

INDEPENDENT AUDITOR'S REPORT

To the Members of KIFS Housing Finance Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **KIFS Housing Finance Private Limited** ("the Company"), which comprise the balance sheet as at 31st March 2019, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019, its profit and its cash flows for the year ended on that date.

Basis for Opinion

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

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

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

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

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in

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accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we would like to state that we are exempted from such reporting vide notification G.S.R. 583 (E) dated 13th June, 2017.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended; we would like to state that section 197 is not applicable to the Company.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

FOR MANUBHAI & SHAH LLP
CHARTERED ACCOUNTANTS
FRN: 106041W/W100136

Darshan Shah
DARSHAN SHAH
PARTNER
Membership No:131508



Mumbai, April 12, 2019

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

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

1. In respect of its Fixed Assets;

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) There is a regular program of physical verification of fixed assets which in our opinion is reasonable having regard to the size of the Company and the nature of fixed assets. No material discrepancies have been noticed in respect of the assets physically verified during the year.

(c) The Company does not have any immovable property forming part of its fixed assets.

2. The Company does not have any inventory and thus paragraph 3(ii) of the Order is not applicable to the Company.

3. The Company has granted unsecured loan in form of Inter Corporate Deposit to company covered in the register maintained under Section 189 of the Act. The terms of the loan are not prejudicial to the interest of the Company. Also, the schedule of repayment of loan and interest has been stipulated in the agreement and the repayments are regular. There is no overdue amount as at 31st March 2019 in respect of the aforesaid loan.

4. In our opinion and according to the information and explanations given to us and on the basis of examination of records of the Company, provisions of section 185 and 186 of the Act are not applicable to the Company and thus paragraph 3(iv) of the Order is not applicable to the Company.

5. In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposit from the public in accordance with the provisions of section 73 to 76 or any other relevant provisions of the Act and rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

6. To the best of our knowledge and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Act in respect of activities undertaken by the Company.

7. In respect of Statutory dues;

(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, goods and service tax, cess and other statutory dues, as applicable, with the appropriate authorities.

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

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues outstanding as at 31st March 2019 which have not been deposited on account of a dispute.



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

FOR MANUBHAI & SHAH LLP
CHARTERED ACCOUNTANTS
FRN: 106041W/W100136

Darshan Shah
DARSHAN SHAH
PARTNER
Membership No:131508



Mumbai, April 12, 2019

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

To
The Board of Directors of
KIFS HOUSING FINANCE PRIVATE LIMITED

Background:

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

Management's Responsibility:

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

Auditors' Responsibility:

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

Conclusion:

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

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

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- (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 2019.
- (7) The Company has complied with the prudential norms on income recognition, accounting standards, asset classification, loan-to-value ratio, provisioning requirements, disclosure in the balance sheet, investment in real estate, exposure to capital market, engagement of brokers and concentration of credit / investments as specified in the Housing Finance Companies (NHB) Directions, 2010.
- (8) The capital adequacy ratio as disclosed in the return submitted to the National Housing Bank has been correctly determined and such ratio is in compliance with the minimum capital to risk weighted asset ratio as prescribed by the National Housing Bank in the Housing Finance Companies (NHB) Directions, 2010.
- (9) The Company has furnished to the Bank within stipulated period the schedule II return for the half year ended on 30th September, 2018 as specified in Housing Finance Companies (NHB) Directions, 2010. The Company has not furnished to the Bank the schedule II return for the half year ended on 31st March, 2019 as at the date of our report.
- (10) The Company has furnished to the National Housing Bank within stipulated period the schedule III returns on Statutory Liquid Assets as specified in the Housing Finance Companies (NHB) Directions, 2010.
- (11) The Company has complied with the requirements relating to opening of new branches / offices or closure of existing branches / offices as specified in Housing Finance Companies (NHB) Directions, 2010.
- (12) The Company has complied with provisions contained in paragraph 38 and 38A of the Housing Finance Companies (NHB) Directions, 2010.

Restriction of use:

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

FOR MANUBHAI & SHAH LLP
CHARTERED ACCOUNTANTS
FRN: 106041W/W100136

Darshan Shah

DARSHAN SHAH
PARTNER

Membership No:131508



Mumbai, April 12, 2019

KIFS Housing Finance Private Limited
CIN:U65922GJ2015PTC085079
Balance Sheet as at 31st March, 2019

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

Significant accounting policies and notes to financial statements

1 to 61

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

As per our report of even date attached

For Manubhai & Shah LLP

Chartered Accountants

Firm Registration No. 106041W/W100136

Darshan Shah
(Darshan Shah)

Partner

Membership No.131508



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

Vimal P Khandwala
(Vimal P Khandwala)
Director :DIN.00477768

Swarnpal Singh Bais
(Swarnpal Singh Bais)
Director :DIN.07966335

Padmanabh Vora
(Padmanabh Vora)
Director :DIN.00003192

Deepak Kumar Ajmera
(Deepak Kumar Ajmera)
(Chief Financial officer)

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

Place: Mumbai

Date: 12th April, 2019

Place: Mumbai

Date: 12th April, 2019



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

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

Significant accounting policies and notes to financial statements 1 to 61

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

As per our report of even date attached

For Manubhai & Shah LLP

Chartered Accountants

Firm Registration No. 106041W/W100136

(Darshan Shah)

Partner

Membership No.131508

Place: Mumbai

Date: 12th April, 2019



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

(Vimal P Khandwala)
Director :DIN.00477768

(Swarnpal Singh Bais)
Director :DIN.07966335

(Padmanabh Vora)
Director :DIN:00003192

(Deepak Kumar Ajmera)
(Chief Financial officer)

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

Place: Mumbai

Date: 12th April, 2019



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

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

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

(Signature)
(Darshan Shah)
Partner
Membership No.131508

Place: Mumbai

Date: 12th April, 2019

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

(Vimal P Khandwala)
Director :DIN.00477768

(Swarnpal Singh Bais)
Director :DIN.07966335

(Padmanabh Vora)
Director :DIN.00003192

(Deepak Kumar Ajmera)
(Chief Financial officer)

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

Place: Mumbai

Date: 12th April, 2019



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

1. Company Overview:

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

2. Summary of Significant Accounting Policies :

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

These financial statements have been prepared and presented under the historical cost convention and accrual basis of accounting unless otherwise stated and in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP") and confirm 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 disbursal memo except in case of non-performing assets where interest is recognised upon



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

realization as per NHB guidelines. Repayment of housing loans is by way of Equated Monthly Installments ("EMI") comprising principal and interest. Interest is calculated on monthly reducing balance in terms of financing scheme opted by the borrower. EMI commences once the entire loan is disbursed. Pending commencement of EMI, pre EMI interest is charged every month and is accounted on accrual basis.

Fees and other charges:

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

Interest on Inter corporate deposits and other loans:

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

Income from investment:

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

Other income:

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

d. Borrowing cost:

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

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



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

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

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

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

Intangible Assets:

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

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

f. Impairment of assets:

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



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

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.



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

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



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

assets/liabilities are reviewed as at the each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

k. Provisions, Contingent Liabilities and Assets:

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

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

l. Earnings Per Share(EPS):

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

m. Operating Leases:

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

n. Statutory / Special Reserve:

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



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

o. Foreign exchange transaction:

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

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

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






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

3 Share capital:

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

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

Notes:

- The Company has only one class of equity shares having face value of Rs.10 each. Each holder of equity shares is entitled to one vote per share.
- Increase in Paid-up Share Capital facilitated by issuing 2,49,83,336 Equity Shares at face value of Rs. 10/- on 17th September 2018. Shares fully subscribed by M/s. KIFS International LLP
- Increase in Paid-up Share Capital facilitated by issuing 1,01,14,711 Equity Shares at face value of Rs. 10/- on 11th December 2018. Shares fully subscribed by M/s. KIFS International LLP
- Increase in Paid-up Share Capital facilitated by issuing 1,49,20,596 Equity Shares at face value of Rs. 10/- on 22nd February 2019. Shares fully subscribed by M/s. KIFS International LLP
- In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.

3.2 Reconciliation of number of shares:

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

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

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

4 Reserves and surplus:

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

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



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

5 Long-term borrowings:

Particulars	(Amount in Rs.)	
	As at March 31, 2019	As at March 31, 2018
Secured		
Term Loans from Banks#	190,249,995	-
Less: Current maturities of long term term borrowings (Ref Note-9)	(39,500,024)	-
	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 @9.90% P.a. (One year MCLR + 0.70%) on security of cash margining of 10% of loan amount and hypothecations of receivables equivalent to 1.10 times.

2) The Company has taken term loan from South Indian Bank Ltd of Rs.5 crores repayable in 60 monthly instalment starting from January 29, 2019 and carry Interest @10% P.a. (One year MCLR + 0.55%). This facility is secured by cash margin equivalent to 10% of term loan in form of fixed deposit and pari passu charge on all current assets, book debts, and housing loan assets both present and future of the company with minimum cover of 1.10 times. The Company has also provided corporate guarantee of KIFS International LLP (the holding enterprise) & Personal guarantee of Mr. Rajesh P khandwala & Mr. Vimal P Khandwala.

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

6 Long-term provisions:

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

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

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

7 Short-term borrowings:

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

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

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

8 Trade payables:

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



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

9 Other current liabilities:

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

10 Short-term provisions:

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



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11. Property, Plant and Equipment

Current year	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, 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	2,646,617	1,681,552
Furniture and fixtures	27,566	2,253,815	-	2,281,381	12,328	283,847	-	1,985,206	15,238
Office equipments	551,581	427,333	-	978,914	70,078	154,508	-	754,328	481,503
Leasehold improvements	11,856,832	1,649,048	-	13,505,879	781,259	2,383,547	-	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	15,727,225	13,253,866
Intangible assets:									
Computer software	349,950	218,000	-	567,950	45,642	73,294	-	449,014	304,308
Total intangible assets (b)	349,950	218,000	-	567,950	45,642	73,294	-	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	16,176,239	13,558,174



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

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



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

12 Long-term loans and advances:

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

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

13 Deferred tax assets (net):

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

14 Other Non-Current assets:

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



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

15 Trade receivable:

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

16 Cash and bank balances:

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

17 Short-term loans and advances:

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

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

18 Other Current Assets:

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



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

19 Revenue from Operations:

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

19.1 Processing fess and other charges

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

19.2 Other Operating Income:

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

20 Other Income:

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

21 Employee Benefit expenses:

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

22 Finance Cost:

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



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

23 Provision for contingencies:

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

24 Other Expenses:

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



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

25. Segment reporting:

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

26. Related party disclosure:

I. Name of Related parties:

(A) Holding Enterprises:

- KIFS International LLP

(B) Key Managerial person

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

(C) Enterprises in which key managerial persons have control

- KIFS Trade Capital Private Limited
- Khandwala Enterprise Limited

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

- Aristo Traders Private Limited



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

II. Transactions with related parties:

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







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

Transactions with related parties (Cont...):

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



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

Transactions with related parties (Cont...):

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

Previous year figures are in italics



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

27. Earnings per share:

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

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

28. Auditor's remuneration:

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



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

29. Contingent liabilities and commitments:

Contingent liabilities: Nil

Commitments:

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

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

I. Defined contribution plan:

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

II. Defined benefit plan:

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

(a) Gratuity benefit:

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



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

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

Principal actuarial assumptions at the balance sheet date:

(Amount in Rs.)

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

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

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

Fair value of plan assets

(Amount in Rs.)

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

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



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

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

Experience History

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

Amounts to be recognized in the Balance Sheet

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

Expenses recognized in the statement of profit and loss account

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



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

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

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

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

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

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



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

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

Fair value of plan assets

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

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

Experience History

(Amount in Rs.)

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

Amounts to be recognized in the Balance Sheet

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

Expenses recognized in the statement of profit and loss account

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



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

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

Movements in the Liability recognized in balance sheet

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

31. Operating leases:

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

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

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

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



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

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

	(Amount in Rs.)	
	Housing Loans	Non-housing Loans
Current Year		
Standard asset		
Principle outstanding	1,516,335,881	510,255,723
Provisions	6,065,343	5,121,117
Sub-standard asset		
Principle outstanding	2,139,586	81,949
Provisions	2,139,586	81,949
Doubtful asset		
Principle outstanding	-	-
Provisions	-	-
Total		
Principle outstanding	1,518,475,467	510,337,672
Provisions	8,204,929	5,203,066
Add:		
Total		
EMI /Pre EMI Interest/Fees debtors	-	1,855,915
Provision on the above	-	18,559
Net balance		
Principle outstanding	1,518,475,467	508,481,757
Provisions	8,204,929	5,184,507
Previous Year		
Standard asset		
Principle outstanding	641,509,430	543,115,710
Provisions	1,246,688	5,584,112
Sub-standard asset		
Principle outstanding	-	-
Provisions	-	-
Doubtful asset		
Principle outstanding	-	-
Provisions	-	-
Total		
Principle outstanding	641,509,430	543,115,710
Provisions	1,246,688	5,584,112
Add:		
Total		
EMI debtors/Pre EMI Interest	-	4,458,974
Provision on the above	-	11,147
Net balance		
Principle outstanding	641,509,430	538,656,736
Provisions	1,246,688	5,572,965



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

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

(Amount in Rs.)

	As at 31st March, 2019	As at 31st March, 2018
Balance at the beginning of the year		
a) Statutory reserve (As per Section 29C of the National Housing Bank Act, 1987)	1,386,388	1,005,469
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of statutory reserve under section 29C of the NHB Act, 1987	-	-
Addition/Appropriation/withdrawals during the year		
Add:		
a) Statutory reserve (As per Section 29C of the National Housing Bank Act, 1987)	8,195,372	380,919
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of statutory reserve under section 29C of the NHB Act, 1987	-	-
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)	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	-	-
	9,581,760	1,386,388



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

NHB Disclosures

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

I. Capital to risk asset ratio (CRAR)

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

II. Exposure to real estate sector

		(Amount in Rs.)	
Particulars	Current Year	Previous Year	
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	1,282,017,128	416,273,939	
Housing Loan more than Rs. 15 Lakhs	236,458,339	83,305,875	
(ii) Commercial real estate:			
Lending secured by mortgages on commercial real estates (Office, building, retail space, multipurpose commercial premises, multi family residential buildings, multi tenanted premises, industrial or ware house space, hotels, land acquisitions, development and construction, etc.). Exposure would also include non-fund based (NBF) limits.	-	-	
(iii) Investment in mortgage backed securities (MBS) and other securitized exposures:			
(a) Residential	-	-	
(b) Commercial real estate	-	-	
b) Indirect exposure			
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-	

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

I. Penalty

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



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

NHB Disclosures

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

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

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

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

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

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

40.

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

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



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

NHB Disclosures

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

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

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

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

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

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

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

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



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

NHB Disclosures

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

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

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

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

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

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

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

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

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

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

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

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

Particulars	(Amount in Rs.)	
	Current Year	Previous Year
Registration from other financial regulator, if any	NIL	NIL



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

NHB Disclosures

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

NHB Disclosures

57. Disclosure pursuant to notification No. NHB.HFC.CG-DIR.1/MD & CEO/2016 dated February 9, 2017 issued by NHB
(a) For exchange traded interest rate derivative.

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

- (b) For disclosure on risk exposure in derivative.

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

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

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

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

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



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KIFS Housing Finance Private Limited

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

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

(Amount in Rs.)

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



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

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

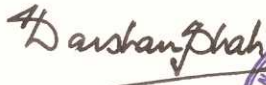
The Company has not received any money from Directors or relatives of Directors during the financial year ended 31st March 2019

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

For Manubhai Shah & LLP

Chartered Accountants


Firm Registration No. 106041W/W100136


(Darshan Shah)
Partner
Membership No.131508




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


(Vimal P Khandwala)
Director – DIN 00477768


(Swarnpal Singh Bais)
Director – DIN 07966335


(Padmanabh Vora)
Director – DIN 00477673


(Deepak Kumar Ajmera)
Chief Financial Officer


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

Place: Mumbai
Date: 12th April, 2019

Place: Mumbai
Date: 12th April, 2019

Manubhai & Shah LLP

Chartered Accountants

CERTIFICATE

TO WHOMSOEVER IT MAY CONCERN

We hereby certify the maturity pattern of certain assets and liabilities of **KIFS Housing Finance Private Limited** as on 31st March 2019 pursuant to NHB disclosure circular no. NHB/ND/DRS/POL-No.35/2010-11 dated October 11, 2010 & notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 are as follows:

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

Pattern	Liabilities (Amount in Rs.)		Assets (Amount in Rs.)	
	Borrowings from Banks	Market borrowings	Advances	Investments
1 day to 30-31 days (one month)	3,291,669	-	3,271,106	-
Over one month to 2 months	3,291,669	-	3,693,006	-
Over 2 months to 3 months	3,291,669	-	3,733,050	-
Over 3 months to 6 months	9,875,007	-	11,443,780	-
Over 6 months to 1 year	19,750,010	-	228,286,093	-
Over 1 year to 3 years	118,500,084	-	74,640,490	-
Over 3 year to 5 years	32,249,887	-	96,690,875	-
Over 5 year to 7 years	-	-	125,255,412	-
Over 7 year to 10 years	-	-	260,563,868	-
Over 10 years	-	-	1,221,235,459	-
Total	190,249,995	-	2,028,813,139	-

For Manubhai & Shah LLP

Chartered Accountants

ICAI Firm Registration No.: 106041W / W100136

Darshan Shah

Darshan Shah

Partner

M. No.: 131508

UDIN: 19131508AAAAAM2680



Place: Mumbai

Date: 25th June, 2019

Manubhai & Shah LLP, a Limited Liability Partnership with LLP identity No.AAG-0878

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