

**INDEPENDENT AUDITOR'S REPORT**

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

**Opinion**

We have audited the accompanying Financial Statements of **KIFS Housing Finance Limited** ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March 2020, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

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

**Basis for Opinion**

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

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

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

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

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

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### **Management's Responsibility for the Financial Statements**

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account;

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- d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls refer to our separate report in "Annexure B";
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, we report that In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act;
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Manubhai & Shah LLP**  
Chartered Accountants

Firm's Registration No: 106041W/W100136



*Darshan Shah*

**Darshan Shah**  
Partner

Membership No.: 131508

Place: Mumbai  
Date: 11<sup>th</sup> June, 2020  
UDIN: 20131508AAAAAQ5787

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

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

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

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goods and service tax, cess and other statutory dues, as applicable, with the appropriate authorities.

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

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



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**Manubhai & Shah LLP**  
Chartered Accountants

16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place: Mumbai  
Date: 11<sup>th</sup> June, 2020  
UDIN: 20131508AAAAAQ5787



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

*Darshan Shah*

**Darshan Shah**  
Partner

Membership No.: 131508

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**ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT**

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

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

We have audited the internal financial controls over financial reporting of KIFS Housing Finance Limited ("the Company") as of 31<sup>st</sup> March, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

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

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

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

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**Meaning of Internal Financial Controls over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

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

For Manubhai & Shah LLP  
Chartered Accountants

Firm's Registration No: 106041W/W100136



*Darshan Shah*

**Darshan Shah**  
Partner

Membership No.: 131508

Place: Mumbai  
Date: 11<sup>th</sup> June, 2020  
UDIN: 20131508AAAAAQ5787

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**INDEPENDENT AUDITOR'S REPORT**

**Report on Compliance with the Housing Finance Companies (NHB) Directions, 2010**

To  
The Board of Directors of  
KIFS HOUSING FINANCE LIMITED

**Background**

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

**Management's Responsibility**

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

**Auditors' Responsibility**

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

**Conclusion**

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

- (1) The Company had applied for registration as required under Section 29A of the National Housing Bank Act, 1987 and has been granted the certificate of registration dated October 27, 2016. In

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the current financial year, the Company has been converted from private limited to public limited (through revised certificate of incorporation dated 24<sup>th</sup> February, 2020) and thus, it has applied to Reserve Bank of India for fresh certificate of registration vide their application letter dated 27<sup>th</sup> February, 2020. The fresh certificate of registration is awaited as on the date of this report.

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

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(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.

**Place:** Mumbai  
**Date:** 11<sup>th</sup> June, 2020  
**UDIN:** 20131508AAAAAR2753



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

*Darshan Shah*

**Darshan Shah**  
Partner  
Membership No.:131508



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

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

Significant accounting policies and notes to financial statements

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



Place: Mumbai  
Date: 11th June, 2020

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

(Vimal P Khandwala)  
Managing Director :DIN.00477768

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

Place: Mumbai  
Date: 11th June, 2020

(Padmanabh Vora)  
Director :DIN.00003192

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



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

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

Significant accounting policies and notes to financial statements

1 to 64

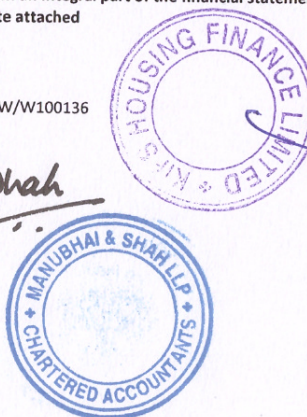
The notes referred above form an integral part of the financial statements  
As per our report of even date attached

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

*Darshan Shah*

(Darshan Shah)  
Partner  
Membership No.131508

Place: Mumbai  
Date: 11th June, 2020



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

(Vimal P Khandwala)  
Managing Director :DIN.00477768

(Deepak Kumar Jamera)  
(Chief Financial officer)  
PAN-AIHPA5872B

Place: Mumbai  
Date: 11th June, 2020

(Padmanabh Vora)  
Director :DIN.00003192

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



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

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

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

As per our report of even date attached

For Manubhai & Shah LLP

Chartered Accountants

Firm Registration No. 106041W/W100136

(Darshan Shah)

Partner

Membership No.131508

Place: Mumbai

Date: 11th June, 2020

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

(Vimal P Khandwala)

Managing Director :DIN.00477768

(Deepak Kumar Ajmera)

(Chief Financial officer)

PAN-AIHPA5872B

Place: Mumbai

Date: 11th June, 2020

(Padmanabh Vora)

Director :DIN.00003192

(Tejal Gala)

(Company Secretary)

M.No. ACS - 54456



## KIFS HOUSING FINANCE LIMITED

### *Notes to the financial statement for the year ended 31<sup>st</sup> March 2020*

#### 1. Company Overview:

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

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

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

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

These financial statements have been prepared and presented under the historical cost convention and accrual basis of accounting unless otherwise stated and in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP") and 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 disbursement memo except in case of non-performing assets where interest is recognised upon realization as per NHB guidelines. However, for loan inward post December 18, 2019, interest shall be charged from the date of the cheque handover i.e. disbursement. Cheque handover means when the customer has completed all critical required OTC's and cheque is dispatched from the corporate office. Repayment of housing loans is by way of Equated Monthly Installments ("EMI") comprising principal and interest. Interest is calculated on monthly reducing balance in terms of financing scheme opted by the borrower. EMI commences once the entire loan is disbursed. Pending commencement of EMI, pre-EMI interest is charged every month and is accounted on accrual basis.

**Fees and other charges:**

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

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

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

**Income from investment:**

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

**Other income:**

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

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

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





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

**d. Borrowing cost:**

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

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

**Property, Plant & Equipment:**

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

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

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

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

**Intangible Assets:**

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

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





**f. Impairment of assets:**

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

**g. Investments:**

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

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

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

**i. Employee Benefits:**

**Defined Contribution plans**

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





**Gratuity:**

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

**Short Term Employee Benefits**

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

**Long Term Employee benefits**

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

**j. Taxes on Income:**

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

**Current tax**

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

**Minimum Alternate Tax (MAT)**

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





### **Deferred tax**

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

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

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

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

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

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

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

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





**n. Statutory / Special Reserve:**

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

**o. Foreign exchange transaction:**

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

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

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

**q. Assigned/ securitized Loans and Securitisation Liabilities**

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

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

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

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





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

**3 Share capital:**

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

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

**Notes:**

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

**3.2 Reconciliation of number of shares:**

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

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

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





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

**4 Reserves and surplus:**

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

# The Company has created statutory reserve as required under section 29C of National Housing Bank Act, 1987 equivalent to 20% of profit after tax or deduction claimed u/s 36(1)(viii) of Income Tax Act, 1961, whichever is higher.

**5 Long-term borrowings:**

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

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

2) The Company has taken term loan from South Indian Bank Ltd of Rs.5 crores repayable in 60 monthly instalment starting from January 29, 2019 and carry Interest @9.55 % P.a. (PY: @10.00 % P.a.) (One year MCLR + 0.55 %). This facility is secured by cash margin equivalent to 10.00 % of term loan in form of fixed deposit and 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 @10.58 % p.a. (PY: @11.85 % P.a.)(12 months' average of one year T-Bill + 4.85 %). This facility is secured by hypothecations of present and future loan receivables equivalent to 1.20 times for the loan principal outstanding. The Company has also provided corporate guarantee of KIFS International LLP (the holding enterprise) & Personal guarantee of Mr. Rajesh P Khandwala & Mr. Vimal P Khandwala.

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

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

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

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

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

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

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

**6 Long-term provisions:**

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

As per NHB master directions, 2010, Contingent provision is required @ 0.25% in respect of standard Individual Housing Loans and @ 0.40% in respect of other standard loans, but conservatively company has made contingent provision @1.00% on Standard Housing Loans & 1.60% on Insurance components and 1.50% on Other Stanadard Loans during current year considering COVID 19 situation. Provision on sub-standard assets are made as per NHB master direction, 2010 (i.e. 15.00%). Company during the current year made provision on doubtful assets @40% whereas 25% provision is required to be made as per NHB directions, 2010. Overdue assets which are not sub standard assets as on 1st March, 2020 on which if moratorium is granted then on such assets 5% provision is made as per RBI circular no. DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020.

**7 Short-term borrowings:**

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

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

**8 Trade payables:**

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






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

9 Other current liabilities:

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

10 Short-term provisions:

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






KIFS Housing Finance Limited

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

11. Property, Plant and Equipment

Current year

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

Amount in Rs.





KFS Housing Finance Limited

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

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

Previous year

Description of asset	Gross Block			Accumulated Depreciation			Net Block		Amount in Rs.
	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
<b>Tangible assets:</b>									
Computer and data processing units	2,037,673	2,037,776	12,109	4,063,339	356,121	1,062,763	2,162	1,416,722	2,546,617
Furniture and fixtures	27,566	2,253,815	-	2,281,381	12,328	283,847	-	296,175	15,238
Office equipments	551,581	427,333	-	978,914	70,078	154,508	-	224,586	754,328
Leasehold improvements	11,856,832	1,649,048	-	13,505,879	781,259	2,383,547	-	3,164,806	10,341,073
<b>Total tangible assets (a)</b>	<b>14,473,652</b>	<b>6,367,972</b>	<b>12,109</b>	<b>20,829,514</b>	<b>1,219,786</b>	<b>3,884,665</b>	<b>2,162</b>	<b>5,102,289</b>	<b>13,253,866</b>
<b>Intangible assets:</b>									
Computer software	349,950	218,000	-	567,950	45,642	73,294	-	118,936	449,014
<b>Total intangible assets (b)</b>	<b>349,950</b>	<b>218,000</b>	<b>-</b>	<b>567,950</b>	<b>45,642</b>	<b>73,294</b>	<b>-</b>	<b>118,936</b>	<b>304,308</b>
<b>Total (a) + (b) = (c)</b>	<b>14,823,602</b>	<b>6,585,972</b>	<b>12,109</b>	<b>21,397,464</b>	<b>1,265,428</b>	<b>3,957,959</b>	<b>2,162</b>	<b>5,221,225</b>	<b>13,558,174</b>





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

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

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

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

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

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

**14 Other Non-Current assets:**

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

**15 Investments**

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

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

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

**16 Trade receivables:**

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

**17 Cash and bank balances:**

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

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

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

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

**19 Other Current Assets:**

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

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

**20 Revenue from Operations:**

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

**20.1 Processing fess and other charges:**

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

**20.2 Other Operating Income:**

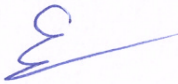
Particulars	(Amount in Rs.)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on fixed deposits with banks	13,227,987	5,395,996
Other ancillary services	43,904,706	2,451,923
	<b>57,132,693</b>	<b>7,847,919</b>

**21 Other Income:**

Particulars	(Amount in Rs.)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Net gain on sale of current investments	1,689,209	163,253
Miscellaneous Income	-	35,550
	<b>1,689,209</b>	<b>198,803</b>

**22 Employee Benefit expenses:**

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







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

**23 Finance Cost:**

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

**24 Provision for contingencies:**

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

\*As per NHB master directions, 2010, Contingent provision is required @ 0.25% in respect of standard Individual Housing Loans and @ 0.40% in respect of other standard loans, but conservatively company has made contingent provision @1.00% on Standard Housing Loans & 1.60% on Insurance components and 1.50% on Other Standard Loans during current year considering Covid 19 situation. Provision on sub-standard assets are made as per NHB master direction, 2010 (i.e. 15.00%). Company during the current year made provision on doubtful assets @40% whereas 25% provision is required to be made as per NHB directions, 2010. Overdue assets which are not sub standard assets as on 1st March, 2020 on which if moratorium is granted then on such assets 5% provision is made as per RBI circular no. DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020.

**25 Other Expenses:**

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

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## KIFS Housing Finance Limited

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

### 26. Segment reporting:

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

### 27. Related party disclosure:

#### I. Name of Related parties:

##### (A) Holding Enterprises:

- KIFS International LLP

##### (B) Key Managerial person

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

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

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

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

- Aristo Traders Private Limited





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

**II. Transactions with related parties:**

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





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

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

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

Previous year figures are in italics & in bracket





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

**28. Earnings per share:**

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

(Amount in Rs.)

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

**29. Auditor's remuneration:**

(Amount in Rs.)

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

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

**30. Contingent liabilities and commitments:**

Contingent liabilities: Nil

Commitments:

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

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

**I. Defined contribution plan:**

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

**II. Defined benefit plan:**

**(a) Gratuity benefit:**

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



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

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

Principal actuarial assumptions at the balance sheet date:

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

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

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

Fair value of plan assets

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

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







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

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

**Experience History**

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

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

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

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

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





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

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

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

**(b) Leave encashment benefit:**

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

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

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

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

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

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

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

**Fair value of plan assets**

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

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

**Experience History**

(Amount in Rs.)

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

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

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





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

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

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

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

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

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

**32. Operating leases:**

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

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

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

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





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

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

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





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

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

(Amount in Crores)

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

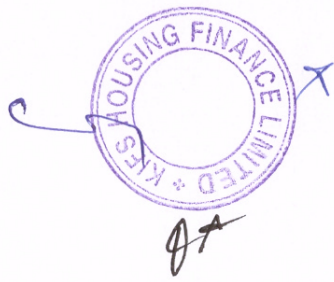




**KIFS Housing Finance Limited**  
**Notes to the financial statement for the year ended 31st March, 2020**

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

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





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

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

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

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

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

**II. Exposure to real estate sector**

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

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

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

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

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

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

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

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

**I. Penalty**

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

**II. Adverse remark**

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

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

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

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

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

*[Handwritten signature]*





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

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

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

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

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

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

(Amount in Rs.)		
Particulars	Current Year	Previous Year
Total exposure to top ten NPA accounts	12,768,644	2,221,535

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

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





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

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

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

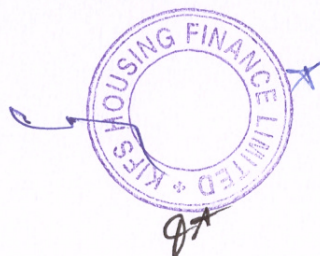
44. Disclosure pursuant to notification No. NHB.HFC.CG-DIR.1/MD & CEO/2016 dated February 9, 2017 issued by NHB for overseas assets

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

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

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







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

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

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

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

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

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

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

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

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





# KIFS Housing Finance Limited

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

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

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

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

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

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

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

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

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

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

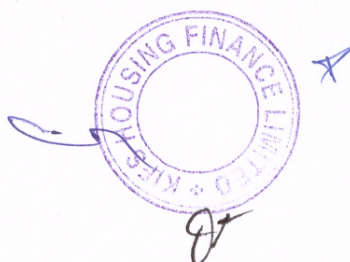
53. Disclosure pursuant to notification No. NHB.HFC.CG-DIR.1/MD & CEO/2016 dated February 9, 2017 issued by NHB for concentration of public deposits.

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

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

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







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

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

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

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

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

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

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

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

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	-	-

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

(a) For exchange traded interest rate derivative.

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)	-	-

*[Handwritten signature]*





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

(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	-	-

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

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

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

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

*[Handwritten signature]*





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

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

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

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

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

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

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

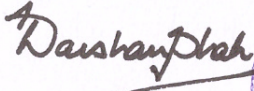




**KIFS Housing Finance Limited**  
**Notes to the financial statement for the year ended 31st March, 2020**

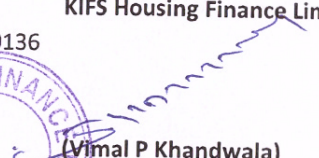
64. The previous year figures have been regrouped, wherever necessary to confirm the current presentation.

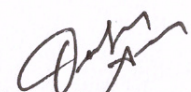
**For Manubhai Shah & LLP**  
Chartered Accountants  
Firm Registration No. 106041W/W100136


  
(Darshan Shah)  
Partner  
Membership No.131508




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

  
(Vimal P Khandwala)  
Director – DIN 00477768

  
(Deepak Kumar Ajmera)  
Chief Financial Officer  
PAN-AIHPA5872B

  
(Padmanabh Vora)  
Director – DIN 00477673

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

Place: Mumbai  
Date: 11<sup>th</sup> June, 2020

Place: Mumbai  
Date: 11<sup>th</sup> June, 2020