



KIFS HOUSING FINANCE LIMITED
ANNUAL REPORT
2019-20

CORPORATE PROFILE

COMPANY DETAILS

Name of the Company: KIFS Housing Finance Limited
Corporate Identification Number: U65922GJ2015PLC085079
Registered Office: B-81, Pariseema Complex, C. G. Road, Ellisbridge, Ahmedabad -380006
Corporate Office: C-902, Lotus Corporate Park, Graham Firth Compound Western Express Highway, Goregaon (East), Mumbai - 400063

BOARD OF DIRECTORS

Shri. Padmanabh Pundrikray Vora, Non-Executive Director

Shri. Rajesh Parmanand Khandwala, Managing Director

Shri. Vimal Parmanand Khandwala, Managing Director

Shri. Kartik Shailesh Mehta, Non- Executive Director

Smt. Purvi Jayendra Bhavsar, Non- Executive Director

KEY MANAGERIAL PERSONNEL

Shri. Deepak Kumar Ajmera, Chief Financial Officer

Smt. Tejal Gunjan Gala, Company Secretary

AUDITORS OF THE COMPANY

Statutory Auditor	Manubhai & Shah LLP, Chartered Accountants
Internal Auditor	Yardi Prabhu & Associates LLP, Chartered Accountants Sanjay Vastupal & Co, Chartered Accountants
Secretarial Auditor	Kiran Doshi & Co., Company Secretaries

REGISTRAR & SHARE TRANSFER AGENT

NSDL Database Management Limited (“NDML”)

BANKERS

AU Small AU Small Finance Bank Limited, Federal Bank Limited, HDFC Bank Limited, State Bank of India, South Indian Bank Limited and Karur Vysya Bank

BOARD COMMITTEES

Audit Committee	Investment Committee
Shri Padmanabh Vora - Chairman	Shri Vimal Khandwala – Chairman
Smt. Purvi Jayendra Bhavsar - Member	Shri Rajesh Khandwala – Member
Shri Kartik Mehta - Member	Shri. Padmanabh Vora - Member
Shri Vimal Khandwala - Member	Shri. Kartik Mehta - Member

Nomination & Remuneration Committee	Asset Liability Management Committee
Shri Padmanabh Vora - Chairman	Shri Vimal Khandwala – Chairman
Shri Kartik Mehta - Member	Shri Rajesh Khandwala – Member
Shri Rajesh Khandwala - Member	Shri Padmanabh Vora – Member
Shri Vimal Khandwala - Member	Shri. Deepak Kumar – Member
Smt. Purvi Bhavsar, - Member	Shri. Gundopant Salokhe - Member

IT Strategy Committee	Corporate Social Responsibility Committee
Shri. Padmanabh Vora - Chairman	Shri. Vimal Khandwala - Chairman
Shri Vimal Khandwala - Member	Shri. Rajesh Khandwala - Member
Shri. Gundopant Salokhe - Member	Shri. Padmanabh Vora – Member
Shri. Deepak Kumar Ajmera - Member	
Shri. Vinayak Deousker - Member	
Smt. Tejal Gala - Member	



Board's Report

To

The Members,

KIFS Housing Finance Limited

Your Directors are pleased to present 5th Annual Report of your Company with the audited accounts for the year ended March 31, 2020.

1. FINANCIAL HIGHLIGHTS

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

(Rs. in Crores except EPS)

Particulars	2019-20	2018-19
Revenue from Operations	48.19	21.15
Other income	0.16	0.019
Total revenue	48.35	21.17
Total Expenditure	27.73	15.20
Profit / (Loss) before provision for tax	20.62	5.96
Tax Expense	5.29	1.86
Net Profit / (Loss) after tax	15.33	4.09
Earnings / (Loss) per Share (Basic & Diluted)	0.72	0.35

2. COVID -19

The World Health Organization (WHO) on March 11, 2020 declared the outbreak of Coronavirus (COVID-19) as a global "pandemic". The declaration from WHO came at a time when COVID-19 cases rapidly increased across the world. The spread of virus has triggered panic across the world and financial markets. A lockdown across the country from March 25, 2020 was announced to restrict it from spreading further and to break the cycle of infection. As a result, the Country's economic activities came to a standstill. The following measures were taken by the Company to mitigate the risk of COVID-19 to its business operations:

1. The Company referring to its 'Business Continuity Plan' and 'Risk Management Framework' managed to minimize the impact on its employees and ensured that the Company remains operational and that recovery time objectives are met. The Company called for an immediate Meeting of head of departments to discuss the further operations alternatives.

2. The Company implemented 'work from home policy' to ensure that employees stay safe and business remains operational.

3. All the guidelines issued by the Central and State Government authorities from time to time are being strictly adhered to.

4. Pursuant to Notification no. RBI/2019-20/186 DOR. No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020 issued by the Reserve Bank of India (RBI) in respect of COVID-19 - Regulatory Package, the Company gave Company's borrowers an option to defer their EMI's for three months.

3. DIVIDEND

During the financial year under report, your Directors suggested to reinvest the profits into the business of the Company and accordingly no dividend was recommended for the financial year ended March 31, 2020.

4. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The Company is not required to transfer any sum of the unclaimed dividend to the Investor education and protection fund as no dividend was declared.

5. TRANSFER TO RESERVES

During the financial year under report Your Company has transferred Rs. 4.77 crores i.e. The Company has created 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.

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

Due to COVID-19 outbreak during the end of the financial year 19-20 and nationwide lockdown from March 24, 2020 till June 7, 2020 under 3 phases which led impact on the Business and operations of the Company affecting the business and profit margin of the Company. During the lockdown phase the Reserve Bank of India (“RBI”) had notified the first moratorium scheme on March 27, 2020 where it permitted all the commercial banks (including regional rural banks, small finance banks and local area banks), co-operative banks, all-India financial institutions, and NBFCs (including housing finance companies and micro-finance institutions to allow a moratorium of three months on payment of instalments in respect of all term loans outstanding as on March 1, 2020. In view of the extension of the lockdown and continuing disruptions on account of COVID-19, it was further decided by RBI to permit lending institutions to extend the moratorium on term loan instalments by another three months, i.e., from June 1, 2020 to August 31, 2020, due to which Company’s business and collection was affected during the COVID-19 Lockdown.

7. CONVERSION OF THE COMPANY

Your Company got converted from a Private Limited to a Public Limited Company on February 24, 2020 and accordingly the Memorandum of Association and Articles of Association of the Company were altered and adopted.

8. SHARE CAPITAL AS ON MARCH 31, 2020

Share Capital	Amount in (Rs)
Authorized Share Capital (250,000,000 Equity Shares of Rs. 10 each) as March 31, 2020	250,00,00,000
Issued, Subscribed and Paid - up Capital (249,986,452 Equity Shares of Rs. 10 each), March 31, 2020	249,98,64,520

During the year, the authorized share capital was increased from Rs. 200 Crores Rupees (Two Hundred Crores) to Rs. 225 crores (Rupees Two Hundred and Twenty Five Crores) in an Extra Ordinary General Meeting held on July 12, 2019 and later from Rs. 225 Crores to Rs. 250 Crores Rupees Two Hundred and Fifty crores) in an Extra Ordinary General Meeting on September 24, 2019.

During the year, the paid up equity share capital increased as a result of the allotment of Shares. As at March 31, 2020 the equity shares capital stood at Rs. 249,98,64,520 divided into 24,99,86,452 equity shares at Rs. 10/- each

9. REVIEW OF BUSINESS AND OPERATIONS

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

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

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

INCOME & PROFITS

Total Income for the Financial Year ended March 31, 2020 is Rs. 48.35 crores as compared to Rs. 21.17 crores for the previous Financial Year. Profit Before Tax (PBT) is at Rs. 20.62 crores as compared to Rs. 5.96 crores for the previous Financial Year.

BRANCHES

The Company has 46 branches (including mini branches) spread across five states as at the financial year ended March 31, 2020.

State	No. of branches/ offices
Gujarat	10 [^]
Madhya Pradesh	13
Maharashtra	16 ^{^ ^}
Rajasthan	06
Uttar Pradesh	01

[^] Including Registered Office

^{^ ^} Including Corporate Office

SANCTIONS

KIFS Housing Finance has sanctioned around 4000 new cases and disbursed more than Rs. 192 Crores in 2019-20. With 1471 additional customers, more than 4200 Families were benefited.

DISBURSEMENTS

Loan Disbursement during the year were Rs. 192.77 Crores as against Rs. 135.02 Crores in the previous year. Cumulative Disbursements as on March 31, 2020 were Rs. 327.79 Crores as against Rs. 202.16 Crores in the previous year.

ASSETS UNDER MANAGEMENT (AUM)

As on 31st March, 2020, Company has Home Loan & LAP AUM Rs. 338.19 Crores with rapidly growing customer base of ~4258 clients out of which salaried borrowers account for 81.42% and self-employed borrowers account for 18.58%. The product offering with average ticket size and rate of interest is as below:

Segment	Average LTV	Average ROI	Average Ticket Size	Portfolio (Crores)	Portfolio %
Housing Loan	56.96%	13.02%	9.51 Lakhs	298.21	88.18%
Loan Against Property	42.89%	16.77%	5.96 Lakhs	39.98	11.82%
Total AUM as on 31st March, 2020	55.83%	13.32%	9.12 Lakhs	338.19	100.00%

PRADHAN MANTRI AWAS YOJANA (PMAY)

Pradhan Mantri Awas Yojana (PMAY) is an initiative by Government of India in which affordable housing is provide to the Urban poor. KIFS Housing had signed the MOU with the government of India for the Credit linked subsidy Scheme (CLSS) under the Pradhan Mantri Awas Yojana for EWS, LIG and MIG segments. KIFS Housing been into affordable housing sector has successfully availed various schemes under the government initiative - CLSS, KIFS has been an active contributor to the scheme during the year and availed subsidy for customers under the scheme in order to reduce the burden of Home loan amount. During the financial year 2019-20 KIFS Housing has received below claims from the Institution received was Rs. 7.48 crores as against 341 cases.

Institution	Date	Amount	Nos.
NHB - PMAY	August 13, 2019	2,07,67,809	124
NHB - PMAY	September 30, 2019	4,39,86,755	176
NHB - PMAY	March 03, 2020	1,00,71,411	41
Total		7,48,25,975	341

The Subsidy received under the scheme is credited in the respective customers loan account by way of prepayment.

NON-PERFORMING ASSETS (NPA)

14 Loan accounts out of ~4258 loan accounts were (0.47% gross NPA) were identified as Non-Performing Assets as on March 31, 2020. As per region wise analysis, Maharashtra had 3 cases which is 0.20% of the portfolio, Gujarat had 3 cases which is 0.97% , Rajasthan had 1 case which is 0.24% and Madhya Pradesh had 7 cases which is 0.98% of the portfolio.

COLLECTION/ RECOVERY

KIFS Housing has its own Collection and Recovery team headed by the experienced head under the sector. Collection in the low-income housing segment is a challenging but highly important task. The Company has a robust collection management in-house team of 9 people across 5 regions, supervised by regional officers and the head office of the Company. The team manages the lifecycle of transactions and monitors the portfolio quality. KIFS's highly robust collection structure regularly monitors all the loan accounts - from the zero bucket accounts to 3rd bucket (collection of instalments in standard accounts) to NPAs. Employees are advised to maximize collection efficiency in zero bucket accounts in order to restrict the flow from one bucket to the other. The collection department strategically focusses on Pre NPA (0-90 days) and NPA cases to ensure lowest delinquency levels.

Company's internal process controls are set up whereby information on cheque bounces and returns are received on real-time-based.

The Company is further streamlining this process through Collection mobilization to ensure unified approach and control on recovery. The field collection team keeps regular touch with borrowers to ensure high collection efficiency. And if essential legal measures are taken against the defaulting customers with the help of the in-house Lawyer along with the Management of the Company.

10. FINANCE

A. Loan Assets

Loan Assets As at March 31, 2020, recording a growth of Rs. 338.19 Crores against 182.82 crores as at 31st March, 2019.

B. Borrowing from National Housing Bank (“NHB”)

During the year, KIFS Housing had made an application to National Housing Bank and had received a refinance facility of Rs. 45.00 Crores on August 02, 2019 under Regular Scheme and the same was availed during the year in two tranches.

During the year, Company also received a sanction from National Housing Bank under the LIFt scheme on March 5, 2020 of Rs. 15.00 Crores which will be disbursed in the current financial year.

C. Bank Term Loan

KIFS received sanctions and Disbursements from various banks including a PSU like SBI, total amounting to Rs. 110.75 Crores.

Term Loan 1	Rupee Term Loan from State Bank of India
Amount	Rs.50.00 crore
O/s as on 31/03/2020	Rs. 22.42 crores



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O/s as on 11/06/2020	Rs. 19.78 crores	
Purpose	Onward Lending of housing loans	
Door to Door Tenor	5 years	
Repayment	Quarterly Instalments	
Term Loan 2	Rupee Term Loan from National Housing Bank	
Amount	Rs.45.00 crores	
O/s as on 31/03/2020	Rs. 43.55 crores	
O/s as on 11/06/2020	Rs. 43.55 crores	
Purpose	Onward Lending of housing loans	
Door to Door Tenor	10 years 2 Months	
Repayment	Quarterly Instalments	
Term Loan 3	Rupee Term Loan from National Housing Bank	
Amount	Rs.15.00 crores	
O/s as on 31/03/2020	Amount Rs. 15.00 crores yet to be availed	
O/s as on 11/06/2020	Nil	
Purpose	Onward Lending of housing loans	
Door to Door Tenor	5 years	
Repayment	Quarterly Instalments	
	Rupee Term Loan from Federal Bank (Term Loan 4 to 7)	
	Term Loan - 4	Term Loan - 5
Sanctioned Amount	Rs.4.75crore	Rs.5.00crore
O/s as on 31/03/2020	Rs. 3.32 Crores	Rs. 4.24 Crores
O/s as on 31/05/2020	Rs. 3.16 Crores	Rs. 4.08 Crores
Purpose	Onward Lending of housing loans	Onward Lending of housing loans
Door to Door Tenor	5 years	5 years
Repayment	Monthly Instalments	Monthly Instalments
	Term Loan - 6	Term Loan - 7
Sanctioned Amount	6.00 crores	4.00 crores
O/s as on 31/03/2020	5.51 crores	3.89 crores
O/s as on 31/05/2020	5.35 crores	3.78 crores
Purpose	Onward Lending of housing loans	Onward Lending of housing loans
Door to Door Tenor	5 Years	5 Years
Repayment	Monthly Instalments	Monthly Instalments
Term Loan 8	Rupee Term Loan from South Indian Bank	
Amount	Rs.5.00crore	
O/s as on 31/03/2020	Rs. 3.75 Crores	
O/s as on 31/05/2020	Rs. 3.58 Crores	
Purpose	Onward Lending of housing loans	
Door to Door Tenor	5 years	
Repayment	Monthly Instalments	
Term Loan 9	Rupee Term Loan from AU Small Finance Bank	
Amount	Rs.10.00crore	
O/s as on 31/03/2020	Rs. 8.17 Crores	
O/s as on 31/05/2020	Rs. 7.83 Crores	
Purpose	Onward Lending of housing loans	
Door to Door Tenor	5 years	
Repayment	Monthly Instalments	
Term Loan 10	Rupee Term Loan from Karur Vysya Bank Ltd	
Amount	Rs.15.00 crores	
O/s as on 31/03/2020	6.00 Crores (Amount Rs. 9.00 crores yet to be availed)	
O/s as on 31/05/2020	5.70 Crores	
Purpose	Onward Lending of housing loans	



Door to Door Tenor	5 years 3 Months
Repayment	Quarterly Instalments

D. Capital Adequacy

NHB vide its Notification No.NHB.HFC.DIR.22/MD&CEO/2019 dated June 17, 2019 has amended capital adequacy ratio for HFCs from 12% to 15% by March 2022.The capital adequacy ratio of HFCs is to be increased to 13% by March 31, 2020, 14% by March 31, 2021 and 15% by March 31, 2022. The capital adequacy ratio maintained by the Company as on financial year ended March 31, 2020 is 123.75% as compared to 125.14% as on March 31, 2019, which is far above the minimum required level of 13%.

E. Credit Rating

The Company has received a long term rating from the rating agency named Acuite Rating and Research Limited as “Acuite’ BBB+ /Outlook-Stable” for Rs. 160 crores bank facilities.

11. PARTICULARS OF LOAN, GUARANTEE OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Since the Company is a housing finance company, provisions of section 186 of the Companies Act 2013 relating to loans made, guarantees given or securities provided are not applicable to the company. However, the Company has granted loans secured by mortgage forming part of their Housing Finance business, as per the NHB Guidelines also detailed in the financial statements.

12. DEPOSITS

During the financial year ended on March 31, 2020, the Company has not accepted, invited or hold any public deposit under any of the Acts/ Statutes viz; the Companies Act, 2013 or Reserve Bank of India Act, 1934 or any other provisions of the laws and applicable to the Company from time to time.

13. RISK MANAGEMENT FRAMEWORK

The Board of the Company time to time discusses and evaluates the risks concerning the financial and operational positions of the Company. Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically done and examined by the Board of Directors of the Company and has delegated responsibility of overseeing Risk Management Framework to the Audit. Committee. In order to monitor the Risk in the business and operations the committee was duly constituted as per the provisions under the Companies Act, 2013 and National Housing Bank guidelines.

14. COMPLIANCES

Reserve Bank of India (RBI)

During the year Company has complied with all regulatory notifications, guidelines, circulars, rules and directions applicable to a Housing Finance Company laid down by RBI from time to time.

Companies Act, 2013 (CA, 2013)

A. Annual Return

Annual General Meeting for the financial year 2018-19 (AGM) was duly held on June 11, 2020. The Company has filed FORM 'ACTIVE' with ROC Ahmedabad on April 8, 2019 and is duly approved by the Registrar of Companies ("ROC") along with all other applicable e-form as and when required.

As provided under section 92(3) and 134(3)(a) of the Companies Act, 2013, an extract of the Annual Return is annexed as **Annexure-I** to this Report in Form MGT-9.

B. Number of Meetings held during the year

Board

During the year under review the Board of Directors met eighteen times as stated below to deliberate various issues under the agendas, policy matters, business, operations and risk matters.

Meeting No.	Date of the Meeting	Meeting No.	Date of the Meeting
1	April 12, 2019	10	September 24, 2019
2	April 19, 2019	11	September 30, 2019
3	May 02, 2019	12	October 16, 2019
4	June 28, 2019	13	November 21, 2019
5	July 12, 2019	14	December 24, 2019
6	July 18, 2019	15	January 20, 2020
7	July 25, 2019	16	February 10, 2020
8	August 06, 2019	17	March 19, 2020
9	August 26, 2019	18	March 30, 2020

Audit Committee

During the year Audit Committee had met five times to discuss the agenda items. The Committee members are Shri. Padmanabh Vora who is the Chairman of the Committee, Smt. Purvi Jayendra Bhavsar, as a Member, Shri Kartik Mehta, as a Member and Shri. Vimal Khandwala, as a Member of the Committee.

Meeting No.	Date of the Meeting
1	April 12, 2019
2	July 18, 2019
3	September 24, 2019
4	October 16, 2019
5	January 20, 2020

Nomination and Remuneration Committee

During the year Nomination and Remuneration Committee had met two times to discuss the agenda items. The Committee members are Shri Padmanabh Vora who is a Chairman, Smt. Purvi Jayendra Bhavsar, as a Member, Shri Kartik Mehta, as a Member, Shri. Vimal Khandwala, as a Member and Shri. Rajesh Khandwala as a Member of the Committee.

The Committee was reconstituted on October 16, 2019 by appointing Smt. Purvi Bhavsar, as a Member

Meeting No.	Date of the Meeting
1	April 12, 2019
2	October 16, 2019

Asset Liability Management Committee

During the year Asset Liability Management Committee had met four times to discuss the agenda items. The Committee members are Shri. Vimal Khandwala as a Chairman, Shri. Rajesh Khandwala as a Member, Shri. Padmanabh Vora as a Member, Shri. Deepak Kumar Ajmera as a Member and Shri. Gundopant Salokhe as Member of the Committee. The Committee was last reconstituted on July 18, 2019 by appointing Shri. Gundopant Salokhe, head of IT division as a Member.

Meeting No.	Date of the Meeting
1	April 12, 2019
2	July 18, 2019
3	October 16, 2019
4	January 20, 2020

Investment Committee

During the year Investment Committee had met three times to discuss the agenda items. The Committee members are Shri. Vimal Khandwala who is a Chairman, Shri. Rajesh Khandwala, as a Member, Shri. Padmanabh Vora, as a Member and Shri. Kartik Mehta as a Member of the Committee. The Committee was reconstituted on July 18, 2019 by appointing Shri. Padmanabh Vora, as a Member and Shri. Kartik Mehta as a Member of the Committee

Meeting No.	Date of the Meeting
1	April 19, 2019
2	June 12, 2019
3	July 18, 2019
4	January 20, 2020

Information Technology Committee

During the year Information Technology committee had met once on October 16, 2019 to discuss the agenda items. The Committee members are Shri. Padmanabh Vora, as a Chairman, Shri Vimal Khandwala, as a Member, Shri. Gundopant Salokhe, as a Member, Shri. Deepak Kumar Ajmera, as a Member, Shri. Vinayak Deousker, as a Member of the Committee.

Corporate Social Responsibility Committee

During the year Corporate Social Responsibility committee had met once on February 10, 2020 to discuss the agenda items. The Committee members are Shri. Vimal Khandwala as a Chairman, Shri. Rajesh Khandwala as a Member, Shri. Padmanabh Vora as a Member.

National Housing Bank (“NHB”)

A. KIFS Housing continues to comply with the guidelines issued by the 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 etc.

B. KIFS Housing is in compliance with National Housing Bank guidelines including policy circular, master circulars, directions notified by the regulator from time to time.

Further, the Company has filed all the applicable monthly, quarterly, half-yearly and annual returns during the financial year 2019 - 20 including Refinance returns.

C. Inspection

The first regulatory inspection for the position as on March 31, 2019 was held in September 2019. NHB has not passed any significant or adverse remarks in their inspection of the Company carried out during the Financial Year. Further, it has not levied any penalty on the Company during the Financial Year.

D. Report of CERSAI

KIFS Housing has conducted CERSAI search before loan disbursement / booking in 100% cases. Post disbursement of loan proposal Company has created charge on the property with CERSAI for all the cases disbursed till Feb 2020. For cases which are disbursed in the month of March 2020 charge creation exercise will be completed immediately once normalcy is restored after lockdown in Mumbai Head Office.

E. National E-Governance Services Limited (“NeSL”)

National E-Governance Services Limited is the India’s first Information Utility and is registered with the Insolvency and Bankruptcy Board of India (IBBI) under the Insolvency and Bankruptcy Code, 2016 (IBC). The company has been set up by leading banks and public institutions and is incorporated as a union government company. The primary role of NeSL is to serve as a repository of legal evidence holding the information pertaining to any debt/claim, as submitted by the financial or operational creditor and verified and authenticated by the other parties to the debt.

NeSL’s role is to facilitate time-bound resolution by providing verified information to adjudicating authorities that do not require further authentication. KIFS Housing has been registered as the entity user to authenticate the data received from the creditors of the Company from time to time and submit the authentication / dispute on NeSL giving the confirmation of the data. During the financial year KIFS Housing has authenticated a total 37 entries and one submission was disputed.

15. RISK REVIEW, MONITORING AND MANAGEMENT

The Company is continuously strengthening the capabilities of the teams and processes and the overarching governance framework for sustainable growth. For the assurance of strong governance framework, the company continuously monitors the processes and level of compliances through regular visit by the concerned Company officials. The Company has also setup Risk Control Unit (“RCU”) for real time screening of sanctioned filed, keeping track of adverse trend in various locations and guidance to field team.

Risk Management is an integral part of the Company’s business strategy. The Risk Management oversight structure includes Committee of the Board and Senior Management Committee. The Risk Management process is governed by the Comprehensive Risk Management Framework which lays down

guidelines for Risk identification, assessment and monitoring as an ongoing process that is supported by a robust risk reporting framework.

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

16. WILFULL DEFAULTERS

Pursuant to the policy circular 74 and 83 by National Housing Bank, during the year Company has no willful defaulters/customers. With reference to policy circulars the Company is a member of four Credit information Company namely CIBIL 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.

17. HUMAN RESOURCE DEVELOPMENT:

A. Note on Human Resource Management-

At KIFS Housing, human resource development is considered vital for effective implementation of business plans. Constant endeavors are being made to offer professional growth opportunities and recognitions, apart from imparting training to employees. During the current year, in-house training programmes were provided to employees, inter alia in lending operations, recoveries, KYC, IT system & security and Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace The Company is an equal opportunity employer and consciously strives to build a work culture that promotes dignity of all employees.

B. Training & Development:

Training & Development is crucial for the Company's sustainable growth. The HODs provide training and support all the employees in the respective departments for result oriented work, and highly believe in building the next leaders under the Company to lead the pact further and grow together. The Company highly supports professional development and empower employees to deliver improved quality of service through its training intervention and motivating them to perform with renewed vigor and enthusiasm. The Company is well-positioned to attract and recruit talented and skilled personnel to meet the future business challenges.

C. Employee Engagement

Employee Engagement is a measurable degree of an employee's positive or negative emotional attachment to their job, colleagues and organization that profoundly influences their willingness to learn and perform at work. Employee engagement has helped employees to build confidence to express new ideas, show reliability, maintain higher self-motivation & therefore resulted in lower absenteeism.

The activities organized by HRD in the financial year 2019-2020 are as hereunder-

Employee Engagement Activities

Tax Consulting

Doctor's Talk, Health Camp (BP/BMI), Digital Mailers
Diet consultation
Hair & Scalp analysis, Dental Camp, Eye Care & Checkup
Ergonomics session Back & Spine
Women's Day celebration (Guest Speaker- Women Entrepreneur)
HDFC Life Insurance Awareness Campaign
Diwali Celebration with Rangoli Competition, Diya Painting Exercise and Sweet Making Competition
Christmas Celebration
Team Bonding Exercise (once in every quarter)

D. Note on Prevention of Sexual Harassment of Women at Workplace (“POSH”)

As required under the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules framed thereunder, the Company has implemented a policy on Prevention of Sexual Harassment of Women at Workplace. An Internal Complaints Committee has been set up to receive complaints, investigate the matter and report to the management. At the beginning of the year, there was no complaint pending with the Committee. During the year, no complaint was received by the Committee. The policy along with all the required details under the provisions of the policy are placed on the notice board of the Company.

18. INTERNAL AUDIT COMPLIANCE

The Company's 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 audit also ascertains the extent of adherence to regulatory guidelines, legal requirements and operational processes and provides timely feedback to the Management for corrective action. Internal Audit Reports are obtained on a quarterly basis and discussed with the Management and are reviewed by the Audit Committee of the Board, which also reviews the adequacy and effectiveness of the internal controls in the Company. The Company's internal control system is commensurate with its size and the nature of its operations.

19. CONSERVATION OF ENERGY, FOREIGN EXCHANGE EARNINGS AND OUTGO

The disclosure to be made under Section 134 (3) (m) of the Companies Act, 2013 read with Rule (8)(3) of the Companies (Accounts) Rules, 2014 pertaining to conservation of energy is not applicable to the Company as it is involved in housing finance activities and not in any manufacturing, processing activities. Further, there was no foreign exchange inflow or outflow during the year under review.

20. REPORT ON TECHNOLOGY UP GRADATION

In terms of Rule 8(3) B of the Companies (Accounts) Rules, 2014 under Companies Act, 2013 the latest Technology up gradation measures adopted by the company, had helped to efficiently manage inter-connectivity and system based loan processing and accounting facilities at all levels of the organization. The Company is in process of implementing various digital solutions to improve efficiency and customer superior experiences and management efficiency under the work process and standards. Company is



current using LMS for Loan Management Files, Application Programming Interface (“API), Cloud Computing, Mobile Computing for work.

Following are the technology up gradation adopted by the Company-

A. Application Programming Interface (API)

Application Programming Interface (API) API technology is used to enable standards-based data exchange between two entities. However, the Company has expanded the capabilities of its IT systems to provide data exchange via APIs. KIFS Housing has integrated API's like Multi-bureau reporting to check the borrower's creditability, Integrated API of NSDL which verify customer PAN Card and now they have added Aadhar Seeding/ Validation.

Company is also under a thought to implement API's in KYC/Document Verification which will help us to improve designing of TAT.

B. Cloud Computing

Cloud computing has emerged as a viable alternative to the traditional approach of deploying applications within an organization. Cloud computing has characteristics that separate it from traditional computing environments, such as the provision of on-demand service that is billed like a utility service and based on usage. This characteristic provides users of cloud technologies with advantages in efficiency, agility, scalability, and innovation, advantages that should be a priority for an agency at the center of a booming marketplace of technology platforms, devices, and content.

Currently KIFS has obtained cloud services from AWS (“Amazon Web Services”) for data storage and back up.

C. Mobile Devices

Mobile devices are being used by organizations for access to internal systems and by end-users to access business systems. End-users have a plethora of applications for everyday tasks (e.g., email, LMS Application) access available to them through mobile devices. Moreover, organizations are beginning to develop interfaces into their business systems that are designed specifically for mobile devices. To deploy mobile capabilities to meet customer demand. This would result in new software and web interfaces optimized for mobile device utilization. Benefits of deploying mobile capabilities would include:

1. Improved Business Productivity - Provide immediate access to systems anytime, anywhere.
2. Reduced Operation Costs - Enhanced access to business systems (no need to be at the office/desk) to correct issues or logistics problems.
3. Improved Customer Relationships - Provide additional opportunities to connect with systems to obtain information anytime, anywhere.

21. REPORT ON LEGAL AND TECHNICAL RISK

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

very specific regional matters and in some cases for cross valuation, end-to-end root cause and analysis. Legal opinions are taken and search for encumbrances are done through empanelled advocates".

22. VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

The Board of Directors has approved the vigil mechanism/whistle blower policy of the Company which provides a framework to promote a responsible and secure whistle blowing. It protects employees wishing to raise a concern about serious irregularities within the Company. It provides for a vigil mechanism to channelize reporting of such instances/ complaints/ grievances to ensure proper governance. The Audit Committee oversees the vigil mechanism. The policy is placed on the website of the Company.

23. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of the Company comprises of 5 Directors, consisting of three Non-Executive Nominee Directors (including a woman Director) and two Managing Directors as on March 31, 2020 who bring in a wide range of skills and experience to the Board.

Name of the Director	Designation	DIN
Shri. Rajesh Khandwala	Managing Director and Chairman	00477673
Shri. Vimal Khandwala	Managing Director	00477768
Shri. Padmanabh Vora	Non-Executive Director	00003192
Shri. Kartik Mehta	Non-Executive Director	02083342
Smt. Prurvi Bhavsar	Non-Executive Director	02102740

Appointment:

There was no new appointment on the board during the financial year under review.

Resignation:

Shri. Swarnpal Singh Bais, Managing Director and Chief Executive Officer resigned from the Board w.e.f January 06, 2020 due to personal commitments.

Directors retiring by rotation:

The provisions of Section 152 of the Companies Act, was not applicable being a Private Limited entity. Further, in accordance with the provisions of the Companies Act, Smt. Purvi Jayendra Bhavsar are liable to retire by rotation at the ensuring fifth AGM and is eligible for re-appointment.

Necessary resolutions for the re-appointment of the aforesaid director and the detailed profile has been included in the notice convening the ensuring AGM and details of the proposal for re-appointment is mentioned in the explanatory statement of the notice of the AGM.

All the directors of the Company have confirmed that they are not disqualified from being appointed as directors in terms of Section 164 of the Companies Act, 2013.

Appointments/Resignations of the Key Managerial Personnel

Mr. Deepak Kumar Ajmera - Chief Financial Officer and Ms. Tejal Gala - Company Secretary are the Key Managerial Personnel in terms of Section 2(51) of the Act.

During the year Shri. Swarnpal Singh Bais had resigned from the Company from the position of Chief Executive Officer.

Details of managerial remuneration as required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are forming part of MGT -9 in Annexure I.

24. 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 Committee (CSR) of directors comprising Shri. Vimal Khandwala, Shri. Rajesh Khandwala and Shri. Padmanabh Vora has inter alia also formulated a CSR Policy.

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

KIFS Housing was required to spend Rs. 4,69,357/- towards CSR Activities during the year. KIFS Housing has approved CSR Proposal aggregating to Rs. 4,69,357/- and incurred CSR Expenditure of Rs. 2,19,400 towards TATA Memorial Center (Hospital) for the treatment of the Cancer Patients and Rs. 2,50,000/- towards Annamrita Foundation for Mid-Day Meal Programme .

KIFS Housing has approved CSR proposals as specified under Schedule VII of the Companies Act, 2013.

The Annual Report on CSR Activities is annexed as **Annexure II**

25. DIRECTOR RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(3) (c) of the Companies Act, 2013 the Board hereby submits its responsibility statement.

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

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

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

27. MANAGEMENT DISCUSSION ANALYSIS

In accordance to National Housing Bank Directions, the Management Discussion Analysis report forms the part of this report in **Annexure IV**.

28. SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, KIFS Housing has appointed M/s Kiran Doshi & Co., Practising Company Secretaries, Shri. Kiran Doshi having Membership Number 23985 and Certificate of Practice Number 9890, a Company Secretary in practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed herewith as "**Annexure V**" to this report.

29. STATUTORY AUDITORS

M/s Manubhai & Shah LLP (FRN: 106041W/ W100136) the Statutory Auditors have audited the books of accounts of the Company for the financial year ended March 31, 2020 and have issued the Auditors Report thereon.

The annual accounts of the Company have been prepared on a going concern basis.

Internal Financial Controls have been laid down to be followed by the Company and such internal financial controls were adequate and were operating effectively.

System to ensure compliance, with the provisions of all applicable laws are in place and were adequate and operating effectively.

30. PARTICULARS OF EMPLOYEES

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

31. REQUIREMENT OF MAINTAINANCE OF COST RECORDS



Since, the Company is into housing finance business, it is not required to maintain cost records as specified by the Central Government under section 148(1) of the Companies Act, 2013.

32. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

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

The Board of Directors has approved the vigil mechanism/ whistle blower policy of the Company which provides a framework to promote a responsible and secure whistle blowing. It protects Directors/ employees wishing to raise a concern about serious irregularities within the Company. It provides for a mechanism to channelize reporting of such complaints/ grievances to ensure proper governance. The Audit Committee oversees the vigil mechanism. The whistle blower policy is also placed on the website of the Company.

33. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

During the year under review, KIFS Housing or any of its Directors were not liable for any penalty, punishment or any compounding offences under the Companies Act, 2013.

ACKNOWLEDGEMENTS

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 and banks for their continued support.

For and on behalf of Board of Directors of,

KIFS Housing Finance Limited,

SD/-

Vimal P. Khandwala
Managing Director
DIN: 00477768

SD/-

Rajesh Khandwala
Managing Director
DIN: 00477673

Date: June 11, 2020

Place: Ahmedabad

Annexure I to the Boards Report

Extract of Annual Return for the financial year ended on March 31, 2020

As per the requirements of Section 92(3) and 134(3)(a) of the Act and Rules framed thereunder, the extract of the annual return for FY 2019 2020 is given in 'Annexure ' in the prescribed Form No. MGT-9, which is a part of this report.

I. Registration and Other Details

1	CIN	U65922GJ2015PLC085079
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KIFS HOUSING FINANCE LIMITED

2	Registration Date	November 16, 2015
3	Name of the Company	KIFS Housing Finance Limited (converted to a Public Limited Company on February 24, 2020)
4	Category / Sub-Category of the Company	Public Non-govt. Company Limited by Shares
5	Address of the Registered Office and Contact Details	B-81, Pariseema Complex, C. G. Road, Ellisbridge, Ahmedabad - 380006, Gujarat, India.
6	Whether Listed Company Yes / No	No
7	Name, Address and Contact Details of Registrar and Transfer Agent, if any	NSDL Database Management Limited Address: Kamala Mills Compound, 4th Floor, Trade World, A Wing, Times Tower, Lower Parel, Mumbai, Maharashtra 400013

II. Principal Business activities of the Company

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

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

III. Particulars of Holding, Subsidiary and Associate Companies

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



KIFS HOUSING FINANCE LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at end of the financial year - March 31, 2020				% Change during the financial year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
1. Institution a. Mutual Funds b. Banks/FI c. Central Govt d. State Govt(s) e. Venture Capital Fund f. Insurance Companies g. FIIs h. Foreign Venture Capital Funds i. Others (specify)									
Sub Total (B) (1) :-	-	-	-	-	-	-	-	-	-
2. Non – Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh	-	700	700	0.0005%	700	-	700	0.00028%	-0.0000022
ii) Individual shareholders holding nominal share		5,00,000	5,00,000	0.3334%	5,00,000	-	5,00,000	0.20002 %	-0.0013338



KIFS HOUSING FINANCE LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at end of the financial year - March 31, 2020				% Change during the financial year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
capital in excess of Rs. 1 lakh									
-c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B) (2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B) (1) + (B) (2)	-	5,00,700	5,00,700	0.3339 %	5,00,700	-	5,00,700	0.2003 %	-0.001336
C. Shares held by custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A + B+ C)	-	14,99,51,987	14,99,51,987	100%	2,49,485,752	-	2,49,48,57,520	100 %	0



KIFS HOUSING FINANCE LIMITED

ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Shareholding during the financial year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to Total Shares	
1	KIFS International LLP	14,94,51,287	99.6661%	-	24,94,85,752	99.79971%	-	0.001336
	Total	14,94,51,287	99.6661%	-	24,94,85,752	99.79971%	-	0.001336



iii. Change in Promoters Shareholding

Sr. No.	Name of the Shareholder	Shareholding at the Beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Share Capital of the Company	No. of Shares	% of Total Share Capital of the Company
1	KIFS International LLP				
	At the beginning of the year	14,94,51,287	99.6661%		
	Increase during the year				
	- Issued on April 12, 2019	2,00,73,894		16,95,25,181	99.7055%
	- Issued on May 02, 2019	1,00,01,524		17,95,26,705	99.7219 %
	- Issued on June 28, 2019	1,89,50,253		19,84,76,958	99.7484 %
	- Issued on July 25, 2019	2,60,10,151		22,44,87,109	99.7775 %
	- Issued on Dec 24, 2019	1,00,74,081		23,45,61,190	99.7870 %
- Issued on March 30, 2020	1,49,24,562		24,94,85,752	99.7997%	
	Total Increase at the end of the financial year.			100,03,44,650	99.7997%



KIFS HOUSING FINANCE LIMITED

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

Sr. No.	Name of the Shareholder	Shareholding at the Beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Share Capital of the Company	No. of Shares	% of Total Share Capital of the Company
1.	Vijay Kantilal Bhatt	100	0.0001	100	0.00004
2.	Kamlesh U. Dhandhukiya	100	0.0001	100	0.00004
3.	Nikul Bhikhalal Dave	100	0.0001	100	0.00004
4.	Sandip C Kadam	100	0.0001	100	0.00004
5.	Dipti Jayantilal Thakkar	100	0.0001	100	0.00004
6.	Deepak Kantibhai Chauhan	100	0.0001	100	0.00004
7.	Vaibhav Vasant Shrivastav	100	0.0001	100	0.00004

V. Shareholding of Directors and Key Managerial Personnel

Sr. No.	Name of the Director	Shareholding at the Beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Share Capital of the Company	No. of Shares	% of Total Share Capital of the Company
1	Shri. Rajesh P. Khandwala				
	At the beginning of the year	-	-	-	-
	At the end of the Financial Year	-	-	-	-
2	Shri. Vimal P. Khandwala				
	At the beginning of the year	-	-	-	-
	At the end of the Financial Year	-	-	-	-
3	Smt. Purvi J. Bhavsar				
	At the beginning of the year	2,50,000	0.1667%	2,50,000	0.1667%
	At the end of the Financial Year	2,50,000	0.10001%	2,50,000	0.10001%
4	Shri. Kartik S. Mehta				
	At the beginning of the year	2,50,000	0.1667%	2,50,000	0.1667%
	At the end of the Financial Year	2,50,000	0.10001%	2,50,000	0.10001%
5	Shri. Padmanabh Pundrikray Vora				
	At the beginning of the year	-	-	-	-
	At the end of the Financial Year	-	-	-	-
6	Shri. Swarnpal Singh Bais				
	At the beginning of the year	-	-	-	-
	At the end of the Financial Year	-	-	-	-
7	Shri. Deepak Kumar Ajmera				
	At the beginning of the year	-	-	-	-
	At the end of the Financial Year	-	-	-	-
8	Smt. Tejal Gunjan Gala				
	At the beginning of the year	-	-	-	-
	At the end of the Financial Year	-	-	-	-

**VI. Indebtedness****(Amount in Lakhs)**

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year - April 01, 2019				
1) Principal amount	1902.5	0	0	1902.5
2) Interest due but not paid	0	0	0	0
3) Interest accrued but not due	0.97	0	0	0.97
Total of (1+2+3)	1903.47	0	0	1903.47
Change in Indebtedness during the financial year				
+Addition	9,100.00	0	0	9,100.00
- Reduction	917.92	0	0	917.92
Net change	8,182.08	0	0	8,182.08
Principal Change at the end of the financial year - March 31, 2020				
1) Principal amount	10,084.58	0	0	10,084.58
2) Interest due but not paid	0	0	0	0
3) Interest accrued but not due	7.58	0	0	7.58
Total of (1+2+3)	10,092.16	0	0	10,092.16



KIFS HOUSING FINANCE LIMITED

VII. Remuneration of Directors and Key Managerial Personnel

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

(Amount in Rs.)

Sr · N o.	Particulars of Remuneration	Shri. Rajesh P. Khandwala	Shri. Vimal P. Khandwala	Shri. Swarnpal Singh Bais
		(Managing Director)	(Managing Director)	(Managing Director up to January 06, 2020
1	Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act (b) Value of perquisites u/s 17(2) Income Tax Act, 1961 (c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	- - -	- - -	20,207,500
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission -as % of profit - others, specify...	- -	- -	-
5	Others, Reimbursements	-	-	6,85,152
	Total (A)	-	-	2,08,92,652
	Ceiling as per the Act			NIL

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

(Amount in Rs.)

Particulars of Remuneration	Name of Directors			Amount
	Non-Executive Director			
	Shri. Padmanabh Pundrikray Vora	Shri. Kartik S. Mehta	Shri. Purvi J. Bhavsar	
Fee for attending Board / Committee meetings	3,10,000	1,40,000	70,000	5,20,000
Commission	-	-	-	-
Others	-	-	-	-
Total (B)	-	-	-	5,20,000
Total Managerial Remuneration				
Overall ceiling as per the Act				NA

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

(Amount in Rs.)

Sr. No	Particulars of Remuneration	Key Managerial Personnel		
		CFO	Company Secretary	
		Mr. Deepak Kumar Ajmera	Ms. Tejal Gala	Total
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act	40,91,538	5,70,552	46,62,090
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission -as % of profit - other, specify...	- -	- -	- -
5	Others, Reimbursements	4,93,594		4,93,594
	Total			51,55,684
	Ceiling as per the Act	NA		



VIII. Penalties / Punishment / Compounding of Offences: NIL

For and on behalf of Board of Directors

KIFS Housing Finance Limited

SD/-

Vimal P. Khandwala
Managing Director
DIN: 00477768

SD/-

Rajesh Khandwala
Managing Director
DIN: 00477673

Date: June 11, 2020 / Place: Ahmedabad

Annexure II to the Boards Report
The Annual Report on CSR Activities
CSR Committee:

Pursuant to Section 135 of the Companies Act, 2013 KIFS formed CSR committee on meeting the threshold limit under the provision of section 135 of Companies Act, 2013. The Committee was constituted on January 20, 2020.

Sr. No.	Name	Position
1	Shri. Vimal Khandwala, Managing Director	Chairman
2	Shri. Rajesh Khandwala, Managing Director	Member
3	Shri. Padmanabh Vora, Non- Executive Independent Director	Member

CSR Initiatives:

Average net profit of the Company for last three financial years was Rs. 23,467,827/-

Company has identified two different projects to contribute towards the society which fall under schedule VII of the Companies Act, 2013. Rs. 2,50,000/- (Rupees Two lakhs Fifty Thousand Only) in Annamrita Foundation who runs a mid-day meal programme and Rs. 2,19,400/- (Rupees Two Lakh Nineteen Thousand Four Hundred only) in TATA Memorial Center (Hospital) for the treatments of Cancer Patients.

SR. No	CSR Project or activities identified	Sector in which the project is covered	Projects or programs (1)Local area (2)Specify the state and district where the project or programs was undertaken	Amount outlay (budget) project or program - wise (In Rs)	Amount spent on the Project or Programs: Sub-heads: Direct Expenditure on projects and Overheads: (In RS.)	Cumulative expenditure up to March 31, 2020	Amount spent : Direct or through implementing agency
1	Mid-day Meal Programme for school kids	Promoting Education	Mumbai, Maharashtra	--	Rs. 2,50,000 (Rupees Two lakhs and Fifty Thousands Only).	Rs. 2,50,000 (Rupees Two lakhs and Fifty Thousands Only).	Anamrita Foundation



KIFS HOUSING FINANCE LIMITED

2	Contribution towards Cancer Patience's	Health Care	Mumbai, Maharashtra	--	Rs. 2,19,400 (Rupees Two Lakh Nineteen Thousand and Four Hundred Only)	Rs. 2,19,400 (Rupees Two Lakh Nineteen Thousand and Four Hundred Only)	Tata Memoria l hospital
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KIFS Housing Finance Limited,

SD/-

Vimal P. Khandwala
Managing Director
DIN: 00477768

SD/-

Rajesh Khandwala
Managing Director
DIN: 00477673

Date: June 11, 2020
Pace: Ahmedabad

Annexure III to the Boards Report

FORM NO. AOC-2

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

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

1. (i) Details of contracts or arrangements or transactions not at arm's length basis

(a). Name(s) of the related party and nature of relationship	KIFS Trade Capital Private Limited (earlier known as KIFS Securities Private Limited)
(b). Nature of contracts/ arrangements/ transactions	Rent Agreement for property at Mumbai for Corporate Office of the Company.
(c). Duration of the contracts/ arrangements/ transactions	11 Months and 29 Days
(d). Salient terms of the contracts or arrangements or transactions including the value, if any:	NA
(e) Justification for entering into such contracts or arrangements or transactions	The rent was waived by KIFS Trade Capital Private Limited considering KIFS Housing Finance Limited a group entity.
(f). Date(s) of approval by the Board, if any:	12-04-2019
(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	12-04-2019

(ii) Details of contracts or arrangements or transactions not at arm's length basis

(a). Name(s) of the related party and nature of relationship	KIFS International LLP
(b). Nature of contracts/ arrangements/ transactions	Lease Deed for property at Vadodara for Branch Office of the Company
(c). Duration of the contracts/ arrangements/ transactions	11 Months and 29 Days
(d). Salient terms of the contracts or arrangements or transactions including the value, if any:	NA
(e) Justification for entering into such contracts or arrangements or transactions	The rent was waived by KIFS International LLP considering that KIFS Housing Finance Limited is a group entity
(f). Date(s) of approval by the Board, if any:	12-04-2019
(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	12-04-2019

(a). Name(s) of the related party and nature of relationship	KIFS International LLP
(b). Nature of contracts/ arrangements/ transactions	Lease Deed for property at Ahmedabad for Regional Office of the Company
(c). Duration of the contracts/ arrangements/ transactions	11 Months and 29 Days
(d). Salient terms of the contracts or arrangements or transactions including the value, if any:	NA
(e) Justification for entering into such contracts or arrangements or transactions	The rent was waived by KIFS International LLP that KIFS Housing Finance Limited is a group entity
(f). Date(s) of approval by the Board, if any:	12-04-2019
(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	12-04-2019

(iii) Details of contracts or arrangements or transactions not at arm's length basis
2 (i) Details of material contracts or arrangement or transactions at arm's length basis

(a). Name(s) of the related party and nature of relationship	Aristo Traders Private Limited
(b). Nature of contracts/ arrangements/ transactions	ICD Facility given by the Company
(c). Duration of the contracts/ arrangements/ transactions	2 years
(d). Salient terms of the contracts or arrangements or transactions including the value, if any:	As per the agreement
(e). Date(s) of approval by the Board, if any:	18-07-2019
(f). Amount paid as advances, if any:	NIL
Current Outstanding	NIL

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

(a). Name(s) of the related party and nature of relationship	Aristo Traders Private Limited
(b). Nature of contracts/ arrangements/ transactions	ICD Facility given by the Company
(c). Duration of the contracts/ arrangements/ transactions	2 years
(d). Salient terms of the contracts or arrangements or transactions including the value, if any:	As per the agreement
(e). Date(s) of approval by the Board, if any:	16-10-2019
(f). Amount paid as advances, if any:	NIL
Current Outstanding	NIL

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

(a). Name(s) of the related party and nature of relationship	KIFS Financial Services Limited
(b). Nature of contracts/ arrangements/ transactions	Deed of Assignment
(c). Duration of the contracts/ arrangements/ transactions	--
(d). Salient terms of the contracts or arrangements or transactions including the value, if any:	As per the agreement
(e). Date(s) of approval by the Board, if any:	24-09-2019
(f). Amount paid as advances, if any:	NIL
Current Outstanding	NIL

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

(a). Name(s) of the related party and nature of relationship	KIFS Trade Capital Private Limited
(b). Nature of contracts/ arrangements/ transactions	Acting as Broker for investment in Mutual Fund
(c). Duration of the contracts/ arrangements/ transactions	--
(d). Salient terms of the contracts or arrangements or transactions including the value, if any:	As per the Engagement agreement
(e). Date(s) of approval by the Board, if any:	16-10-2019
(f). Amount paid as advances, if any:	NIL

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

(a). Name(s) of the related party and nature of relationship	KIFS Trade Capital Private Limited
(b). Nature of contracts/ arrangements/ transactions	Acting as a Depository Participant for the Company for Dematerialisation of Shares
(c). Duration of the contracts/ arrangements/ transactions	-
(d). Salient terms of the contracts or arrangements or transactions including the value, if any:	As per the Engagement agreement
(e) Date(s) of approval by the Board, if any	20-01-2020
(f). Amount paid as advances, if any:	NIL



KIFS HOUSING FINANCE LIMITED

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

(a). Name(s) of the related party and nature of relationship	Khandwala Finstock Private Limited
(b). Nature of contracts/ arrangements/ transactions	Amount of Rs. 3.00 crores, erroneously received and paid back
(c). Duration of the contracts/ arrangements/ transactions	-
(d). Salient terms of the contracts or arrangements or transactions including the value, if any:	-
(e). Date(s) of approval by the Board, if any:	26-06-2020
(f). Amount paid as advances, if any:	NIL

KIFS Housing Finance Limited,

SD/-

Vimal P. Khandwala
Managing Director
DIN: 00477768

SD/-

Rajesh Khandwala
Managing Director
DIN: 00477673

Date: June 11, 2020
Pace: Ahmedabad

Annexure - IV to the Boards Report**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****Converted into a Public Limited Company**

The Company got converted from a Private Limited to a Public Limited Company on February 24, 2020 and accordingly the Memorandum of Association and Articles of Association of the Company were altered and adopted

COVID Impact

The World Health Organization (WHO) on March 11, 2020 declared the outbreak of Coronavirus (COVID-19) as a global “pandemic”. The declaration from WHO came at a time when COVID-19 cases rapidly increased across the world. The spread of virus has triggered panic across the world and financial markets. A lockdown across the country from March 25, 2020 was announced to restrict it from spreading further and to break the cycle of infection. As a result, the Country’s economic activities came to a standstill. The following measures were taken by the Company to mitigate the risk of COVID-19 to its business operations:

1. The Company referring to its ‘Business Continuity Plan’ and ‘Risk Management Framework’ managed to minimize the impact on its employees and ensured that the Company remains operational and that recovery time objectives are met. The Company called for an immediate Meeting of head of departments to discuss the further operations alternatives.
2. The Company implemented ‘work from home policy’ to ensure that employees stay safe and business remains operational.
3. All the guidelines issued by the Central and State Government authorities from time to time are being strictly adhered to.
4. Pursuant to Notification no. RBI/2019-20/186 DOR. No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020 issued by the Reserve Bank of India (RBI) in respect of COVID-19 - Regulatory Package, the Company gave Company’s borrowers an option to defer their EMI’s for three months.

The outbreak of COVID-19 and the subsequent lockdown enforced in the country are expected to bring down aggregate demand in rural and urban areas. The Government of India declared a nationwide lockdown to tackle the challenges posed by the COVID-19 pandemic which could have severe economic repercussions. To mitigate some of the negative effects, the Indian Finance Minister announced a H1.7 trillion relief package for the poor and migrant workers across the country.

Industry Overview

During the year review, the availability of money was scarce, the real estate sector continued to stagnate with high levels of inventory and lack of demand for new housing. The sector struggled to cope with the effects post demonetisation and it also geared to comply with the Real Estate Development and Regulation Act. An anomaly in the applicability of the Goods and Services Tax (GST) on completed units and under construction units did not allow the sector to witness much improvement in the demand. Most of the HFCs slowed down disbursements of home loans to manage the tight liquidity, which further added to the woes of the



sector in slowing down sales. At this juncture, it appears that the real estate sector might take 12 to 18 months to revive, despite the government's thrust towards affordable housing.

During the year Reserve Bank of India and National Housing Bank had taken prudential norms to regulate and maintain high transparency.

Loan Products

KIFS Housing Finance offers an array of home loan products including home loans, home improvement loans, home extension loans, loans for purchasing plots, self-construction loans, loans against property, balance transfer and top ups. The company also provides commercial loans for Shop and office purchase which is a unique product for this segment. KIFS Housing Finance provides only retail housing loans and average ticket size amount Rs. 9.12 Lakhs.

Insurance Products

KIFS Housing continued to persuade its customers to take insurance cover on the life of the principal income earner as the collateral for its loans. Company provides Life Insurance, Property Insurance & Health Insurance to the customers.

Borrowed Funds

KIFS Housing has raised funds for its lending activities from National Housing Bank ("NHB") by way of refinance and from banks by way of term loans. As at March 31, 2020, total term Loan of Rs. 110.75 Cr. is disbursed by Federal Bank, South Indian Bank & AU Small Finance Bank Limited, State Bank of India (SBI), National Housing Bank (NHB) & Karur Vysya Bank for onward lending. Out of total sanction of amount Rs. 50 Cr. from SBI Rs. 25 Cr, out of total sanction of amount Rs. 15 Cr from karur Vysya Bank Rs.9 Cr. and total sanction amount Rs. 15 Cr from National Housing Bank (NHB) is available for disbursement.

NHB Guidelines and Prudential Norms

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 had 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. The Company is making extra provision beyond NHB norms. The Company has also made a provision for COVID-19.

Non-Performing Loans

14 Loan accounts out of ~4258 loan accounts were (0.47% gross NPA) were identified as Non-Performing Assets as on March 31, 2020.

Central Registry

The Government of India has set up the Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) under section 21 of the SARFAESI Act, 2002 to have a central



database of all mortgages created by lending institutions. The object of this registry is to compile and maintain data relating to all transactions secured by mortgages. KIFS Housing has conducted CERSAI search before loan disbursement / booking in 100% cases. Post disbursement of loan proposal Company has created charge on the property with CERSAI for all the cases disbursed till Feb 2020. For cases which are disbursed in the month of March 2020 charge creation exercise will be completed immediately once normalcy is restored after lockdown in Mumbai Head Office.

Risk Management

KIFS Housing has a Risk Management framework approved by the board of directors. Risk Management framework provides the mechanism for risk assessment the Company has an Asset Liability Management (ALM) policy approved by the board. During the year, the RMC reviewed the risks associated with the business of Company, its root causes and the efficacy of the measures taken to mitigate the same. The observations of the Risk Management Committee of directors if any, on the key risks associated with the business and ALM are reported to the board from time to time. KIFS Housing manages various risks like financial risk, operational risk, marketing risk, external risk and regulatory risks associated with the mortgage business. The board of directors also reviewed the key risks associated with the business and ALM of the Company, the procedures adopted to assess the risks, efficacy and mitigation measures.

Internal Audit Control

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

IT Audit and Security

Information systems is the backbone of KIFS Housing business. Company has a dedicated IT support team KIFS housing has implemented various application software like API, Cloud processing, LMS etc which is being maintained and has been enhanced and modified by the software developer. The software is integrated to record and process the work at various level of the Company.



Human Resource

The enthusiasm of employees of the Company continue to be high in sustaining growth of disbursements and in maintaining healthy collection and recoveries. With the high level of commitment and integrity by employees and the Management of the Company, KIFS Housing is confident to face the challenges of the tougher market conditions.

KIFS Housing Finance Limited,

SD/-

Vimal P. Khandwala
Managing Director
DIN: 00477768
Date: June 11, 2020
Pace: Ahmedabad

SD/-

Rajesh Khandwala
Managing Director
DIN: 00477673



Annexure - V to the Boards Report

To,
The Members,
KIFS Housing Finance Limited,
B-81, Pariseema Complex, C. G. Road,
Ellisbridge, Ahmedabad Gujarat- 380006.

Our Secretarial Audit Report of even date, for the financial year 2019-20 is to be read along with this letter.

Management's Responsibility

- The compliance of provisions of all laws, rules, regulations, standards applicable to **KIFS Housing Finance Limited (CIN- U65922GJ2015PLC085079)** (the 'Company') is the responsibility of the management of the Company.
- Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company.

Auditor's Responsibility

- Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
- We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct.
- The verification was done on test check basis to ensure that correct facts as reflected in secretarial and other records were produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.
- Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.

Disclaimer

- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 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
ACS No.: 23985
UDIN No.: A023985B000334207

Place: Mumbai
Date: 11th June, 2020



KIFS HOUSING FINANCE LIMITED

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020
[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule no. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
KIFS HOUSING FINANCE LIMITED
B-81, Pariseema Complex, C. G. Road,
Ellisbridge, Ahmedabad Gujarat- 380006.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by KIFS Housing Finance Limited (CIN: U65922GJ2015PLC085079) (hereinafter called 'the Company') for the year ended on 31st March, 2020 (the 'audit period'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 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 as the Company is not listed on any stock exchange(s) 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 as the Company is not registered as Registrar to Issue and Share Transfer Agent during the Audit period];

(e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [Not Applicable as the Company is not listed on any stock exchange(s) during the Audit period];

(f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 [Not Applicable as the Company has not issued and listed any debt securities during the Audit period];

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 [Not Applicable as the Company is not listed on any stock exchange(s) during the Audit period];

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 [Not Applicable as the Company is not listed on any stock exchange(s) 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) The National Housing Banking Act, 1987;

(b) The Housing Finance Companies (NHB) Directions, 2010 as amended from time to time;

(c) National Housing Bank Circulars, Notifications and guidelines 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, and a Women Director. The Company was recently converted to public company w.e.f 24th February, 2020 and the Company is in process of identifying and appointing an Independent Director as per the provisions of 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, prior consent thereof were obtained 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 Company has:

(a) Allotted 10,00,34,465 Equity Shares of Rs.10 each through 6 Right Issue Offer at different dates aggregating to amount Rs. 1,00,03,44,650/-

(b) Converted from Private Limited Company to Public Limited Company w.e.f 24th February, 2020.

(c) Mr. Swarnpal Singh Bais resigned from the post of Managing Director of the Company w.e.f 6th January, 2020.

(d) Enhanced the Borrowing Limit of the Company pursuant to section 180(1)(a) and 180(1)(c) of the Companies Act, 2013 not exceeding Rs. 1000 Crores at the shareholders meeting held on 12th July, 2019.

(e) Decided to maintain its books of accounts and other relevant papers at Company's corporate office situated at C-902, Lotus Corporate Park, Graham Firth Compound, Western Express Highway, Goregaon East, Mumbai-400 063.

(f) Received Show Cause Notice issued by NHB vide its Letter No NHB (ND)/ DOS/ Sup/ A-2104/2020 dated 4th March, 2020 for non-compliance of Para 27(A) of the Housing Finance Companies (NHB) Directions, 2010 and the Company has appropriately replied to the said notice vide their reply letter dated 16th March, 2020 and no penalty has been levied by NHB till date of this report.

FOR KIRAN DOSHI & CO.
Company Secretaries

Sd/-

KIRAN P. DOSHI

(Proprietor)

CP. No. : 9890

ACS No.: 23985

UDIN No.: A023985B000334207

Place: Mumbai

Date: 11th June, 2020

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

INDEPENDENT AUDITOR'S REPORT

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 2020, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020, its profit and its cash flows for the year ended on that date.

Basis for Opinion

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

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

The company's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report is other information included in Board of Directors Report including Annexures to such report but does not include the Financial Statements and our Auditor's Report thereon.

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

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the “**Annexure A**” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account;
 - d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of the written representations received from the directors as on 31st March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls refer to our separate report in “Annexure B”;
 - 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, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

SD/-
Darshan Shah

Partner
Membership No.: 131508

Place: Mumbai

Date: 11th June, 2020
UDIN: 20131508AAAAAR2753

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

1. In respect of its Fixed Assets;
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) There is a regular program of physical verification of fixed assets which in our opinion is reasonable having regard to the size of the Company and the nature of fixed assets. No material discrepancies have been noticed in respect of the assets physically verified during the year.
 - (c) The Company does not have any immovable property forming part of its fixed assets.
2. The Company does not have any inventory and thus paragraph 3(ii) of the Order is not applicable to the Company.
3. According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions of paragraph 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
5. In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposit from the public in accordance with the provisions of section 73 to 76 or any other relevant provisions of the Act and rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
6. To the best of our knowledge and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Act in respect of activities undertaken by the Company.
7. In respect of Statutory dues;
 - (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, goods and service tax, cess and other statutory dues, as applicable, with the appropriate authorities.

According to the information and explanations given to us and the records of the Company examined by us, in our opinion, there are no undisputed amounts payable in respect of the above mentioned statutory dues which were in arrears as at 31st March 2020 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues outstanding as at 31st March 2020 which have not been deposited on account of a dispute.
8. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of any dues with respect to loan taken from banks.
 9. The Company has not raised any money by way of an initial public offer or further public offer (including debt instruments). The Company has taken term loan from banks and the same were applied for purposes for which the respective loans were obtained.
 10. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.
 11. According to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013.
 12. The Company is not a Nidhi Company as defined under section 406(1) of the Act and thus reporting under paragraph 3(xii) of the Order is not applicable.
 13. The transactions entered by the Company with related parties are in compliance with section 177 and 188 of the Act. The details of all such transactions are disclosed in Note 27(ii) to the financial statements as required under Accounting Standard 18, Related Party Disclosures.
 14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
 15. In our opinion and according the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with him.
 16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

SD/-
Darshan Shah

Partner
Membership No.: 131508

Place: Mumbai

Date: 11th June, 2020
UDIN: 20131508AAAAAR2753

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of KIFS Housing Finance Limited ("the Company") as of 31st March, 2020 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 Board of Directors of the Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by ICAI (the "Guidance Note") and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A

company's internal financial control over financial reporting 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Manubhai & Shah LLP

Chartered Accountants

Firm's Registration No: 106041W/W100136

SD/-

Darshan Shah

Partner

Membership No.: 131508

Place: Mumbai

Date: 11th June, 2020

UDIN: 20131508AAAAAR2753

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

To
The Board of Directors of
KIFS HOUSING FINANCE LIMITED

Background

Pursuant to the Housing Finance Companies - Auditor's Report (National Housing Bank) Directions, 2016 ("the Directions") which became effective from February 03, 2017, we have examined the matters specified in the Paragraph 3 of the said directions in respect of KIFS Housing Finance Limited (the "Company") for the year ended 31st March 2020.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to report on the matters specified in Paragraph 3 of the Directions based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India (ICAI). Those involves performing procedures to obtain audit evidence about the compliance with the Directions. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the information and records, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's compliance with the Directions in order to design audit procedures that are appropriate in the circumstances. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our report. We conducted our examination in accordance with the Guidance Note on Audit Reports and Certificates issued for Special Purpose by the Institute of Chartered Accountants of India.

Conclusion

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

- (1) The Company had applied for registration as required under Section 29A of the National Housing Bank Act, 1987 and has been granted the certificate of registration dated October 27, 2016. In the current financial year, 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 awaited as on the date of this report.
- (2) The Company is meeting the required Net Owned Fund as prescribed under Section 29A of the National Housing Bank Act, 1987.
- (3) The Company has complied with the liquidity requirements as specified under Section 29B of the National Housing Bank Act, 1987 and has kept the securities with the designated bank.

- (4) The Company has complied with Section 29C of the National Housing Bank Act, 1987.
- (5) The Board of Directors of the Company has passed a resolution for non-acceptance of any public deposits.
- (6) The Company has not accepted any Public deposits during the year ended and as at 31st March 2020.
- (7) The Company has complied with the prudential norms on income recognition, accounting standards, asset classification, loan-to-value ratio, provisioning requirements, disclosure in the balance sheet, investment in real estate, exposure to capital market, engagement of brokers and concentration of credit / investments as specified in the Housing Finance Companies (NHB) Directions, 2010.
- (8) The capital adequacy ratio as disclosed in the return submitted to the National Housing Bank has been correctly determined and such ratio is in compliance with the minimum capital to risk weighted asset ratio as prescribed by the National Housing Bank in the Housing Finance Companies (NHB) Directions, 2010.
- (9) The Company has furnished to the Bank within stipulated period the schedule II return for the half year ended on 30th September, 2019 as specified in Housing Finance Companies (NHB) Directions, 2010. The Company has not furnished to the Bank the schedule II return for the half year ended on 31st March, 2020 as at the date of our report.
- (10) The Company has furnished to the National Housing Bank within stipulated period the schedule III returns on Statutory Liquid Assets as specified in the Housing Finance Companies (NHB) Directions, 2010.
- (11) The Company has complied with the requirements relating to opening of new branches / offices or closure of existing branches / offices as specified in Housing Finance Companies (NHB) Directions, 2010.
- (12) The Company has complied with provisions contained in paragraph 38 and 38A of the Housing Finance Companies (NHB) Directions, 2010.

Restriction of use

This report is issued pursuant to the requirement as per Paragraph 3 of the Directions and should not be used by any other person or for any other purpose. We neither accept nor assume any duty or liability for any other purpose or to any other party to whom our report is shown or into whose hands it may come without our prior consent in writing.

For Manubhai & Shah LLP

Chartered Accountants

ICAI Firm Registration No.
106041W/W100136

SD/-

Darshan Shah

Partner

Membership No.:131508

Place: Mumbai

Date: 11th June, 2020

UDIN: 20131508AAAAAR2753

KIFS Housing Finance Limited
CIN:U65922GJ2015PLC085079
Balance Sheet as at 31st March, 2020

(Amount in Rs.)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
I EQUITY AND LIABILITIES:			
(1) Shareholders' fund:			
(a) Share capital	3	2,499,864,520	1,499,519,870
(b) Reserves and surplus	4	199,549,563	46,253,056
	(A)	2,699,414,083	1,545,772,926
(2) Share application money pending allotment	(B)	-	200,738,940
(3) Non-current liabilities:			
(a) Long-term borrowings	5	790,206,614	150,749,971
(b) Deferred tax liabilities (net)	13	62,628	-
(c) Long-term provisions	6	44,841,217	14,546,178
	(C)	835,110,459	165,296,149
(4) Current liabilities:			
(a) Short-term borrowings	7	116,043,383	-
(b) Trade payables	8		
(i) Total outstanding dues of Micro enterprises and Small Enterprises		-	-
(ii) Total outstanding dues of creditors other than Micro enterprises and Small Enterprises		3,972,005	-
(c) Other current liabilities	9	275,502,458	357,887,419
(d) Short-term provisions	10	16,112,601	14,480,606
	(D)	411,630,447	372,368,025
Total	(A+B+C+D)	3,946,154,989	2,284,176,040
II ASSETS:			
(1) Non-current assets:			
(a) Property, Plant and Equipment	11		
(i) Tangible assets		16,985,195	15,727,225
(ii) Intangible assets		372,929	449,014
(iii) Intangible assets under development		1,526,000	1,526,000
(b) Long-term loans and advances	12	3,298,193,297	1,780,716,152
(c) Deferred tax assets (net)	13	-	5,062,196
(d) Other Non-Current assets	14	275,426,870	10,046,336
	(E)	3,592,504,291	1,813,526,923
(2) Current assets:			
(a) Investments	15	190,747,921	-
(b) Trade receivables	16	26,277,602	3,880,915
(c) Cash and bank balances	17	15,983,407	197,313,401
(d) Short-term loans and advances	18	93,151,041	257,474,908
(e) Other Current Assets	19	27,490,727	11,979,893
	(F)	353,650,698	470,649,117
Total	(E+F)	3,946,154,989	2,284,176,040
Significant accounting policies and notes to financial statements			
	1 to 64		

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

As per our report of even date attached

For Manubhai & Shah LLP

Chartered Accountants

Firm Registration No. 106041W/W100136

SD/-

(Darshan Shah)

Partner

Membership No.131508

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

SD/-

(Vimal P Khandwala)

Managing Director :DIN.00477768

SD/-

(Deepak Kumar Ajmera)

(Chief Financial officer)

PAN-AIHPA5872B

SD/-

(Padmanabh Vora)

Director :DIN.00003192

SD/-

(Tejal Gala)

(Company Secretary)

M.No. ACS - 54456

Place: Mumbai

Date: 11th June, 2020

Place: Mumbai

Date: 11th June, 2020

KIFS Housing Finance Limited
CIN:U65922GJ2015PLC085079
Statement of profit and loss for the year ended 31st March, 2020

(Amount in Rs.)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Income:			
Revenue from Operations	20	481,883,458	211,527,670
Other Income	21	1,689,209	198,803
Total Revenue	(A)	483,572,667	211,726,473
Expenses:			
Employee benefit expenses	22	133,172,668	91,448,336
Finance cost	23	62,089,197	6,843,504
Depreciation and amortisation expenses	11	4,037,470	3,955,797
Provision for Contingencies	24	26,220,614	6,577,195
Other expenses	25	51,805,454	43,243,242
Total Expenses	(B)	277,325,403	152,068,074
Profit/(Loss) before tax (A - B)	(C)	206,247,264	59,658,399
Less: Tax Expense:			
Current Tax		47,326,515	21,193,312
Short/(Excess) provision of tax for earlier year		499,418	111,645
Deferred Tax		5,124,824	(2,623,420)
	(D)	52,950,757	18,681,537
Profit/(Loss) for the Period (C - D)	(E)	153,296,507	40,976,862
Earning per share (face value Rs. 10/- each):			
Basic and Diluted		0.72	0.35

Significant accounting policies and notes to financial statements 1 to 64

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

As per our report of even date attached

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

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

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

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

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

SD/-
(Deepak Kumar Ajmera)
(Chief Financial officer)
PAN-AIHPA5872B

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

Place: Mumbai
Date: 11th June, 2020

Place: Mumbai
Date: 11th June, 2020

KIFS Housing Finance Limited
CIN:U65922GJ2015PLC085079
Cash Flow statement for the year ended 31st March, 2020

Particulars	(Amount in Rs.)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash flow from operating activities		
Net profit before tax	206,247,264	59,658,399
Adjustment for:		
Depreciation and amortisation	4,037,470	3,955,797
Gratuity	1,138,926	655,400
Compensated absence	1,895,570	1,442,133
Provision for contingencies	26,220,614	6,577,195
Profit on sale of investment	(1,689,209)	(163,253)
Interest on Bank Overdraft	935,294	1,186,483
Interest on other borrowings/other borrowing costs	9,940,683	2,037,499
Interest on Term Loan	51,213,220	3,619,522
Operating profit before working capital changes	299,939,832	78,969,175
Adjustment for working capital changes:		
Increase/(Decrease) in trade payables	3,972,005	(67,520)
Increase/(Decrease) in other current liabilities	(261,136,222)	12,326,716
Increase/(Decrease) in short term provisions	1,021,382	7,450,360
(Increase)/Decrease in long term loans and advances	(1,517,477,145)	(1,120,182,721)
(Increase)/Decrease in trade receivables	(22,396,687)	36,191,599
(Increase)/Decrease in short term loans and advances	164,323,867	269,064,045
(Increase)/Decrease in other assets	(15,510,834)	(7,900,598)
(Increase)/Decrease in fixed deposits	(179,032,173)	(31,416,996)
Cash generated/(used) from/in operations	(1,526,295,975)	(755,565,940)
Income taxes paid	(46,175,391)	(19,266,933)
Net cash generated/(used) from/in operating activities (A)	(1,572,471,366)	(774,832,873)
Cash flow from investing activities		
Purchase of fixed assets	(5,219,355)	(8,111,972)
Sale/adjustment of fixed asset	-	12,109
Purchase of investments	(740,000,000)	(153,500,000)
Sale of investments	550,941,288	153,663,253
Net cash generated/(used) from/in investing activities (B)	(194,278,067)	(7,936,609)
Cash flow from financing activities		
Proceeds from issue of equity shares	799,605,710	700,925,370
Long term borrowings received during the year	910,000,000	197,500,000
Long term borrowings (repaid) during the year	(91,792,096)	(7,250,005)
Increase/(Decrease) in short term borrowings	116,043,383	(837,408)
Proceeds from loans/(repaid) to related parties	-	(844,270)
Interest on Bank Overdraft	(935,294)	(1,186,483)
Interest on other borrowings/other borrowing costs	(9,940,683)	(2,037,499)
Interest on Term Loan	(51,213,220)	(3,619,522)
Net cash generated/(used) from/in financing activities (C)	1,671,767,800	882,650,183
Net increase/(Decrease) in cash and cash equivalents (A+B+C)	(94,981,633)	99,880,701
Cash and cash equivalents at the beginning of the year	110,965,040	11,084,339
Cash and cash equivalents at the end of the year	15,983,407	110,965,040
Components of cash and cash equivalents		
Cash in hand	693,024	1,752,708
Balance with banks in current accounts	15,290,383	109,212,332
Cash and cash equivalents at the end of the year	15,983,407	110,965,040

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

As per our report of even date attached

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

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

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

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

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

SD/-
(Deepak Kumar Ajmera)
(Chief Financial officer)
PAN-AIHPA5872B

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

Place: Mumbai
Date: 11th June, 2020

Place: Mumbai
Date: 11th June, 2020

KIFS HOUSING FINANCE LIMITED

Notes to the financial statement for the year ended 31st March 2020

1. Company Overview:

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

During the year the Company has converted from Private Company to Public Company effective from 24.02.2020, its name has changed from KIFS Housing Finance Private Limited to KIFS Housing Finance Limited and CIN from U65922GJ2015PTC085079 to U65922GJ2015PLC085079.

2. Summary of Significant Accounting Policies:

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

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

b. Use of Accounting Estimates:

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

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

c. Revenue Recognition:

Interest on housing loans:

Interest Income on loans is recognised on accrual basis from the disbursement date as per disbursement memo except in case of non-performing assets where interest is recognised upon realization as per NHB guidelines. However, for login inward post December 18, 2019, interest shall be charged from the date of the cheque handover i.e. disbursement. Cheque handover means when the customer has completed all critical required OTC's and cheque is dispatched from the corporate office. Repayment of housing loans is by way of Equated Monthly Installments ("EMI") comprising principal and interest. Interest is calculated on monthly reducing balance in terms of financing scheme opted by the borrower. EMI commences once the entire loan is disbursed. Pending commencement of EMI, pre-EMI interest is charged every month and is accounted on accrual basis.

Fees and other charges:

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

Interest on Inter corporate deposits and other loans:

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

Income from investment:

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

Other income:

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

Unless otherwise agreed to by the company any payment due and payable from the customer and made by the customer or received by the company would be appropriated towards such dues in the order, namely:

- a. Costs, charges, expenses, incidental charges and other monies that may have been expended by the company in connection with this Agreement and recovery;
- b. Substitute Interest, and/or liquidated damages on default amounts, Default Interest/additional interest on defaulted amounts;
- c. Towards other indebtedness of the Borrower to the Company.

- d. Prepayment charge and fees;
- e. Interest;
- f. PEMI;
- g. EMI;
- h. Principal amount of the loan.

d. Borrowing cost:

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

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

Property, Plant & Equipment:

Property, Plant & Equipment are stated at cost less accumulated depreciation and impairment, if any. The cost of **Property, Plant & Equipment** comprises purchase price and any attributable cost of bringing the asset to its working conditions for its intended use. Subsequent expenditure incurred on assets is capitalized only when it increases the future benefits/functioning capability from / of such assets.

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

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

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

Intangible Assets:

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

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

f. Impairment of assets:

The Company assesses at the balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset or the cash generation unit (“CGU”). If such recoverable amount of the asset or the recoverable amount of the CGU to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is created as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the revised recoverable amount, subject to maximum of the depreciated historical cost.

g. Investments:

In accordance with AS-13 on “Accounting for Investments” and the guidelines issued by National Housing Bank (“NHB”), investments that are readily realizable and intended to be held for not more than twelve months from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, that part of long-term investments which are expected to be realized within twelve months from balance sheet date is also presented as current investment. Long term investments are stated at cost. Provision is recognized only in case of diminution in the value of long-term investments, which is other than temporary in nature. Current investments are valued at lower of cost and fair value. In case of unquoted units of schemes of mutual funds, NAV declared by respective mutual fund is considered as fair value.

h. Loans and advances: Classification and provisioning

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

i. Employee Benefits:

Defined Contribution plans

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

Gratuity:

The Company's gratuity Fund Scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit is calculated by estimating the amount of future benefit that the employees have earned in return for their services in current and prior periods, that benefit is discounted to determine its present value and fair value of any plan assets, if any is deducted. On annual basis, the present value of the obligation under such benefit plan is determined actuarial valuation using the projected unit credit method which recognizes each period of service that give rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at present values of estimated future cash flows. The discounted rates used for determining the present value are based on the market yields on Government Securities as at the balance sheet date. Actuarial gains and losses are recognized immediately in the statement of profit and loss. On quarterly & half yearly, Actuarial valuation is not obtained but management estimate is considered.

Short Term Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which employee renders the related service.

Long Term Employee benefits

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

j. Taxes on Income:

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

Current tax

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

Minimum Alternate Tax (MAT)

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

Deferred tax

Deferred tax is recognized in respect of timing differences between taxable income and accounting income i.e. difference those originates in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets/liabilities are recognized only to the extent there is reasonable certainty that the assets/liabilities can be realized in future; however where there is unabsorbed depreciation or carried forward losses under taxation laws, deferred tax assets are recognized only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets/liabilities are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

k. Provisions, Contingent Liabilities and Assets:

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

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

l. Earnings Per Share (EPS):

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

m. Operating Leases:

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

n. Statutory / Special Reserve:

The Company creates Statutory / Special Reserve on yearly basis as required under section 29C of the National Housing Bank Act, 1987 or deduction claimed u/s 36(1)(viii) of Income Tax Act, 1961 whichever is higher.

o. Foreign exchange transaction:

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

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

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

q. Assigned/ securitized Loans and Securitisation Liabilities

The Corporation enters into transactions through direct assignment route. Transfer of pools of mortgages under the direct assignment route involves transfer of proportionate shares in the pools of mortgages. Such transfers result in de-recognition only of that proportion of the mortgages which meets the de-recognition criteria. The portions retained by the Corporation continue to be accounted as loans.

The Corporation also periodically transfers pools of mortgages. Such assets are de-recognized, if and only if, the Corporation loses control of the contractual rights that comprise the corresponding pools or mortgages transferred. In respect of pools securitized, whenever required, the Corporation provides credit enhancement in the form of guarantees and undertaking.

The Corporation may also act as a servicing agent for pools assigned / securitized.

On de-recognition, the difference between the book value of securitized asset and consideration received is recognized as gain arising on securitization in the Statement of Profit and Loss over the balance maturity period of the pool transferred. Losses, if any, arising from such transactions, are recognized immediately in the Statement of Profit and Loss.

KIFS Housing Finance Limited
Notes to the financial statement for the year ended 31st March, 2020

3 Share capital:

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

Particulars	(Amount in Rs.)	
	As at March 31, 2020	As at March 31, 2019
Authorised		
250,000,000 (previous year: 200,000,000) equity shares of Rs.10/- each	2,500,000,000	2,000,000,000
	2,500,000,000	2,000,000,000
Issued , Subscribed and Paid Up		
249,986,452 (previous year: 149,951,987) equity shares of Rs. 10/- each,fully paid	2,499,864,520	149 95 19 870
	2,499,864,520	1,499,519,870

Notes:

- a) The Company has only one class of equity shares having face value of Rs.10 each. Each holder of equity shares is entitled to one vote per share.
- b) Increase in Paid-up Share Capital facilitated by issuing 2,49,83,336 Equity Shares at face value of Rs. 10/- on 17th September 2018. Shares fully subscribed by M/s. KIFS International LLP
- c) Increase in Paid-up Share Capital facilitated by issuing 1,01,14,711 Equity Shares at face value of Rs. 10/- on 11th December 2018. Shares fully subscribed by M/s. KIFS International LLP
- d) Increase in Paid-up Share Capital facilitated by issuing 1,49,20,596 Equity Shares at face value of Rs. 10/- on 22nd February 2019. Shares fully subscribed by M/s. KIFS International LLP
- e) Increase in Paid-up Share Capital facilitated by issuing 2,00,73,894 Equity Shares at face value of Rs. 10/- on April 12, 2019. Shares fully subscribed by M/S. KIFS International LLP
- f) Increase in Paid-up Share Capital facilitated by issuing 1,00,01,524 Equity Shares at face value of Rs. 10/- on May 02, 2019. Shares fully subscribed by M/S. KIFS International LLP
- g) Increase in Paid-up Share Capital facilitated by issuing 1,89,50,253 Equity Shares at face value of Rs. 10/- on June 28, 2019. Shares fully subscribed by M/S. KIFS International LLP
- h) Increase in Paid-up Share Capital facilitated by issuing 2,60,10,151 Equity Shares at face value of Rs. 10/- on July 25, 2019. Shares fully subscribed by M/S. KIFS International LLP
- i) Increase in Paid-up Share Capital facilitated by issuing 1,00,74,081 Equity Shares at face value of Rs. 10/- on December 24, 2019. Shares fully subscribed by M/S. KIFS International LLP
- j) Increase in Paid-up Share Capital facilitated by issuing 1,49,24,562 Equity Shares at face value of Rs. 10/- on March 30, 2020. Shares fully subscribed by M/S. KIFS International LLP
- k) In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.

3.2 Reconciliation of number of shares:

Particulars	2019-20		2018-19	
	No. of Shares	Amount in Rs.	No. of Shares	Amount in Rs.
At the beginning of the year	149,951,987	1,499,519,870	99,933,344	999,333,440
Issued during the year	100,034,465	1,000,344,650	50,018,643	500,186,430
Repaid during the year	-	-	-	-
At the end of the year	249,986,452	2,499,864,520	149,951,987	1,499,519,870

3.3 The details of shareholders holding more than 5 % of issued share capital as on March 31, 2020 is set out below:

Name of Shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	%	No. of Shares	%
KIFS International LLP	249,485,752	99.80%	149,451,287	99.67%
	249,485,752	99.80%	149,451,287	99.67%

KIFS Housing Finance Limited
Notes to the financial statement for the year ended 31st March, 2020

4 Reserves and surplus:

(Amount in Rs.)		
Particulars	As at March 31, 2020	As at March 31, 2019
(i) Statutory Reserve#		
(As per Section 29C of National Housing Bank Act, 1987)		
At the beginning of the Year	9,581,760	1,386,388
Add : Transferred from Surplus in Statement of Profit and Loss	47,725,919	8,195,372
	57,307,679	9,581,760
At the end of the Year		
(ii) Surplus/(Deficit) in Statement of Profit and Loss		
Surplus/(Deficit) at the beginning of the Year	36,671,296	3,889,806
Add/(Less): Net Profit /(Loss)	153,296,507	40,976,862
Less : Transfer to Statutory Reserve	(47,725,919)	(8,195,372)
	105,570,588	32,781,490
Surplus/(Deficit) at the end of the Year	142,241,884	36,671,296
	199,549,563	46,253,056

The Company has created 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.

5 Long-term borrowings:

(Amount in Rs.)		
Particulars	As at March 31, 2020	As at March 31, 2019
Secured		
Term Loans from Banks#	1,008,457,899	190,249,995
Less: Current maturities of long term term borrowings (Ref Note-9)	(218,251,285)	(39,500,024)
	790,206,614	150,749,971

1) The Company has taken term loan from Federal Bank Ltd of Rs.4.75 crores repayable in 60 monthly instalments starting from October 29, 2018 and carry Interest @9.70 % P.a. (PY: @9.90 % P.a.) (One year MCLR + 0.70 %) on security of cash margining of 10.00 % of loan amount and hypothecations of receivables equivalent to 1.10 times and letter of comfort by promoter entity i.e. KIFS International LLP.

2) The Company has taken term loan from South Indian Bank Ltd of Rs.5 crores repayable in 60 monthly instalment starting from January 29, 2019 and carry Interest @9.55 % P.a. (PY: @10.00 % P.a.) (One year MCLR + 0.55 %). This facility is secured by cash margin equivalent to 10.00 % of term loan in form of fixed deposit and paripassu charge on all current assets, book debts, and housing loan assets both present and future of the company with minimum cover of 1.10 times. The Company has also provided corporate guarantee of KIFS International LLP (the holding enterprise) & Personal guarantee of Mr. Rajesh P. Khandwala & Mr. Vimal P. Khandwala.

3) The Company has taken term loan from AU Small Finance Bank Limited of Rs. 10 crores repayable in 60 monthly instalments starting from May 3, 2019 and carry interest @10.58 % p.a. (PY: @11.85 % P.a.)(12 months' average of one year T-Bill + 4.85 %). This facility is secured by hypothecations of present and future loan receivables equivalent to 1.20 times for the loan principal outstanding. The Company has also provided corporate guarantee of KIFS International LLP (the holding enterprise) & Personal guarantee of Mr. Rajesh P. Khandwala & Mr. Vimal P. Khandwala.

4) The Company has taken term loan from Federal Bank Ltd of Rs.5.00 crores repayable in 60 monthly instalments starting from May 23, 2019 and carry Interest @10.50 % P.a. (PY: @10.00 % P.a.)(One year MCLR + 1.30 %) on security of cash margining of 10.00 % of loan amount and hypothecations of receivables equivalent to 1.10 times. The Company has also provided corporate guarantee of KIFS International LLP (the holding enterprise) & Personal guarantee of Mr. Rajesh P. Khandwala & Mr. Vimal P. Khandwala.

5) The Company has taken term loan from Federal Bank Ltd of Rs.6.00 crores repayable in 60 monthly instalments starting from October 30, 2019 and carry Interest @10.00 % P.a. (One year MCLR + 1.00 %) on security of cash margining of 5% of loan amount and hypothecations of receivables equivalent to 1.20 times. The Company has also provided corporate guarantee of KIFS International LLP (the holding enterprise) & Personal guarantee of Mr. Rajesh P. Khandwala & Mr. Vimal P. Khandwala.

6) The Company has taken term loan from State Bank of India of Rs.50.00 crores out of which Rs.25 Crores disbursed till March 31, 2020 repayable in Quarterly. instalments and carry Interest @9.90 % P.a. (One year MCLR + 1.00 %) on security of (Immovable property/cash collateral) equivalent to 18% of loan amount and hypothecations of receivables equivalent to 1.25 times. The Company has also provided corporate guarantee of KIFS International LLP (the holding enterprise) & Personal guarantee of Mr. Rajesh P. Khandwala & Mr. Vimal P. Khandwala.

7) The Company has taken term loan from Karur Vyasa Bank of Rs.15.00 crores out of which Rs.6.00 Crores disbursed till March 31, 2020 repayable in Quarterly. instalments and carry Interest @10.25 % P.a. (One year MCLR + 0.80 %) on security of hypothecations of receivables equivalent to 1.20 times. The Company has also provided corporate guarantee of KIFS International LLP (the holding enterprise) & Personal guarantee of Mr. Rajesh P. Khandwala & Mr. Vimal P. Khandwala.

8) The Company has taken refinance facility from National Housing Bank of Rs.45.00 crores repayable in 10 years 2 months 12 days in quarterly instalments starting from January 15, 2020 carrying Interest @ 7.75 % to 7.80 %. Security against this is hypothecation of receivables equivalent to 1.25 times and bank guarantee equivalent to 20.00 % of loan amount sanctioned. Further the Company has also provided Corporate guarantee of KIFS International LLP.

9) The Company has taken term loan from Federal Bank Ltd of Rs.4.00 crores repayable in 60 monthly instalments starting from February 29, 2020 and carry Interest @10.00 % P.a. (One year MCLR + 1.00 %) on security of cash margin of 5% of loan amount and hypothecations of receivables equivalent to 1.20 times. The Company has also provided corporate guarantee of KIFS International LLP (the holding enterprise) & Personal guarantee of Mr. Rajesh P. Khandwala & Mr. Vimal P. Khandwala.

KIFS Housing Finance Limited
Notes to the financial statement for the year ended 31st March, 2020

6 Long-term provisions:

Particulars	(Amount in Rs.)	
	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
Gratuity	2,203,340	1,065,933
Compensated absences	3,979,170	2,352,921
Other provisions		
Contingent Provisions against Standard Assets		
-Home Loans	29,531,833	5,903,904
-Other Property Loans	6,176,419	3,001,885
Provision for sub standard assets		
-Home Loans	1,860,849	2,139,586
-Other Property Loans	200,992	81,949
Provision for Doubtful assets		
-Home Loans	856,561	-
-Other Property Loans	32,053	-
	44,841,217	14,546,178

As per NHB master directions, 2010, Contingent provision is required @ 0.25% in respect of standard Individual Housing Loans and @ 0.40% in respect of other standard loans, but conservatively company has made contingent provision @1.00% on Standard Housing Loans & 1.60% on Insurance components and 1.50% on Other Standard Loans during current year considering COVID 19 situation.

Provision on sub-standard assets are made as per NHB master direction, 2010 (i.e. 15.00%). Company during the current year made provision on doubtful assets @40% whereas 25% provision is required to be made as per NHB directions, 2010. Overdue assets which are not sub standard assets as on 1st March, 2020 on which if moratorium is granted then on such assets 5% provision is made as per RBI circular no. DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020.

7 Short-term borrowings:

Particulars	(Amount in Rs.)	
	As at March 31, 2020	As at March 31, 2019
Secured		
Loans repayable on demand		
Short term loans from bank - Bank Overdraft#	116,043,383	-
	116,043,383	-

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

8 Trade payables:

Particulars	(Amount in Rs.)	
	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of Micro enterprises and Small Enterprises	-	-
Total outstanding dues of creditors other than Micro enterprises and Small Enterprises	3,972,005	-
	3,972,005	-

KIFS Housing Finance Limited
Notes to the financial statement for the year ended 31st March, 2020

9 Other current liabilities:

Particulars	(Amount in Rs.)	
	As at	As at
	March 31, 2020	March 31, 2019
Current maturities of long term loans from banks	218,251,285	39,500,024
Interest accrued but not due on term loans	758,149	97,400
Statutory liabilities	2,098,085	4,235,667
Book overdraft	132,859	295,102,571
Payable to Employees	590,942	249,440
Advance EMI	1,547,850	868,763
Income received in advance	-	8,798,077
Other payables	52,123,288	9,035,477
	275,502,458	357,887,419

10 Short-term provisions:

Particulars	(Amount in Rs.)	
	As at	As at
	March 31, 2020	March 31, 2019
Provision for employee benefits		
Gratuity	5,120	3,601
Compensated absences	534,068	264,747
Other provisions		
Provision for expenses	10,902,116	9,880,734
Provision for Taxes (Net of Advance tax & tds)	3,701,395	2,050,853
Contingent Provisions against Standard Assets		
-Home Loans	772,877	161,439
-Other Property Loans	197,025	112,749
-Inter corporate deposits	-	2,006,483
	16,112,601	14,480,606

KIFS Housing Finance Limited

Notes to the financial statement for the year ended 31 March, 2020

11. Property, Plant and Equipment

Description of asset	Gross Block				Accumulated Depreciation				Net Block		
	As at 1st April, 2019	Additions during the year	Deductions/Adjustment during the year	As at 31st March, 2020	As at 1st April, 2019	Additions during the year	Deductions/Adjustment during the year	As at 31st March, 2020	As at 31st March, 2020	As at 31st March, 2019	
Tangible assets:											
Computer and data processing units	4,063,339	1,736,098		5,799,437	1,416,722	1,478,702		2,895,424	2,904,013	2,646,617	
Furniture and fixtures	2,281,381	2,149,647	-	4,431,028	296,175	326,591		622,766	3,808,262	1,985,206	
Office equipments	978,914	386,949	-	1,365,863	224,586	226,540	-	451,126	914,737	754,328	
Leasehold improvements	13,505,879	908,512	-	14,414,391	3,164,806	1,891,402	-	5,056,208	9,358,183	10,341,073	
Total tangible assets (a)	20,829,514	5,181,205	-	26,010,719	5,102,289	3,923,235	-	9,025,524	16,985,195	15,727,225	
Intangible assets:											
Computer software	567,950	38,150	-	606,100	118,936	114,235	-	233,171	372,929	449,014	
Total intangible assets (b)	567,950	38,150	-	606,100	118,936	114,235	-	233,171	372,929	449,014	
Total (a) + (b) = (C)	21,397,464	5,219,355	-	26,616,819	5,221,225	4,037,470	-	9,258,695	17,358,124	16,176,239	

Amount in Rs.

KIFS Housing Finance Limited

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

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

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

Amount in Rs.

KIFS Housing Finance Limited
Notes to the financial statement for the year ended 31st March, 2020

12 Long-term loans and advances:

Particulars	(Amount in Rs.)	
	As at March 31, 2020	As at March 31, 2019
Secured, considered good		
Home Loans *		
Loans to others	2,893,408,141	1,475,976,064
Other Property Loans*		
Loans to others	386,714,980	300,188,505
Unsecured, considered good		
Security deposit	2,082,188	2,330,048
Prepaid expenses	20,845	-
Secured, considered doubtful		
Home Loans *		
Loans to others	14,547,065	2,139,586
Other Property Loans*		
Loans to others	1,420,078	81,949
	3,298,193,297	1,780,716,152

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

13 Deferred tax assets\ (liabilities) (net):

Particulars	(Amount in Rs.)	
	As at March 31, 2020	As at March 31, 2019
Deferred tax liabilities		
Reserve created u/s 36(1)(viii)	12,011,659	-
Amount claimed u/s u/s 36(1)(vii)(d)	223,646	-
Gross deferred tax liability	<u>12,235,305</u>	<u>-</u>
Deferred tax assets		
Diff between Written down value off P&E as per books of accounts & Income tax Act,	389,940	176,662
Provision for gratuity	555,825	297,544
Provision for leave encashment	1,135,892	728,235
Preliminary expenses	117,292	129,651
Provision for Contingencies	9,973,728	3,730,104
Gross deferred tax asset	<u>12,172,677</u>	<u>5,062,196</u>
Net deferred tax asset / (liability)	(62,628)	5,062,196

14 Other Non-Current assets:

Particulars	(Amount in Rs.)	
	As at March 31, 2020	As at March 31, 2019
Fixed deposits with Bank		
Held as cash margin against term loans & overdraft facilities	275,426,870	10,046,336
	275,426,870	10,046,336

15 Investments

Particulars	(Amount in Rs.)	
	As at March 31, 2020	As at March 31, 2019
Investment in Mutual Fund		
SBI Liquid Fund Direct Growth	40,647,496	-
SBI Liquid Fund Regular Growth	120,000,000	-
SBI Overnight Fund Direct Growth	100,425	-
SBI Overnight Fund Regular Growth	30,000,000	-
	190,747,921	-

Market value of Investment as on 31st March 2020 is Rs. 19,10,06,159/- (PY: Nil)

KIFS Housing Finance Limited
Notes to the financial statement for the year ended 31st March, 2020

16 Trade receivables:

(Amount in Rs.)		
Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured but considered good		
Outstanding for a period less than six months		
- From others	26,277,602	3,880,915
	26,277,602	3,880,915

17 Cash and bank balances:

(Amount in Rs.)		
Particulars	As at March 31, 2020	As at March 31, 2019
Cash and cash equivalents		
Cash on Hand	693,024	1,752,708
Balance with Banks		
- In current accounts	15,290,383	66,794,817
- In overdraft accounts	-	42,417,515
Total cash and cash equivalents	15,983,407	110,965,040
Other bank balances		
- In fixed deposit accounts having original maturity of more than 3months, but less than 12months	-	86,348,361
Total other bank balances	-	86,348,361
	15,983,407	197,313,401

18 Short-term loans and advances:

(Amount in Rs.)		
Particulars	As at March 31, 2020	As at March 31, 2019
<u>Secured, considered good</u>		
<u>Home Loans *</u>		
Loans to others	74,142,712	40,359,817
<u>Other Property Loans*</u>		
Loans to others	11,628,309	9,418,903
<u>Unsecured, considered good</u>		
Inter corporate deposits to others	-	200,648,315
Security deposit	254,000	80,000
Capital advances	-	513,350
Prepaid Expenses	1,763,524	1,884,638
Balance with Government authorities	125,886	71,932
Advance to employees for expenses	468,597	427,119
Advance to Vendor	3,710,609	-
Other advances	1,057,404	4,070,834
	93,151,041	257,474,908

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

19 Other Current Assets:

(Amount in Rs.)		
Particulars	As at March 31, 2020	As at March 31, 2019
Interest accrued but not due on home loans	25,193,116	11,939,921
Interest accrued but not due on fixed deposits with bank	2,297,611	39,972
	27,490,727	11,979,893

KIFS Housing Finance Limited
Notes to the financial statement for the year ended 31st March, 2020

20 Revenue from Operations:

(Amount in Rs.)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest income on loans	373,935,176	175,134,247
Processing fess and other charges (Refer note 20.1)	50,815,589	28,545,504
Other operating income (Refer note 20.2)	57,132,693	7,847,919
	481,883,458	211,527,670

20.1 Processing fess and other charges:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Processing fess and other charges	68,730,895	41,673,177
Less: Direct selling agent's commission	(5,363,239)	(4,640,587)
Less: Legal, Technical CERSAI & verification charges	(12,552,067)	(8,487,086)
	50,815,589	28,545,504

20.2 Other Operating Income:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on fixed deposits with banks	13,227,987	5,395,996
Other ancillary services	43,904,706	2,451,923
	57,132,693	7,847,919

21 Other Income:

(Amount in Rs.)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Net gain on sale of current investments	1,689,209	163,253
Miscellaneous Income	-	35,550
	1,689,209	198,803

22 Employee Benefit expenses:

(Amount in Rs.)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salary and bonus	126,758,119	86,828,629
Contribution to provident and other funds	4,236,033	2,963,626
Staff welfare expenses	1,039,590	1,000,681
Gratuity	1,138,926	655,400
	133,172,668	91,448,336

KIFS Housing Finance Limited
Notes to the financial statement for the year ended 31st March, 2020

23 Finance Cost:

	(Amount in Rs.)	
Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on Term Loan	51,213,220	3,619,522
Interest on Bank Overdraft	935,294	1,186,483
Other borrowing Costs	9,940,683	2,037,499
	62,089,197	6,843,504

24 Provision for contingencies:

	(Amount in Rs.)	
Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Contingent Provision against Standard Assets*	25,491,694	4,355,660
Contingent Provision against Sub-Standard Assets*	(159,694)	2,221,535
Contingent Provision against Doubtful Assets*	888,614	-
	26,220,614	6,577,195

*As per NHB master directions, 2010, Contingent provision is required @ 0.25% in respect of standard Individual Housing Loans and @ 0.40% in respect of other standard loans, but conservatively company has made contingent provision @1.00% on Standard Housing Loans & 1.60% on Insurance components and 1.50% on Other Stanadard Loans during current year considering Covid 19 situation.

Provision on sub-standard assets are made as per NHB master direction, 2010 (i.e. 15.00%). Company during the current year made provision on doubtful assets @40% whereas 25% provision is required to be made as per NHB directions, 2010. Overdue assets which are not sub standard assets as on 1st March, 2020 on which if moratorium is granted then on such assets 5% provision is made as per RBI circular no. DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020.

25 Other Expenses:

	(Amount in Rs.)	
Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Advertisement & Marketing Expenses	20,142	440,107
Auditor's remuneration (Refer note no. 29)	523,040	444,000
Business promotion expenses	558,621	328,029
Commission & Brokerage	13,000	127,500
Communication and data charges	2,469,026	1,998,700
Directors' sitting fees	520,000	330,000
Donation	469,400	-
Insurance	3,014,540	1,260,038
Term Insurance for Customers	1,749,564	-
Legal and professional charges	9,088,685	8,670,362
Membership & Subscription fees	123,650	122,373
Power and fuel	1,415,334	937,467
Printing and stationary	1,624,610	1,262,009
Rates and Taxes	9,147,916	10,142,884
Recruitment Expenses	133,326	430,801
Rent	9,152,772	8,256,113
Repair and maintenance		
Computer and software	1,095,636	973,655
Others	1,137,905	912,319
ROC & Filing Expenses	20,307	6,682
Travelling and conveyance	7,041,207	5,326,359
Miscellaneous Expenses	2,486,773	1,273,845
	51,805,454	43,243,242

KIFS Housing Finance Limited
Notes to the financial statement for the year ended 31st March, 2020

26. Segment reporting:

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

27. Related party disclosure:

I. Name of Related parties:

(A) Holding Enterprises:

- KIFS International LLP

(B) Key Managerial person

- Rajesh P Khandwala - Managing Director
- Vimal P Khandwala - Managing Director
- Swarnpal Singh Bais - Managing Director & CEO (till January 6, 2020)
- Nutisha S Todi - Company Secretary (till August 16, 2018)
- Tejal Gunjan Gala - Company Secretary (from August 6, 2018)
- Deepak Kumar Ajmera - Chief Financial officer (from August 18, 2018)

(C) Enterprises in which key managerial persons have control

- KIFS Trade Capital Private Limited
- Khandwala Finstock Private Limited
- KIFS Financial Services Limited

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

- Aristo Traders Private Limited

KIFS Housing Finance Limited
Notes to the financial statement for the year ended 31st March, 2020

II. Transactions with related parties:

Transaction	Name of the related party	Holding Enterprises	Enterprises in which KMP/Relative of KMP has control	KMP/Relative of KMP
Subscription/Purchase of equity shares	KIFS International LLP	1,000,344,650 (500,186,430)	- (-)	- (-)
Total		1,000,344,650 (500,186,430)	- (-)	- (-)
Share application money	KIFS International LLP	- (200,738,940)	- (-)	- (-)
Total		- (200,738,940)	- (-)	- (-)
Loan Given	Aristo Traders Pvt. Ltd.	- (-)	419,500,000 (280,476,196)	- (-)
Total Loan given		- (-)	419,500,000 (280,476,196)	- (-)
Repayment received of loan given	Aristo Traders Pvt. Ltd.	- (-)	419,500,000 (406,775,548)	- (-)
Total Repayment received of loan given		- (-)	419,500,000 (406,775,548)	- (-)
Repayment of loan taken	Aristo Traders Pvt. Ltd.	- (-)	- (500,000)	- (-)
Total Repayment of loan taken		- (-)	- (500,000)	- (-)
Amount erroneously received	Khandwala Finstock Pvt. Ltd.	- (-)	30,000,000 (-)	- (-)
Amount erroneously received		- (-)	30,000,000 (-)	- (-)
Amount erroneously received, Paid back	Khandwala Finstock Pvt. Ltd.	- (-)	30,000,000 (-)	- (-)
Amount erroneously received, Paid back		- (-)	30,000,000 (-)	- (-)
Outward transfer of Loan book	KIFS Financial Services Ltd.	- (-)	106,923,835 (-)	- (-)
Outward transfer of Loan book		- (-)	106,923,835 (-)	- (-)

KIFS Housing Finance Limited
Notes to the financial statement for the year ended 31st March, 2020

Transactions with related parties (Continued...):

Transaction	Name of the related party	Holding Enterprises	Enterprises in which KMP/Relative of KMP has control	KMP/Relative of KMP
Interest Income	Aristo Traders Pvt. Ltd.	- <i>(-)</i>	6,101,809 <i>(11,501,004)</i>	- <i>(-)</i>
Total Income Received		- <i>(-)</i>	6,101,809 <i>(11,501,004)</i>	- <i>(-)</i>
Rent	KIFS International LLP	- <i>(360,000)</i>	- <i>(-)</i>	- <i>(-)</i>
	KIFS Trade Capital Pvt. Ltd.	- <i>(-)</i>	- <i>(540,000)</i>	- <i>(-)</i>
Interest expenses	Aristo Traders Pvt. Ltd.	- <i>(-)</i>	- <i>(-)</i>	- <i>(-)</i>
Managerial Remuneration	Swarnpal Singh Bais	- <i>(-)</i>	- <i>(-)</i>	20,207,500 <i>(9,249,000)</i>
	Nutisha S Toddi	- <i>(-)</i>	- <i>(-)</i>	- <i>(256,465)</i>
	Tejal Gunjan Gala	- <i>(-)</i>	- <i>(-)</i>	570,552 <i>(247,546)</i>
	Deepak Kumar Ajmera	- <i>(-)</i>	- <i>(-)</i>	4,091,538 <i>(2,556,743)</i>
Reimbursement of expenses (paid/payable)	KIFS Trade Capital Pvt. Ltd.	- <i>(-)</i>	- <i>(-)</i>	- <i>(-)</i>
	Khandwala Enterprises Pvt. Ltd.	- <i>(-)</i>	- <i>(-)</i>	- <i>(-)</i>
	Swarnpal Singh Bais	- <i>(-)</i>	- <i>(-)</i>	685,152 <i>(861,854)</i>
	Deepak Kumar Ajmera	- <i>(-)</i>	- <i>(-)</i>	493,594 <i>(330,138)</i>
Total Expenses		- <i>(360,000)</i>	- <i>(540,000)</i>	26,035,336 <i>(13,501,746)</i>

Previous year figures are in italics & in bracket

KIFS Housing Finance Limited
Notes to the financial statement for the year ended 31st March, 2020

28. Earnings per share:

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

(Amount in Rs.)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit available for equity share holders	153,296,507	40,976,862
Weighted average number of equity shares	213,574,172	117,978,411
Basic earnings per share (Rs.)	0.72	0.35
Profit available for equity share holders	153,296,507	40,976,862
Weighted average number of shares for basic earnings per share	213,574,172	117,978,411
Dilutive effect	-	-
Weighted average number of shares for diluted earnings per share	213,574,172	117,978,411
Diluted earnings per share (RS.)	0.72	0.35

29. Auditor's remuneration:

(Amount in Rs.)

	For the year ended March 31, 2020	For the year ended March 31, 2019
As auditor		
Statutory audit	225,000	200,000
Internal Financial Control over financial Reporting	25,000	-
Tax audit	40,000	35,000
GST Tax audit	100,000	180,000
	390,000	415,000
For certification and other work	96,500	19,000
Out of pocket expenses	36,540	10,000
	523,040	444,000

KIFS Housing Finance Limited
Notes to the financial statement for the year ended 31st March, 2020

30. Contingent liabilities and commitments:

Contingent liabilities: Nil

Commitments:

	(Amount in Rs.)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Commitments not provided for:		
Capital commitments (Net of capital advances of Rs. Nil/-) (PY 5,13,350/-)	-	171,115
Commitments related to loans sanctioned but undrawn	840,005,057	170,453,206
Commitments related to loans sanctioned but partially undrawn	232,512,169	195,954,122
	1,072,517,226	366,578,443

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

I. Defined contribution plan:

	(Amount in Rs.)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Employer's contribution to provident fund	3,643,191	2,446,609
Employer's contribution to ESIC	584,886	510,429
Labour welfare fund	7,956	6,588
	4,236,033	2,963,626

II. Defined benefit plan:

(a) Gratuity benefit:

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

KIFS Housing Finance Limited
Notes to the financial statement for the year ended 31st March, 2020

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

Principal actuarial assumptions at the balance sheet date:

(Amount in Rs.)

	Unfunded	
	As at 31 March 2020	As at 31 March 2019
Interest /Discount Rate	6.85%	7.55%
Rate of Increase in compensation	7.00%	7.00%
Employee Attrition rate (Past service) (PS)	15% at younger ages Reducing to 2% at older ages	15% at younger ages Reducing to 2% at older ages
Expected Average remaining service (Years)	11.44	10.88

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

(Amount in Rs.)

	As at 31 March 2020	As at 31 March 2019
Present value of obligation at the beginning of the year	1,069,534	414,134
Current Service Cost	1,054,242	847,644
Past service cost	-	-
Interest Cost	80,614	31,007
Benefit paid	-	-
Curtailment cost	-	-
Settlement cost	-	-
Net actuarial gain or loss at the end of the year	4,070	(223,251)
Present value of the obligation at the end of the year	2,208,460	1,069,534

Fair value of plan assets

(Amount in Rs.)

	As at 31 March 2020	As at 31 March 2019
Fair value of plan assets at the beginning of year	-	-
Actual return on plan assets	-	-
Contributions	-	-
Benefit paid	-	-
Actuarial (Loss)/Gain on plan assets	-	-
Fair value of plan assets at the end of year	-	-

Note -The Company doesn't have any plan assets as at 31 March,2020 (31 March ,2019: Rs.Nil)

KIFS Housing Finance Limited
Notes to the financial statement for the year ended 31st March, 2020

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

Experience History

(Amount in Rs.)

	As at 31 March 2020	As at 31 March 2019
(Gain)/Loss on obligation due to change in assumption	183,666	(6,535)
Experience (Gain)/Loss on obligation	(179,596)	(216,716)
Actuarial (Gain)/Loss on plan assets/Liability	4,070	(223,251)

Amounts to be recognized in the Balance Sheet

(Amount in Rs.)

	As at 31 March 2020	As at 31 March 2019
Present value of obligation at the beginning of the year	(1,069,534)	(414,134)
Expense recognised	(1,138,926)	(655,400)
Contribution paid	-	-
Net assets/(liability) recognized in balance sheet	(2,208,460)	(1,069,534)

Expenses recognized in the statement of profit and loss account

(Amount in Rs.)

	As at 31 March 2020	As at 31 March 2019
Current service cost	1,054,242	847,644
Interest Cost	80,614	31,007
Past service cost (unvested benefits)	-	-
Past service cost (vested benefits)	-	-
Unrecognized past service cost -non vested benefits	-	-
Expected return of plan assets	-	-
Net actuarial gain/(loss) recognized for the period	4,070	(223,251)
Expenses recognized in the statement of profit and loss account	1,138,926	655,400

KIFS Housing Finance Limited
Notes to the financial statement for the year ended 31st March, 2020

Disclosure pursuant to Accounting Standard 15 (Revised) – Employee Benefits (Continued...)
Movements in the Liability recognized in balance sheet

	As at 31 March 2020	As at 31 March 2019
Opening net liability	1,069,534	414,134
Expenses recognized	1,138,926	655,400
Benefit paid	-	-
Closing net liability	2,208,460	1,069,534
Closing provisions at the end of the year	2,208,460	1,069,534

(b) Leave encashment benefit:

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

Principal actuarial assumptions at the balance sheet date:

(Amount in Rs.)

	Unfunded	
	As at 31 March 2020	As at 31 March 2019
Interest /Discount Rate	6.85%	7.55%
Rate of Increase in compensation	7.00%	7.00%
Employee Attrition rate (Past service) (PS)	15% at younger ages Reducing to 2% at older ages	15% at younger ages Reducing to 2% at older ages
Expected Average remaining service (Years)	11.44	10.88

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

	As at 31 March 2020	As at 31 March 2019
Present value of obligation at the beginning of the year	2,617,668	1,175,535
Current Service Cost	1,477,767	1,221,245
Past service cost	-	-
Interest Cost	187,640	88,165
Benefit paid	(149,620)	(131,040)
Curtailement cost	-	-
Settlement cost	-	-
Net actuarial gain or loss at the end of the year	379,783	263,763
Present value of the obligation at the end of the year	4,513,238	2,617,668

KIFS Housing Finance Limited
Notes to the financial statement for the year ended 31st March, 2020

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

Fair value of plan assets

	As at 31 March 2020	As at 31 March 2019
Fair value of plan assets at the beginning of year	-	-
Actual return on plan assets	-	-
Contributions	-	-
Benefit paid	-	-
Actuarial (Loss)/Gain on plan assets	-	-
Fair value of plan assets at the end of year	-	-

Note -The Company doesn't have any plan assets as at 31 March,2020 (31 March,2019: Rs.Nil)

Experience History

(Amount in Rs.)

	As at 31 March 2020	As at 31 March 2019
(Gain)/Loss on obligation due to change in assumption	299,511	(12,479)
Experience (Gain)/Loss on obligation	80,272	276,242
Actuarial (Gain)/Loss on plan assets/Liability	379,783	263,763

Amounts to be recognized in the Balance Sheet

	As at 31 March 2020	As at 31 March 2019
Present value of obligation at the beginning of the year	(2,617,668)	(1,175,535)
Expense recognised	(2,045,190)	(1,573,173)
Benefit paid	149,620	131,040
Net assets/(liability) recognized in balance sheet	(4,513,238)	(2,617,668)

KIFS Housing Finance Limited
Notes to the financial statement for the year ended 31st March, 2020

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

Expenses recognized in the statement of profit and loss account

	As at 31 March 2020	As at 31 March 2019
Current service cost	1,477,767	1,221,245
Interest Cost	187,640	88,165
Past service cost (non vested benefits)	-	-
Past service cost (vested benefits)	-	-
Unrecognized past service cost -non vested benefits	-	-
Expected return of plan assets	-	-
Net actuarial gain/(loss) recognized for the period	379,783	263,763
Expenses recognized in the statement of profit and loss account	2,045,190	1,573,173

Movements in the Liability recognized in balance sheet

	As at 31 March 2020	As at 31 March 2019
Opening net liability	2,617,668	1,175,535
Expenses recognized	2,045,190	1,573,173
Benefit paid	(149,620)	(131,040)
Closing net liability	4,513,238	2,617,668
Closing provisions at the end of the year	4,513,238	2,617,668

32. Operating leases:

The Company has taken various offices on operating lease for the period which ranges 11 months 29 days to 108 months with an option to renew the lease by mutual consent on mutually agreeable terms. Gross rental expenses charged for the year ended 31st March, 2020 aggregated. Rs. 9,152,772/- (PY 8,256,113/-) which has been included under the head other expenses - Rent in the statement of profit and loss.

(Amount in Rs.)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Within one year	1,262,032	2,040,000
Later than one year but not later than five years	179,667	1,467,216
Later than five years	-	-

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

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

KIFS Housing Finance Limited
Notes to the financial statement for the year ended 31st March, 2020

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

(Amount in Rs.)

	Housing Loans	Non-housing Loans
Current Year		
Standard asset		
Principle outstanding	2,967,550,852	398,343,289
Provisions	30,304,710	6,363,045
Sub-standard asset		
Principle outstanding	12,405,662	1,339,947
Provisions	1,860,849	200,992
Doubtful asset		
Principle outstanding	2,141,404	80,131
Provisions	856,561	32,053
Total		
Principle outstanding	2,982,097,917	399,763,368
Provisions	33,022,120	6,596,090
Add:		
Total		
EMI /Pre EMI-Interest/Fees debtors	-	1,039,910
Provision on the above	-	10,399
Net balance		
Principle outstanding	2,982,097,917	400,803,277
Provisions	33,022,120	6,606,489
Previous Year		
Standard asset		
Principle outstanding	1,516,335,881	510,255,723
Provisions	6,065,343	5,102,558
Sub-standard asset		
Principle outstanding	2,139,586	81,949
Provisions	2,139,586	81,949
Doubtful asset		
Principle outstanding	-	-
Provisions	-	-
Total		
Principle outstanding	1,518,475,467	510,337,672
Provisions	8,204,929	5,184,507
Add:		
Total		
EMI debtors/Pre EMI-Interest	-	1,855,915
Provision on the above	-	18,559
Net balance		
Principle outstanding	1,518,475,467	512,193,587
Provisions	8,204,929	5,203,066

KIFS Housing Finance Limited

Notes to the financial statement for the year ended 31st March, 2020

The above provisions are made on higher side as compare to provision required as per NHB guidelines against Company's loan assets, considering management estimates taking impact of COVID-19 into consideration, the details of provision made are as follows:

(Amount in Crores)

Particulars	Provision as per NHB guidelines	Provisions generally made by company	Actual Provision made during the Year (Including COVID 19 Impact)	Amount as per NHB guidelines	Actual amount (Including COVID 19 impact)
Standard Loan Assets					
Home Loan	0.25%	0.40%	1.00%	0.74	2.95
Insurance of Home Loan	0.40%	1.00%	1.60%	0.05	0.21
Non-Home Loan	0.40%	1.00%	1.50%	0.10	0.39
Outstanding fees	0.40%	1.00%	1.00%	0.00	0.00
Moratorium cases (o/s)	5.00%	0.00%	5.00%	0.12	0.12
Sub Standard Loan Assets	15.00%	15.00%	15.00%	0.21	0.21
Doubtful Loan Assets	25.00%	40.00%	40.00%	0.06	0.09
Total				1.27	3.96

KIFS Housing Finance Limited
Notes to the financial statement for the year ended 31st March, 2020

35. Disclosure pursuant to circular no. NHB CND/DRS/Pol circular 61/2013-14 dated 7th April 2014 issued by NHB

(Amount in Rs.)

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Balance at the beginning of the year		
a) Statutory reserve (As per Section 29C of the National Housing Bank Act, 1987)	9,581,760	1,386,388
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of statutory reserve under section 29C of the NHB Act, 1987	-	-
Addition/Appropriation/withdrawals during the year		
Add:		
a) Statutory reserve (As per Section 29C of the National Housing Bank Act, 1987)	47,725,919	8,195,372
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of statutory reserve under section 29C of the NHB Act, 1987	-	-
Less:		
a) Statutory reserve (As per Section 29C of the National Housing Bank Act, 1987)	-	-
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of statutory reserve under section 29C of the NHB Act, 1987	-	-
Balance at the end of the year		
a) Statutory reserve (As per Section 29C of the National Housing Bank Act, 1987)	57,307,679	9,581,760
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of statutory reserve under section 29C of the NHB Act, 1987	-	-
	57,307,679	9,581,760

KIFS Housing Finance Limited

Notes to the financial statement for the year ended 31st March, 2020

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

I. Capital to risk asset ratio (CRAR)

Particulars	Current Year	Previous Year
CRAR (%)	123.75%	125.14%
CRAR - Tier I Capital (%)	122.50%	124.06%
CRAR - Tier II Capital (%)*	1.25%	1.08%

* Actual % of CRAR - Tier II capital due to general provisions and loss reserves is computed as on 31st Mar, 2020 is 1.80% of risk weighted Assets. As per master circular NHB(ND)/DRS/REG/MC-01/2019 dated 1st July, 2019 we have considered CRAR - Tier II Capital (%) as actual or 1.25% whichever is lower.

II. Exposure to real estate sector

Particulars	Current Year	Previous Year
Category		
a) Direct exposure		
(i) Residential mortgage:		
Lending fully secured by mortgage on residential property that is or will be occupied by the borrower or that is rented;		
Housing Loan up to Rs. 15 Lakhs	2,602,935,159	1,282,017,128
Housing Loan more than Rs. 15 Lakhs	379,162,756	236,458,339
(ii) Commercial real estate:		
Lending secured by mortgages on commercial real estates (Office, building, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted premises, industrial or warehouse space, hotels, land acquisitions, development and construction, etc.). Exposure would also include non-fund based (NBF) limits.	-	-
(iii) Investment in mortgage backed securities (MBS) and other securitized exposures:		
(a) Residential	-	-
(b) Commercial real estate	-	-
b) Indirect exposure		
Fund based and non-fund-based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-

KIFS Housing Finance Limited
Notes to the financial statement for the year ended 31st March, 2020

III. Maturity pattern of certain items of Assets and Liabilities as at March 31, 2020

Pattern	Liabilities		Assets	
	Borrowings from Banks	Market borrowings	Advances	Investments
1 day to 30-31 days (one month)	33,647,542	-	6,349,303	190,747,921
Over one month to 2 months	8,433,489	-	6,497,326	-
Over 2 months to 3 months	5,414,262	-	6,569,809	-
Over 3 months to 6 months	57,340,261	-	20,152,511	-
Over 6 months to 1 year	115,285,932	-	46,202,072	-
Over 1 year to 3 years	373,960,575	-	110,289,986	-
Over 3 year to 5 years	198,355,838	-	143,700,998	-
Over 5 year to 7 years	92,400,000	-	187,306,707	-
Over 7 year to 10 years	123,620,000	-	392,981,049	-
Over 10 years	-	-	2,461,811,524	-
Total	1,008,457,899	-	3,381,861,285	190,747,921

Maturity pattern of certain items of Assets and Liabilities as at March 31, 2019

Pattern	Liabilities		Assets	
	Borrowings from Banks	Market borrowings	Advances	Investments
1 day to 30-31 days (one month)	1,625,002	-	13,286,317	-
Over one month to 2 months	6,583,338	-	93,708,377	-
Over 2 months to 3 months	3,291,669	-	103,748,588	-
Over 3 months to 6 months	6,583,338	-	12,139,728	-
Over 6 months to 1 year	19,750,014	-	27,731,012	-
Over 1 year to 3 years	118,500,084	-	74,837,185	-
Over 3 year to 5 years	33,916,550	-	96,595,625	-
Over 5 year to 7 years	-	-	125,132,119	-
Over 7 year to 10 years	-	-	260,305,973	-
Over 10 years	-	-	1,221,328,216	-
Total	190,249,995	-	2,028,813,139	-

KIFS Housing Finance Limited

Notes to the financial statement for the year ended 31st March, 2020

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

I. Penalty

(Amount in Rs.)

Particulars	Current Year	Previous Year
Penalty if any levied by National Housing Bank	-	2,360
Total	-	2,360

II. Adverse remark

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

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

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

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

(Amount in Rs.)

Particulars	Current Year	Previous Year
(a) Value of investments		
(i) Gross value of investments		
(a) In India	190,747,921	-
(b) Outside India	-	-
(ii) Provision for depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net value of investments		
(a) In India	190,747,921	-
(b) Outside India	-	-
Movements of provisions held towards		
(b) depreciation in investments		
(i) Opening balance	-	-
(ii) Add: Provisions made during the year	-	-
Less: Write off/Written back of excess		
(iii) provisions during the year	-	-
(iv) Closing balance	-	-

KIFS Housing Finance Limited

Notes to the financial statement for the year ended 31st March, 2020

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

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

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

(Amount in Rs.)

Particulars	Current Year	Previous Year
(i) Provisions for depreciation on investments	-	-
Provisions made towards income tax (Net of reversal of tax of earlier year)	47,825,933	21,304,957
(iii) Provisions towards NPAs	728,920	2,221,535
(iv) Provisions for standard assets	25,491,694	4,355,660
(v) Other provisions and contingencies		
Gratuity	1,138,926	655,400
Compensated absences	1,895,570	1,442,133
Provision for expenses	10,902,116	9,880,734

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

(Amount in Rs.)

Particulars	Current Year	Previous Year
Total exposure to top ten NPA accounts	12,768,644	2,221,535

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

(Amount in Rs.)

Particulars	Current Year	Previous Year
A. Housing loans		
(i) Individual (Out of total advances in that sector)	2,717,410	2,139,586
Individual (In %) (Out of total advances in that sector)	0.09%	0.14%
B. Non-Housing loans		
(i) Individual (Out of total advances in that sector)	233,045	81,949
Individual (In %) (Out of total advances in that sector)	0.06%	0.00%

KIFS Housing Finance Limited

Notes to the financial statement for the year ended 31st March, 2020

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

(Amount in Rs.)

Particulars	Current Year	Previous Year
(i) Net NPAs to Net advances (%)		
(ii) Movement of gross NPAs		
(a) Opening balance	2,221,535	-
(b) Addition during the year	13,745,608	2,221,535
(C) Closing balance	15,967,143	2,221,535
(iii) Movement of Net NPAs		
(a) Opening balance	-	-
(b) Addition during the year	13,016,688	-
(C) Closing balance	13,016,688	-
Movement of provisions for NPAs (excluding		
(iv) provisions on standard assets)		
(a) Opening balance	2,221,535	-
(b) Addition during the year	728,920	2,221,535
(C) Closing balance	2,950,455	2,221,535

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

(Amount in Rs.)

Particulars	Current Year	Previous Year
Overseas assets	-	-

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

Particulars	Current Year	Previous Year
(a) No. of complaints pending at the beginning of the year	-	-
(b) No. of complaints received during the year	33	48
(c) No. of complaints redressed during the year	31	48
(d) No. of complaints pending at the end of the year	2	-

KIFS Housing Finance Limited

Notes to the financial statement for the year ended 31st March, 2020

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

(Amount in Rs.)

Particulars	Current Year	Previous Year
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	190,747,921	-
(ii) Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (Including IPOs /ESOPs), convertible bonds, convertible debentures and units of equity oriented mutual funds;	-	-
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debenture or units of equity oriented mutual funds' does not fully cover the advances;	-	-
(v) Secured and unsecured advances to stock brokers and guarantees issued on behalf of stock brokers and market makers;	-	-
(vi) Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoters' contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) Bridge loans to companies against expected equity flows /issues;	-	-
(viii) All exposures to venture capital funds (both registered and unregistered)	-	-
Total exposure to capital market	190,747,921	-

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

(Amount in Rs.)

Particulars	Current Year	Previous Year
The amount of securitised assets as per books of the SPVs sponsored*	-	-

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

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

(Amount in Rs.)

Particulars	Current Year	Previous Year
Aggregate value of accounts assigned*	-	-

* During the year company has not entered into any assignment deal.

KIFS Housing Finance Limited

Notes to the financial statement for the year ended 31st March, 2020

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

(Amount in Rs.)

Particulars	Current Year	Previous Year
No. of accounts purchased/sold during the year*	-	-

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

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

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

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

(Amount in Rs.)

Particulars	Current Year	Previous Year
Amount of unsecured advances given against rights, licenses, authorisations etc.	NIL	NIL
Inter Corporate Deposits	-	200,648,315

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

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

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

(Amount in Rs.)

Particulars	Current Year	Previous Year
Total deposits of 20 largest depositors	-	-
Percentage of deposits of 20 largest depositors to total deposits of the HFC	0.00%	0.00%

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

(Amount in Rs.)

Particulars	Current Year	Previous Year
Total deposits of twenty largest depositors	-	-
Percentage of deposits of twenty largest depositors to total deposits of the HFC	0.00%	0.00%

KIFS Housing Finance Limited

Notes to the financial statement for the year ended 31st March, 2020

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

(Amount in Rs.)

Particulars	Current Year	Previous Year
Total loans and advances to twenty largest borrowers*	55,940,988	52,313,668
Percentage of loans and advances to twenty largest borrowers to total advances of the HFC	1.65%	2.86%

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

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

(Amount in Rs.)

Particulars	Current Year	Previous Year
Total exposure to twenty largest borrowers/customers*	55,435,903	53,475,979
Percentage of exposure to twenty largest borrowers/customers to total exposure of the HFC on borrower/customers	1.24%	2.44%

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

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

(Amount in Rs.)

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

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

- (a) For exchange traded interest rate derivative.**

(Amount in Rs.)

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

KIFS Housing Finance Limited
Notes to the financial statement for the year ended 31st March, 2020

(b) For disclosure on risk exposure in derivative.

(Amount in Rs.)

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

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

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

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

(Amount in Rs.)

Particulars	Housing loans	Non-housing loans
Current Year		
Standard assets		
Principal outstanding	2,967,550,853	398,343,289
EMI/PEMI-Interest/Fees debtors	-	1,039,910
Provisions	30,304,710	6,373,444
Sub-standard assets		
Principal outstanding	12,405,662	1,339,947
Provisions	1,860,849	200,992
Doubtful assets		
Principal outstanding	2,141,403	80,131
Provisions	856,561	32,053
Total		
Principal outstanding	2,982,097,918	399,763,367
EMI/PEMI-Interest/Fees debtors	-	1,039,910
 Provisions	33,022,120	6,606,489

KIFS Housing Finance Limited
Notes to the financial statement for the year ended 31st March, 2020

Particulars	Housing loans	Non-housing loans
Previous Year		
Standard assets		
Principal outstanding	1,516,335,881	510,255,723
EMI/PEMI-Interest/Fees debtors	-	1,855,915
Provisions	6,065,343	5,121,117
Sub-standard assets		
Principal outstanding	2,139,586	81,949
Provisions	2,139,586	81,949
Doubtful assets		
Principal outstanding	-	-
Provisions	-	-
Total		
Principal outstanding	1,518,475,467	510,337,672
EMI/PEMI-Interest/Fees debtors	-	1,855,915
Provisions	8,204,929	5,203,066

- 61. Disclosure pursuant to circular DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020 issued by RBI for details of overdue categories, where the moratorium/deferment was extended.**

Particulars	Amount o/s as on 31st Mar 2020	Provision Amount as on 31st Mar 2020
No overdue	77,163,360	865,532
Overdue 1 to 30 days	13,228,305	661,415
Overdue 31 to 60 days	6,063,751	303,188
Overdue 61 to 90 days	3,725,579	186,279
Total	100,180,995	2,016,414

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

The Company has not received any money from Directors or relatives of Directors during the financial year ended 31st March 2020.

- 63.** The Company has allotted 14,924,562 equity shares of Rs. 10/- each on March 30, 2020 to its holding enterprises i.e. KIFS International LLP, but stamp duty on which could not be paid before 30 days of allotment of shares due to Lockdown situation of COVID-19.

KIFS Housing Finance Limited
Notes to the financial statement for the year ended 31st March, 2020

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

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

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

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

SD/-
(Vimal P Khandwala)
Director – DIN 00477768

SD/-
(Padmanabh Vora)
Director – DIN 00477673

SD/-
(Deepak Kumar Ajmera)
Chief Financial Officer
PAN-AIHPA5872B

SD/-
(Tejal G Gala)
Company Secretary
M. No. ACS – 54456

Place: Mumbai
Date: 11th June, 2020

Place: Mumbai
Date: 11th June, 2020



KIFS HOUSING FINANCE LIMITED

Date: June 11, 2020

Dear Members/Directors/Auditors,

You are cordially invited to attend the Fifth Annual General Meeting (the 'AGM') of the members of KIFS Housing Finance Limited (the 'Company') to be held on Thursday, June 11, 2020 at 3.00 PM at a shorter notice via Video Conferencing pursuant Circular No. 20/2020 dated May 05, 2020 released by Ministry of Corporate Affairs.

The Notice of the meeting containing the business to be transacted, is enclosed.

Thanking You,

For **KIFS Housing Finance Limited,**

SD/-

Vimal Khandwala

Managing Director

DIN: 00477768

Place: Mumbai

Date: June 11, 2020

Regd. Office: B-81, Pariseema Complex, C. G. Road,

Ellisbridge, Ahmedabad 380006, Gujarat

Corp Office: C-902, Lotus Corporate Park, Graham Firth Compound,

Western Express Highway, Goregaon (East), Mumbai- 400063

CIN: U65922GJ2015PLC085079

NOTICE OF FIFTH ANNUAL GENERAL MEETING

NOTICE is hereby given that Fifth Annual General Meeting of the Members of KIFS Housing Finance Limited will be held on Thursday, June 11, 2020 at 03.00 PM through Video Conferencing/ Other Audio Visual Means on to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Financial Statements of the Company for the Financial Year ended March 31, 2020 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Ms. Purvi Bhavsar (holding DIN: 02102740) liable to retire by rotation in terms of Section 152 of the Companies Act, 2013 and, being eligible, offers herself for re-appointment.

SPECIAL BUSINESS

3. Appointment of Shri. Padmanabh Vora as an Independent Director.

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, read with Schedule IV to the Companies Act, 2013 Shri. Padmanabh Vora (DIN: 00003192), who was appointed as an Additional Non-Executive Independent Director of the Company by the Board of Directors in their meeting held on June 11, 2020 as per Section 161(1) of the Companies Act, 2013 and who holds his office as such up to the date of this Annual General Meeting be and is hereby appointed as an Independent Director of the Company, for a period of five consecutive years commencing from June 11, 2020 and whose office shall not be liable to determination by retirement of directors by rotation.”

4. To maintain the limits of Borrowing Powers in F.Y. 2020-21

To consider and, if thought fit, to pass the following resolution as a Special Resolution:-

“**RESOLVED THAT** in supersession to the earlier resolution passed by the Members of the Company on April 12, 2019 and pursuant to the provisions of Section 179(3) and 180 (1)(c) of the Companies Act, 2013, and the rules thereunder, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to retain/maintain the limits of borrowings for any sum or sums of monies by lending, portfolio sale of the company to borrow funds from various Banks/Institutions, Non-Convertible Debentures (NCDs), Commercial Papers (CPs), Perpetual Debts/Subordinate Debts, Investments in various securities and any other sources in the ordinary course of its business activities, lending to Corporate and other entities & provide charge/security in respect of borrowings, Refinance from National Housing Bank and such other form of borrowing to the overall limit under NHB Regulations or up to Rs. 1000 Crores, whichever is less.

RESOLVED FURTHER THAT any one of the authorized signatories viz. Director, CEO or CFO of the Company be and are hereby authorized severally, to do the following activities of the Company:

- i. To accept terms & conditions, execute- Loans agreements/documents, guarantee documents for acceptance of loans, issue letters, mortgage, hypothecate assets and submit charge creation documents with the Registrar of Companies (ROC).
- ii. To sign & execute Information Memorandum (IM)/ Shelf Disclosure Document (SDD), Debenture Trustee Agreement (DTA), Deed of Hypothecation (DTH) and execution of Debenture Trust Deed (DTD), under the common seal of the Company and register with Sub-Registrar Office (SRO) in Chennai or Mumbai
- iii. Submission of various forms and documents to the Bombay Stock Exchange (BSE) for the purpose of listing the NCDs on the Wholesale Debt Market (WDM) segment of Stock Exchange.
- iv. Other Security creation documents for the purpose of issuance of, allotment and dematerialization of Debentures and take all necessary Corporate Actions as may be required in this regard with the National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and intimation to the Registrar of Companies (ROC).
- v. Submission of various forms, term sheet, agreement and documents for issuance of Commercial Papers and Corporate Action.
- vi. Execute and sign all loan documents/ agreements with Banks, Corporate and other entities, escrow documents, mortgage and charge creation for lending.

vii. Execute and sign documents for Investment in Mutual Funds and other securities, sign instruction slip, application, redemption instructions and various agreements.

viii. To execute or sign documents relating to withdrawal or cancellation or modification of any or all above activities, including investments and borrowings.

RESOLVED FURTHER THAT the approval be also hereby granted under section 62(3), 180(1)(a), and 180(1)(c) of the Companies Act, 2013 to a) provide right to convert loan into equity upon occurrence of default, b) borrow monies up to Rs. 1000 Crores in excess of paid up or free reserves, and c) create security over its assets for securing borrowings up to Rs.1000 Crores.

RESOLVED FURTHER THAT approval be also hereby granted to affix the common seal of the Company on any or all documents in terms of the Articles of Association of the Company as may be required by the Banks/Institutions, in the presence/signature of any one of the authorized signatories, viz. Director, CEO or CFO.

RESOLVED FURTHER THAT a certified copy of resolution be furnished to the Bank/institutions and/or such persons/ entities attested by CEO, CFO or Company Secretary of the Company with a request to act thereon.”

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)

To consider and, if thought fit, to pass 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 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 credit facilities not exceeding Rs. 1000 Crores.

RESOLVED FURTHER THAT the Board of Directors, Chief Financial Officer and 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.”

6. To approve borrowing of money by way of loans, debentures (secured or unsecured), bonds, deposits, fund based, non- fund based or any other manner for the purpose of business of the Company under section 180 (1) (c) of the Companies Act, 2013

To consider and, if thought fit, to pass 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 for borrowing 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 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 (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 however that the total amount borrowed/to be borrowed by the Company (apart from the temporary loans obtained from

the Company's bankers in the ordinary course of business) and outstanding at any time shall not exceed Rs. 1000 Crores.

RESOLVED FURTHER THAT the Board of Directors, Chief Financial Officer and 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.”

7. To approve Borrowing under Section 180(1)(c) as required by National Housing Bank

To consider and, if thought fit, to pass the following resolution as a Special Resolution:-

“**RESOLVED THAT** the consent of the Company be and is hereby accorded to the Board of Director under Section 180(1)(c) of the Companies Act, 2013 to borrow any sum or sums of moneys from time to time notwithstanding that the money or moneys to be borrowed, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart from any specific purposes, provided however, the total amount so borrowed shall not exceed Rs. 1000 Crores (Rupees Thousand Crores Only)

8. To consider and approve conversion of Loan into Equity under Section 62(3).

To consider and, if thought fit, to pass 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 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 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 a certified true copy of this resolution be furnished to the Lender / its agents / its trustee, as may be required, under the signatures of any one of the Directors of the Company, Chief Financial Officer or Company Secretary of the Company.”

BY THE ORDER OF BOARD OF DIRECTORS

For KIFS HOUSING FINANCE LIMITED

SD/-

Vimal Khandwala

Managing Director

DIN: 00477768

Place: Mumbai

Date: June 11, 2020

Regd. Office: B-81, Pariseema Complex, C. G. Road,

Ellisbridge, Ahmedabad 380006, Gujarat

Corp Office: C-902, Lotus Corporate Park, Graham Firth Compound,

Western Express Highway, Goregaon (East), Mumbai- 400063

CIN: U65922GJ2015PLC085079

Notes:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed, the Government of India, Ministry of Corporate Affairs allowed conducting Annual General Meeting through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and dispensed the personal presence of the members at the meeting. Accordingly, the Ministry of Corporate Affairs issued Circular No. 14/2020 dated April 08, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 prescribing the procedures and manner of conducting the Annual General Meeting through VC/ OAVM. In terms of the said circulars, the 5th Annual General Meeting (AGM) of the members will be held through VC/OAVM. Hence, members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participation in the meeting through VC/OAVM is as per note no. 6.

Assistance for installation of Software

Name: Bhavana Vyas

E-mail ID: bhavana.vyas@kifshousing.com

Mobile No.: +91-7045300194

The Participation may be please confirmed to the undersigned point of contact:

Name: Tejal Gala, Company Secretary

E-mail Id: tejal.gala@kifshousing.com

Mobile No: +91-9920213250

2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM.
3. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013
4. In line with the aforesaid Ministry of Corporate Affairs (MCA) Circulars and SEBI Circular dated May 12, 2020, the Notice of AGM along with Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/

Depositories. Members may note that Notice and Annual Report 2019-20 has been uploaded on the website of the Company at www.kifshousing.com.

5. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode

6. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER-

1. Member will be provided with a facility to attend the AGM through VC/OAVM through Skype. Due to less members, the Company Secretary will manage the call via Skype manually.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice

Annexure to Notice**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES
ACT, 2013****For Item No. 3**

With a view to realign the constitution of the Board of Directors in line with the Listing Regulations, as amended, based on the recommendation of the Nomination and Remuneration Committee, it was proposed to appoint Shri. Padmanabh Vora (DIN:) as an Independent Director of the Company. Further, the Board of Directors appointed Shri. Padmanabh Vora as an Additional Director (Independent category) in their Meeting held on June 11, 2020, who holds his office as such up to the date of ensuing AGM. Pursuant to the provisions of Section 149 read with Schedule IV to the Companies Act, 2013, appointment of an Independent Director requires approval of members.

Shri. Padmanabh Vora is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director. The Company has received a declaration from Shri. Padmanabh Vora that he meets the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act.

In the opinion of the Board Shri. Padmanabh Vora fulfills the conditions of his appointment as an Independent Director as specified in the Act. Shri. Padmanabh Vora is independent of the management and possesses appropriate skills, experience and knowledge.

Brief Profile of Shri. Padmanabh Vora

Shri. Padmanabh Vora has over 40 years of experience in finance, banking and management. He started his career with State Bank of India in 1967 (1967-77). He served as a Consultant and Director at Deloitte Touché Tohmatsu India Private Limited from 2003 to March 2009.

He also served as the Managing Director and Chairman of IDBI Limited (Industrial Development Bank of India Limited) (2001-03)

He was also the Chairman of National Housing Bank, the Regulatory body for housing finance in India for 5 years starting from 1996 until 2001. He served as Director Finance from 1994-96 at Gujarat State Fertilizers and Chemicals Limited (GSFC).

He also was Director Finance at Fertilizers and Chemicals Travancore Ltd. (FACT) from 1992-94. He served almost 15 years at Gujarat Industrial Investment Corporation Limited at different designation. (1977-1992) He evidently has an eminent background and experience which is suitable for NBFC's, mainly housing finance.

Keeping in view her vast expertise and knowledge, it will be in the interest of the Company that Shri. Padmanabh Vora be appointed as an Independent Director of the Company.

Shri. Padmanabh Vora is a Chairman of the Audit Committee, Nomination and Remuneration Committee, IT Strategy Committee and Member of Corporate Social Responsibility Committee, Asset Liability Management Committee, Investment Committee and Stakeholders Relationship Committee. He does not hold any shares of the Company.

Details of directorships Secretarial Standards of Institute of Company Secretaries of India are furnished as Annexure A to this Notice.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to avail services of Shri. Padmanabh Vora as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri. Padmanabh Vora as an Independent Director, for the approval by the shareholders of the Company.

Copy of the draft letter for appointment of Shri. Padmanabh Vora as an Independent Director setting out the terms and conditions would be available for inspection by members at the registered office of the Company during normal business hours on any working day.

Except, Shri. Padmanabh Vora, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

Your Board of Directors recommend the Ordinary Resolution for your approval.

For Item No. 4

Pursuant to the provisions of Section 42, 71 & 180 (1) of the Companies Act, 2013 (the Act) read with the Companies (Meetings of Board and its Powers) Rules, 2014 and subject to NHB Directions, the Board of Directors of the Company shall exercise the power to borrow money including issuance of Non-Convertible Debentures (NCDs) and other securities, where the money borrowed together with the money already borrowed by the company shall exceed the aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from company's bankers in the ordinary course of business, which can be carried out after taking the approval of the members by a Special Resolution.

Considering the increased business volumes and growth of the Company, it is necessary that the borrowing powers shall remain same so as to match the business targets.

Hence, the consent of the Members is therefore sought in accordance with the provisions of Section 42, 71 & 180(1) of the Act, to enable the Board of Directors to borrow monies from Banks and other Financial Institutions including issuance of NCDs and other securities, create mortgage, charge on assets of the company, which will not exceed the maximum limit prescribed by NHB up to 16 times of Net Owned Fund or a sum of Rs.1000 Crores, whichever is less, subject to NHB Directions.

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 said Special Resolution.

For Item No. 5 & 6 & 7

Keeping in view the Company's existing and future financial requirements to support its business operations, the Company may need additional funds. For this purpose, the Company is desirous of raising finance from various Banks and/or Financial Institutions and/ or any other lending institutions and/or Bodies Corporate and/or such other persons/ individuals as may be considered fit, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in ordinary course of business) may exceed the aggregate of the paid-up capital and the free reserves of the Company. Hence it is proposed to increase the maximum borrowing limits up to Rs. 1000 Crores.

Pursuant to Section 180(1)(c) of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid-up capital of the Company and its free reserves at any one time except with the consent of the members of the Company in a general meeting.

In order to facilitate securing the borrowing made by the Company, it would be necessary to create charge on the assets or whole or part of the undertaking of the Company. Section 180(1)(a) of the Companies Act, 2013 provides for the power to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company subject to the approval of members in the General Meeting.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the passing of the Resolution

For Item No. 8

The Company will be granted a Loan by the Lender enabling the company 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.

Hence, the consent of the Shareholders is therefore, sought in accordance with the provisions of Section 62 (3) of the Act.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the passing of the Resolution

Annexure A
Details of Directors seeking Appointment/ Re-appointment - Shri. Padmanabh Vora

Age	76
Qualification	Graduation in Commerce (stood first in university, Gold Medallist), F.C.A, CAIIB
Experience	Shri. Padmanabh Vora has over 40 years of experience in finance, banking and management. He evidently has an eminent background and experience which is suitable for NBFC's, mainly housing finance.
Terms and Conditions of Appointment	Non-Executive Director (Independent)
Details of Remuneration	Shall be decided in the Nomination and Remuneration Committee subject to Boards' Approval.
Date of First Appointment on Board	March 03, 2016 as a Director on Board of the Company.
Shareholding in the Company	NIL
Relationship with other director/Manager and other KMP	No relationship with Other Directors/Manager and other KMP's
Number of meetings attended during the year	<ol style="list-style-type: none"> 1. Board Meetings : 16 2. Audit Committee : 5 3. Nomination and Remuneration Committee : 2 4. Assets and Liability Management Committee : 4 5. Investment Committee : 2 6. IT Strategy Committee : 2 7. Corporate Social Responsibility Committee : 1
Directorships of other Board	<ol style="list-style-type: none"> 1. J Kumar Infraprojects Limited - Independent Director 2. Rama Cylinders Private Limited - Director 3. NSDL Database Management Limited - Independent Director 4. Pahal Financial Services Private Limited - Director (Chairman) 5. Paramount Limited - Director 6. Sterling Addlife India Private Limited - Director

<p>Membership/Chairmanship of Committees of other Board</p>	<p>Chairmanship-</p> <p>KIFS Housing Finance Limited Audit Committee Nomination and Remuneration Committee IT Strategy Committee</p> <p>NSDL database management Limited Audit Committee Corporate Social Responsibility Committee Share Transfer Committee</p> <p>Pahal Financial Services Private Limited Audit Committee</p> <p><u>TOTAL CHAIRMANSHIPS: 7</u></p> <p>Membership-</p> <p>KIFS Housing Finance Limited Corporate Social Responsibility Committee Investment Committee Asset Liability Management Committee</p> <p>Rama Cylinders Private Limited Corporate Social Responsibility Committee</p> <p>Paramount Limited Audit Committee Nomination and Remuneration Committee</p> <p>NSDL database management Limited Nomination and Remuneration Committee</p> <p>J. Kumar Infraprojects limited Audit Committee Nomination and Remuneration Committee</p> <p>Pahal Financial Services Private Limited Nomination and Remuneration Committee</p> <p><u>TOTAL MEMBERSHIPS: 10</u></p>
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Details of Directors seeking Appointment/ Re-appointment - Smt. Purvi Bhavsar

Name of the Director	Smt. Purvi Jayendra Bhavsar
Designation	Non-Executive Director
Date of Birth	09.06.1973
Date of First appointment on the Board	March 4, 2016 as a Non-Executive Director of the Company
Qualification	Bachelor of Commerce
Experience	<p>Ms. Purvi Bhavsar has more than 25 years of diverse experience in the financial services and telecom industries</p> <p>She started her career with Kotak Mahindra Finance Ltd., she has worked in various functions including corporate finance, retail banking, channel management, distribution and sales with Apple Industries, HDFC Bank, ICICI Bank and Vodafone She has also worked on the business correspondent model on the operational side with ICICI Bank</p>
Shareholding in the Company	0.10001 %
Number of Board Meetings attended during the tenure of Directorships	Board Meeting: 4
Chairperson/ Member of Committees of the Company	<p>KIFS Housing Finance Limited</p> <p>Audit Committee - Member</p> <p>Nomination and Remuneration Committee- Member</p> <p>Pahal Financial Services Private Limited</p> <p>Stakeholder Relationship Committee - Member</p> <p>Finance Committee - Member</p> <p>Corporate Social Responsibility Committee - Member</p> <p>Asset and Risk Management Committee - Member</p>
Directorships held in other Company as on date	<p>Pahal Financial Services Private Limited</p> <p>Suyash Advisory LLP</p>
Relationship with other Directors/KMP of the Company	None
Remuneration sought to be paid	As may be decided by the Board
Remuneration last drawn	Sitting Fees of Rs. 70,000/- (Rupees Seventy Thousand Only)