terms, Monetary Value and Particulars of the Contract or Arrangements
M/s KIFS Trade Capital Private Limited	Shri. Rajesh Khandwala – Managing Director, Shri. Vimal Khandwala – Managing Director and Shri. Kushal Khandwala –Whole Time Director.	M/s KIFS Trade Capital Private Limited has let out the property situated at Mumbai (Corporate Office) for the business and operation purpose of the Company for the rental of Rs. 1,60,000/- pm (excluding taxes).	Continuing and repetitive in nature.
M/s KIFS International LLP	Shri. Rajesh Khandwala – Managing Director, Shri. Vimal Khandwala – Managing Director and Shri. Kushal Khandwala –Whole Time Director.	M/s KIFS International LLP has let out the property situated at Vadodara for the business and operation purpose of the Company for the rental of Rs. 43,712/- pm (excluding taxes).	Continuing and repetitive in nature.
M/s. KIFS Realty LLP	Shri. Rajesh Khandwala – Managing Director, Shri. Vimal Khandwala – Managing Director and Shri. Kushal Khandwala –Whole Time Director.	M/s KIFS Realty LLP has let out the property situated at Ahmedabad for the business and operation purpose of the Company for the rental of Rs. 82,800/- pm (excluding taxes).	Continuing and repetitive in nature.
M/s. KIFS Trade Capital Private Limited	Shri. Rajesh Khandwala – Managing Director, Shri. Vimal Khandwala – Managing Director and Shri. Kushal Khandwala –Whole Time Director.	M/s KIFS Trade Capital is acting as a broker to invest the temporary surplus funds of the Company. No Brokerage/ Commission shall be charged by M/s KIFS Trade Capital.	Continuing and repetitive in nature.
M/s. KIFS Finstock Limited	Shri. Rajesh Khandwala – Managing Director and Shri. Vimal Khandwala – Managing Director	M/s. KIFS Finstock Limited has agreement to grant Inter Corporate Deposit of an amount not exceeding Rs. 50 Crore to KIFS Housing Finance Limited at the interest rate of 7% p.a.	Continuing and repetitive in nature.



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

Except for Mr. Rajesh Khandwala, Mr. Vimal Khandwala & Mr. Kushal Khandwala, None of the Directors, Key Managerial Personnel or their relatives are interested, except to the extent of their equity shareholding in the company or has any concern or interest in respect of the above mentioned Special Resolution.

By Order of the Board of Directors

**For KIFS Housing Finance Limited,**

Sd/-

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

**Date: 19/09/2025**  
**Place: Mumbai**



## ANNEXURE TO THE NOTICE

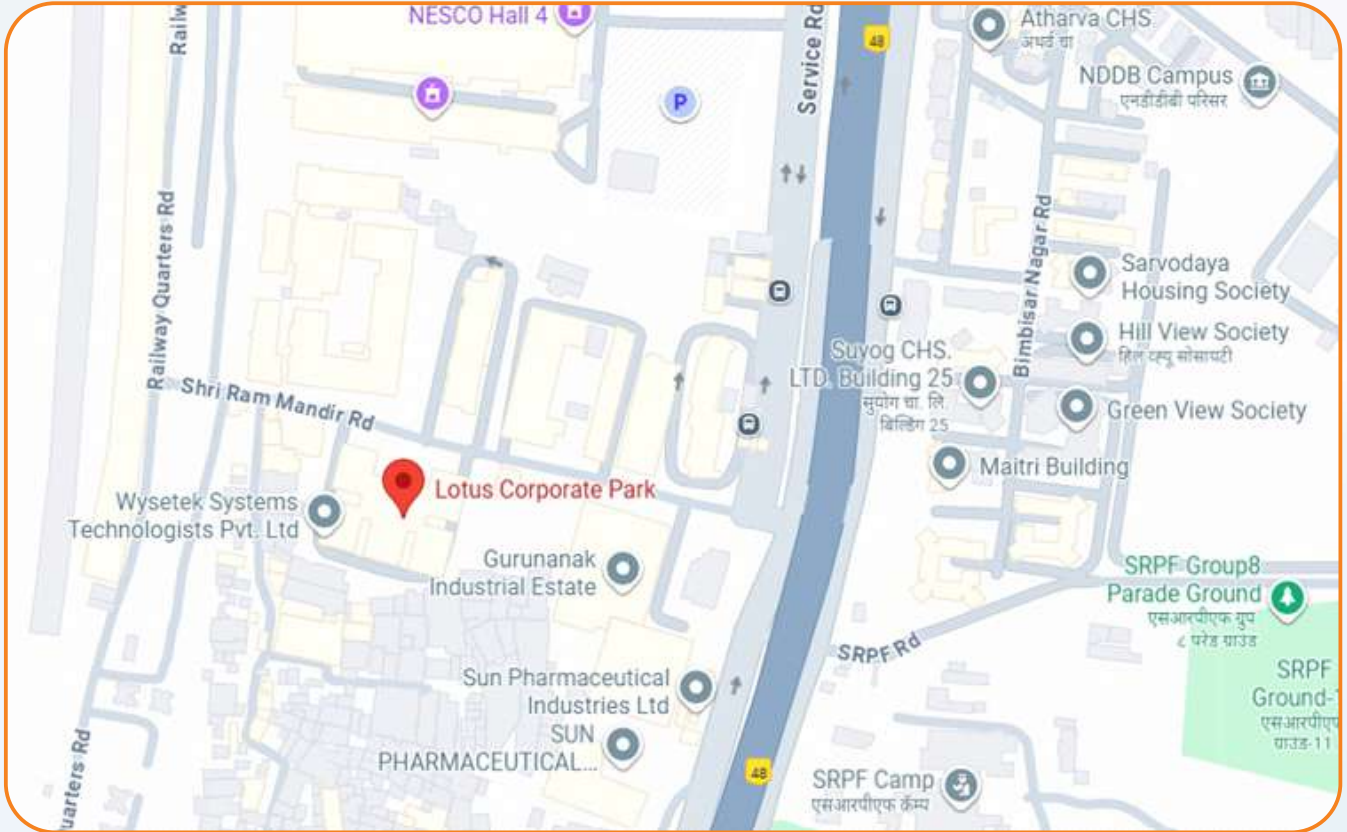
### ADDITIONAL INFORMATION AS REQUIRED UNDER SECRETARIAL STANDARDS-2:

Item No. 2: Details of Directors seeking Appointment/Re-appointment/Re-designation at the Tenth Annual General Meeting:

Name of the Director	<b>Mr. Kushal Khandwala</b>
Designation	Whole Time Director
Date of Birth/Age	23/03/1991/ 34 years
DIN	03345686
Date of First appointment on the Board	March 20, 2023 as a Whole Time Director of the Company
Qualification	Masters Graduate from the University of Warwick
Profile, Experience and Expertise in specific functional areas	<p>Mr. Kushal Khandwala has a Masters Graduate from the University of Warwick, having considerable experience in the field of Finance and NBFC funding. After having worked with a renowned market research firm for 3 years, he has been associated with the Khandwala Group overlooking KIFS Housing Finance's activities on a full-time basis.</p> <p>In addition, Mr. Kushal Khandwala is a Director on the Board of 24KT Jewels Private Limited, KIFS Insurance Broking Private Limited and KIFS Broking Private Limited.</p>
Shareholding in the Company	0%
Number of Board Meetings attended during the year	04
Chairperson/ Membership of Committees of other Company	<b>NIL</b>
Directorships held in other Company as on date	<ol style="list-style-type: none"> <li>1. 24KT Jewels Private Limited</li> <li>2. KIFS Insurance Broking Private Limited</li> <li>3. KIFS Broking Private Limited</li> </ol>
Terms and conditions of appointment/ re-appointment	<p>Appointed as an Additional Director in the capacity of Whole Time Director of the Company w.e.f. March 20, 2023 for a period of 5 years and his appointment was regularized in the AGM held on September 25, 2023.</p> <p>Remuneration sought to be paid: Nil Remuneration last drawn: Nil</p>
Relationship with other Directors/ KMP of the Company	Related to Mr. Rajesh Khandwala, Chairman and Managing Director and Mr. Vimal Khandwala, Managing Director of the Company.

## ROUTE MAP FOR 10<sup>TH</sup> ANNUAL GENERAL MEETING:

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





## ATTENDANCE SLIP

### KIFS HOUSING FINANCE LIMITED

CIN: U65922GJ2015PLC085079

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

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

### 10<sup>th</sup> Annual General Meeting,

Registered Folio No. / DP ID No. Client ID No. : \_\_\_\_\_

Number of Shares held: \_\_\_\_\_

I certify that I am a member / proxy for the member(s) of the Company.

I hereby record my presence at the **10<sup>th</sup> Annual General Meeting** of the Company being held **at a shorter notice on Monday, September 22, 2025 at 11.00 a.m.** at the **Corporate office of the Company at C-902, Lotus Corporate Park, Graham Firth Compound, Western Express Highway, Goregaon (East), Mumbai – 400063, Maharashtra, India.**

\_\_\_\_\_  
**Name of the Member / Proxy**

\_\_\_\_\_  
**Signature of the Member / Proxy**



**Form No. MGT-11**

**Proxy Form**

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

**KIFS HOUSING FINANCE LIMITED**

CIN: U65922GJ2015PLC085079

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

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

**Name of the Member(s):** \_\_\_\_\_

**Registered address:** \_\_\_\_\_

**E-mail Id:** \_\_\_\_\_

**Folio No/ Clint Id:** \_\_\_\_\_

**DP ID:** \_\_\_\_\_

I/ We being the member of ....., holding.....shares, hereby appoint

**1. Name:** .....  
**Address:**.....  
**E-mail Id:**.....  
**Signature:** ....., or failing him

**2. Name:** .....  
**Address:**.....  
**E-mail Id:**.....  
**Signature:** .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at **10<sup>th</sup> Annual General Meeting** of members of the Company, to be held on **Monday, September 22, 2025 at 11.00 a.m.** at the **Corporate office of the Company at C-902, Lotus Corporate Park, Graham Firth Compound, Western Express Highway, Goregaon (East), Mumbai – 400063, Maharashtra, India** and at any adjournment thereof in respect of such resolutions as are indicated below:



Sr. No.	Nature of Resolutions	Voting (Asset or Dissent)
<b>ORDINARY RESOLUTIONS:</b>		
1.	To receive, consider, approve and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2025, including the Audited Balance Sheet as at March 31, 2025 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.	
2.	To appoint a director in place of Mr. Kushal Khandwala (DIN: 03345686), who retires by rotation pursuant to the provision of Section 152 of the Companies Act, 2013 and, being eligible, offers himself for re-appointment.	
<b>SPECIAL RESOLUTIONS:</b>		
3.	Appointment of M/s J H Mehta & Co., Chartered Accountant (Firm Registration Number: 106227W) as the Statutory Auditors of the Company.	
4.	To approve borrowing limits under Section 180(1)(c) of the Companies Act, 2013.	
5.	To provide security by way of Pledge, Hypothecation, Mortgage, Lien and/or charge in such form or manner on all or any movable or immovable property of the Company under Section 180(1)(a) of the Companies Act, 2013.	
6.	To consider and approve conversion of Loan into Equity under Section 62(3) of the Companies Act, 2013.	
7.	To approve/ratify the Related Party Transactions for F.Y. 2025-26.	

Signed this ..... day of..... 2025

Signature of Shareholder

Signature of Proxy holder(s)

**Note:**

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

Affix  
Revenue  
Stamp

**Corporate Office**

**KIFS Housing Finance Limited**  
Lotus Corporate Park, C-902, 9<sup>th</sup> Floor  
C - Wing, Graham Firth Compound  
Western Express Highway, Goregaon (E)  
Mumbai - 400063

**Registered Office**

**KIFS Housing Finance Limited**  
6<sup>th</sup> Floor, Kifs Corporate House,  
Beside Hotel Planet Landmark, Near Ashok  
Vatika BRTS, ISKON- Ambli Road, Bodakdev,  
Ambli, Ahmedabad, Gujarat - 380054



022-61796400



[www.kifshousing.com](http://www.kifshousing.com)



[contact@kifshousing.com](mailto:contact@kifshousing.com)