

CORRIGENDUM TO THE ANNUAL REPORT FOR THE FINANCIAL YEAR 2020-2021.

The Corrigendum is being issued with respect to the Annual Report for the Financial Year 2020-2021.

With reference to the Annual Report for FY 2020 -21 we have noticed certain inadvertent, typographical printing errors in the Annual report for FY 2020-21 in Capital Adequacy Requirements (CAR) (Page number 8), Capital Adequacy Ratio (Page Number 23), Disclosure no. 30 - Current and Non-current Assets & Liabilities in Balance sheet as at April 01, 2019 (page number 91) and Disclosures as required by Reserve Bank of India in Disclosure no. 45 (page number 104) - Capital to Risk Assets ratio (CRAR) (Computed as per method prescribed by RBI).

In this regard, please note the following changes made in the Annual report of FY 2020 – 2021:

On Page number 8, “*The capital adequacy ratio maintained by your Company as on March 31, 2021 is 82.51% as compared to 122.09% as on March 31, 2020, which is comparatively higher than the minimum requirement stated in RBI Directions i.e. 14%.*” shall be read as “*The capital adequacy ratio maintained by your Company as on March 31, 2021 is **81.60%** as compared to **121.03%** as on March 31, 2020, which is comparatively higher than the minimum requirement stated in RBI Directions i.e. 14%.*”

On Page number 23, “*The capital adequacy ratio maintained by your Company as on March 31, 2021 is 82.51% as compared to 122.09% as on March 31, 2020, which is far above than the minimum required level of 14% as on 31st Mar 21.*” shall be read as “*The capital adequacy ratio maintained by your Company as on March 31, 2021 is **81.60%** as compared to **121.03%** as on March 31, 2020, which is far above than the minimum required level of 14% as on 31st Mar 21.*”

On page number 91, in *Disclosure no. 30, Current and Non-current Assets & Liabilities in Balance sheet as at April 01, 2019*, total non-current financial assets shall be read as **18, 437.13** instead of 18, 437.14, total current assets shall be read as **3785.11** instead of 3, 831.15 and total non-current assets shall be read as **19,126.87** instead of 19,080.84.

On Page number 104,

Sr. No.	Particulars	Rs. In lacs	
		As at March 31, 2021	As at March 31, 2020
(i)	CRAR (%) [(ii) + (iii)]	82.51	122.09
(ii)	CRAR- Tier I Capital (%)	81.78	120.84
(iii)	CRAR- Tier II Capital (%) (Note 1)	0.73	1.25
(iv)	Amount of subordinated debt considered as Tier-II capital (In ₹)	Nil	Nil

Registered Office: B-81, Pariseema Complex, C. G. Road, Ellisbridge, Ahmedabad - 380006, Gujarat, India.

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

Ph. No.: +91 22 61796400 **E-mail:** contact@kifshousing.com **Website:** www.kifshousing.com

CIN: U65922GJ2015PLC085079 **RBI COR:** DOR-00145



KIFS HOUSING FINANCE LIMITED

(v)	Amount raised by issue of Perpetual Debt Instruments	Nil	Nil
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shall be read as

Rs. In lacs

Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
(i)	CRAR (%) [(ii) + (iii)]	81.60	121.03
(ii)	CRAR- Tier I Capital (%)	80.87	119.78
(iii)	CRAR- Tier II Capital (%) (Note 1)	0.73	1.25
(iv)	Amount of subordinated debt considered as Tier-II capital (In ₹)	Nil	Nil
(v)	Amount raised by issue of Perpetual Debt Instruments	Nil	Nil

We further wish to inform that the said corrections has no material impact or discrepancy in reporting of figures nor does it result in any change of facts whatsoever and that this corrigendum should be read in conjunction with the Annual Report of 2020-2021.

The Board had at their Meeting held on November 11, 2021 approved the corrigendum to the Annual Report. Also, the shareholders of the Company at their Meeting held on November 11, 2021 has approved the corrigendum to the Annual Report.

The updated Annual Report along with corrigendum shall be available on the website of the Company at <https://www.kifshousing.com>

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

Sd/-

Rajesh Khandwala,
Chairperson & Managing Director
DIN: 00477673

Sd/-

Vimal Khandwala,
Managing Director
DIN: 00477768

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KIFS HOUSING FINANCE LIMITED

(Formerly known as “KIFS Housing Finance Private Limited”)

ANNUAL REPORT

Financial Year 2020-2021



Move TO THE HOUSE OF YOUR Dreams

Our MISSION

Mission of KIFS Housing Finance Limited (KHFL) is to be THE MOST TRUSTED Home Loan Provider. To do this, we stand committed to provide superior quality housing loan services that: CUSTOMERS recommend to family and friends, EMPLOYEES feel proud to grow with and INVESTORS seek for long-term returns.

Our History

KHFL has been incorporated on November 16, 2015 with the main object of providing housing loans. The Company has got itself registered with National Housing Bank/Reserve Bank of India for carrying out objectives of advancing housing loans. The Company is registered in Ahmedabad, Gujarat and has its corporate office in Mumbai

The Company has been converted from private limited to public limited (through revised certificate of incorporation dated 24th February, 2020) and thus, it had applied to Reserve Bank of India for fresh certificate of registration vide their application letter dated 27th February, 2020. The fresh certificate of registration was received dated 12th August, 2020.

KHFLs Business Operations

Considering the enormous opportunity in housing for the MIG and LIG segment in India. The Company has forayed in to providing retail housing loans to the Low and Middle Income segment across India. The targeted geographies are periphery of Tier1 and 2 and Tier 3, 4, 5 towns. The Company is operating through branches with a HUB and SPOKE model in these towns.

The Company has developed robust policy and processes and a strong proprietary housing finance software as a backbone to support the business operations. So as to enable ease of business and fast turnaround time that is a key parameter for success in this competitive market, the Company operates through a decentralized process. The branch and regional level team is empowered with business decisions within the framework of Policy and defined Processes approved by the Board. Simultaneously with strong oversight by the central team and Audit Committee for ensuring smooth function, control and compliance. KHFL intends to become a leading player in upcoming years in the Housing Finance Industry.

**CORPORATE
INFORMATION****Name of the Company:**

**KIFS Housing Finance Limited
(formerly known as “KIFS
Housing Finance Private
Limited”)**

Corporate Identification Number:

U65922GJ2015PLC085079

Registered Office:

**B-81, Pariseema Complex, C. G.
Road, Ellisbridge, Ahmedabad -
380006**

Corporate Office:

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

Website link:

<https://www.kifshousing.com/>

A. BOARD OF DIRECTORS

Mr. Rajesh Khandwala, Chairman & Managing Director

Mr. Vimal Khandwala, Managing Director

Mr. Padmanabh Vora, Independent Director

Ms. Bhavna Desai, Independent Director

Mr. Kartik Mehta, Non- Executive Director

Ms. Purvi Bhavsar, Non- Executive Director

B. KEY MANAGERIAL PERSONNEL

Mr. Deepak Kumar Ajmera, Chief Financial Officer

Ms. Tejal Gunjan Gala, Company Secretary & Compliance Officer

C. AUDITORS OF THE COMPANY

Statutory Auditors - Manubhai & Shah LLP, Chartered Accountants

Internal Auditor - Sanjay Vastupal & Co, Chartered Accountants

Operational Auditor - Sanjay Vastupal & Co, Chartered Accountants

Secretarial Auditor - Kiran Doshi & Co., Company Secretaries

D. REGISTRAR & SHARE TRANSFER AGENT

NSDL Database Management Limited (“NDML”)

E. DEBENTURE TRUSTEE

Vistra ITCL (India) Limited (CIN: U66020MH1995PLC095507) having registered office at the IL&FS Financial Center, plot no. C-22, G Block, 7th Floor, Bandra Kurla Complex Bandra (East), Mumbai 400051.

F. BANKERS

- National Housing Bank
- State Bank of India
- AU Small Finance Bank
- Federal Bank
- Karur Vysya Bank
- South Indian Bank
- Bank of Baroda
- Canara Bank
- Punjab National Bank

G. STOCK EXCHANGE

Bombay Stock Exchange Limited, P.J. Towers, Dalal Street,
Mumbai - 400 001

INDUSTRY STRUCTURE AND DEVELOPMENTS

Housing is the fundamental concern and desire of any human being and this concern is particularly strong in a developing country like India. This also happens to be the most expensive basic need, to own one's own house is not a distant dream anymore. Housing is one of the most basic human needs and is second only to the need for food and clothing. Home provides a platform to the family and the family is the most important social institution, which leaves its imprint on an individual for whole life. Thus housing deserves significant attention in the context of developing policies and strategies for human development.

In 1985, the RBI made many recommendations for liberalization in the housing finance system based on the report of Chakraborty Committee. In 1987, HFC's amended the Insurance Act of India to allow the Life Insurance Corporation (LIC) and the General Insurance Corporation (GIC) to enter the housing finance business. In 1988, the National Housing Bank was set up as a subsidiary of the RBI to act as an apex regulatory and promotional agency. In 1989, the RBI allowed Commercial banks to issue large loans for housing without imposing rigid restrictions on interest rate or loan quantity ceiling.

The setting up of National Housing Bank as a fully owned subsidiary of the RBI, and as an apex institution was the culmination of the fulfillment of a long overdue need of the housing finance industry in India. The system has also been characterized by the emergence of several specialized financial institutions, which have considerably strengthened the organization of the housing finance system in the country.

The Government of India have been coming up with various policies that provide fiscal and monetary measures for promotion of housing investment, higher budgetary outlays for housing, tax incentives for the housing finance beneficiaries etc. all these years.

Indian housing finance sector has experienced unprecedented changes in its structure from its formulation stage. The structure of the Indian housing finance market rapidly changed with the arrival of the commercial banks in the late nineties.

Commercial Banks (CBs) and Housing Finance Companies (HFCs) primarily dominate the formal housing finance system in India.

Commercial banks were permitted by the banking regulator RBI to provide onward lending towards individual housing finance in 1999. Accordingly, many CBs entered into the system, thus posing a serious threat to the HFCs which hitherto controlled almost the full market as specialized institutional agencies in housing finance. With the entry of CBs, the competition in the industry has become very intense and the relative prominence of the HFCs gradually met a drastic fall. HFCs were dominating the market till the year 2001-02 putting the CBs behind them. However, from the year 2002-03, the scenario changed and CBs dominated the market keeping the HFCs behind them.

The Union Budget 2019-2020 announced the transfer of regulatory power on HFCs from NHB to the RBI. This resulted in more streamlined regulations and implementation as well as better risk management framework for HFCs. The RBI Act will be amended to give the central bank powers to regulate HFCs. This move is expected to ensure there is greater parity in regulations for NBFCs and HFCs. Furthermore, the RBI lowered the standard assets provisioning on individual housing loans. Since 2013, risk weight for housing loans has been continuously reduced in a progressive manner. NHB's offered various Refinance Schemes to Aid borrowing cost for HFCs catering to affordable housing segment

CURRENT OUTLOOK FOR AFFORDABLE HOUSING FINANCE COMPANIES

The long-term growth outlook for affordable housing finance companies remains positive and the segment is likely to see a growth of 12-15 per cent in the next financial year according to various reports.

ICRA Ratings stated in its report that as of September 30, 2020, the total portfolio of the new affordable housing finance companies (AHFCs) in the affordable housing space stood at approx. Rs 55,061 crore, registering a moderate year-on-year (Y-o-Y) growth of approx. 9 per cent.

According to one of the agency's, the growth numbers of AHFCs could be much lower at 8-10 per cent in the financial year 2021 due to the delay in home purchases by the borrowers owing to the impact of the pandemic on their earnings and savings. However, the long-term growth outlook for the sector remains positive given the largely underserved market, favorable demographic profile, housing shortage and government support in the form of tax sops and subsidies. It is expected that the growth would pick up to 12-15 per cent in FY2022.

Amid conditions of business de-growth for the housing finance companies (HFCs), the affordable housing finance companies (AHFC)s have continued to grow, albeit at a slower pace.

Over the last decade, several new players have emerged in the housing finance space, focusing primarily on the affordable housing segment. The property cost in this segment is usually below Rs 20 lakh and borrowers have relatively low income.

Similarly, KHFL is engaged in providing retail housing loans to the Low and Middle Income segment across India. The targeted geographies are periphery of Tier 1 and 2 and Tier 3, 4, 5 towns. The Company is operating through branches with a HUB and SPOKE model in these towns.

Further marginal improvement was noted in the numbers of Non-Performing Assets.

During the year under review, RBI and NHB issued various schemes/notification to resolve liquidity concerns such as Liquidity Infusion Facility (LIFT) Scheme, Special Refinance facility by National Housing Bank (NHB), Special Liquidity Scheme, Partial Credit Guarantee Scheme (PCGS) 2.0 and Targeted Long-Term Repo Operations (TLTRO 2.0) and aided the liquidity stress of the HFCs, which helped the Companies pick up their reduced home loan disbursements. However amid this prevailing COVID-19 across the country, the impact of pandemic on the incomes of the Low and medium sections or economically weaker sections have delayed the home buying plans of such sectors or late payment of EMIs etc.

IMPACT OF COVID

The World Health Organization (WHO) on March 11, 2020 declared the outbreak of Coronavirus (COVID-19) as a global “pandemic” which resulted in stricter lockdown over a period of time, the nation was at standstill.

KHFL through its ‘Business Continuity Plan’ and ‘Risk Management Framework’ managed to minimize the impact on its employees, ensured that the Company remains operational through its work from home policy.

Pursuant to notifications issued by RBI in respect of COVID-19 – Regulatory Package dated March 27, 2020, April 17, 2020, May 23, 2020 and April 07, 2021, the Board/Management of the Company through its resolution processes passed the relief to its eligible customers either through grant of moratorium period and/or by restructuring of the repayment schedule. There were instances where customers solely sought for re-scheduling of his/her EMIs amount or Tenure.

Eventually, the nation initiated unlock that eased coronavirus-induced lockdown restrictions starting from the month of June, 2020, the Company implemented the said rules and resumed its operations in a phased manner by allowing 10% strength to resume the office with necessary sanitization at all entries and floors and strict instructions on masking up throughout the office hours, Company also permitted and reimbursed the cab expenses for its employees.

COVID-19 affected the performance of the Company initially however the Management of the Company managed to overcome the impact and achieved positive performance in a very less time, it achieved 7% higher than the Budgeted profit for the F.Y. 20-21, all repayment obligations were cleared on time, 2 Term Loans from Bank, 3 Listed NCDs and Refinance from NHB were received/issued during the year under review and more than 98% collections were made in the month of March, 2021.

COMPANY OUTLOOK

KHFL offers an array of home loan products including home loans, home improvement loans, home extension loans, loans for purchasing plot + Construction, self-construction loans, loans for purchasing flats and loans against property.

Your Company is engaged in only retail housing loans and average ticket size is Rs. 9.16 Lakhs.

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

OPPORTUNITIES & THREATS

Higher transparency in the sector, increasing affordability and urbanization, and government incentives are expected to push up the housing finance market over the next few years.

The share of urban population in relation to the total population has been consistently rising over the years which will result in higher demand for housing and related amenities in the urban areas. Currently, India has one of the largest young population in the world, with a median age of 28 years. Average age of borrowers has been declining over the years and was estimated at 33-34 years in Fiscal 2018. CRISIL Research expects this figure to decline further to 30 years in Fiscal 2024 with growth in salaries and people's strengthening preference for accumulating assets, both for investment purpose and tax benefits.

Rising Nuclearisation would also result in increase in demand of houses as multiple single families are formed out of one large joint family, this is driven by changing life style of people, individualism, changing social/cultural attitudes and increased mobility of labour in search of better employment.

Due to increasing nuclear families the floor area required by such nuclear families reduces as the size of the family shrinks this will result in demand of affordable housing.

There has been rise in demand for independent houses as Indians traditionally prefer them to live will also aid the growth of housing finance industry.

Furthermore the Government's scheme to provide housing for all by 2022 and various steps taken to implement it are expected to boost sales of affordable and low-cost housing units. This is expected to, consequently, increase the demand for loans. Under the "Housing for All" mission, the Government has introduced CLSS as a demand-side intervention in order to expand institutional credit flow and meet the urban demand.

Critical success factors or threats to Company or housing finance industry can be a) Increasing competition b) Exposure to vulnerable borrower segment c) Better quality of services and cheap interest rates/ fluctuations in interest rates d) controlling of Non-Performing assets, outstanding loans and bad debts e) need of infrastructure including technological infrastructure f) Slowdown in economic growth/ current economic situation g) high inflation h) threats of substitutes/ new entrants i) Changes in regulatory environment.

PERFORMANCE OF THE COMPANY

KHFL is in to a business of providing retail housing loans to the Low and Middle Income segment across India. The overall performance of the Company was satisfactory considering the prevailing COVID-19 situation. Comparatively the Company's Business has grown and it will strive to achieve new targets in this upcoming Financial Year.

Listing of Non-Convertible Debentures at BSE

The Company issued Non- Convertible Debentures in three series i.e. Series A/2020-21, Series B/2020-21 and Series C/2020-21 and listed the same on Bombay Stock Exchange, thus KHFL is now a Debt Listed Company.

Financial Performance

The Company recorded profit before tax of Rs. 22.13 Crores in FY 2020-2021 as against Rs. 19.27 Crores in FY 2019-2020. Despite the impact of COVID-19 on the business of the Company, it recorded a Net Profit growth of 13.59% YoY, at Rs. 17.68 Crores in FY 2020-2021 as against Rs. 15.57 Crores in FY 2019-2020.

Higher provisions were also made by the Company owing to COVID-19 crisis, which stood at 1.62% as compared 1.18% in the previous year.

The Net worth of the Company stood at Rs. 285.44 Crores as compared to Rs. 267.75 Crores in the previous year.

Collections

In the view of the challenging situation, the Company picked up its collections in the month of January, February and March, 2021 which was more than 98%. The Company has its robust collection team that strives to achieve more than the given target. The Company has a process of monitoring collections through team reports, MIS which are analyzed by the Management and accordingly strategies are planned for resolution of stressed accounts.

Business/Operations

As at March 31, 2021, your Company operates through 42 branches located in 5 states i.e. Gujarat, Madhya Pradesh, Maharashtra, Rajasthan and Uttar Pradesh. In addition to above 42 branches, it has its registered office in Ahmedabad, Gujarat and Corporate office in Mumbai, Maharashtra.

The Loan book of your Company shows a growth of 89% since FY 2017-2018 till Q4 of FY 2020-2021.

During the year under review, 5034 logins, 2620 sanctions and 1927 disbursements were received through its branches in the regions mentioned above. The Company has source the loan applications through its in-house team, third-party channels and referral partners.

Disbursements

As on March 31, 2021, your Company disbursed a total of Rs. 212.08 Crores to 1927 Customers as against Rs. 192.77 Crores to 2177 Customers as on March 31, 2020. The average ticket size of the Customers was Rs. 9.16 Lakhs.

Capital Adequacy Requirements (CAR):

The capital adequacy ratio maintained by your Company as on March 31, 2021 is **81.60%** as compared to **121.03%** as on March 31, 2020, which is comparatively higher than the minimum requirement stated in RBI Directions i.e.14%.

Non-Performing Loans

36 Loan accounts out of ~5774 loan accounts were (0.81% gross NPA) were identified as Non-Performing Assets as on March 31, 2021.

Borrowed Funds

During the year under review, KHFL raised funds for its lending activities from National Housing Bank ("NHB") by way of refinance facility, special refinance facility and refinance under lift scheme, from banks by way of term loans and through issue of Non-Convertible Debenture.

The Federal Bank and Karur Vysya Bank disbursed Term Loans totaling to Rs. 19 Crores, NHB disbursed refinance facility of Rs. 100 crores, Special refinance facility of Rs. 3.10 Crores and refinance under lift scheme of Rs. 15 Crores for onward lending.

Further out of the total sanction of Rs. 50 Cr received from SBI, disbursement of 25 Cr is yet to be availed by the Company.

Your Company also raised funds totaling to Rs. 47.50 Cr by way of issue of Non-Convertible Debentures on a private placement basis under three series to Canara Bank, Bank of Baroda and Punjab National Bank and listed the same on Bombay Stock Exchange on August 17, 2020, September 14, 2020 and November 25, 2020 respectively.

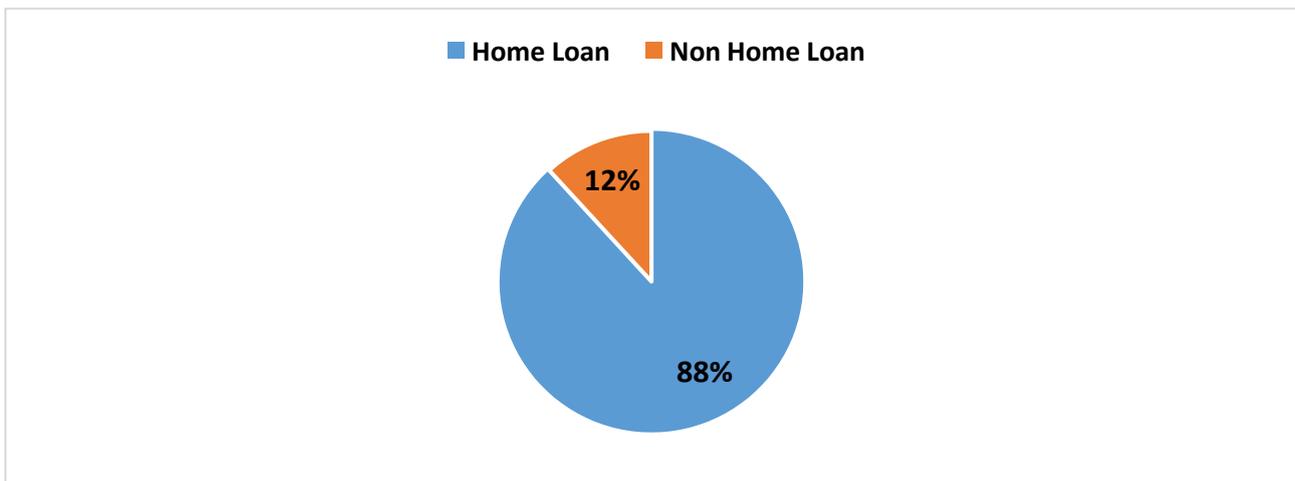
During the year under review, your Company received reduction in interest rates ranging in between 0.55% to 2.15% on its existing Terms Loans and Refinance Facility availed from its Banks and NHB.

ANALYSIS OF PORTFOLIO

The portfolio for the F.Y. 2020-21 stood at Rs. 451.22 Crores as against Rs. 335.83 Crores. A steady increase in the performance based on business and disbursement was observed by end of this financial year.

Product wise Distribution

The distribution of the portfolio was done product-wise wherein Home Loan constituted 88% of portfolio and the balance 12% was Non-home Loan.



PRADHAN MANTRI AWAS YOJANA (PMAY)

Pradhan Mantri Awas Yojana (PMAY) is an initiative by Government of India being implemented by Ministry of Housing and Urban Affairs (MoHUA), was launched on 25th June 2015, to provide housing for all in urban areas by offering ease of living to Economically Weaker section (EWS), Low Income Groups (LIG) and Middle Income Groups (MIG) categories including the slum dwellers by ensuring a pucca house to all eligible urban households by the year 2022, when Nation completes 75 years of its Independence.

KHFL had signed the MOU with the government of India for the Credit linked subsidy Scheme (CLSS) under the Pradhan Mantri Awas Yojana for EWS, LIG and MIG segments. KHFL being an affordable housing sector has successfully availed various schemes under the government initiative - CLSS,

KIFS has been an active contributor to the scheme during the year and availed subsidy for customers under the scheme in order to reduce their Home Loan burden.

During the financial year under review, KIFS has received below claims from the Institution amounting to Rs. 1339.84 lakhs as against 560 cases.

Institution	Date	Amount (Rs. In Lakhs)	Nos.
NHB – PMAY	15/09/2020	101.45	459
NHB – PMAY	22/10/2020	4.62	3
NHB – PMAY	24/12/2020	99.82	54
NHB – PMAY	18/01/2021	24.11	16
NHB – PMAY	03/02/2021	10.90	1
NHB – PMAY	04/03/2021	98.94	27
Total		339.84	560

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

RISK MANAGEMENT

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

INTERNAL AUDIT CONTROL

Your Company has an adequate system of internal control in place which has been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls, monitoring of operations, protecting assets from unauthorized use or losses, compliance with regulations and for ensuring reliability of financial reporting. KHFL has robust internal audit program, where the internal auditors, an independent firm of chartered accountants, conducts audit with a view to not only test adherence of the policies and procedures but also suggest improvements in processes and systems which are further discussed with the management and appropriate measures and actions are taken thereafter.

Your Company conducts Internal audit on a quarterly basis and accordingly observations and recommendations, if any, are reported to the Audit Committee/Board, which monitors the implementation of such recommendations by way of discussing action taken report in the next Meeting.

TECHNOLOGY

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

Pursuant to various circulars/notifications issued by National Housing Bank (“NHB”), the Company’s IT infrastructure is well maintained and all the necessary measures with respect to data safety, confidentiality and integrity is maintained. Company had made necessary arrangements on weekly basis for data backup of all the departments on the AWS Amazon Cloud for security of the data.

The Company is furthermore upgrading its technology and well known vendors like “Finnone” as the Loan Management System (LMS) and Salesforce as the Loan Origination System (LOS) is finalized for upgradation.

The Management of the Company has made necessary checks to ensure that this new system is highly tech enabled and reliable as compared to the existing system.

REGULATORY FRAMEWORK

Companies Act 2013, Secretarial Standards & other listing Regulations

Your Company is also in compliance with the provisions of the Companies Act, 2013 including Secretarial Standards and applicable listing regulations including SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

RBI/NHB Guidelines and Prudential Norms

KHFL has complied with all the guidelines issued by NHB/RBI with respect to accounting, prudential norms for asset classification, income recognition, provisioning, capital adequacy, concentration of credit, credit rating, Know Your Customer (KYC) and Anti Money Laundering (AML), Fair Practices Code, grievance redressal mechanism, valuation of properties, recovery of dues, channel partners and real estate and capital market exposures.

KHFL does not have investment in excess of the limits prescribed by NHB with any one Company or any single group of companies. Your Company has not made investment in any of the promoter group companies during the year. Your Company continues to make extra provisions as against the figures stated by NHB. The Company has also made a provision for COVID-19.

Central Registry

The Government of India has set up the Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) under section 21 of the SARFAESI Act, 2002 to have a central database of all mortgages created by lending institutions. The object of this registry is to compile and maintain data relating to all transactions secured by mortgages. KIFS Housing has conducted CERSAI search before loan disbursement / booking in 100% cases. Post disbursement of loan proposal Company has created charge on the property with CERSAI for all the cases disbursed.

HUMAN RESOURCE

KIFS Housing finance Limited has a total no. of employees of 275. The enthusiasm of employees of the Company continue to be high in sustaining growth of disbursements and in maintaining healthy collection and recoveries. With the high level of commitment and integrity of employees and the Management of the Company, KHFL is confident to face the challenges of the tougher market conditions.

Cautionary Statement: Certain statements found in this report may constitute “forward-looking statements” such as Company’s objectives, projections, estimations, prospects, actual results could differ from those articulated or inferred. Economic conditions, uncertainty as to the success of cost reduction measures, domestic & overseas markets, government regulations, laws, tax laws etc. are some factors that could cause actual results to differ materially from those projected or implied.

Your Directors are pleased to present 6th Directors Report together with the Annual Audited Financial Statements of your Company for the financial year ended March 31, 2021.

FINANCIAL HIGHLIGHTS AND STATE OF COMPANY'S AFFAIRS

(Rupees in Crores except EPS)

Particulars	2020-2021	2019-2020
Total Revenue from Operations	58.16	45.97
Total Expenditure	36.03	26.70
Profit / (Loss) before provision for tax	22.13	19.27
Tax Expense	4.45	3.70
Net Profit / (Loss) after tax	17.68	15.57
Other comprehensive income/(loss)	0.01	0.00
Total Comprehensive Income	17.69	15.57
Earnings / (Loss) per Share (Basic & Diluted)	0.71	0.73

ACCOUNTING METHOD

The above figures are extracted from Annual Audited Financial Statements prepared in accordance with Indian Accounting Standards ('Ind AS') as notified under Section 129 and Section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 from April 01, 2019.

Your Company has adopted Indian Accounting Standards ('Ind AS') pursuant to net worth is greater than 250 Cr. As on 31st March 2020 and the effective date of such transition from the erstwhile Accounting Standards notified under the Companies Act, 2013, read with relevant rules issued thereunder and guidelines issued by the National Housing Bank ('NHB') (collectively referred to as 'the Previous GAAP') is April 01, 2019.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

No material changes and commitments affecting the financial position of the Company have occurred after the closure of the financial year 2020-2021 till the date of this report.

CHANGE IN NATURE OF BUSINESS

There was no change in the nature of the business of the Company.

IMPACT OF COVID -19

The World Health Organization (WHO) on March 11, 2020 declared the outbreak of Coronavirus (COVID-19) as a global "pandemic". The declaration from WHO came at a time when COVID-19 cases rapidly increased across the world. The spread of virus has triggered panic across the world and financial markets. A lockdown across the country from March 25, 2020 was announced to restrict it from spreading further and to break the cycle of infection, which was further extended to contain the virus. This resulted in temporary disruption of Company's Business operations.

As a result, the Country's economic activities came to a standstill. The following measures were taken by the Company to mitigate the risk of COVID-19 to its business operations:

1. The Company referring to its 'Business Continuity Plan' and 'Risk Management Framework' managed to minimize the impact on its employees and ensured that the Company remains operational and that recovery

time objectives are met. The Company called for an immediate Meeting of head of departments to discuss the further operations alternatives.

2. The Company implemented ‘work from home policy’ to ensure that employees stay safe and business remains operational.
3. Pursuant to Notifications dated March 27, 2020, April 17, 2020 and May 23, 2020 issued by the Reserve Bank of India (RBI) in respect of COVID-19 – Regulatory Package, the Company gave Company’s borrowers an option to defer their EMI’s/ Moratorium.
4. Further pursuant to beginning of Unlock 1.0, that eased coronavirus-induced lockdown restrictions starting from the month of June, 2020, the Company implemented the said rules and resumed its operations in a phased manner. As permission to resume offices was granted, we started resumption with less than 10% strength with necessary sanitization at all entries and floors and strict instructions on masking up throughout the office hours, also permitted and reimbursed the cab expenses for its employees.
5. The Government continued to issue Unlock rules in phases which were adhered by the Company in full letter and spirit.
6. Also Company is in full compliance with the recent lock down restrictions imposed in the Month of April, 2021 and most employees have been provided necessary facilities/equipment’s to conveniently work from home.
7. All the guidelines issued by the Central and State Government authorities from time to time are being strictly adhered to.

Despite such difficult economic conditions/challenges faced by the Company, your Company continues to drive business/operations improvement through structured cost-optimization initiatives, efficiency improvement plans and digitization wherever possible. This enabled the Company to maintain its profitable growth even in the prevailing situation/conditions.

REVIEW OF BUSINESS & OPERATIONS OF THE COMPANY

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

The Business profile of KHFL is majorly tilted towards formal, salaried category as compared to informal and self-employed segment, which is low risk customer profile with an average ticket size of Rs. 9.16 Lakhs hence over NPA risk for KHFL remains low.

FOIR & LTV ratios Band

Average FOIR of all customers is 42%

Average LTV of all customer is 53%

Our product wise yield in home loan sector is 12.78% and Non Home Loan sector is 16.06%.

We received subsidy for 25% of Home Loan portfolio as on 31st March 2021.

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

During the year under review your Company has established additional 4 branches

Your Company's has recorded an income of Rs. 58.16 Cr as against Rs. 45.97 Cr. in the previous year and the profit after tax has increased from Rs. 17.68 Cr to Rs. 15.57 Cr.

HOLDING COMPANY

The Company does not have any holding Company, subsidiaries, Associates or Joint Ventures.

DIVIDEND

Your Directors suggested to reinvest the profits into the business for future growth of the Company and deem it prudent not to recommend any dividend for the year.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Your Directors have neither paid any interim dividend during the year under review nor recommended final dividend. There is no unpaid Dividend of earlier years which has been transferred or due to be transferred to Investor Education and Protection Fund during the year.

TRANSFER TO RESERVES

During the financial year under review, your Company has transferred Rs. 4.37 Cr to Statutory Reserve as required under section 29C of National Housing Bank Act, 1987 equivalent to 20% of profit after tax or deduction claimed u/s 36(1)(viii) of Income Tax Act, 1961, whichever is higher.

SHARE CAPITAL

During the year under review, there has been no change in authorized, subscribed and paid-up Capital of your Company.

The same is as follows:

Share Capital	Amount in (Rs)
Authorized Share Capital (250,000,000 Equity Shares of Rs. 10 each) as on March 31, 2021	250,00,00,000
Issued, Subscribed and Paid - up Capital as on March 31, 2021 (249,986,452 Equity Shares of Rs. 10 each)	249,98,64,520
Less - Share issue cost	47,50,000
Total share capital after IND AS adjustments	2,49,51,14,520

BOARD OF DIRECTORS

The Board of Directors of your Company met eleven times during the year under review i.e. on June 11, 2020, July 22, 2020, July 30, 2020, August 31, 2020, September 22, 2020, November 03, 2020, November 10, 2020, November 13, 2020, December 01, 2020, December 28, 2020 and March 04, 2021.

Composition of Board and number of meetings attended:

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

Sr. No.	Name of the Directors	DIN	Designation (Executive/ Non-Executive Director)	No. of Board Meetings attended out of 11
1.	Mr. Rajesh Khandwala	00477673	Chairman & Managing Director (Executive)	11
2.	Mr. Vimal Khandwala	00477768	Managing Director (Executive)	11
3.	#Mr. Padmanabh Vora	00003192	Independent Director (Non-Executive)	11
4.	*Ms. Bhavna Desai	06893242	Independent Director (Non-Executive)	2
5.	Mr. Kartik Mehta	02083342	Non-Executive Director	2
6.	Ms. Purvi Bhavsar	02102740	Non-Executive Director	3

Designation changed from a Non-Executive Director to an Independent Director w.e.f June 11, 2020

* appointed as an Independent Director w.e.f. December 01, 2020.

Appointment

Pursuant to conversion of Company from Private to Public limited and applicability of Section 149 of the Companies Act, 2013, the Company was required to have at least two directors as Independent Directors, hence considering the profile, expertise, experience and independence of Mr. Padmanabh Vora, the Board of Directors of your Company at their meeting held on June 11, 2020 re-designated him as an Independent Director.

Also the Company was under the process of evaluation of one more Independent Director but due to COVID-19 outbreak and restriction on movements from the Government, the management was in search of a suitable profile, finally considering the vast experience, expertise and independence of Ms. Bhavna Desai, the Board of Directors of your Company at their meeting held on December 01, 2020 appointed her as an Non-Executive Woman Independent Director.

Resignation

There were no resignations during the year under review.

Director liable to retire by Rotation

Mr. Kartik Mehta (DIN:02083342), Director, retires by rotation at the forthcoming Annual General Meeting, and being eligible, has offered himself for re-appointment.

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

All Directors of your Company have given requisite declaration pursuant to Section 164 of the Companies Act, 2013 that they are not disqualified to be appointed as Directors.

Your Directors have wide experience in business related to trading, finance and general corporate management.

STATEMENT ON DECLARATION GIVEN BY THE INDEPENDENT DIRECTORS:

Declarations as required under Section 149(7) of the Companies Act, 2013 were received from Mr. Padmanabh Vora and Ms. Bhavna Desai, Independent Directors of the Company confirming that they meet the criteria of independence as specified in Section 149(6) of the Companies Act, 2013 for FY 2020-2021.

Further the Independent Directors are in compliance with sub-rule (1) and sub-rule (2) of Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 i.e. inclusion of name in the data bank maintained by IICA.

The Independent Directors of the Company are selected keeping in view the criteria specified in the Companies Act, 2013, RBI Master Direction/erstwhile NHB Directions and Housing Finance Companies – Corporate Governance (National Housing Bank), Directions, 2016 with respect to qualification, independence, expertise, track record, databank registration, integrity and other “fit and proper” criteria. The Company has obtained the necessary information and declaration from the Independent Directors.

In all the Independent Directors of your Company have strong background and years of experience, knowledge and expertise. The Board of your Company is of the opinion that both the Independent Directors of the Company possess integrity, expertise and experience to be appointed as an Independent Director.

Pursuant to Rule 6(4) (A) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, both our Independent Directors are exempted from the online proficiency self-assessment test.

KEY MANAGERIAL PERSONNEL

Pursuant to provisions of Section 2(51) and 203 of the Companies Act, 2013, Mr. Deepak Kumar Ajmera - Chief Financial Officer and Ms. Tejal Gala - Company Secretary and Compliance Officer are the Key Managerial Personnel's of the Company.

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

GENERAL MEETINGS

The 5th Annual General Meeting of your Company was held on June 11, 2020.

During the year under review, 4 Extra-ordinary General Meetings were held.

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

Pursuant to provisions of section 134(3)(e) of the Companies Act, 2013 and Nomination, Remuneration & Evaluation Policy of the Company, the Board of your Company has carried out an annual evaluation of its own performance and that of its Committees as well as reviewed the performance of the Directors individually for financial year 2020-2021. The individual Directors also reviewed the performance evaluation of the Non-Independent Directors and the Board as a whole, was carried out by the Independent Directors. The Independent Directors also carried out the evaluation of the Chairman of the Company, considering the views of Non-Executive Directors and also assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The Directors also carried out performance evaluation of the Managing Directors of the Company.

The evaluation was carried out through a rating based structured questionnaires prepared in accordance with guidance note issued by ICSI on Performance evaluation, it covered various parameters which were different for different categories of Directors, in all it included questions/pointers with respect to appropriate expertise and experience, integrity, clear mission statements, policies, and Strategy formulation and execution, effective organization structure, ensuring that there is management focus on key functions, working relationships, Product/Service Knowledge, Personal Qualities, Leadership, Financial planning / performance, External Relations, Knowledge and Skill, Participation at Board/ Committee Meetings etc.

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

COMMITTEES OF THE BOARD

The Board has constituted following Committees:

Sr. No.	Name of the Committee	Sr. No.	Name of the Committee
1	Audit Committee	5	Customer Grievance Redressal Committee
2	Asset Liability Management Committee	6	IT Strategy Committee
3	Nomination & Remuneration Committee	7	Corporate Social Responsibility Committee
4	Risk Management Committee	8	Investment Committee

The disclosures as required under Companies Act, 2013 with respect to Audit, NRC and CSR Committee are as follows:

Audit Committee

During the year under review, the Audit Committee met five times on June 11, 2020, October 08, 2020, November 03, 2020, November 13, 2020 and March 04, 2021.

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

Sr. No.	Name	Designation	No. of Meetings attended out of 5
1.	Mr. Padmanabh Vora	Chairman	5
2.	Mr. Vimal Khandwala	Member	5
3.	*Ms. Bhavna Desai	Member	1
4.	Mr. Kartik Mehta	Member	2
5.	Ms. Purvi Bhavsar	Member	2

* appointed as Member of the Committee w.e.f. March 04, 2021.

Nomination and Remuneration Committee (NRC)

During the year under review, the NRC Committee met thrice June 11, 2020, December 01, 2020 and March 04, 2021.

Sr. No.	Name	Designation	No. of Meetings attended out of 3
1.	Mr. Padmanabh Vora	Chairman	3
2.	Mr. Rajesh Khandwala	Member	3
3.	Mr. Vimal Khandwala	Member	3
4.	*Ms. Bhavna Desai	Member	1
5.	Mr. Kartik Mehta	Member	2
6.	Ms. Purvi Bhavsar	Member	3

* appointed as Member of the Committee w.e.f. March 04, 2021.

Corporate Social Responsibility Committee (CSR)

During the year under review, the CSR Committee met once on October 08, 2020. The Composition of Committee and the attendance of the Members at the meetings were as under:-

Sr. No.	Name	Designation	No. of Meetings attended out of 1
1.	Mr. Vimal Khandwala	Chairman	1
2.	Mr. Rajesh Khandwala	Member	1
3.	Mr. Padmanabh Vora	Member	1

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

In Accordance with the provisions of Section 135 of the Companies Act, 2013 and the rules framed thereunder, the Company has a Corporate Social Responsibility Committee (CSR) of directors comprising Mr. Vimal Khandwala, Mr. Rajesh Khandwala and Mr. Padmanabh Vora has inter alia also formulated a CSR Policy.

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

KHFL was required to spend Rs. 1,801,256/- towards CSR Activities during the year under review. Your Company approved the same and incurred CSR Expenditure of Rs. 13,02,000/- towards Tata Memorial Hospital for purchasing of necessary medical equipment's for the treatment of Cancer Patients and Rs. 5,00,000/- was spent towards Hunger Free Palghar an initiative by Govardhan Annakshetra, ISKON for free food distribution.

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

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

REMUNERATION OF DIRECTORS:

As required in the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 issued by RBI dated February 17, 2021, the details of all pecuniary relationship or transactions of the non-executive directors vis-à-vis the Company are mentioned below:

During the year under review, sitting fees have been paid to Mr. Padmanabh Vora, Independent Director, Ms. Bhavna Desai, Independent Director, Mr. Kartik Mehta, Non-Executive Director and Ms. Purvi Bhavsar, Non-Executive Director for attending the Board and Committee Meetings. Details of the sitting fees have been provided in the Extract of annual return.

Mr. Rajesh Khandwala and Mr. Vimal Khandwala, Managing Directors do not receive any remuneration or sitting fees from the Company

STATUTORY AUDITORS

M/s Manubhai & Shah LLP (FRN: 106041W/ W100136), the Statutory Auditors of the Company have audited the books of accounts of the Company for the financial year ended March 31, 2021 and have issued the Auditors Report thereon. The annual accounts of the Company have been prepared on a going concern basis.

The approval of the Members is being sought at the ensuing 6th Annual General Meeting of the Company. The Board of Directors recommends the re-appointment of M/s Manubhai & Shah LLP (FRN: 106041W/ W100136) as Statutory Auditors of your Company to hold office for a further period of five consecutive years i.e. to hold office from the conclusion of 6th AGM to be held in the year 2021 until the conclusion of the 11th consecutive AGM to be held in the year 2026.

Further as required under the provisions of Sections 139 and 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, your Company has obtained a written consent and certificate from the Statutory Auditors to the effect that their appointment, if made, would be in conformity with the conditions, limits and criteria specified therein.

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

Your Directors confirm that the Statutory Audit Report for Financial Year 2020-2021 does not contain any qualifications or reservations or adverse remarks.

REPORTING OF FRAUDS BY AUDITORS

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

INTERNAL FINANCIAL CONTROLS

Pursuant to Rule 8 of the Companies (Accounts) Rules, 2014, based on the representation received and after due enquiry your Directors confirm that they have laid down internal finance controls with reference to the Financial Statements and that these controls are adequate and operating effectively.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, your Company had appointed M/s Kiran Doshi & Co., Practicing Company Secretaries as Secretarial Auditors to conduct the Secretarial Audit of the Company for the FY 2020-2021.

Your Company has provided all assistance and information to the Secretarial Auditors for conducting their audit. The Report of Secretarial Auditors in the prescribed Form MR-3 does not contain any audit observations, and accordingly, explanations or comments by the Board are not required to be provided.

INTERNAL AUDITOR

Your Company has appointed Sanjay Vastupal & Co. Chartered Accountants holding Firm Registration No.: 109187W, to carry out the financial and operational audit of the Company.

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

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

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

The Financial and Operational Audit Report does not contain any qualifications or reservations or adverse remarks.

RISK MANAGEMENT POLICY

Your Company has a Risk Management Policy to identify and mitigate elements of risk which in the opinion of the Board may impact the Company and helps to promote risk awareness amongst employees and to integrate risk management within the corporate culture.

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

VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

The Board of Directors has approved the vigil mechanism/whistle blower policy of the Company which provides a framework to promote a responsible and secure whistle blowing. It protects employees who would want to raise a concern about serious irregularities within the Company. It provides for a vigil mechanism to channelize reporting of such instances/ complaints/ grievances to ensure proper governance. The Audit Committee oversees the vigil mechanism. The policy is placed on the website of the Company and can be accessed at <https://www.kifshousing.com/policies.html>.

PARTICULARS OF INVESTMENTS, LOANS & GUARANTEES UNDER SECTION 186

Since your Company is a housing Finance Company, the provisions of Section 186 are not applicable, accordingly, the particulars of loans, guarantee and investment have not been provided in this report.

However your Company has not given any loan or provided any guarantee or any security or made any investment during the year under review.

DEPOSITS

During the financial year under review, your Company has not accepted, invited or holds any deposits under the Companies Act, 2013 or Reserve Bank of India Act, 1934 or any other provisions of the laws as may be applicable to the Company from time to time.

Thus reporting or information with respect to such public deposits as required under the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 issued by RBI dated February 17, 2021 is not applicable to the Company.

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

During the year under review, the Company had not entered into any transactions with any of its related parties, including any “material related party transactions” as defined in the policy on Related Party Transaction of the Company.

The Policy on Related Party Transactions can be accessed at <https://www.kifshousing.com/policies.html>.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual return as on March 31, 2021 is attached herewith as Annexure I and forms part of this report.

The Extract of Annual Return is also available on the website of the Company at <https://www.kifshousing.com/annualreturn.html>.

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

The Company has in place a policy on Prevention of Sexual Harassment of Women at Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress the complaints received, if any, regarding sexual harassment. The Company had complied with the provisions relating to the constitution of ICC under the POSH Act.

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

During the year under review, no complaints were received under the said Act.

DEMATERIALIZATION OF SHARES/ NON-CONVERTIBLE DEBENTURES

The shares of your Company had been admitted for dematerialization with National Securities Depository Limited (NSDL) with International Securities Identification Number (ISIN) allotted to the Company is INE0CP101016.

The Non-Convertible Debentures of the Company have also been admitted for dematerialization by NSDL with ISIN Nos. INE0CP107013, INE0CP107021 and INE0CP107039

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

CODE OF CONDUCT

Your Company has in place Code of Conduct for its Employees and Board of Directors. The Code enunciates the underlying principles governing the conduct of your Company's business and seek to reiterate the fundamental precept that good governance must and would always be an integral part of the Company's ethos.

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

Being a listed Company, provisions of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are now applicable to your Company.

Disclosure as to Remuneration is attached herewith as Annexure III and forms part of this report

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The disclosures to be made under Section 134 (3) (m) of the Companies Act, 2013 read with Rule (8)(3) of the Companies (Accounts) Rules, 2014 pertaining to conservation of energy are not applicable to the Company as it is engaged in business of providing housing finance.

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

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 134(3)(c) of the Companies Act, 2013, your Directors, based on representation from operating management and after due enquiry, confirm that:

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed and there have been no departures;
- (ii) Accounting policies have been selected in consultation with the Statutory Auditors and these have been applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the Profit of the Company for the year ended on that date;
- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The annual accounts have been prepared on a going concern basis;

- (v) The Company has laid down internal financial controls. The Company has also assessed the adequacy of the Company's internal controls over financial reporting as of March 31, 2021 and have found them to be adequate and
- (vi) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

SANCTIONS

Loan Sanctioned during the year was Rs.289.51 Crores as against Rs. 358.39 Crores in the previous year. Cumulative Sanction as on March 31, 2021 were Rs. 946.21 Crores as against Rs. 656.70 Crores in the previous year.

DISBURSEMENTS

Loan Disbursement during the year was Rs.212.08 Crores as against Rs. 192.77 Crores in the previous year. Cumulative Disbursements as on March 31, 2021 were Rs. 610.95 Crores as against Rs. 398.87 Crores in the previous year.

ASSETS UNDER MANAGEMENT (AUM)

As on March 31, 2021, Company has Home Loan & LAP AUM Rs.451.22 Crores with rapidly growing customer base of 5774 clients out of which salaried borrowers account for 81.57% and self-employed borrowers account for 18.43%.

NON-PERFORMING ASSETS (NPA)

36 Loan accounts out of ~5774 loan accounts were (0.81% gross NPA) were identified as Non-Performing Assets as on March 31, 2021. As per region wise analysis, Maharashtra had 16 cases which is 0.33% of the portfolio, Gujarat had 6 cases which is 0.11%, Rajasthan had 2 cases which is 0.06% and Madhya Pradesh had 12 cases which is 0.31% of the portfolio.

COLLECTION/RECOVERY

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

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

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

TOTAL BORROWINGS

A. Debentures

During the year under review, the Company had made following private placements of Non-convertible Debentures (NCDs) and listed the same on Bombay Stock Exchange:

Sr. No.	Name of the Debenture Holders	Quantity	Face value (Rs.)	Issue Price	Tenor	BSE Listing Date
1	Canara Bank	125	10,00,000/-	12.50 Crores	3 Years	August 17, 2020,
2	Bank of Baroda	250	10,00,000/-	25.00 Crores	3 Years	September 14, 2020
3	Punjab National Bank	100	10,00,000/-	10.00 Crores	1.5 Years	November 25, 2020
Total debt issued						Rs, 47.50 Crores

However there are no such non-convertible debentures which have not been claimed by the Investors or not paid by the Company after the date on which the non-convertible debentures became due for redemption.

The Company is has made all payments with respect to listing fees to Bombay Stock Exchange (BSE) on which its debentures are listed

B. Loan Assets

Loan Assets as at March 31, 2021 are recording a growth of Rs. 451.22 Crores against Rs. 335.83 crores as at 31st March, 2020.

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

During the year, KHFL had made an application to National Housing Bank and had received Rs. 15.00 Crores under refinance (Lift Scheme), which was disbursed on June 25, 2020, Rs. 3.10 Crores under special refinance scheme, which was disbursed on July 10, 2020, Rs. 100.00 Crores under regular refinance, which was disbursed on January 29, 2021.

D. Bank Term Loan

KHFL received sanctions and Disbursements from various banks during the year.

Total loans received from Banks till March 31, 2021 amount to Rs. 19 Crores. An application to Federal Bank was made and received Rs. 10 Crore Loan on 31/12/2020 & to Karur Vysya bank and received Rs. 4 Crore and 5 Crore on 31st December 2020 and 15th January 2021 respectively.

CAPITAL ADEQUACY RATIO

The Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 issued by RBI dated February 17, 2021, state that every Housing Finance Company shall, maintain a minimum capital ratio on an ongoing basis consisting of Tier-I and Tier-II capital which shall not be less than 13% as on March 31, 2020, 14% as on March 31, 2021 and 15% as on March 31, 2022.

The capital adequacy ratio maintained by your Company as on March 31, 2021 is **81.60%** as compared to **121.03%** as on March 31, 2020, which is far above than the minimum required level of 14% as on 31st Mar 21.

CREDIT RATING

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

Rating Agency	Nature of Borrowings	Tenure	Amount	Rating assigned
Acuite Ratings & Research Limited	Bank Facilities	Long Term	292.50 Cr	#ACUITE A-/ Outlook: Stable
Acuite Ratings & Research Limited	Non-Convertible Debentures	Long Term	37.50 Cr	#ACUITE A-/ Outlook: Stable
Brickwork Ratings India Private Limited	Non-Convertible Debentures	Long Term	37.50 Cr	BWR BBB+/ Outlook Stable

#External credit rating assigned to Non-convertible Debenture and long term Bank facilities has been upgraded by Acuite from “BBB+ POSITIVE” to “A- STABLE”.

RESERVE BANK OF INDIA (RBI) and NATIONAL HOUSING BANK (NHB) COMPLIANCES

During the year under review, your Company has complied with all the regulatory notifications, guidelines, circulars, rules and directions applicable to a Housing Finance Company and a Non-Banking Financial Companies laid down by RBI and NHB from time to time.

OTHER REGULATORY COMPLIANCES

Your Company is also in compliance with the provisions of the Companies Act, 2013 including Secretarial Standards, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other listing regulations as may be applicable to the Company.

NOMINATION, REMUNERATION & EVALUATION POLICY

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

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

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

INTERNAL GUIDELINES ON CORPORATE GOVERNANCE

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

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

HUMAN RESOURCES DEVELOPMENT

In FY 2020 -2021 the global pandemic has forced the KIFS business to make drastic changes at the workplace and as a result, caused complete distraction to the employee work experience. COVID-19 pandemic has resulted the employees to work from home. Work from Home Policy is implemented at KIFS to make sure that Business Continuity shall sustain by adhering to the Government directives & regulation.

Employee Engagement

In the present business situation during the COVID-19 pandemic, employee engagement has become one of the major challenging & KIFS HFC has been persistently evolving innovative, creative, and effective ways to engage the employees in a healthier way during this difficult time. The transition of employee engagement from fully on-premise to 100% remote work is now the new normal.

At KIFS HFC, we are tackling the transition from fully on premise to remote work by way of;

1. Conversation & Support.
2. Zooming from phone's/ Video Calling in break times.
3. One to one dialogues to keep employees active, heard & engaged.
4. Involving family.

5. Employee Feedback.
6. Implement suitable training programs for employee development.
7. Implement employee-self-services portals to empower employees.
8. System Training.

The main motto of today's Employee Engagement is that; we at KIFS HFC are all together in this (fight against the Pandemic)

PROVISIONS NOT APPLICABLE

- Disclosure under section 197(14) of the Companies Act, 2013 is not applicable as the Company does not have any Holding or Subsidiary Company
- Maintenance of cost records under the provisions of Section 148(1) of Companies Act, 2013 are not applicable

GENERAL DISCLOSURES

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

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

ACKNOWLEDGEMENTS

Your Directors are pleased to take this opportunity to thank the shareholders, Company's bankers, customers, vendors, other stakeholders, business associates and various agencies or statutory authorities of the Central and State Government for their cooperation and support to the Company during the year under review.

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

Sd/-

Rajesh Khandwala,
Chairperson & Managing Director
DIN: 00477673

Sd/-

Vimal Khandwala,
Managing Director
DIN: 00477768

Date: 3rd June, 2021

Place: Ahmedabad

ANNEXURE-I TO BOARDS REPORT

EXTRACT OF ANNUAL RETURN FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2021

As per the requirements of Section 92(3) and 134(3)(a) of the Act and Rules framed thereunder, the extract of the annual return for FY 2020 2021 is given herewith in the prescribed Form No. MGT-9, which is a part of this report.

1. Registration and other details

1	CIN	U65922GJ2015PLC085079
2	Registration Date	November 16, 2015
3	Name of the Company	KIFS Housing Finance Limited (converted to a Public Limited Company on February 24, 2020)
4	Category / Sub-Category of the Company	Public Non-govt. Company Limited by Shares
5	Address of the Registered Office and Contact Details	B-81, Pariseema Complex, C. G. Road, Ellisbridge, Ahmedabad - 380006, Gujarat, India. Phone: 022-61796409
6	Whether Listed Company Yes / No	Yes Debt Listed Company
7	Name, Address and Contact Details of Registrar and Transfer Agent, if any	NSDL Database Management Limited Address: Kamala Mills Compound, 4th Floor, Trade World, A Wing, Times Tower, Lower Parel, Mumbai, Maharashtra 400013

2. Principal Business activities of the Company

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

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

3. Particulars of Holding, Subsidiary and Associate Companies

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

4. Shareholding Pattern (Equity Share Capital Breakup as Percentage of Total Equity) as at March 31, 2021

i. Category wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the financial year				No. of Shares held at end of the financial year - March 31, 2021				% Change during the financial year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a. Individual / HUF	-	-	-	-	-	-	-	-	-
b. Central Government	-	-	-	-	-	-	-	-	-
c. State Government(s)	-	-	-	-	-	-	-	-	-
d. Body Corporate	24,94,85,752	-	24,94,85,752	99.79971 %	24,94,85,752	-	24,94,85,752	99.79971 %	0 %
e. Bank / FI	-	-	-	-	-	-	-	-	-
f. Any Other	-	-	-	-	-	-	-	-	-
Sub-Total-A-(1)	24,94,85,752	-	24,94,85,752	99.79971 %	24,94,85,752	-	24,94,85,752	99.79971 %	0%
2. Foreign									
a. NRI-Individuals	-	-	-	-	-	-	-	-	-
b. Other Individuals	-	-	-	-	-	-	-	-	-
c. Body Corporate	-	-	-	-	-	-	-	-	-
d. Bank / FI	-	-	-	-	-	-	-	-	-
e. Any Other	-	-	-	-	-	-	-	-	-
Sub-Total-A-(2)	-	-	-	-	-	-	-	-	-
Total Share Holding of Promoters A=A(1)+A(2)	24,94,85,752	-	24,94,85,752	99.79971 %	24,94,85,752	-	24,94,85,752	99.79971 %	0%
B. Public Shareholding									
1. Institution									
a. Mutual Funds	-	-	-	-	-	-	-	-	-
b. Banks/FI	-	-	-	-	-	-	-	-	-

c. Central Govt. State Govt(s) e. Venture Capital Fund f. Insurance Companies g. FIIs h. Foreign Venture Capital Funds i. Others (specify)									
Sub Total (B) (1) :-	-	-	-	-	-	-	-	-	-
2. Non Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to Rs. 1 Lakh	700	-	700	0.00028 %	700	-	700	0.00028 %	0%
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	5,00,000	-	5,00,000	0.20002 %	5,00,000	-	5,00,000	0.20002 %	0%
-c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B) (2)	5,00,700	-	5,00,700	0.2003%	5,00,700	-	5,00,700	0.2003%	0%
Total Public Shareholding (B)=(B) (1) + (B) (2)	5,00,700	-	5,00,700	0.2003%	5,00,700	-	5,00,700	0.2003%	0%
C. Shares held by custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-

Grand Total (A + B+ C)	24,99,86,452	-	24,99,86,452	100%	24,99,86,452	-	24,99,86,452	100 %	0
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ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Shareholding during the financial year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to Total Shares	
1	KIFS International LLP	24,94,85,752	99.79971 %	-	24,94,85,752	99.79971 %	-	0%
	Total	24,94,85,752	99.79971 %	-	24,94,85,752	99.79971 %	-	0%

iii. Change in in Promoters Shareholding

Sr. No.	Name of the Shareholder	Shareholding at the Beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Share Capital of the Company	No. of Shares	% of Total Share Capital of the Company
1	-	-	-	-	-

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

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

v. Shareholding of Directors and Key Managerial Personnel

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

vi. Indebtedness

(Rs, in Lakhs)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year - April 01, 2020				
1) Principal amount	10,084.58	0	0	10,084.58
2) Interest due but not paid	0	0	0	0
3) Interest accrued but not due	7.58	0	0	7.58
Total of (1+2+3)	10,092.16	0	0	10,092.16
Change in Indebtedness during the financial year				
+Addition	18,460.00	0	0	18,460.00
- Reduction	2,671.74	0	0	2,671.74
Net change	15,788.26	0	0	15,788.26
Principal Change at the end of the financial year - March 31, 2021				
1) Principal amount	25872.84	0	0	25872.84
2) Interest due but not paid	0	0	0	0
3) Interest accrued but not due	275.97	0	0	275.97
Total of (1+2+3)	26148.81	0	0	26148.81

vii. Remuneration of Directors and Key Managerial Personnel

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

Sr. No.	Particulars of Remuneration	Mr. Rajesh Khandwala	Mr. Vimal Khandwala
		(Managing Director)	(Managing Director)
1	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act	-	-
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	-as % of profit	-	-
	- others, specify...	-	-
5	Others, Reimbursements	-	-
	Total (A)	-	-
	Ceiling as per the Act		

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

(Amount in Rs)

Particulars of Remuneration	Name of Directors Non-Executive Director				Amount
	Mr. Padmanabh Pundrikray Vora	Mr. Kartik S. Mehta	Mr. Purvi J. Bhavsar	Mr. Bhavana Govindbhai Desai	
Fee for attending Board / Committee meetings	2,90,000	60,000	80,000	40,000	470000
Commission	-	-	-	-	-
Others	-	-	-	-	-
Total (B)	-	-	-	-	470000
Total Managerial Remuneration	-	-	-	-	-
Overall ceiling as per the Act	-	-	-	-	NA

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

(Amount in Rs.)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		CFO Mr. Deepak Kumar Ajmera	Company Secretary Ms. Tejal Gala	Total
	Gross Salary	4939834	789144	5728978
1	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act	4939834	789144	5728978
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2	Stock Option	NA	NA	NA
3	Sweat Equity	NA	NA	NA
4	Commission			
	-as % of profit	NA	NA	NA
	- other, specify...			
5	Others, Reimbursements	432000	-	432000
	Total	5371834	789144	6160978
	Ceiling as per the Act			

viii. Penalties / Punishment / Compounding of Offences: NIL

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

Sd/-

Rajesh Khandwala,
Chairperson & Managing Director
DIN: 00477673

Sd/-

Vimal Khandwala,
Managing Director
DIN: 00477768

Date: 3rd June, 2021
Place: Ahmedabad

ANNEXURE-II TO BOARDS REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (“CSR”) ACTIVITIES**1. Brief outline on CSR policy of the Company.**

The Company’s Act, 2013(“Act”)has made it compulsory for Companies to carry out Corporate Society Responsibility Activities. The Government of India, on February 27, 2014, notified provisions and corresponding Rules pertaining to CSR. Corporate Social Responsibility is a Company’s sense of responsibility towards the community and environment in which it operates. It is the continuing commitment by business to behave ethically and contribute to economic development of the society at large. KIFS is committed to remain a responsible corporate entity mindful of its social responsibilities and to make a positive impact in the society.

The CSR Policy applies to the formulation, execution, monitoring, evaluation, and documentation of CSR activities in the target locations, in and around the Company’s office.

2. Composition of CSR Committee:

SL. No	Name of the Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Vimal Khandwala	Chairman/ Managing Director	1	1
2	Mr. Rajesh Khandwala	Member/ Managing Director	1	1
3	Mr. Padmanabh Vora	Member/ Independent Director	1	1

3. Web – link for composition of CSR Committee, CSR policy and CSR projects disclosed on the website: <https://www.kifshousing.com/policies.html>**4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable:**
Not Applicable**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:**

Sl. No	Financial Year	Amount available for set-off from preceding financial year (in Rs)	Amount required to be set – off for the financial year, if any (in Rs)
1	2020-21	Nil	Nil

6. Average net profit of the Company as per section 135(5) : Rs. 90,062,806/-
7. (a) Two percent of average net profit of the Company as per section 135(5) : Rs. 1,801,256/-
(Company has spent amount of Rs. 18,02,000/- as against 2% of average profit i.e. Rs. 1,801,256/-)

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

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

(d) Total CSR obligation for the financial year (7a+7b+7c): Rs. 1,801,256/-

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

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the fund	Amount	Date of transfer
Company has spent amount of Rs. 18,02,000/- as against 2% of average profit Rs. 1,801,256/-	Nil	Nil	Nil	Nil	Nil

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

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

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

1	2	3	4	5		6	7	8	
Sl. No	Name of The Project	Item from the list of activities in schedule VII to the Act.	Local are a (Yes/ No)	Location of the project.		Amount spent for the project (in Rs.).	Mode of implem entation on - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	Distri ct.			Na me.	CSR registration number.
1	Tata Memorial Hospital	Promoti ng health care includin g preventi ve health care – Schedule Vii (i)	Yes	Maharas htra	Mum bai	Rs. 13,02,000/-	Yes	No	No
2	Govardhan Annakshetra, ISKON.	Eradicati ng hunger, poverty and malnutrit ion. Schedule Vii (i)	Yes	Maharas htra	Palgh ar, Mum bai	Rs. 5,00,000/-	Yes	N0	No

(d) Amount spent in Administrative Overheads: None

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 18,02,000/-

(g) Excess amount for set off, if any

Sr. No	Particulars	Amounts (in Rs.)
I.	Two percent of average net profit of the Company as per section 135(5)	1,801,256/-
II.	Total amount spent for the Financial Year	18,02,000/-
III.	Excess amount spent for the financial year [(ii)-(i)]	744/-
IV.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
V.	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

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

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

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

1	2	3	4	5	6	7	8	9
Sl.No	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing
1	NIL							

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

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

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5): None

For KIFS Housing Finance Limited,

Sd/-

Rajesh Khandwala,
Chairperson & Managing Director
DIN: 00477673

Sd/-

Vimal Khandwala,
Chairman – CSR Committee
DIN: 00477768

Date: 3rd June, 2021
Place: Ahmedabad

ANNEXURE-III TO BOARDS REPORT

DISCLOSURE AS TO REMUNERATION

The ratio of the remuneration of each director to the median remuneration of employees and other details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is as follows:

Requirements	Disclosures
The ratio of the remuneration of each director to the median remuneration of the employees for the financial year 2020-21.	Mr. Rajesh Khandwala, Chairman & Managing Director - Nil
	Mr. Vimal Khandwala, Managing Director - Nil
	Mr. Padmanabh Vora, Independent Director - Nil
	Ms. Bhavna Desai, Independent Director - Nil
	Mr. Kartik Mehta, Non- Executive Director - Nil
	Ms. Purvi Bhavsar, Non- Executive Director - Nil
The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year 2020-21	Mr. Rajesh Khandwala, Chairman & Managing Director - Nil
	Mr. Vimal Khandwala, Managing Director - Nil
	Mr. Padmanabh Vora, Independent Director - Nil
	Ms. Bhavna Desai, Independent Director - Nil
	Mr. Kartik Mehta, Non- Executive Director - Nil
	Ms. Purvi Bhavsar, Non- Executive Director - Nil
	Key Managerial Personnel other than Directors
	Mr. Deepak Kumar Ajmera - Chief financial officer - 10%
Ms. Tejal Gunjan Gala - Company Secretary - 6.25%	
The percentage increase in the median remuneration of employees in the financial year 2020-21	10.46%
Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	The median percentage increase made in the salaries of employees other than the Key Managerial Personnel was 10.53% while the median increase in the salaries of the Key Managerial Personnel was 9.51%. The increase in the remuneration is in line with the Company's Performance appraisal policy.
The number of permanent employees on the rolls of the Company.	275 (as on March 31, 2021)
Affirmation that the remuneration is as per the Nomination and Remuneration Policy of the Company	It is hereby affirmed that the remuneration is as per the Nomination and Remuneration Policy of the Company.

Details of employee remuneration as required under the provisions of Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this report. However, as per the second proviso to Section 136(1) of the Companies Act, 2013 and second proviso of Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Report and Financial Statements are being sent to the Members of the Company excluding the said statement. Any Member interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office of the Company.

FORM NO. AOC-2

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

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

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

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

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

(a). Name(s) of the related party and nature of relationship	NIL
(b). Nature of contracts/ arrangements/ transactions	NIL
(c). Duration of the contracts/ arrangements/ transactions	NIL
(d). Salient terms of the contracts or arrangements or transactions including the value, if any:	NIL
(e). Date(s) of approval by the Board, if any:	NIL
(f). Amount paid as advances, if any:	NIL

KIFS Housing Finance Limited,

Sd/-

Rajesh Khandwala,
Chairperson & Managing Director
DIN: 00477673

Sd/-

Vimal Khandwala,
Managing Director
DIN: 00477768

Date: 3rd June, 2021

Place: Ahmedabad

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2021
[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule no. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KIFS Housing Finance Limited (CIN: U65922GJ2015PLC085079)** (hereinafter called 'the Company') for the year ended on 31st March, 2021 (the 'audit period'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

1. The Companies Act, 2013 (the 'Act') and the Rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder [**Not Applicable during the Audit period**]
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings [**Not Applicable during the Audit period**]
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 [**Not Applicable during the Audit period**];
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 [**Applicable Limited to the extent of Listing Debt Securities**];

- (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client [**Not Applicable during the Audit period**];
- (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. 2009 [**Applicable Limited to the extent of Listed Debt Securities**];
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 [**Not Applicable during the Audit period**];
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 [**Not Applicable during the Audit period**];

6. We further report that based on the information received and records maintained by the Company, in our opinion the Company has complied with the provisions of:

- (a) The National Housing Banking Act, 1987;
- (b) The Housing Finance Companies (NHB) Directions, 2010 as amended from time to time.
- (c) National Housing Bank Circulars, Notifications and guidelines as applicable.

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

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

7. We further report that –

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Women Director and Independent Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

We further report that –

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

8. We further report that during the Audit Period Company has:

- (a) Issued and Allotted Listed, Secured, Redeemable Non Convertible Debentures (“NCD’s) on a private placement basis, amounting of Rs 12,50,00,000/- (Indian Rupees Twelve Crores Fifty Lakhs Only).- Series A- Canara Bank w.e.f 30th July, 2020.
- (b) Issued and Allotted Listed, Secured, Redeemable Non Convertible Debentures (“NCD’s) on a private placement basis, amounting of Rs 25,00,00,000/- (Indian Rupees Twenty Five Crores Only).- Series B- Bank of Baroda w.e.f 31st August, 2020.
- (c) Issued and Allotted 100 Senior, Rated, Listed, Secured, Redeemable Non Convertible Debentures (“NCD’s) of INR 10,00,000 each amounting of Rs 10 Crores (Indian Rupees Ten Crores Only) on a private placement basis, through Electronic Bidding Platform of Bombay Stock Exchange Limited (“BSE Limited’.- Series C- Punjab National Bank w.e.f 10th November, 2020.
- (d) Mrs. Bhavna Govindbhai Desai (DIN:06893242) was appointed as Additional Directors and was redesignated as Non Executive Women Independent Director w.e.f 1st December, 2020

FOR KIRAN DOSHI & CO
Company Secretaries

Sd/-

KIRAN P. DOSHI
(Proprietor)
CP. No. : 9890
ACS No.: 23985
UDIN No.: A023985C000417213

Place: Mumbai
Date: 3rd June, 2021

Note: This report is to be read with our letter of even date which is annexed to this report as Annexure – 1 and forms an integral part of this report.

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

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

FOR KIRAN DOSHI & CO.
Company Secretaries

Sd/-

KIRAN P. DOSHI
(Proprietor)

**CP. No. : 9890
ACS No.: 23985
UDIN No.: A023985C000417213**

**Place: Mumbai
Date: 3rd June, 2021**

INDEPENDENT AUDITOR'S REPORT ON IND AS FINANCIAL STATEMENTS

To
The Members of KIFS Housing Finance Limited

Report on the Ind AS financial statements

Opinion

We have audited the accompanying Ind AS financial statements of **KIFS Housing Finance Limited** ('the Company'), which comprise the Balance Sheet as at 31st March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as 'the Ind AS financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditors Responsibilities for the Audit of the Ind AS 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 Ind AS 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.

Key Audit Matters

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

Sr. No.	Key Audit Matters	How was the matter addressed in our audit
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<p>1.</p>	<p><u>Transition to Ind AS accounting framework (Refer note no. 29 to Ind AS financial statements).</u></p> <p>The Company has adopted Ind AS from 1st April, 2020 with a transition date of 1st April, 2019. The financial statements for the periods and including year ended 31st March, 2019 were prepared and submitted in accordance with accounting standards notified under section 133 of Companies Act, 2013 read together with paragraph 7 of Companies Accounts Rules, 2014 (previous GAAP) and NHB guidelines.</p> <p>To give effect to transition to Ind AS, the Ind AS financial statements for year ended 31st March, 2021 together with comparative financial information have been prepared in accordance with Ind AS.</p> <p>The following are the major impact areas for the Company upon transition;</p> <ul style="list-style-type: none"> (a) Determination of expected credit loss (b) Computation of Effective Interest Rate on financial assets and financial liabilities (c) Classification and measurement of Investments (d) Accounting for lease transactions as per Ind AS 116 (e) Deferred Tax measurement and recognition <p>Transition to Ind AS involved selection of choices and exemptions available under Ind AS 101, First time adoption of Ind AS applicable at the transition date. We have considered the same as key audit matter because it involves significant management judgement and involvement for disclosures required under Ind AS.</p>	<p>We have performed following audit procedures;</p> <ul style="list-style-type: none"> (a) We have assessed the design, implementation and operating effectiveness of managements evaluation of transition date choices made and exemptions availed in line with Ind AS 101. (b) We have reviewed the Ind AS impact assessment performed by management and resultant changes made to the accounting policies considering the requirements of new framework. (c) We have reviewed the exemptions taken and choices made under Ind AS 101 by the management. (d) We have verified the accounting adjustments posted on the transition date and in previous year to convert previous GAAP financial statements into Ind AS. (e) We have also verified various disclosures required under Ind AS 101. <p>Based on above procedures performed, we did not identify any material exceptions in the provision recognized and contingent liability disclosed in the Ind AS financial statements.</p>
<p>2</p>	<p><u>Impairment of Loans as at Balance Sheet Date (Expected Credit Losses):</u></p>	

<p><u>(Refer Note No. 7 & 40 to the Ind AS financial statements)</u></p> <p>Ind AS 109 requires the Company to provide for impairment of its loans designated at amortised cost using the expected credit loss (ECL) approach. ECL involves an estimation of probability weighted loss on loans receivable over their life, considering reasonable and supportable information about past events, current conditions and forecast of future economic conditions which could impact the credit quality of the Company's loan receivables.</p> <p>In the process, significant degree of judgment has been applied by the management for;</p> <ul style="list-style-type: none"> (a) Staging of the loan receivable (i.e., classification in significant increase in credit risk ("SICR") and default categories) (b) Grouping of borrowers based on category of loans. (c) Estimation of life of loans under various stages for each category, recoverable amounts in case of defaults etc. (d) Determining macro-economic factors impacting the credit quality of loans (e) Estimation of losses for loans receivable with no / minimal historical defaults. (f) Determination of whether restructuring of principal / interest to a borrower under regulatory directions resulting in restructuring conclusion under Ind AS is subject to interpretation / judgment. <p>Additional floating provision on account of Covid-19: The Company has recorded a management overlay of Rs. 2,00,00,000/- as part of its</p>	<p>We have performed following audit procedures:</p> <ul style="list-style-type: none"> (a) Assessed Company's accounting policies for impairment of loans and their compliance with Ind AS. (b) Assessed Company's policies with respect to moratorium pursuant to the Reserve Bank of India circular dated 27th March, 2020 ("RBI circular") allowing lending institutions to offer moratorium to borrowers on payment of instalments following due between 1st March 2020 to 31st August 2020 and tested its implementation. (c) Evaluated reasonableness of management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation. (d) Assessed the criteria for staging of financial assets based on their past-due status to check compliance with the requirement of Ind AS 109. Tested a sample of stage 1 assets to assess whether any SICR or loss indicators were present requiring them to be classified under stage 2 and stage 3. (e) Tested the ECL model, including assumptions and underlying computation. Assessed the floor / minimum rates of provisioning applied by the Company for loans receivable with inadequate historical defaults. (f) Assessed the additional considerations applied by the management for staging of loans as SICR or default categories in view of factors caused by Covid-19. (g) Tested a sample of exposures, the appropriateness of determining exposure at default ("EAD"), calculation of probability of default ("PD") and Loss given default ("LGD") in calculation.
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	<p>ECL to reflect among other things an increased risk of deterioration in macro-economic factors caused by Novel Coronavirus (Covid-19) pandemic. Given the unique nature and scale of the economic impact of this pandemic and its recurring nature, the management overlay is based on various uncertain variables which could result in actual credit loss being different from that being estimated.</p> <p>Since the loan receivable form major portion of Company's assets and due to the significance of judgments used in classifying loans into various stages as stipulated in Ind AS 109 and determining related impairment provision requirements as accentuated by Covid-19 pandemic, this is considered to be area of key focus of overall Company audit and thus a key audit matter.</p>	
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Information Other than the Ind AS financial statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report but does not include the Ind AS financial statements and our auditor's report thereon. Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of

appropriate implementation and maintenance of 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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 are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Ind AS Financials Statements

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

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Ind AS financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

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

- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the director is disqualified as on 31st March, 2021 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 can have an impact on its financial position in its Ind AS financial statements.
 - (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 - (iii) There are no such amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

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

Sd/-

CA. Laxminarayan Yekkali
Partner
Membership No.: 114753
Place: Mumbai
Date: 3rd June, 2021
UDIN: 21114753AAAACL4538

ANNEXURE – A TO THE INDEPENDENT AUDITOR’S REPORT

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

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

According to the information and explanations given to us and the records of the Company examined by us, in our opinion, there are no undisputed amounts payable in respect of the above

mentioned statutory dues which were in arrears as at 31st March 2021 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues outstanding as at 31st March 2021 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. There were no dues to debenture holders during the year and hence default of repayment would not be applicable for amounts received from debenture holders.
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 No. 42 to the financial statements as required under applicable Ind AS.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
15. In our opinion and according the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with him.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Sd/-

CA. Laxminarayan Yekkali
Partner
Membership No.: 114753
Place: Mumbai
Date: 3rd June, 2021
UDIN: 21114753AAAAACL4538

ANNEXURE – B TO THE INDEPENDENT AUDITOR’S REPORT

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

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

We have audited the internal financial controls over financial reporting of **KIFS Housing Finance Limited** (“the Company”) as of 31st March, 2021 in conjunction with our audit of the Ind AS 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 Ind AS financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS 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 Ind AS 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 Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, 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.

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

Sd/-

CA. Laxminarayan Yekkali
Partner
Membership No.: 114753
Place: Mumbai
Date: 3rd June, 2021
UDIN: 21114753AAAACL4538

INDEPENDENT AUDITOR'S REPORT
Report on Compliance with the Non-Banking Financial Company - Housing Finance Company
(Reserve Bank) Directions, 2021

To
The Board of Directors of
KIFS HOUSING FINANCE LIMITED

Background

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

Management's Responsibility

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

Auditors' Responsibility

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

Conclusion

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

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

- (4) The total borrowings of the Company are within the limits prescribed under paragraph 27.2 of the Directions.
- (5) The Company has complied with the prudential norms on income recognition, accounting standards, asset classification, loan-to-value ratio, provisioning requirements, disclosure in the balance sheet, investment in real estate, exposure to capital market, engagement of brokers and concentration of credit / investments as specified in the Directions.
- (6) The capital adequacy ratio as disclosed in the return submitted to the National Housing Bank has been correctly determined and such ratio is in compliance with the minimum capital to risk weighted asset ratio as prescribed by the Directions.
- (7) The Company has furnished to the Bank within stipulated period the schedule II return for the half year ended on 30th September, 2020 as specified in Directions. The Company has furnished provisional Schedule II return to the Bank for the half year ended on 31st March, 2021 as at the date of our report.
- (8) The Company has furnished to the National Housing Bank within stipulated period the schedule III returns on Statutory Liquid Assets as specified in the Directions.
- (9) The Company has complied with the requirements relating to opening of new branches / offices or closure of existing branches / offices as specified in the Directions.
- (10) The Company has not given any loans against security of shares, loans against security of single product (Gold / Jewellery) and loans against Company's own shares.
- (11) The Board of Directors of the Company has passed a resolution for non-acceptance of any public deposits.
- (12) The Company has not accepted any public deposits during the year ended and as at 31st March 2021.

Restriction of use

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

For Manubhai & Shah LLP

Chartered Accountants

ICAI Firm Registration No. 106041W/W100136

Sd/-

Place: Mumbai

Date: 3rd June, 2021

UDIN: 21114753AAAACM1962

CA. Laxminarayan Yekkali

Partner

Membership No.:114753

KIFS Housing Finance Limited
BALANCE SHEET AS AT MARCH 31, 2021

Rs. In lacs

Particulars	Note No.	As at		
		March 31, 2021	March 31, 2020	April 1, 2019
ASSETS				
(1) Financial Assets				
(a) Cash and cash equivalents	4	7.32	159.83	1,109.65
(b) Bank balance other than (a) above	5	3,863.32	2,777.24	964.35
(c) Derivative financial instruments		-	-	-
(d) Receivables				
(i) Trade receivables	6	103.72	252.38	20.25
(ii) Other receivables		-	-	-
(e) Loans	7	44,392.96	33,186.53	20,034.92
(f) Investments	8	11,413.65	1,910.06	-
(g) Other Financial Assets	9	27.01	23.37	24.10
Total Financial Assets		59,807.98	38,309.41	22,153.27
(2) Non-Financial Assets				
(a) Current tax assets (Net)		-	-	-
(b) Deferred tax assets (Net)	34	313.49	233.49	125.82
(c) Property, Plant and Equipment	10	385.32	486.14	544.17
(d) Intangible assets under development		22.23	15.26	15.26
(e) Other intangible assets	11	2.52	3.73	4.49
(f) Other non-financial assets	12	120.38	70.23	68.97
Total Non-Financial Assets		843.94	808.85	758.71
Total Assets		60,651.92	39,118.26	22,911.98
LIABILITIES AND EQUITY				
LIABILITIES				
(1) Financial liabilities				
(a) Payables				
Trade Payables	13			
i) total dues to micro and small enterprises		-	-	-
ii) total due to creditors other than micro and small enterprises		320.79	39.72	67.12
Other Payables				
i) total dues to micro and small enterprises		-	-	-
ii) total due to creditors other than micro and small enterprises		-	-	-
(b) Debt securities	14	4,715.48	-	-
(c) Borrowings (other than debt securities)	15	25,058.65	11,154.53	1,885.04
(d) Subordinated liabilities		-	-	-
(e) Other financial liabilities	16	1,578.58	874.38	3,475.50
Total Financial Liabilities		31,673.50	12,068.63	5,427.66
(2) Non-Financial Liabilities				
(a) Current tax liabilities (Net)	34	14.03	37.01	20.51
(b) Provisions	17	114.34	67.22	36.87
(c) Other non - financial liabilities	18	305.57	170.06	156.91
Total Non-Financial Liabilities		433.94	274.29	214.29
(3) Equity				
(a) Equity share capital	19	24,951.14	24,951.14	14,995.21
(b) Other equity	20	3,593.33	1,824.20	267.43
(c) Share application money pending allotments		-	-	2,007.39
Total Equity		28,544.48	26,775.34	17,270.03
Total Liabilities and Equity		60,651.92	39,118.26	22,911.98

The accompanying notes form an integral part of the Financial Statements

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

Sd/-

CA. Laxminarayan P. Yekkali
Partner
M. No. 114753

Place: Mumbai
Date: June 3, 2021

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

Sd/-

Rajesh P. Khandwala
Chairman and Managing Director
DIN: 00477673

Sd/-

Padmanabh Vora
Director
DIN 00003192

Sd/-

Deepak Kumar Ajmera
Chief Financial Officer
PAN- AIHPA5872B

Sd/-

Tejal Gala
Company Secretary
M. No. ACS-54456

Place: Ahmedabad
Date: June 3, 2021

KIFS Housing Finance Limited
STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED MARCH 31, 2021

Rs. In lacs

Particulars	Note No.	For the year ended March 31,	
		2021	2020
Revenue from operations			
(i) Interest Income	21	5,100.49	3,764.04
(ii) Fees and commission income	22	159.03	242.43
(iii) Net gain on fair value changes	23	131.25	19.47
(iv) Net gain on derecognition of financial instruments under amortised cost category		-	-
(v) Other operating revenue	24	425.45	571.33
(I) Total Revenue from Operations		5,816.22	4,597.27
Expenses :			
(i) Finance cost	25	1,355.15	579.56
(ii) Impairment on financial instruments under amortised cost	26	339.97	262.21
(iii) Employee benefits expense	27	1,473.72	1,331.73
(iv) Depreciation and amortisation expenses	10,11	119.88	110.98
(v) Other expenses	28	314.23	385.42
(II) Total expenses		3,602.95	2,669.90
(III) Profit before tax (I - II)		2,213.27	1,927.37
Tax Expense :	34		
Current tax		525.00	473.27
Short/(Excess) provision of tax for earlier year		-	4.99
Deferred tax		(80.00)	(107.67)
(IV) Total tax expense		445.00	370.59
(V) Profit for the Year (III - IV)		1,768.27	1,556.78
(VI) Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss		1.15	-
Income tax relating to items that will not be reclassified to profit or loss		(0.29)	-
Items that will be reclassified to profit or loss		-	-
Income tax relating to items that will be reclassified to profit or loss		-	-
(VII) Total Comprehensive Income (V+ VI)		1,769.13	1,556.78
(VIII) Earnings per Equity Share (for continuing operations):	31		
Basic (Rs.)		0.71	0.73
Diluted (Rs.)		0.71	0.73

The accompanying notes form an integral part of the Financial Statements

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

Sd/-

CA. Laxminarayan P. Yekkali
Partner
M. No. 114753

Place: Mumbai
Date: June 3, 2021

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

Sd/-

Rajesh P. Khandwala
Chairman and Managing Director
DIN: 00477673

Sd/-

Padmanabh Vora
Director
DIN 00003192

Sd/-

Deepak Kumar Ajmera
Chief Financial Officer

Sd/-

Tejal Gala
Company Secretary

Place: Ahmedabad
Date: June 3, 2021

KIFS Housing Finance Limited
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

A Equity Share Capital

Particulars	Rs. In lacs	
	For the year ended	
	March 31, 2021	March 31, 2020
Balance at the beginning of the reporting period	24,951.14	14,995.21
Equity shares issued during the year	-	10,003.45
Less - Share issue expenses		(47.51)
Balance at the end of reporting period	24,951.14	24,951.14

B Other Equity

Particulars	Reserves and Surplus				Rs. In lacs
	Share application money pending allotment	Statutory reserve	Retained earnings	Other comprehensive income-employee	Total
Balance as at April 1, 2019	2,007.39	95.82	171.61	-	2,274.82
Share application money received	7,996.06	-	-	-	7,996.06
Equity share issued during the year	(10,003.45)	-	-	-	(10,003.45)
Share issue expenses	-	-	-	-	-
Profit for the year	-	-	1,556.78	-	1,556.78
Transfer from retained earnings	-	477.26	(477.26)	-	-
Remasurement benefit of defined benefit plans	-	-	-	-	-
Balance as at March 31, 2020	-	573.08	1,251.13	-	1,824.20
Profit for the year		-	1,768.27		1,768.27
Transfer from retained earnings		437.10	(437.10)		-
Remasurement benefit of defined benefit plans				0.86	0.86
Balance as at March 31, 2021	-	1,010.18	2,582.30	0.86	3,593.33

KIFS Housing Finance Limited

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

a Retained earnings

This represents surplus in profit and loss account after appropriations.

b Statutory Reserve

As required by section 45-IC of the RBI Act 1934, the company maintains a reserve fund and transfers there in a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared. The company cannot appropriate any sum from the reserve fund except for the purpose specified by Reserve Bank of India from time to time. Till date RBI has not specified any purpose for appropriation of Reserve fund maintained under section 45-IC of RBI Act,1984.

c Other comprehensive income - Employee benefits

This represents remeasurements gain/(loss) on post employment benefit obligations.

The accompanying notes form an integral part of the financial statements.

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

Sd/-

CA. Laxminarayan P. Yekkali
Partner
M. No. 114753

Place: Mumbai
Date: June 3, 2021

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

Sd/-

Rajesh P. Khandwala
Chairman and Managing Director
DIN: 00477673

Sd/-

Deepak Kumar Ajmera
Chief Financial Officer
PAN- AIHPA5872B

Place: Ahmedabad
Date: June 3, 2021

Sd/-

Padmanabh Vora
Director
DIN 00003192

Sd/-

Tejal Gala
Company Secretary
M. No. ACS-54456

KIFS Housing Finance Limited
Cash Flow Statement For The Year Ended March 31, 2021

Particulars	(Rs. In lacs)	
	For the Year ended March 31, 2021	For the Year ended March 31, 2020
A Cash flow from operating activities		
Profit before tax	2,213.27	1,927.37
Adjustments for :		
Depreciation and amortisation	119.88	110.98
Net gain on fair value changes	(131.25)	(19.47)
Interest income on loans	(5,100.49)	(3,764.04)
Interest expenses on borrowings	1,355.15	579.56
Impairment on financial instruments	339.97	262.21
Operating profit before working capital changes	(1,203.47)	(903.39)
Movements in working capital :		
Increase/(decrease) in other financial liabilities	435.82	(2,607.73)
Increase/(decrease) in provisions	47.12	30.35
Increase/(decrease) in other non-financial liabilities	136.36	13.15
Increase/(decrease) in trade payables	281.07	(27.40)
(Increase)/decrease in trade receivables	148.66	(232.13)
(Increase)/decrease in loans	(11,484.52)	(13,281.28)
(Increase)/decrease in other financial assets	(3.64)	0.73
(Increase)/decrease in other non-financial assets	(50.13)	(1.28)
Movements in working capital - total	(10,489.27)	(16,105.59)
Interest income on loan received	5,038.61	3,631.51
Interest expenses on borrowings paid	(1,086.77)	(572.95)
Cash used in operations	(7,740.90)	(13,950.43)
Direct taxes paid (net of refunds)	(547.98)	(461.75)
Net cash used in operating activities (A)	(8,288.89)	(14,412.18)
B Cash flow from investing activities :		
Purchase of PPE (Net)	(24.82)	(52.19)
Proceeds from / (Purchase of) Mutual Funds (Net)	(9,372.34)	(1,890.59)
Fixed Deposits matured / (placed) (Net)	(1,086.08)	(1,812.89)
Net cash used in investing activities (B)	(10,483.25)	(3,755.67)
C Cash flow from financing activities :		
Proceeds from issuance of Equity Share	0.00	7,996.04
Share issue expenses	-	(47.50)
Proceeds from issuance of Debt Securities	4,715.48	-
Proceeds from Other Borrowings	13,904.15	9,269.49
Net cash generated from financing activities (C)	18,619.63	17,218.03
Net increase/(decrease) in cash and cash equivalents (A)+(B)+(C)	(152.50)	(949.82)
Cash and cash equivalents as at the beginning of the year	159.83	1,109.65
Cash and cash equivalents as at end of the year	7.32	159.83

Notes:

(i) Components of cash & cash equivalents at the year end	March 31, 2021		March 31, 2020	
	Cash on hand	7.17	-	6.93
Balance with banks in current accounts	0.15	-	152.90	-
Deposits with maturity less than 3 months	-	-	-	-
Total	7.32	-	159.83	-

(ii) Cash Flow Statement has been prepared using Indirect Method prescribed under Ind AS 7.

The accompanying notes form an integral part of the Financial Statements

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

Sd/-

CA. Laxminarayan P. Yekkali
Partner
M. No. 114753

Place: Mumbai
Date: June 3, 2021

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

Sd/-

Rajesh P. Khandwala
Chairman and Managing
Director
DIN: 00477673

Sd/-

Padmanabh Vora
Director
DIN 00003192

Sd/-

Deepak Kumar Ajmera
Chief Financial Officer
PAN- AIHPA5872B

Sd/-

Tejal Gala
Company Secretary
M. No. ACS-54456

Place: Ahmedabad
Date: June 3, 2021

Notes forming part of Financial Statements for the year ended on March 31, 2021

1. Corporate Information

KIFS Housing Finance Limited (the Company) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act. The Company is a non-deposit taking Housing Finance Company registered with the National Housing Bank (NHB) and is governed by the regulatory framework for Housing Finance Companies (HFCs) as issued by Reserve Bank of India (RBI) and other directions, regulations and circulars issued by NHB. The Company's registered office is at B-81, Pariseema Complex, C.G. Road, Ellisbridge, Ahmedabad, India. The principal place of business of the Company is at C-902, Lotus Corporate Park, Graham Firth Compound, Western Express Highway, Goregaon (East), Mumbai. The principal business is providing finance to individuals, corporates and developers for the purchase, construction, development and repair of houses, apartments and commercial properties in India. The Company also provides loans for specified purposes against the security of immovable property. The Board of Directors approved the financial statements on June 3, 2021.

2. Basis of Preparation & Presentation of Financial Statements

2.1 Statement of Compliance

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

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

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

The Company presents its Balance Sheet in the order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date and more than 12 months after the reporting date is presented in Note 30.

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

2.2 Functional and presentation currency

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

2.3 Basis of measurement

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

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

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

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

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

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

2.4 Use of estimates and judgements

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

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

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

3. Significant Accounting Policies

3.1 Revenue Recognition

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

3.1.1. Interest income

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

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

The Company calculates interest income by applying EIR to gross carrying amount of financial assets other than credit-impaired assets. For credit impaired financial assets, the Company calculates interest income by applying the EIR to the amortized cost (i.e. gross carrying amount less allowance for expected credit losses)

of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

3.1.2 Dividend

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

3.1.3 Fee and Commission Income

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

3.1.4 Other Income

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

3.2 Property, plant and equipment

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

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

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

For transition to Ind AS, the Company has elected to adopt as deemed cost, the gross carrying value of PPE measured as per IGAAP less accumulated depreciation and cumulative impairment on the transition date of April 1, 2019.

3.3 Intangible assets

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

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

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

For transition to Ind AS, the Company has elected to adopt as deemed cost, the gross carrying value of intangible assets measured as per IGAAP less accumulated depreciation and cumulative impairment on the transition date of April 1, 2019.

3.4 Depreciation and amortization

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

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

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

3.5 Impairment of PPE/Intangible assets

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

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

3.6 Cash and cash equivalent

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

3.7 Statement of cash flow

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

3.8 Earnings per share

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

3.9 Borrowing costs

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

3.10 Goods and Services Input Tax Credit

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

3.11 Income taxes

Current Tax

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

Deferred Tax

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

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

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

3.12 Employee Benefits

Short-term employee benefits

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

Long-term Employee Benefits

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

Provident fund

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

Gratuity

The costs of providing benefits under the plan is determined based on actuarial valuation at each year-end. Independent actuary using the projected unit credit method carries out valuation at the end of each reporting

date. Re-measurement are recognised in other comprehensive income and is reclassified to profit or loss in a subsequent period. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of planned assets.

3.13 Provisions, Contingent Liabilities and Contingent Assets

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

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

Contingent Liability

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

Contingent asset

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

3.14 Commitments

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

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

3.15 Segment Reporting

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

3.16 Foreign currencies

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

3.17 Lease

The Company has various lease arrangements for many assets including properties. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement of the lease, the Company recognises a Right-of-Use (ROU) asset and a corresponding lease liability for all lease arrangements, except for leases with a term of twelve months or less (short-term leases) and low value leases. As a lessee, the company recognises a right-of-use asset and a lease liability at the lease commencement date. The ROU is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimate of cost to dismantle and remove the underlying asset or to restore the underlying asset/site on which it is located, less any lease incentives received.

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

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

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

Short-term leases and leases of low-value assets

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

3.18 Financial Instruments

3.18.1 Recognition and initial measurements

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

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

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

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

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

3.18.2 Classification and subsequent measurement of Financial Assets and Liabilities

3.18.2.1 Financial Assets

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

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

3.18.2.1.1 Amortized cost

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

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

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

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

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

Financial assets at FVTPL are

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

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

3.18.2.1.4 Business Model Test

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

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

3.18.2.1.5 Solely Payments of Principal and Interest ("SPPI") on the principal amount outstanding

For an asset to be classified and measured at amortised cost or at FVOCI, its contractual terms should give rise to cash flows that meet SPPI test. For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial

asset is denominated. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI.

3.18.2.1.6 Subsequent Measurement and Gain and Losses

Financial Assets at Amortised Cost

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

Debt Instrument at FVOCI

These assets are subsequently measured at fair value. Interest income and impairment loss are recognised in statement of profit and loss. Any gain or loss on subsequent measurement is recognised in OCI and on derecognition the cumulative gain or loss recognised in OCI will be recycled to statement of profit and loss.

Equity Instrument at FVOCI

Gains and losses on equity instruments at FVOCI are never recycled to the statement of profit and loss. Dividends are recognised in profit or loss as dividend income when the right of the payment has been established. Equity instruments at FVOCI are not subject to an impairment assessment. Profit or loss on sale of investments is determined on First in First out (FIFO) basis.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gain and losses, including any interest or dividend income, are recognised in statement of profit and loss. Profit or loss on sale of investments is determined on First in First out (FIFO) basis.

3.18.2.1.7 Reclassifications

If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Company's financial assets. During the current financial year and previous accounting period there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made.

3.18.2.2 Financial liabilities and equity instruments

The Company classifies these instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

Equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the face value and proceeds received in excess of the face value are recognised as securities premium.

Financial liabilities

The Company's borrowings include debentures, borrowings from banks, etc. Borrowings are initially measured at fair value plus directly attributable transaction costs and subsequently measured at their amortised cost using the effective interest rate method.

3.18.3 Impairment and write-off

The Company recognises loss allowances for Expected Credit Losses (ECL) on the financial instruments that are not measured at FVTPL. ECL is required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. loss allowance on default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- Lifetime ECL, i.e. lifetime ECL that results from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECL is measured at an amount equal to the 12-month ECL.

The Company has established policy to perform an assessment at the end of each reporting period whether a financial instrument's credit risk has increased significantly since initial recognition by considering the change in the risk of default occurring over the remaining life of the financial instruments. The Company applies a three-stage approach to measure ECL.

Stage 1: 12-months ECL

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognized. Exposures with days past due (DPD) less than or equal to 30 days are classified as stage 1.

Stage 2: Lifetime ECL – not credit impaired

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognized. Exposures with DPD greater than 30 days but less than or equal to 90 days are classified as stage 2.

Stage 3: Lifetime ECL – credit impaired

Financial asset is assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For financial asset that have become credit impaired, a lifetime ECL is recognized on principal outstanding as at period end. Exposures with DPD more than 90 days are classified as stage 3.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

Methodology for calculating ECL

The Company determines ECL based on a probability-weighted outcome of factors indicated below to measure the shortfalls in collecting contractual cash flows. The Company does not discount such shortfalls considering relatively shorter tenure of loan contracts.

Probability of default (PD) - The probability of default is an estimate of the likelihood of default over a given time horizon (12- month or lifetime, depending upon the stage of the asset).

Exposure at default (EAD) - It represents an estimate of the exposure of the Company at a future date after considering repayments by the counterparty before the default event occurs.

Loss given default (LGD) - It represents an estimate of the loss expected to be incurred when the event of default occurs.

The measurement of ECL is calculated using three main components: (i) probability of default (PD) (ii) loss given default (LGD) and (iii) the exposure at default (EAD). The 12 month ECL is calculated by multiplying the 12 month PD, LGD and the EAD. The 12 month and lifetime PDs represent the PD occurring over the next 12 months and the remaining maturity of the instrument respectively. The EAD represents the expected balance at default, taking into account the repayment of principal and interest from the balance sheet date to the default event together with any expected drawdowns of committed facilities. The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

ECL is recognized on EAD as at period end. If the terms of a financial asset are renegotiated or modified due to financial difficulties of the borrower, then such asset is moved to stage 3, lifetime ECL under stage 3 on the outstanding amount is applied.

The Company assesses when a significant increase in credit risk has occurred based on quantitative and qualitative assessments. Exposures are considered to have resulted in a significant increase in credit risk and are moved to Stage 2 when:

Quantitative test: Accounts that are more than 30 days past due move to Stage 2 automatically. Accounts that are more than 90 days past due move to Stage 3 automatically.

Reversal in Stages: Exposures will move back to Stage 2 or Stage 1 respectively, once they no longer meet the quantitative criteria set out above. For exposures classified using the qualitative test, when they no longer meet the criteria for a significant increase in credit risk and when any cure criteria used for credit risk management are met.

The definition of default for the purpose of determining ECLs has been aligned to the Reserve Bank of India definition of default, which considers indicators that the debtor is unlikely to pay and is no later than when the exposure is more than 90 days past due.

The measurement of all expected credit losses for financial assets held at the reporting date are based on historical experience, current conditions and reasonable and supportable forecasts. The measurement of ECL involves increased complexity and judgement, including estimation of PDs, LGD, a range of unbiased future economic scenarios, estimation of expected lives and estimation of EAD and assessing significant increases in credit risk.

Considering the prudence, the Company recognizes impairment on financial asset on higher of the provision required as per the directions issued by Reserve Bank of India or using expected credit loss (ECL) model as prescribed in Ind AS for the financial assets which are not fair valued. The expected credit losses (ECLs) is recognized based on forward-looking information for all financial assets at amortized cost, no impairment loss is applicable on equity investments.

At the reporting date, an allowance is required for the 12 month ECLs. If the credit risk has significantly increased since initial recognition (Stage 1), an allowance (or provision) should be recognized for the lifetime ECLs for financial instruments for which the credit risk has increased significantly since initial recognition (Stage 2) or which are credit impaired (Stage 3).

Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the RBI, inflation, etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PG, LGD rates by the Company may not be always reflective of such relationships, temporary overlays are embedded in the methodology to reflect such macro-economic trends reasonably.

Write off

Impaired loans and receivables are written off, against the related allowance for loan impairment on completion of the Company's internal processes and when the Company concludes that there is no longer any realistic prospect of recovery of part or all of the loan. A write-off constitutes a de-recognition event. The Company has a right to apply enforcement activities to recover such written off financial assets. Subsequent recoveries of amounts previously written off are credited to the income statement.

3.18.4 Modification and derecognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. The Company renegotiates loans to customers in financial difficulty to maximize collection and minimize the risk of default. A loan forbearance is granted in cases where although the borrower made all reasonable

efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness).

Not all changes in terms of loans are considered as renegotiation and changes in terms of a class of obligors that are not overdue is not considered as renegotiation and is not subjected to deterioration in staging.

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability is derecognized when obligation specified in the contract is discharged or cancelled or expires.

3.18.5 Collateral Valuation and Repossession

The Company physically repossess properties and engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the residential properties under legal repossession processes are not recorded on the balance sheet and not treated as non-current assets held for sale.

3.18.6 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

3.19 Off-setting

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when the company currently has a legally enforceable right to offset the recognised amount and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Rs. In lacs

Note no.	Particulars	As at		
		March 31, 2021	March 31, 2020	April 1, 2019
4	Cash and Cash Equivalents			
4.1	Cash on hand	7.17	6.93	17.53
4.2	Balances with banks			
	In current accounts	0.15	152.90	1,092.12
	In term deposit accounts with original maturity of 3 months or less	-	-	-
		0.15	152.90	1,092.12
	Total	7.32	159.83	1,109.65

Rs. In lacs

5 Bank balance other than cash and cash equivalent

Balance with banks held as margin money (Refer Note 5.1)	3,863.32	2,777.24	964.35
Total	3,863.32	2,777.24	964.35

5.1 Represents margin money placed against term loans from banks and others.

Rs. In lacs

6 Trade Receivables

Receivables considered good - Unsecured	103.72	252.38	20.25
Receivables which have significant increase in Credit Risk	-	-	-
Less - Provision for expected credit loss	-	-	-
Total	103.72	252.38	20.25

6.1 Debts due by directors, firms including limited liability partnerships (LLPs), private companies respectively in which any director is a partner or a director or a member at March 31, 2021, at March 31, 2020 and at April 1, 2019 amounted to Nil.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Rs. In lacs

Note no.	Particulars	As at		
		March 31, 2021	March 31, 2020	April 1, 2019
7	Loans			
	At amortised cost			
	Individual Loans	45,122.48	33,582.81	18,162.52
	Corporate bodies	-	-	2,006.48
	Total - Gross (A)	45,122.48	33,582.81	20,169.00
	Less: Impairment loss allowance (Expected Credit Loss)	(729.52)	(396.28)	(134.08)
	Total - Net (A)	44,392.96	33,186.53	20,034.92
	Secured by tangible assets	45,122.48	33,582.81	18,162.52
	Secured by intangible assets	-	-	-
	Covered by bank / Government guarantees	-	-	-
	Unsecured	-	-	2,006.48
	Total (B) - Gross	45,122.48	33,582.81	20,169.00
	Less: Impairment loss allowance (Expected Credit Loss)	(729.52)	(396.28)	(134.08)
	Total (B) - Net	44,392.96	33,186.53	20,034.92
	Loans in India (Other than public sector)	45,122.48	33,582.81	20,169.00
	Total (C - I) - Gross	45,122.48	33,582.81	20,169.00
	Less: Impairment loss allowance (Expected Credit Loss)	(729.52)	(396.28)	(134.08)
	Total (C - I) - Net	44,392.96	33,186.53	20,034.92
	Loans outside India (C - II)	-	-	-
	Total C (I+II)	44,392.96	33,186.53	20,034.92

7.1	Loans details	Rs. In lacs			
	Particulars	Principal	Installment/ Interest O/S	EIR adjustments	Total
	As at April 1, 2019				
	Individual Loans	18,281.65	137.96	(257.09)	18,162.52
	Corporate bodies	2,005.00	1.48	-	2,006.48
	Total	20,286.65	139.44	(257.09)	20,169.00
	As at March 31, 2020				
	Individual Loans	33,818.61	262.33	(498.13)	33,582.81
	Corporate bodies	-	-	-	-
	Total	33,818.61	262.33	(498.13)	33,582.81
	As at March 31, 2021				
	Individual Loans	45,390.95	353.49	(621.96)	45,122.48
	Corporate bodies	-	-	-	-
	Total	45,390.95	353.49	(621.96)	45,122.48

7.2 Loans granted by the Company are secured by registered/equitable mortgage of property and Non disposal undertakings in respect of life insurance policies.

8 Investments		Rs. In lacs		
Note no.	Particulars	As at		
		March 31, 2021	March 31, 2020	April 1, 2019
	fair value through profit or loss			
	Mutual funds	11,413.65	1,910.06	-
	Total	11,413.65	1,910.06	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Rs. In lacs

Note no.	Particulars	As at		
		March 31, 2021	March 31, 2020	April 1, 2019
9	Other financial assets			
	Security Deposits	27.01	23.37	24.10
	Total	27.01	23.37	24.10

9.1 Security deposits includes deposits placed as security against borrowings.

10 Property, Plant and Equipment

Rs. In lacs

No.	Particulars	Leasehold improvements	Right of use - Assets	Computers	Furniture & Fixtures	Office Equipment	Total
a	Gross Block						
	Balance as at April 1, 2019 (Deemed Cost)	103.41	386.90	26.47	19.85	7.54	544.17
	Additions	9.09	-	17.36	21.50	3.87	51.81
	Deductions	-	-	-	-	-	-
	Balance as at March 31, 2020	112.50	386.90	43.83	41.35	11.41	595.98
	Additions	-	-	13.79	0.77	3.49	18.05
	Deductions	-	-	-	(0.57)	-	(0.57)
	Balance as at March 31, 2021	112.50	386.90	57.62	41.55	14.90	613.46
b	Accumulated Depreciation						
	Balance as at April 1, 2019	-	-	-	-	-	-
	Additions	18.91	70.61	14.79	3.27	2.27	109.84
	Deductions	-	-	-	-	-	-
	Balance as at March 31, 2020	18.91	70.61	14.79	3.27	2.27	109.84
	Additions	19.10	76.35	16.49	4.00	2.72	118.66
	Deductions	-	-	-	(0.36)	-	(0.36)
	Balance as at March 31, 2021	38.01	146.96	31.28	6.91	4.98	228.14
c	Net Block						
	Balance as at April 1, 2019	103.41	386.90	26.47	19.85	7.54	544.17
	Balance as at March 31, 2020	93.58	316.29	29.04	38.08	9.15	486.14
	Balance as at March 31, 2021	74.48	239.93	26.34	34.64	9.92	385.32

10.1 The Company has elected to measure all its property, plant and equipments at the previous GAAP carrying amount as at i.e. March 31, 2019 as its deemed cost on the date of transition i.e. April 1, 2019.

11 Other Intangible assets

Rs. In lacs

No.	Particulars	Rs. In lacs
a	Gross Block	
	Balance as at April 1, 2019 (Deemed Cost)	4.49
	Additions	0.38
	Deductions	-
	Balance as at March 31, 2020	4.87
	Additions	-
	Deductions	-
	Balance as at March 31, 2021	4.87
b	Accumulated amortisation	
	Balance as at April 1, 2019	-
	Additions	1.14
	Deductions	-
	Balance as at March 31, 2020	1.14
	Additions	1.21
	Deductions	-
	Balance as at March 31, 2021	2.35
c	Net Block	
	Balance as at April 1, 2019	4.49
	Balance as at March 31, 2020	3.73
	Balance as at March 31, 2021	2.52

11.1 Company has elected to measure other intangible assets at the previous GAAP carrying amount i.e. March 31, 2019 as its deemed cost on the date of transition i.e. April 1, 2019.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Note no.	Particulars	As at		
		March 31, 2021	March 31, 2020	April 1, 2019
Rs. In lacs				
12	Other non-financial assets			
	Balance with Government Authorities	-	0.03	0.02
	Prepaid expense	52.47	17.84	18.85
	Advances to staff	4.43	12.67	4.27
	Advances to vendors	-	37.13	0.48
	Advances to others	63.48	2.56	40.23
	Capital advance	-	-	5.12
	Total	120.38	70.23	68.97

Rs. In lacs

13 Payables

Trade payables (Refer Note 13.1)

	Dues to micro enterprises and small enterprises	-	-	-
	Due to creditors other than micro enterprises and small enterprises	320.79	39.72	67.12
	Total	320.79	39.72	67.12

13.1 Details of dues to micro and small enterprises as per Micro, Small and Medium Enterprises Development Act, 2006

i	The principal amount and the interest due thereon remaining unpaid to any supplier	-	-	-
ii	The interest amount remaining unpaid to any supplier	-	-	-
iii	Interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-
iv	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest Specified under Micro Small and Medium Enterprise Development Act, 2006	-	-	-
v	the amount of further interest remaining due and payable even in the succeeding years	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

14 Debt Securities		Rs. In lacs		
Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019	
A				
i At amortised cost				
Non-Convertible Debentures				
Secured	4,750.00	-	-	
Unsecured	-	-	-	
Less - Unamortised borrowing cost	(34.52)	-	-	
Total (A)	4,715.48	-	-	
B				
i Debt securities in India	4,750.00	-	-	
Less - Unamortised borrowing cost	(34.52)	-	-	
Total (B - i)	4,715.48	-	-	
ii Debt securities outside India	-	-	-	
Total (B - ii)	-	-	-	
Total B (i + ii)	4,715.48	-	-	

14.1 Non Convertible Debentures					Rs. In lacs
Sr. no	Particulars	Rate of interest	Date of allotment	Date of redemption	Outstanding as at March 31, 2021
1	9.81 % P.A. Kifs Housing Finance Limited/Series B/2020-21	9.81%	August 31, 2020	August 31, 2023	833.34
2	10.10% P.A. Kifs Housing Finance Limited/Series A/2020-2	10.10%	July 30, 2020	July 30, 2023	1,250.00
3	9.81 % P.A. Kifs Housing Finance Limited/Series B/2020-21	9.81%	August 31, 2020	August 31, 2022	833.33
4	10.05% P.A. Kifs Housing Finance Limited/Series C/2020-21	10.05%	November 10, 2020	May 10, 2022	1,000.00
5	9.81 % P.A. Kifs Housing Finance Limited/Series B/2020-21	9.81%	August 31, 2020	August 31, 2021	833.33
	Total				4,750.00

Details of contractual repayment of debt securities (excluding interest accrued and unamortised issue cost) at March 31, 2021 is given below

Rs. In lacs						
Sr. no	Interest rate	0-1 years	1-3 years	3-5 years	>5 years	Total
1	9 to 10%	833.33	1,666.67	-	-	2,500.00
2	10% to 11%	-	2,250.00	-	-	2,250.00
	Total	833.33	3,916.67	-	-	4,750.00

1. The Company has issued 125 Series A/2020-21 Non-convertible Debentures (NCDs) of a face value of Rs. 1,000,000/- to Canara Bank repayable in 3 years at a coupon rate of 10.10%. The same is listed on BSE on August 17, 2020. The principal amount is to be paid at the end of tenure and Interest is payable annually. The debentures are issued on security of hypothecations of receivables equivalent to 1.10 times. The Company has also provided Personal guarantee of Mr. Rajesh P khandwala & Mr. Vimal P Khandwala.

2. The Company has issued 250 Series B/2020-21 Non-convertible Debentures (NCDs) of a face value of Rs. 1,000,000/- to Bank of Baroda repayable in 3 years at a coupon rate of 9.81%p.a.. The same is listed on BSE on September 14, 2020. The principal and Interest is payable annually. The debentures are issued on security of hypothecations of receivables equivalent to 1.25 times. The Company has also provided Personal guarantee of Mr. Rajesh P khandwala & Mr. Vimal P Khandwala.

3. The Company has issued 100 Series C/2020-21 Non-convertible Debentures (NCDs) of a face value of Rs. 1,000,000/- to Punjab National Bank repayable in 18 Months at a coupon rate of 10.05%p.a.. The same is listed on BSE on November 25, 2020. The principal amount is to be paid at the end of tenure and Interest is payable annually. The debentures are issued on security of hypothecations of receivables equivalent to 1.10 times. The Company has also provided Personal guarantee of Mr. Rajesh P khandwala & Mr. Vimal P Khandwala.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

15 Borrowings

Note no.	Particulars	Rs. In lacs		
		March 31, 2021	As at March 31, 2020	April 1, 2019
i	Term loan from banks - Secured	5,657.14	5,729.88	1,902.50
ii	Term loan from National Housing Bank - Secured	15,465.70	4,354.70	-
iii	Loans repayable on demand from banks - Secured	4,014.89	1,160.43	-
	Less - Unamortised borrowing cost	(79.08)	(90.48)	(17.46)
	Total borrowings	25,058.65	11,154.53	1,885.04
B				
i	Borrowings in India	25,137.73	11,245.01	1,902.50
	Less - Unamortised borrowing cost	(79.08)	(90.48)	(17.46)
	Total (B - i)	25,058.65	11,154.53	1,885.04
ii	Borrowings outside India	-	-	-
	Less - Unamortised borrowing cost	-	-	-
	Total (B - ii)	-	-	-
	Total B (i + ii)	25,058.65	11,154.53	1,885.04

15.1 There has not been any default in repayment of borrowings and interest during financial year ended March 31, 2021 and March 31, 2020.

15.2 Terms of repayment

At March 31, 2021

Sr. No	Interest rate	Rs. In lacs				Total
		0-1 years	1-3 years	3-5 years	>5 years	
1	Term loans					
	8%-9%	1,613.95	1,239.45	383.62	-	3,237.02
	9%-10%	633.90	1,340.11	446.11	-	2,420.12
		2,247.85	2,579.56	829.73	-	5,657.14
2	National Housing Bank					
	5%-6%	463.90	410.40	410.40	674.80	1,959.50
	6%-7%	1,305.60	3,481.60	3,481.60	3,974.40	12,243.20
	7%-8%	237.00	632.00	394.00	-	1,263.00
		2,006.50	4,524.00	4,286.00	4,649.20	15,465.70

At March 31, 2020

Sr. No	Interest rate	Rs. In lacs				Total
		0-1 years	1-3 years	3-5 years	>5 years	
1	Term loans					
	9%-10%	1,269.69	1,557.79	122.50	-	2,949.98
	10%-11%	585.02	1,257.82	937.06	-	2,779.90
		1,854.71	2,815.61	1,059.56	-	5,729.88
2	National Housing Bank					
	7%-8%	346.50	924.00	924.00	2,160.20	4,354.70
		346.50	924.00	924.00	2,160.20	4,354.70

At April 1, 2019

Sr. No	Interest rate	Rs. In lacs				Total
		0-1 years	1-3 years	3-5 years	>5 years	
1	Term loans					
	9%-10%	95.00	190.00	142.50	-	427.50
	10%-11%	100.00	200.00	175.00	-	475.00
	11%-12%	183.33	400.00	400.00	16.67	1,000.00
	Total	378.33	790.00	717.50	16.67	1,902.50

15.3 a) The Company has taken term loan from Federal Bank Ltd (TL1) of Rs. 4.75 crores repayable in 60 monthly instalments starting from October 29, 2018 and carry Interest @8.80 % P.a. (PY: @9.70 % 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.

b) 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 @8.75 % P.a. (PY: @9.55 % P.a.) (One year MCLR + 0.55 %). This facility is secured by cash margin equivalent to 10.00 % of term loan in form of fixed deposit and paripassu charge on all current assets, book debts, and housing loan assets both present and future of the company with minimum cover of 1.10 times. The Company has also provided corporate guarantee of KIFS International LLP (the holding enterprise) & Personal guarantee of Mr. Rajesh P Khandwala & Mr. Vimal P Khandwala.

c) 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 @8.95 % p.a. (PY: @10.58 % 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.

d) The Company has taken term loan from Federal Bank Ltd (TL2) of Rs. 5.00 crores repayable in 60 monthly instalments starting from May 23, 2019 and carry Interest @9.95 % P.a. (PY: @10.50 % 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.

e) The Company has taken term loan from Federal Bank Ltd (TL3) 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.

f) 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, 2021 repayable in Quarterly instalments and carry Interest @8.45 % P.a. (PY: @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.

g) The Company has taken term loan from Karur Vyasa Bank of Rs. 15.00 crores repayable in Quarterly instalments and carry Interest @9.45 % P.a. (PY: @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.

h) 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 @ 5.65 % to 6.10 % (PY: @7.75 % to 7.80 % P.a.). 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.

i) The Company has taken term loan from Federal Bank Ltd (TL4) of Rs. 4.00 crores repayable in 60 monthly installments starting from February 29, 2020 and carry Interest @9.00 % P.a. (PY: @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.

j) The Company has taken term loan from Federal Bank Ltd (TL5) of Rs. 10 crores repayable in 60 monthly installments starting from January 31, 2021 and carry Interest @8.90 % P.a. (One year MCLR + 1.00 %) 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.

k) The Company has taken refinance facility under lift scheme from National Housing Bank of Rs. 15.00 crores repayable in 5 Years in quarterly instalments starting from July 1, 2020 carrying Interest @ 7.05 %. Security against this is hypothecation of receivables equivalent to 1.35 times. Further 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.

l) The Company has taken refinance facility under special refinance scheme from National Housing Bank of Rs. 3.10 crores repayable in 1 Year. The principal amount is to be paid at the end of the maturity. Interest is to be paid quarterly @ 5.40 %. Security against this is hypothecation of receivables equivalent to 1 time.

m) The Company has taken refinance facility under regular refinance scheme from National Housing Bank of Rs. 100.00 crores repayable in 7 Years in quarterly instalments starting from April 1, 2021 carrying Interest @ 6.10 %. Security against this is hypothecation of receivables equivalent to 1.20 times and bank guarantee equivalent to 10.00 % of loan amount sanctioned. Further 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Rs. In lacs

Note no.	Particulars	As at		
		March 31, 2021	March 31, 2020	April 1, 2019
16	Other financial liabilities			
	Book overdraft	-	1.33	2,951.03
	Interest accrued but not due on borrowings and debt securities	275.97	7.58	0.97
	Employee benefits payable	4.70	8.96	2.49
	Payable to Customers	1,000.78	492.39	103.44
	Lease liability	297.13	364.12	417.57
	Total	1,578.58	874.38	3,475.50

Rs In lacs

17 Provisions

	Provision for employee benefit			
	Gratuity	38.98	22.08	10.70
	Compensated absence	75.36	45.14	26.18
	Total	114.34	67.22	36.87

Rs In lacs

18 Other non financial liabilities

	Statutory dues	97.82	45.54	49.43
	Advance EMI	20.50	15.48	8.69
	Advance from customers	4.35	-	-
	Provision for expenses	182.90	109.04	98.79
	Total	305.57	170.06	156.91

Rs In lacs

19 Equity Share Capital

19.1 Authorised Capital

	250,000,000 (As at March 31, 2020: 250,000,000; As at April 1, 2019: 200,000,000) Equity Shares of Rs.10/- each	25,000.00	25,000.00	20,000.00
	Total	25,000.00	25,000.00	20,000.00

Rs In lacs

19.2 Issued, Subscribed and Paid Up Capital

	249,986,452 (As at March 31, 2020: 249,986,452 As at April 1, 2019: 149,951,987) Equity Shares of Rs.10/- each	24,998.65	24,998.65	14,995.20
	Less - Share issue cost	(47.51)	(47.51)	-
	Total	24,951.14	24,951.14	14,995.21

19.3 Rights, preferences and restrictions :

- The Company has only one class of equity shares having a par value of Rs. 10/-. Each holder of equity share is entitled to one vote per share.
- Any dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Dividend declared and paid would be in Indian rupees.
- 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.

19.4 Details of equity shareholders holding more than 5 per cent shares :

Name of the Shareholder	March 31, 2021	As on	
	No. of shares %	March 31, 2020 No. of shares %	April 1, 2019 No. of shares %
KIFS International LLP	24 94 85 752 99.80%	24 94 85 752 99.80%	14 94 51 287 99.67%

Rs In lacs

19.5 Reconciliation of number of equity shares outstanding:

Particulars	2020-2021		2019-2020	
	No. of shares	Amount	No. of shares	Amount
Equity Shares at the beginning of the year	24,99,86,552	24,998.65	14,99,52,087	14,995.21
Add: Issued during the Period (refer note 19.6)	-	-	10,00,34,465	10,003.44
Equity Shares at the end of the period	24,99,86,552	24,998.65	24,99,86,552	24,998.65

Rs In lacs

19.6 Details of shares issued during financial year ended March 31, 2020

Particulars	2019-2020	
	No. of shares	Amount
Equity shares of Rs. 10 each Issued on April 12, 2019	2 00 73 894	2,007.39
Equity shares of Rs. 10 each Issued on May 2, 2019	1 00 01 524	1,000.15
Equity shares of Rs. 10 each Issued on June 28, 2019	1 89 50 253	1,895.03
Equity shares of Rs. 10 each Issued on July 25, 2019	2 60 10 151	2,601.02
Equity shares of Rs. 10 each Issued on December 24, 2019	1 00 74 081	1,007.41
Equity shares of Rs. 10 each Issued on March 30, 2020	1 49 24 562	1,492.46
Total	10 00 34 465	10,003.45

19.7 The Company has not reserved any shares for issues under options and contracts/commitments for the sale.

19.8 The Company has not allotted any shares pursuant to contracts without payment being received in cash or as bonus shares nor it has bought back any shares during the preceding 5 financial years.

19.9 The Company has not issued any convertible securities and has not issued any shares where calls are unpaid. The Company has not forfeited any shares.

Rs. In lacs

20 Other equity	As at		
	March 31, 2021	March 31, 2020	April 1, 2019
Retained Earnings	2,582.30	1,251.13	171.61
Statutory Reserve	1,010.18	573.08	95.82
Other comprehensive - employee benefits	0.86	-	-
Total	3,593.33	1,824.20	267.43

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Note No.	Particulars	Rs. In lacs	
		For the year ended March 31,	
		2021	2020
21	Interest Income		
	Interest on Financial Assets carried at Amortised Cost		
	Interest on Loans	5,100.49	3,764.04
	Total	5,100.49	3,764.04
			Rs. In lacs
22	Fees and Commission Income		
	Fees and commission income	159.03	242.43
	Total	159.03	242.43
			Rs. In lacs
23	Net gain on fair value changes		
	Net gain on financial instruments designated at fair value through profit or loss	131.25	19.47
	Total	131.25	19.47
			Rs. In lacs
23.1	Fair value changes		
	Realised	69.72	16.89
	Unrealised	61.53	2.58
	Total	131.25	19.47
			Rs. In lacs
24	Other operating revenue		
	Interest on fixed deposits with banks	195.30	132.28
	Other ancillary services	230.15	439.05
	Total	425.45	571.33
			Rs. In lacs
25	Finance Cost		
25.1	Interest on financial liabilities measured at amortized cost		
	Interest on borrowing	1,032.84	529.49
	Interest on debt securities	277.06	-
	Interest on lease liabilities	28.68	31.69
	Other borrowings cost	16.57	18.38
	Total Interest on financial liabilities measured at amortized cost	1,355.15	579.56

Note No.	Particulars	For the year ended March 31,	
		2021	2020
			Rs. In lacs
26	Impairment on financial instruments		
	On financial instruments measured at amortized cost	339.97	262.21
	Total	339.97	262.21
			Rs. In lacs
27	Employee Benefits Expense		
	Salaries and wages	1,407.39	1,278.97
	Contribution to Provident Fund and other funds	58.17	42.36
	Staff Welfare expenses	8.16	10.40
	Total	1,473.72	1,331.73
			Rs. In lacs
28	Other Expenses		
	Rent, taxes and energy costs	(4.72)	14.63
	Repair and Maintenance	57.74	14.11
	Communication cost	21.24	24.69
	Power & fuel	11.78	14.15
	Printing and Stationery	14.86	16.25
	Advertisement expenses	0.47	0.20
	Rates and Taxes	7.74	43.98
	Recruitment Expenses	1.38	1.33
	ROC & Filing Expenses	0.39	0.20
	Directors Siting fees	5.12	5.20
	Auditors' fees and expenses	8.88	5.23
	Legal and Professional charges	48.65	90.89
	Business Promotion expenses	4.78	5.59
	Commission & Brokerage	1.17	0.13
	Travelling and Conveyance	55.52	70.41
	Insurance	26.95	47.64
	Membership & Subscription fees	2.50	1.24
	CSR Expenses	18.02	4.69
	Others	31.76	24.86
	Total	314.23	385.42
28.1	Payment to auditors :-		
	- for statutory audit	4.20	2.25
	- for Internal Control Over Financial Reporting	0.50	0.25
	- for tax audit	0.40	0.40
	- for Goods and Services tax audit	1.69	1.00
	- for other services	2.06	0.97
	Out of pocket expenses	0.04	0.37
	Total	8.88	5.23

Notes to the financial statements for the financial statements for the year ended March 31, 2021

29. Transition to Ind AS

These financial statements of the Company for the year ended March 31, 2021 have been prepared in accordance with Ind AS. For the periods up to and including the year ended on March 31, 2020, the Company prepared its financial statements in accordance with the accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP or IGAAP) and NHB guidelines. For the purposes of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101 First-Time Adoption of Indian Accounting Standards with April 1, 2019 as the transition date and Indian GAAP as the IGAAP.

The transition to Ind AS has resulted in changes in presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Note No. 3 have been applied in preparing the financial statements for the year ended March 31, 2021 and the comparative information.

First time adoption of Ind AS

An explanation of how transition from IGAAP to Ind AS has affected the company's financial position, financial performance and cash flows are set hereunder:

Exception to the retrospective application of other Ind AS

Estimates

Company's estimates in accordance with Ind AS as at the date of transition to Ind AS (April 1, 2019) are consistent with the estimates made for the same date as per IGAAP.

Classification of financial assets

The classification of financial assets to be measured at amortised cost is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.

Exemption from other Ind AS

Deemed cost of property, plant and equipment and intangible assets

The Company has elected to measure all of its property, plant and equipment and intangible assets at their IGAAP carrying amount and use the same as deemed cost as on the date of transition to Ind AS.

Reconciliation between IGAAP and Ind AS

Reconciliation of Equity as previously reported under IGAAP to Ind AS

Particulars	Rs. In lacs	
	At March 31, 2020	At April 1, 2019
Total equity as per earlier GAAP i.e. Indian GAAP	26,994.14	174,65.12
Recognition of interest income for loans classified at amortised cost using Effective Interest Rate (EIR) method	(498.13)	(257.09)
Recognition of interest expenses for borrowings and debt securities as per EIR method	90.48	17.47
Gain on fair valuation of investments	2.58	-
Effect of lease accounting	(47.83)	(30.67)
Impact of deferred tax on above items	113.98	75.20
Reversal of deferred tax liability on Special Reserve	120.13	-
Equity as per Ind AS	26,775.35	172,70.03

Reconciliation of total comprehensive Income for the year ended March 31, 2020

Rs. In lacs

Particulars	For year ended March 31, 2020
Net Profit after tax as per IGAAP	1,532.97
Recognition of interest income for loans classified at amortised cost using Effective Interest Rate (EIR) method	(241.04)
Recognition of interest expenses for borrowings and debt securities as per EIR method	73.02
Share issue expenses debited to equity	47.50
Gain on fair valuation of investments	2.58
Effect of lease accounting	(17.16)
Deferred tax impact on above items	38.78
Reversal of deferred tax liability on Special Reserve	120.13
Profit after tax as per Ind AS	1,556.78
Recognition of actuarial gain through OCI	-
Total Comprehensive Income	1,556.78

Reconciliation of statement of cash flows

There are no material adjustments to the statement of cash flows as reported under IGAAP.

Notes to reconciliations**Recognition of interest income for loans classified at amortised cost using Effective Interest Rate (EIR) method**

Under previous GAAP, transaction costs charged to customers and incurred by the Company was recognised upfront while under Ind AS, such costs are included in the initial recognition amount of loans and recognised as interest income using the effective interest method.

Recognition of interest expenses for borrowings and debt securities as per EIR method

Under previous GAAP, transaction costs incurred on borrowings/debt securities by the Company was recognised upfront while under Ind AS, such costs are included in the initial recognition amount of borrowings and recognised as interest expenses using the effective interest method.

Fair value of investments

Under previous GAAP, investments in mutual funds were measured at cost or market value whichever is lower while under Ind AS, investments in mutual funds are classified as fair value through profit and loss and consequently are measured at fair value with profit/loss recognised to profit and loss account.

Lease accounting

Under previous GAAP, lease rental were accounted for as an expenses on straight line basis in profit and loss account. Under Ind AS, the Company has recognised Right of use (ROU) asset representing its right to use the underlying assets and lease liabilities representing its obligation to make lease payments. the nature of expenses has changed from lease rent in previous periods to depreciation cost for the ROU asset and interest expenses on lease liability.

Deferred tax

The application of 'Ind AS 12 Income Taxes' approach has resulted in the various transitional adjustments being temporary differences. Accordingly, the company has accounted for such differences. These adjustments are recognised in co-relation to the underlying transaction either in retained earnings, OCI or the statement of profit and loss respectively.

As required by the NHB, the Company had recognised deferred tax liability (DTL) in respect of the balance in the Special Reserve (created under section 36(1)(viii) of the Income-tax Act, 1961). The Company believes that the Special Reserve will not be utilised for payment of dividend or any other

purpose and accordingly it does not result in a difference in tax base. Hence, DTL on Special Reserve has been reversed to comply with Ind AS 12 on Income Taxes.

30. Current and non-current assets and liabilities

Balance sheet at March 31, 2021

Particulars	Rs. in lacs		
	Current	Non-Current	Total
Assets			
Financial Assets			
Cash and cash equivalents	7.32	-	7.32
Bank balance other than above	-	3,863.32	3,863.32
Derivative financial instruments	-	-	-
Receivables			
- Trade receivables	103.72	-	103.72
- Other receivables	-	-	-
Loans	3,623.42	40,769.54	44,392.96
Investments	11,413.65	-	11,413.65
Other Financial Assets	-	27.01	27.01
Total financial assets	15,148.11	44,659.87	59,807.98
Non-Financial Assets			
Current tax assets (Net)	-	-	-
Deferred tax assets (Net)	-	313.49	313.49
Property, Plant and Equipment	-	385.32	385.32
Intangible assets under development	-	22.23	22.23
Other intangible assets	-	2.52	2.52
Other non-financial assets	120.38	-	120.38
Total Non-financial assets	120.38	723.56	843.94
Total Assets	15,268.49	45,383.43	60,651.92
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Derivative financial instruments	-	-	-
Payables			
Trade Payables			
- total dues to micro and small enterprises	-	-	-
- total due to creditors other than micro and small enterprises	320.79	-	320.79
Other Payables			
- total dues to micro and small enterprises	-	-	-
- total due to creditors other than micro and small enterprises	-	-	-
Debt securities	827.27	3,888.21	4,715.48
Borrowings (other than debt securities)	8,243.23	16,815.42	25,058.65
Subordinated liabilities	-	-	-
Other financial liabilities	1,333.47	245.11	1,578.58
Total financial liabilities	10,724.76	20,948.74	31,673.50
Non-Financial Liabilities			
Current tax liabilities (Net)	14.03	-	14.03
Provisions	7.62	106.72	114.34
Other non - financial Liabilities	305.57	-	305.57
Total non-financial liabilities	327.22	106.72	433.94
Equity			
Equity share capital	-	24,951.14	24,951.14

Particulars	Current	Non-Current	Total
Other equity	-	3,593.34	3,593.34
Total equity	-	28,544.48	28,544.48
Total Liabilities and Equity	11,051.98	49,599.94	60,651.92

Balance sheet as at March 31, 2020

Particulars	Current	Non-Current	Rs. in lacs Total
Assets			
Financial Assets			
Cash and cash equivalents	159.83	-	159.83
Bank balance other than above	-	2,777.24	2,777.24
Derivative financial instruments	-	-	-
Receivables			
- Trade receivables	252.38	-	252.38
- Other receivables	-	-	-
Loans	1,093.92	32,092.61	33,186.53
Investments	1,910.06	-	1,910.06
Other Financial Assets	-	23.37	23.37
Total financial assets	3,416.19	34,893.22	38,309.41
Non-Financial Assets			
Current tax assets (Net)	-	-	-
Deferred tax assets (Net)	-	233.49	233.49
Property, Plant and Equipment	-	486.14	486.14
Intangible assets under development	-	15.26	15.26
Other intangible assets	-	3.73	3.73
Other non-financial assets	70.23	-	70.23
Total Non-financial assets	70.23	738.62	808.85
Total Assets	3,486.43	35,631.83	39,118.26
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Derivative financial instruments	-	-	-
Payables			
Trade Payables			
- total dues to micro and small enterprises	-	-	-
- total due to creditors other than micro and small enterprises	39.72	-	39.72
Other Payables			
- total dues to micro and small enterprises	-	-	-
- total due to creditors other than micro and small enterprises	-	-	-
Debt securities	-	-	-
Borrowings (other than debt securities)	3,334.60	7,819.93	11,154.53
Subordinated liabilities	-	-	-
Other financial liabilities	571.08	303.30	874.38
Total financial liabilities	3,945.40	8,123.23	12,068.63
Non-Financial Liabilities			
Current tax liabilities (Net)	37.01	-	37.01
Provisions	5.39	61.83	67.22
Other non - financial Liabilities	170.06	-	170.06
Total non-financial liabilities	212.46	61.83	274.29
Equity			
Equity share capital	-	24,951.14	24,951.14

Particulars	Current	Non-Current	Total
Other equity	-	1,824.20	1,824.20
Total equity	-	26,775.34	26,775.34
Total Liabilities and Equity	4,157.86	34,960.40	39,118.26

Balance sheet as at April 1, 2019

Particulars	Current	Non-Current	Rs. in lacs Total
Assets			
Financial Assets			
Cash and cash equivalents	1,109.65	-	1,109.65
Bank balance other than above	-	964.35	964.35
Derivative financial instruments	-	-	-
Receivables			
- Trade receivables	20.25	-	20.25
- Other receivables	-	-	-
Loans	2,586.24	17,448.68	20,034.92
Investments	-	-	-
Other Financial Assets	-	24.10	24.10
Total financial assets	3,716.14	18,437.13	22,153.27
Non-Financial Assets			
Current tax assets (Net)	-	-	-
Deferred tax assets (Net)	-	125.82	125.82
Property, Plant and Equipment	-	544.17	544.17
Intangible assets under development	-	15.26	15.26
Other intangible assets	-	4.49	4.49
Other non-financial assets	68.97	-	68.97
Total Non-financial assets	68.97	689.74	758.71
Total Assets	3,785.11	19,126.87	22,911.98
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Derivative financial instruments	-	-	-
Payables			
Trade Payables			
- total dues to micro and small enterprises	-	-	-
- total due to creditors other than micro and small enterprises	67.12	-	67.12
Other Payables			
- total dues to micro and small enterprises	-	-	-
- total due to creditors other than micro and small enterprises	-	-	-
Debt securities	-	-	-
Borrowings (other than debt securities)	374.86	1,510.18	1,885.04
Subordinated liabilities	-	-	-
Other financial liabilities	3,119.98	355.52	3,475.50
Total financial liabilities	3,561.96	1,865.70	5,427.66
Non-Financial Liabilities			
Current tax liabilities (Net)	20.51	-	20.51
Provisions	2.68	34.19	36.87
Other non - financial Liabilities	156.91	-	156.91
Total non-financial liabilities	180.10	34.19	214.29
Equity			
Equity share capital	-	14,995.21	14,995.21

Particulars	Current	Non-Current	Total
Other equity	-	267.43	267.43
Share application money pending allotment	-	2,007.39	2,007.39
Total equity	-	17,270.03	17,270.03
Total Liabilities and Equity	3,742.06	19,169.92	22,911.98

31. Earnings Per Share

Particulars	Rs. in lacs	
	Year ended March 31, 2021	Year ended March 31, 2020
Basic		
Net Profit as per statement of Profit & Loss	1,768.27	1,556.78
Profit available to Equity Shareholders	1,768.27	1,556.78
Weighted average of number of equity shares outstanding during the year (in Nos.)	249,986,542	213,574,172
Basic Earnings per share of face value of ₹ 10 each (₹)	0.71	0.73
Diluted Earnings per share of face value of ₹ 10 each (₹)	0.71	0.73

The Company is not having any instruments, which are dilutive in nature.

There are no instruments outstanding that could potentially dilute basic earnings per share in the future, but were not included in the calculation of diluted earnings per share because they are anti-dilutive for the period(s) presented.

There were no transactions that have occurred after the reporting date that would have changed significantly the number of ordinary shares outstanding or potential ordinary shares outstanding at the reporting date.

32. Segment Reporting

The Company is engaged in lending business. The Company provides mortgages loans (home loan, loan against properties, construction reality) and operates with in India Only. The Board of the Company reviews the Company's performance as a single business. There being only one segment, disclosure for segment is not applicable.

33. Standard issued but not effective

There is no such notification, which would have been applicable from April 1, 2021.

34. Taxation

Income tax expense in the Statement of Profit and Loss Comprises of

Particulars	Rs. in lacs	
	For the year ended March 31,	
	2021	2020
Current Tax	525.00	473.27
Current tax - Short/(Excess) provision of tax for earlier year	-	4.99
Total current tax expenses	525.00	478.26
Deferred tax in Statement of Profit and Loss		
Relating to origination and reversal of temporary difference	(80.00)	(119.66)
Impact of changes in tax rates	-	11.99
Total deferred tax expenses/(income)	(80.00)	(107.67)
Total income tax expenses	445.00	370.59

The tax expense and tax assets have been computed as per applicable tax laws and generally accepted tax computation policies and procedures. There is no uncertain tax treatment.

The details of income tax assets/(liabilities) and deferred tax assets (liabilities)

Particulars	Rs. in lacs		
	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Net income tax assets/(liabilities)	(14.03)	(37.01)	(20.51)
Deferred tax assets/(liabilities)	313.49	233.49	125.82

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarised below

Particulars	Rs. in lacs	
	Year ended March 31, 2021	Year ended March 31, 2020
Accounting profit before tax	2,213.27	1927.38
Statutory tax rate	25.168%	25.168%
Tax liability on accounting profit	557.03	485.08
Tax effect of		
Impact of change in tax rate	-	11.99
Expensed disallowed under Income Tax Act	5.04	13.23
Income taxed at different rate	-	(1.35)
Income tax deduction including for Special Reserve available to financial institutions	(110.01)	(130.22)
Tax expenses pertaining to previous year	-	(4.99)
Others	(7.06)	(3.15)
Income tax expenses as per books	445.00	370.59
Effective income tax rate	20.11%	19.23%

Details of each type of recognized temporary differences, unused tax losses and unused tax credits

Particulars	Rs. in lacs		
	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Deferred tax related to Item recognised through profit or loss			
Deferred tax liabilities			
Unrealised gain on investments	(15.49)	(0.65)	-
Unamortised expenses for borrowings	(28.59)	(22.77)	(4.85)
Total – Deferred tax liabilities	(44.08)	(23.42)	(4.86)
Deferred tax assets			
Unamortised income/expenses (net) on loans given	153.72	125.37	71.52
Expected credit losses	152.91	97.51	37.30
Employee benefits	28.78	16.92	10.26
Related to Property, Plant and Equipment and leases	22.16	15.94	10.29
Others	-	1.17	1.30
Total- Deferred tax assets	357.57	256.91	130.67
Deferred tax assets/(liabilities)	313.49	233.49	125.82

Details of movement in deferred tax balances

Particulars	Rs. in lacs		
	As at April 1, 2019	(Charge)/credit to profit and loss account	As at March 31, 2020
Unamortised income/expenses (net) on loans given	71.52	53.85	125.37
Unamortised expenses for borrowings	(4.85)	(17.92)	(22.77)
Unrealised gain on investments	-	(0.65)	(0.65)
Expected credit losses	37.30	60.21	97.51
Employee benefits	10.26	6.66	16.92
Property, plant and equipment and leases	10.29	5.65	15.94
Others	1.30	(0.13)	1.17
Total	125.82	107.67	233.49

Particulars	Rs. in lacs		
	As at April 1, 2020	(Charge)/credit to profit and loss account	As at March 31, 2021
Unamortised income/expenses (net) on loans given	125.37	28.35	153.72
Unamortised expenses for borrowings	(22.77)	(5.82)	(28.59)
Unrealised gain on investments	(0.65)	(14.84)	(15.49)
Expected credit losses	97.51	55.40	152.91
Employee benefits	16.92	11.86	28.78
Property, plant and equipment and leases	15.94	6.22	22.16
Others	1.17	(1.17)	-
Total	233.49	80.00	313.49

35. Capital management

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of Reserve Bank of India (RBI). The adequacy of the Company capital is monitored using, among other measures, the regulations issued by regulators. The Company has complied in full with all its externally imposed capital requirements over the reported periods.

Particulars	Rs. in lacs		
	At March 31, 2021	At March 31, 2020	At April 1, 2019
Debt	29,774.13	11,154.53	1,885.04
Equity	28,544.48	26,775.35	17,270.02
Debt to equity ratio	1.04	0.42	0.11

Loan covenants

Under the terms of the major borrowing facilities, the Company has complied with the covenants throughout the reporting period.

36. Contingent liabilities and commitments

Management has assessed the possible obligations arising from claims against the Company, in accordance with the requirements of Indian Accounting Standard (Ind AS) 37 and based on judicial precedents, consultation with lawyers or based on its historical experiences. Accordingly, management is of the view that based on currently available information no provision in addition to that already recognised in its financial statements is considered necessary in respect of the above.

Loan commitments

The Company has outstanding undrawn commitments to provide loans to customers. These loan commitments aggregated Rs. 7,842.28 lacs at March 31, 2021 (March 31, 2020: Rs. 10,725.17 lacs, March 31, 2019: Rs. 3,664.07 lacs). Further, the commitments have fixed expiration dates and are contingent upon the borrower's ability to maintain specific credit standards.

Capital commitments

The Company is obligated under various capital contracts. Capital contracts are work/purchase orders of a capital nature, which have been committed. Estimated amounts of contracts remaining to be executed on property, plant and equipment aggregated to Rs.4.76 lacs at March 31, 2021 (March 31, 2020: Nil, April 1, 2019: Rs. 1.71 lacs).

37. Leases

The Company has taken various office premises under lease. The lease terms in respect of such premises are on the basis of individual agreement entered into with the respective landlords.

Movement in carrying value of right of use assets is given below.

Particulars	Rs. in lacs	
	As At March 31, 2021	As at March 31, 2020
Opening balance	316.29	386.90
Addition	-	-
Deletion	-	-
Depreciation for the year	(76.36)	(70.61)
Closing balance	239.93	316.29

Movement in carrying value of lease liability is given below.

Particulars	Rs. in lacs	
	As at March 31, 2021	As at March 31, 2020
Opening balance	364.12	417.56
Addition	-	-
Deletion	-	-
Finance cost accrued during the period	28.68	31.69
Payment	(95.65)	(85.13)
Closing balance	297.15	364.12
- Current	52.02	60.82
- Non-current	245.13	303.30

Contractual maturities of lease liability on an undiscounted basis is as given below.

Particulars	Rs. in lacs	
	As at March 31, 2021	As at March 31, 2020
Less than 1 year	102.70	90.41
Between 1 and 2 years	91.93	86.81
Between 2 and 3 years	66.43	71.73
Between 3 and 4 years	58.28	55.00
Between 4 and 5 years	59.12	58.28
More than 5 years	47.80	106.91
Total	426.26	469.14

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The Company did not have any variable lease payments and also did not sub-leased right of use assets. Further, the Company does not have any significant restrictions or covenants imposed by leases.

38. CSR Expenses

Particulars	Rs. in lacs	
	Year ended March 31, 2021	Year ended March 31, 2020
Gross amount required to be spent by the Company during the year	18.02	4.69
Amount spent during the year on purposes other than construction/ acquisition of any asset	18.02	4.69
Paid	18.02	4.69
Yet to be paid	-	-
Total	18.02	4.69

39. Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are subject to offsetting where there is a legally enforceable right to set-off recognised amounts and the Company intends to either settle on a net basis or to realise the asset and settle the liability, simultaneously. At April 1, 2019, March 31, 2020 and March 31, 2021, there was no offsetting of financial assets and financial liabilities.

40. Financial Risk Management

Financial Instruments Risk management objectives and Policies

Liquidity Risk

The table below provide details regarding the contractual maturities of financial liabilities as at March 31, 2021

Particulars	Rs. in lacs				
	Up to 1 year	1-3 year	3-5 year	Over 5 years	Total
Borrowings	9,358.51	8,899.24	6,025.23	5,052.65	29,335.63
Debt securities	1,305.33	4,464.67	-	-	5,770.00
Total	10,663.85	13,363.91	6,025.23	5,052.65	351,05.63

At March 31, 2020

Particulars	Rs. in lacs				
	Up to 1 year	1-3 year	3-5 year	Over 5 years	Total
Borrowings	3,870.22	4,450.35	2,299.72	2,396.87	13,017.16
Total	3,870.22	4,450.35	2,299.72	2,396.87	13,017.16

At April 1, 2019

Particulars	Rs. in lacs				
	Up to 1 year	1-3 year	3-5 year	Over 5 years	Total
Borrowings	559.59	1,042.63	807.94	17.00	2,427.15
Total	559.59	1,042.63	807.94	17.00	2,427.15

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk encompasses both, the direct risk of default and the risk of deterioration of credit worthiness.

The maximum exposure to the credit risk is as follows:

Particulars	Rs. in lacs		
	March 31, 2021	March 31, 2020	April 1, 2019
Bank - Current accounts	7.32	159.83	1,109.65
Balance with banks held as margin money	3,863.32	2,777.24	964.35
Trade Receivables	103.72	252.38	20.25
Loans	44,392.96	33,186.53	2,0,034.92
Other Financial Assets	27.01	23.37	24.10

For the loan portfolio, an impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of credit risk. For the purposes of this analysis, the loan portfolio is categorised into groups based on days past due. Each group is then assessed for impairment using the ECL model as per the provisions of Ind AS 109 - financial instruments. The impairment assessment also carried out in accordance with the regulations prescribed by RBI. The provision for impairment is considered at higher of the amount worked out as per Ind AS 109 or as per RBI Regulations.

Reconciliation of gross carrying amount of loan portfolio

Particulars	Rs. in lacs			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at April 1, 2019	20,092.21	54.76	22.03	20,169.00
New asset originated	19,303.93	2.91	-	19,306.84
Assets derecognised or repaid	(5,891.17)	(1.70)	(0.14)	(5,893.02)
Transfers from Stage 1	(301.62)	197.78	103.84	-
Transfers from Stage 2	24.37	(55.96)	31.59	-
Transfers from Stage 3	-	-	-	-
Gross carrying amount balance as at March 31, 2020	33,227.72	197.78	157.32	33,582.81
New asset originated	21,944.79	13.48	-	21,958.27
Assets derecognised or repaid	(10,376.94)	(41.66)	-	(10,418.07)
Transfers from Stage 1	(467.67)	312.68	154.99	-
Transfers from Stage 2	61.39	(113.80)	52.41	-
Transfers from Stage 3	-	-	-	-
Gross carrying amount balance as at March 31, 2021	44,389.29	368.47	364.72	45,122.48

Reconciliation of ECL Balance

Particulars	Rs. in lacs			
	Stage 1	Stage 2	Stage 3	Total
ECL Allowance as at April 1, 2019	121.30	6.90	5.88	134.08
New assets originated	97.26	0.37	-	97.63
Assets derecognised or repaid	(43.18)	(0.21)	(0.04)	(43.44)
Due to changes in assumptions	109.81	32.01	54.67	196.49
Transfers from Stage 1	(1.72)	1.17	0.54	-
Transfers from Stage 2	3.00	(7.00)	4.00	-
Transfers from Stage 3	-	-	-	-
ECL Allowance as at March 31, 2020 (Note 1)	286.47	33.24	65.07	384.77
New assets originated	227.33	2.29	-	229.62
Assets derecognised or repaid	(129.96)	(6.12)	-	(136.08)
Due to changes in assumptions	(138.57)	59.00	82.75	3.18
Transfers from Stage 1	(4.34)	2.89	1.45	-
Transfers from Stage 2	10.78	(20.37)	9.59	-
Transfers from Stage 3	-	-	-	-
ECL Allowance as at March 31, 2021 (Note 2)	251.70	70.93	158.86	481.49

1. The Company has additional provision of Rs. 11.51 lacs for moratorium cases.
2. The Company is having additional provision of Rs. 200 lacs for loan losses, provision of Rs. 39.49 lacs for restructured loans and Rs. 8.54 lacs for loan commitments.

41. Fair valuation

Carrying value and fair value of financial instruments by categories at March 31, 2021.

Particulars	Rs. in lacs				
	FVTPL	FVPCI	Amortised cost	Total carrying value	Fair value
Financial assets					
Cash and cash equivalents	-	-	7.32	7.32	7.32
Bank balance other than above	-	-	3,863.32	3,863.32	3,863.32
Trade receivable	-	-	103.72	103.72	103.72
Loans	-	-	44,392.96	44,392.96	44,392.96
Investments	11,413.65	-	-	11,413.65	11,413.65
Other financial assets	-	-	27.01	27.01	27.01
Total financial assets	11,413.65	-	48,394.33	59,807.98	59,807.98
Financial liabilities					
Trade payables	-	-	320.79	320.79	320.79
Debt securities	-	-	4,715.48	4,715.48	4,715.48
Borrowings	-	-	25,058.65	25,058.65	25,058.65
Other financial liabilities	-	-	1,578.59	1,578.59	1,578.59
Total financial liabilities	-	-	31,673.50	31,673.50	31,673.50

Carrying value and fair value of financial instruments by categories at March 31, 2020.

Particulars	Rs. in lacs				
	FVTPL	FVPCI	Amortised cost	Total carrying value	Fair value
Financial assets					
Cash and cash equivalents	-	-	159.83	159.83	159.83
Bank balance other than above	-	-	2,777.24	2,777.24	2,777.24
Trade receivable	-	-	252.38	252.38	252.38
Loans	-	-	33,186.53	33,186.53	33,186.53
Investments	1,910.06	-	-	1,910.06	1,910.06
Other financial assets	-	-	23.37	23.37	23.37
Total financial assets	1,910.06	-	36,399.35	38,309.41	38,309.41
Financial liabilities					
Trade payables	-	-	39.72	39.72	39.72
Debt securities	-	-	-	-	-
Borrowings	-	-	11,154.53	11,154.53	11,154.53
Other financial liabilities	-	-	874.38	874.38	874.38
Total financial liabilities	-	-	12,068.63	12,068.63	12,068.63

Carrying value and fair value of financial instruments by categories at April 1, 2019.

Particulars	Rs. in lacs				
	FVTPL	FVPCI	Amortised cost	Total carrying value	Fair value
Financial assets					
Cash and cash equivalents	-	-	1,109.65	1,109.65	1,109.65
Bank balance other than above	-	-	964.35	964.35	964.35
Trade receivable	-	-	20.25	20.25	20.25
Loans	-	-	20,034.92	20,034.92	20,034.92
Investments	-	-	-	-	-
Other financial assets	-	-	24.10	24.10	24.10
Total financial assets	-	-	22,153.27	22,153.27	22,153.27
Financial liabilities					
Trade payables	-	-	67.12	67.12	67.12
Debt securities	-	-	-	-	-
Borrowings	-	-	1,885.04	1,885.04	1,885.04
Other financial liabilities	-	-	3,475.50	3,475.50	3,475.50
Total financial liabilities	-	-	5,427.66	5,427.66	5,427.66

Fair value measurement of financial asset and financial liabilities

The Fair value of Loan given and funds borrowed approximate carrying value as the respective interest rates of the said instruments are at the prevailing market rate of interest.

The carrying amount of other financial assets and other financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

During financial year ended March 31, 2021 and March 31, 2020, the Company has not reclassified any of financial assets from one category to another category. Hence, fair value hierarchy is not given for the same.

An analysis of financial instruments grouped into Level 1, 2 and 3 at March 31, 2021.

Particulars	Rs. in lacs			
	Level 1	Level 2	Level 3	Total
Financial assets				
Loans	-	-	44,392.96	44,392.96
Investments	11,413.65	-	-	11,413.65
Total financial assets	11,413.65	-	44,392.96	55,806.61
Financial liabilities				
Debt securities	-	-	4,715.48	4,715.48
Borrowings	-	-	25,058.65	25,058.65
Total financial liabilities			29,774.13	29,774.13

An analysis of financial instruments grouped into Level 1, 2 and 3 at March 31, 2020.

Particulars	Rs. in lacs			
	Level 1	Level 2	Level 3	Total
Financial assets				
Loans	-	-	33,186.53	33,186.53
Investments	1,910.06	-	-	1,910.06
Total financial assets	1,910.06	-	33,186.53	35,096.59

Particulars	Level 1	Level 2	Level 3	Total
Financial liabilities				
Debt securities	-	-	-	-
Borrowings	-	-	11,154.53	11,154.53
Total financial liabilities	-	-	11,154.53	11,154.53

An analysis of financial instruments grouped into Level 1, 2 and 3 at April 1, 2019.

Particulars	Level 1	Level 2	Level 3	Rs. in lacs
				Total
Financial assets				
Loans	-	-	20,034.92	20,034.92
Investments	-	-	-	-
Total financial assets	-	-	20,034.92	20,034.92
Financial liabilities				
Debt securities	-	-	-	-
Borrowings	-	-	1,885.04	1,885.04
Total financial liabilities	-	-	1,885.04	1,885.04

42. Related Party Disclosures:

Related party	Name of related parties
Holding enterprises	KIFS International LLP
Key Managerial person	
Managing Director	Rajesh P Khandwala
Managing Director	Vimal P Khandwala
Managing Director and Chief Executive Officer	Swarnpal Singh Bais (Till January 6, 2020)
Company Secretary	Tejal Gunjan Gala
Chief Financial Officer	Deepak Kumar Ajmera
Enterprises over which Key Managerial person have control	
	KIFS Trade Capital Private Limited
	Khandwala Finstock Private Limited
	KIFS Financial Services Limited
Enterprises over which Key Managerial person have control	Aristo Traders Private Limited

Particulars of transactions with related parties. The transactions are disclosed in aggregate value.

Transactions	Name of related party	Holding enterprises	Enterprises over which KMP have control	Rs. in lacs
				KMP/relatives of KMP
Subscription/Purchase of equity shares	KIFS International LLP	-	-	-
		(10,003.45)	-	-
Total		-	-	-
		(10,003.45)	-	-
Loan Given	Aristo Traders Pvt. Ltd.	-	-	-
		-	(4,195.00)	-
Total Loan given		-	-	-
		-	(4,195.00)	-
Repayment received of loan given	Aristo Traders Pvt. Ltd.	-	-	-

Transactions	Name of related party	Holding enterprises	Enterprises over which KMP have control	KMP/relatives of KMP
		-	(4,195.00)	-
Total Repayment received of loan given		-	-	-
		-	(4,195.00)	-
Amount erroneously received	Khandwala Finstock Pvt. Ltd.	-	-	-
		-	(300.00)	-
Amount erroneously received		-	-	-
		-	(300.00)	-
Amount erroneously received, paid back	Khandwala Finstock Pvt. Ltd.	-	-	-
		-	(300.00)	-
Amount erroneously received, paid back		-	-	-
		-	(300.00)	-
		-	-	-
Outward transfer of loan book	KIFS Financial Services Ltd.	-	-	-
		-	(1,069.24)	-
Outward transfer of loan book		-	-	-
		-	(1,069.24)	-
Interest Income	Aristo Traders Pvt. Ltd.	-	-	-
		-	(61.02)	-
Total Income		-	-	-
		-	(61.02)	-
Interest expenses	Aristo Traders Pvt. Ltd.	-	-	-
		-	-	-
Managerial Remuneration#	Swarnpal Singh Bais	-	-	-
		-	-	(202.07)
	Tejal Gunjan Gala	-	-	7.89
		-	-	(5.70)
	Deepak Kumar Ajmera	-	-	49.40
		-	-	(40.92)
Reimbursement of expenses (paid/payable)	Swarnpal Singh Bais	-	-	-
		-	-	(6.85)
	Deepak Kumar Ajmera	-	-	4.48
		-	-	(4.94)
Total Expenses		-	-	61.77
		-	-	(260.48)

Note – Previous year’s figures are given in bracket.

Expenses towards gratuity and leave encashment provisions are determined actuarially on overall Corporation basis at the end each year and, accordingly, have not been considered in the above information.

Balances Outstanding at the end of the year

Sr. no.	Particulars	Rs. in lacs	
		March 31, 2021	March 31, 2020
1	Equity share capital		
	- KIFS International LLP	24,948.6	24,948.6

43. Retirement Benefits

Defined Benefit Plan:

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility:

The plan liabilities are calculated using a discount rate set with references to government bond yields; this may carry volatility and associated risk.

Inflation risk:

The present value of some of the defined benefit plan obligations are calculated with reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. The post retirement medical benefit obligation is sensitive to medical inflation and accordingly, an increase in medical inflation rate would increase the plan's liability.

Life expectancy:

The present value of defined benefit plan obligation is calculated by reference to the best estimate of the mortality of plan participants, both during and after the employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Gratuity Benefits liabilities of the company are unfunded.

The following tables set out the status of the gratuity plan as required under Ind AS 19.

Particulars	Rs. in lacs	
	March 31, 2021	March 31, 2020
Employee benefit expense recognized in Statement of Profit & Loss:		
Current Service Cost	16.53	10.54
Net Interest Cost	1.51	0.84
Net Benefit Expense	18.04	11.38
Employee benefit expense recognized in Other comprehensive income (OCI):		
Actuarial (gain)/losses on obligation for the period	(1.15)	-
Actual Returns on Plan Assets excluding Interest Income	-	-
Net expense recognized in OCI for the period	(1.15)	-

Particulars	Rs. in lacs	
	March 31, 2021	March 31, 2020
Changes in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	22.08	10.70
Interest cost	1.51	0.84
Current service cost	16.53	10.54
Actuarial (gains)/losses	(1.15)	-
Closing defined benefit obligation	38.97	22.08
Amount Recognised in Balance Sheet		
Defined benefit obligation	38.97	22.08

Particulars	March 31, 2021	March 31, 2020
Fair value of plan assets	-	-
Plan asset/(liability)	38.97	22.08

The principal assumptions used in determining gratuity obligation for the Company's plans are shown below:

Particulars	Rs. in lacs	
	March 31, 2021	March 31, 2020
Discount rate per annum	6.85%	6.85%
Rate of Salary increment	7.00%	7.00%
Employee turnover rate	15.00% p.a. at younger ages reducing to 2.00% p.a.% at older ages	15.00% p.a. at younger ages reducing to 2.00% p.a.% at older ages
Mortality Rate	Indian Assured Lives Mortality (2012-14) Table	Indian Assured Lives Mortality (2012-14) Table

Projection Risks:

Interest Risk - A decrease in the bond interest rate will increase the plan liability.

Longevity Risk - The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk -The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Maturity profile of defined benefit obligations

Particulars	Rs. in lacs	
	March 31, 2021	March 31, 2020
Maturity benefits payable in future years from the date of reporting		
1st following year	0.09	0.05
2nd following year	1.32	0.05
3rd following year	2.33	0.86
4th following year	2.84	1.53
5th following year	3.16	1.87
Sum of years 6 to 10	16.23	8.25
After 10 years	13.00	9.47
Total	38.97	22.08

Quantitative sensitivity analysis for significant assumption

Particulars	Rs. in lacs	
	March 31, 2021	March 31, 2020
Projected benefit obligation on current assumption	38.97	22.08
Increase/decrease on present value of defined benefits obligation		
0.05% increase in discount rate	(2.24)	(1.34)
0.05% decrease in discount rate	2.46	1.48
0.05% increase in salary escalation rate	1.79	1.31
0.05% decrease in salary escalation rate	(1.73)	(1.07)
10% increase in employee turnover rate	(0.60)	(0.48)
10% decrease in employee turnover rate	0.62	(0.49)

Compensated absence

Cost for compensated absence is included in the line item 'Employee benefits expenses' in the statement of profit and loss. Details for compensated absence are as given below.

Particulars	Rs. in lacs	
	March 31, 2021	March 31, 2020
Cost	36.32	20.45
Discount rate used	6.85%	6.85%
Salary escalation rate used	7.00%	7.00%

Details of the Company's contribution to defined contribution plan is given as below

Particulars	Rs. in lacs	
	March 31, 2021	March 31, 2020
Provident fund	52.46	36.43
Employee State Insurance Scheme	5.60	5.85

44. Events after reporting date

There have been no significant events after the reporting date that require disclosure in these financial statements.

Disclosures as required by Reserve Bank of India

45. Capital to Risk Assets ratio (CRAR) (Computed as per method prescribed by RBI)

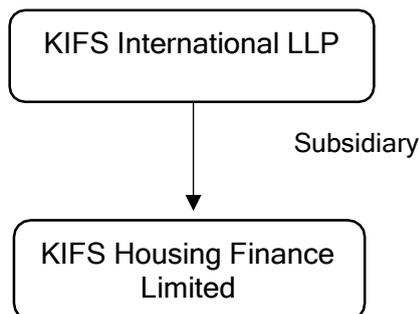
Sr. No.	Particulars	Rs. in lacs	
		As at March 31, 2021	As at March 31, 2020
(i)	CRAR (%) [(ii) + (iii)]	81.60	121.03
(ii)	CRAR- Tier I Capital (%)	80.87	119.78
(iii)	CRAR- Tier II Capital (%) (Note 1)	0.73	1.25
(iv)	Amount of subordinated debt considered as Tier-II capital (In ₹)	Nil	Nil
(v)	Amount raised by issue of Perpetual Debt Instruments	Nil	Nil

Note 1 - For March 31, 2020, actual % of CRAR - Tier II capital due to general provisions and loss reserves was 1.30% of risk weighted Assets. However, as per master circular NHB(ND)/DRS/REG/MC-01/2019 dated July 1, 2019, CRAR - Tier II Capital (%) is restricted to 1.25%.

46. Principal business criteria

Particulars	As at March 31, 2021	As at March 31, 2020
Percentage of housing loans to total assets less intangible assets	65.72%	75.73%
Percentage of housing loans to individuals to total assets less intangible assets	65.72%	75.73%

47. Group Structure



48. Statutory reserve

The Company creates a reserve fund as required by section 29C of National Housing Bank Act, 1987, wherein a sum equal to twenty percent of its profit every year, as disclosed in the profit and loss account and before any dividend is declared, is transferred. The Special Reserve qualifies for deduction as specified u/s 36 (1) (viii) of the Income Tax Act, 1961 and accordingly, the Company has been availing tax benefits for such transfers.

Particulars	Rs. in lacs	
	As at March 31, 2021	As at March 31, 2020
Opening balance		
- Statutory Reserve u/s 29C of National Housing Bank, Act 1987	573.08	95.82
- Amount of Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under section 29C of the NHB Act, 1987	-	-
Total	573.08	95.82
Addition/withdrawal during the year		
Add:		
- Amount transferred u/s 29C of the NHB Act, 1987	353.65	306.59
- 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	83.45	170.67
Less:		
Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
Amount withdrawn from the special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	-	-
Closing balance		
- Statutory Reserve u/s 29C of National Housing Bank, Act 1987	926.73	573.08
- 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	83.45	-
Total	1,010.18	573.08

There has been no draw down from reserves during the year ended March 31, 2021 and during the year ended March 31, 2020.

49. Investments

Particulars	Rs. in lacs	
	As at March 31, 2021	As at March 31, 2020
a) Value of Investment		
i) Gross value of Investments		
a) In India	11,413.65	1,910.06
b) Outside India	-	-
ii) Provision for Depreciation		
a) In India	-	-
b) Outside India	-	-
iii) Net value of investments		
a) In India	11,413.65	1,910.06
b) Outside India	-	-
b) Movements of provisions held towards depreciation in investments		
i) Opening balance	-	-
ii) Add: Provisions made during the year	-	-
iii) Less: Write off/Written back of excess provisions during the year	-	-
iv) Closing balance	-	-

50. Provisions and contingencies

Particulars (Break-up of provisions and contingencies shown under the head expenditure in profit and loss)	Rs. in lacs	
	Year ended March 31, 2021	Year ended March 31, 2020
Provisions for depreciation on investments	-	-
Provisions made towards income tax (Net of reversal of tax of earlier year)	525.00	478.26
Provisions towards NPAs	93.80	59.19
Provisions for standard assets	39.43	203.08
Additional floating provision on loan assets	200.00	-
Other provisions and contingencies		
– Gratuity	16.89	11.39
– Compensated absences	30.23	18.96
– Provision for expenses	182.91	109.02

51. Concentration of NPAs

Particulars	Rs. in lacs	
	As at March 31, 2021	As at March 31, 2020
Total exposure to top ten NPA accounts	155.98	125.86

52. Sector wise NPAs provisions and contingencies

Particulars	Rs. in lacs	
	At March 31, 2021	At March 31, 2020
A. Housing Loan		
(i) Individual (Out of total advances in that sector)	138.93	59.25
Individual (In %) (Out of total advances in that sector)	0.35%	0.20%
B. Non-Housing Loan		
(i) Individual (Out of total advances in that sector)	19.93	5.82
Individual (In %) (Out of total advances in that sector)	0.38%	0.15%

53. Movement of NPAs

Particulars	Rs. in lacs	
	March 31, 2021	March 31, 2020
(i) Net NPAs to Net advances (%)	0.46%	0.28%
(ii) Movement of gross NPAs		
a) Opening balance	157.32	22.03
b) Addition during the year	207.40	135.29
c) Closing balance	364.72	157.32
(iii) Movement of Net NPAs		
a) Opening balance	92.25	16.15
b) Addition during the year	113.61	76.10
c) Closing balance	205.86	92.25
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	65.07	5.88
b) Addition during the year	93.79	59.19
c) Closing balance	158.86	65.07

54. Customer complaints

Particulars	March 31, 2021	March 31, 2020
(a) No. of complaints pending at the beginning of the year	2	-
(b) No. of complaints received during the year	59	33
(c) No. of complaints redressed during the year	61	31
(d) No. of complaints pending at the end of the year	-	2

55. Concentration of public deposits

The Company is non-deposit taking housing finance Company. Hence, this disclosure is not applicable.

56. Concentration of loans and advances

Particulars	Rs. in lacs	
	March 31, 2021	March 31, 2020
Total deposits of twenty largest borrowers	587.60	555.15
Percentage of exposure to twenty largest borrowers/customers to total exposure of the HFC on borrower/customers	1.30%	1.65%

57. Concentration of all exposures (including off balance sheet exposure)

Particulars	Rs. in lacs	
	Current Year	Previous Year
Total deposits of twenty largest borrowers/customers	646.57	576.78
Percentage of exposure to twenty largest borrowers/customers to total exposure of the HFC on borrower/customers	1.22%	1.30%

58. Rating assigned by rating agencies during the year

Instruments	Current Year	Previous Year
Long term bank Facilities		
-Acuite	A- Stable outlook	BBB+ Stable outlook
Non-convertible debentures		
-Acuite	A- Stable outlook	NA

Instruments	Current Year	Previous Year
-Brickworks	BBB + Stable outlook	NA

59. Break-up of loans and advances and provisions thereon.

Particulars	Rs. in lacs	
	Housing Loan	Non-Housing Loan
Current Year		
Standard Assets		
Principal Outstanding	39,525.34	5,193.26
EMI/PEMI-interest/fee debtors	-	39.68
Provisions	298.57	63.54
Sub-Standard Assets		
Principal Outstanding	204.13	32.65
Provisions	88.91	14.22
Doubtful Assets – Category I		
Principal Outstanding	93.72	12.31
Provisions	40.82	5.36
Doubtful Assets – Category II		
Principal Outstanding	21.12	0.79
Provisions	9.20	0.34
Total		
Principal Outstanding	39,844.31	5,239.01
EMI/PEMI-interest/fee debtors	-	39.68
Provisions	437.50	83.47

Particulars	Rs. in lacs	
	Housing loan	Non-Housing loan
Previous Year		
Standard Assets		
Principal Outstanding	29,465.20	3,949.89
EMI/PEMI-interest/fee debtors	-	10.40
Provisions	265.46	65.76
Sub-Standard Assets		
Principal Outstanding	122.23	13.20
Provisions	50.53	5.49
Doubtful Assets – Category I		
Principal Outstanding	21.10	0.79
Provisions	8.72	0.33
Doubtful Assets – Category II		
Principal Outstanding	-	-
Provisions	-	-
Total		
Principal Outstanding	29,608.53	3,963.88
EMI/PEMI-interest/fee debtors	-	10.40
Provisions	324.71	71.58

60. Disclosure required as per Circular DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 -
Implementation of Indian Accounting Standards

Rs. in lacs						
Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	44,389.92	251.70	44,138.12	119.53	132.17
	Stage 2	368.47	70.93	297.54	1.04	69.88
Subtotal		44,758.29	322.63	44,435.66	120.57	202.06
Non-Performing Assets (NPA)						
Substandard	Stage 3	236.78	103.14	133.65	36.01	67.13
Doubtful - up to 1 year	Stage 3	106.03	46.18	59.84	26.87	19.31
1 to 3 Years	Stage 3	21.91	9.54	12.37	8.89	0.66
More Than 3 year	Stage 3	-	-	-	-	-
Subtotal for doubtful		127.94	55.73	72.21	35.76	19.96
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		364.72	158.86	205.86	71.77	87.09
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	7,786.76	8.54	7,778.22	-	8.54
	Stage 2	39.59	-	39.59	-	-
	Stage 3	15.93	-	15.93	-	-
Subtotal		7,842.28	8.54	7,833.74	-	8.54
Total	Stage 1	52,176.58	260.24	51,916.34	119.53	140.71
	Stage 2	408.06	70.93	337.13	1.04	69.88
	Stage 3	380.65	158.86	221.79	71.77	87.09
	Total	52,965.29	490.03	52,475.26	192.34	297.69

In addition to above the Company has made additional provision of Rs. 200 lacs for loan losses and for restructuring loans of amount Rs.39.49 lacs.

**61. Disclosure required as per Circular DOR.No.BP.BC.63/21.04.048/2019-20 - COVID19
Regulatory Package - Asset Classification and Provisioning**

Particulars	Rs. in lacs	
	March 31, 2021	March 31, 2020
(A) SMA/overdue categories, where the moratorium/deferment was extended	885.37	230.18
(B) Out of (A) above, amount on which asset classification benefits is extended	-	37.26
(C) Provision made during Q4-2020 and Q1-FY2021	88.54	11.51
(D) Provisions adjusted during the respective accounting periods against slippages	-	-
(E) Residual Provision	-	11.51

62. Maturity pattern of certain items of assets and liabilities

	As at March 31, 2021			
	Loans	Bank borrowings#	Market borrowings	Investments
1 day to 7 days	0.29	-	-	11,413.65
8 day to 14 days	149.88	-	-	-
15 day to 30/31 days	108.29	317.48	-	-
Over 1 months up to 2 months	269.86	462.88	-	-
Over 2 months upto 3 months	270.83	71.67	-	-
Over 3 months upto 6 months	818.40	1,125.66	827.28	-
Over 6 months to 1 year	1,712.46	2,260.72	-	-
Over 1 year to 3 years	5,647.56	7,076.97	3,888.20	-
Over 3 years to 5 years	5,617.92	5,096.57	-	-
Over 5 years	30,174.03	4,631.80	-	-
Total	44,769.52	21,043.75	4,715.48	11,413.65

Excluding Loans repayable on demand from banks.

	As at March 31, 2020			
	Loans	Bank borrowings#	Market borrowings	Investments
1 day to 7 days	0.26	16.52	-	1,910.06
8 day to 14 days	62.30	-	-	-
15 day to 30/31 days	-	316.94	-	-
Over 1 months up to 2 months	64.02	83.58	-	-
Over 2 months upto 3 months	64.73	53.66	-	-
Over 3 months upto 6 months	198.56	568.26	-	-
Over 6 months to 1 year	455.22	1,142.52	-	-
Over 1 year to 3 years	1,086.65	3,706.05	-	-
Over 3 years to 5 years	1,415.84	1,965.76	-	-
Over 5 years	29,972.91	2,140.82	-	-
Total	33,320.48	9,994.10	-	1,910.06

Excluding Loans repayable on demand from banks.

1. The Company does not have foreign currency liabilities, deposits and foreign currency assets as at 31 March 2021 and 31 March 2020.
2. Classification of assets and liabilities under different maturity buckets is based on the same estimates and assumptions as used by the Company for compiling the return submitted to NHB.

63. Exposure to real estate sector

Particulars	Rs. in lacs	
	Current Year	Previous Year
Category		
a) Direct exposure		
i) Residential mortgage: Lending fully secured by mortgage on residential property that is or will be occupied by the borrower or that is rented;		
Housing Loan up to Rs. 15 Lakhs	34,862.83	25,904.40
Housing Loan more than Rs. 15 Lakhs	4,981.48	3,704.13
ii) Commercial real estate: Lending secured by mortgages on commercial real estates (Office, building, retail space, multipurpose commercial premises, multi-family residential buildings, multi tenanted premises, industrial or ware house space, hotels, land acquisitions, development and construction, etc.). Exposure would also include non-fund based (NBF) limits.	-	-
iii) Investment in mortgage backed securities (MBS) and other securitized exposures:		
a) Residential	-	-
b) Commercial real estate	-	-
b) Indirect exposure Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-

64. Exposure to group companies engaged in real estate activities

The Company does not have any exposure to group companies engaged in real estate activities.

65. Consolidated Financial Statements

The Company does not have investments in any entities. Hence, the Company is not required to prepare consolidated financial statements.

66. Disclosure pursuant to circular no. RBI/2020-21/16/ DOR.No.BP.BC /3/21.04.048/2020-21 dated August 6, 2020 issued by RBI

Type of borrower	Number of accounts where resolution plan has been implemented under this window	exposure to accounts mentioned at (A) before implementation of the plan	Of (B), aggregate amount of debt that was converted into other securities	Additional funding sanctioned, if any, including between invocation of the plan and implementation	Increase in provisions on account of the implementation of the resolution plan
Personal loan	40	384.03	-	-	39.49
Total	40	384.03	-	-	39.49

67. The Company has not undertaken assignments of loans during the financial year ended March 31, 2021 and March 31, 2020.
68. The Company has not undertaken securitisation of loans during the financial year ended March 31, 2021 and March 31, 2020. The Company has not sponsored any SPVs during the current and previous year, and there is no outstanding amount of securitised assets as a result of any such sponsorships.
69. The company has not disbursed any loans against security of gold.
70. The Company has no exposure in capital market at March 31, 2021 and at March 31, 2020.
71. The Company has no transactions/exposures in forward rate agreement/interest rate swap in the current and previous year.
72. The Company has no transactions/exposures in derivatives in the current and previous year.
73. The company has not witnessed/reported any instances of fraud in the current and previous year.
74. The company has not purchased/sold non performing financial assets from other Housing Finance Companies in the current and previous year.
75. The Company has not sold any financial assets to Securitisation/Reconstruction Company for assets reconstruction in the current and previous financial year.
76. The Company has not exceeded single borrower limit and group borrower limit as set by regulator during current year and previous year.
77. The Company has not made advances against intangible collaterals at March 31, 2021 and at March 31, 2020.
78. The Company is not registered with any other financial regulator.
79. There is no financing of the parent company's products during the current year and previous year.
80. The Company did not have any overseas assets at March 31, 2021 and at March 31, 2020.

81. Penalties

Particulars	Rs. in lacs	
	Year ended March 31, 2021	Year ended March 31, 2020
National Housing Bank	0.06	-

National Housing Bank, through its letter dated July 20, 2020, levied a penalty of Rs. 5,000 plus Goods and Service tax of Rs. 900 on the Company for non-compliance of Para 27(A) of Housing Finance Companies (NHB) Direction 2010.

82. No adverse remarks were levied by National Housing Bank and Reserve Bank of India during current and previous year.
83. The accounting policies regarding key areas of operations are disclosed as note 3 to the Financial Statements.
84. There have been no instances except for interest on non-performing loans in which revenue recognition is postponed pending the resolution of significant uncertainties.
85. Details of all material transactions with related parties are disclosed in note 42 of financial statements.
86. Refer to the Management Discussion and Analysis report for the management related disclosures.

87. Details of Remuneration of Directors are disclosed in related party disclosures.
88. There are no prior period items that have impact on the current year's and previous year's profit and loss.
89. Previous year figures have been reclassified/regrouped/restated to conform to current year's classification.

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

Sd/-

**CA. Laxminarayan P. Yekkali
Partner
M. No. 114753**

**Place: Mumbai
Date: June 3, 2021**

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

Sd/-

Rajesh P. Khandwala
Chairman and Managing Director
DIN: 00477673

Sd/-

Deepak Kumar Ajmera
Chief Financial Officer
PAN- AIHPA5872B

**Place: Ahmedabad
Date: June 3, 2021**

Sd/-

Padmanabh Vora
Director
DIN 00003192

Sd/-

Tejal Gala
Company Secretary
M. No. ACS-54456

Schedule to the Balance Sheet of the Housing Finance Company as required under Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021

Liabilities side

			Rs. in lacs	
Sr. no.	Particulars	Total Amount Outstanding	Amount Overdue	
1)	Loans and Advances availed by the non- banking financial company inclusive of interest accrued thereon but not due			
a)	Debentures :			
	- Secured	4,982.44	-	
	- Unsecured	-	-	
	(other than falling within the meaning of public deposits*)			
b)	Deferred Credits	-	-	
c)	Term Loans	21,052.76	-	
d)	Inter-corporate loans and borrowing	-	-	
e)	Commercial Paper	-	-	
f)	Loans repayable on demand from banks	4,014.89	-	
g)	Sub ordinate debt	-	-	
h)	Working capital facility	-	-	

Assets side

			Rs. in lacs	
Sr. no.	Particulars	Amount		
2)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :			
a)	Secured	45,122.48		
b)	Unsecured	-		
3)	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities:			
I	Lease assets including lease rentals under sundry debtors :			
	a) Financial Lease	-		
	b) Operating Lease	-		
II	Stock on hire including hire charges under sundry debtors:			
	a) Assets on hire	-		
	b) Repossessed Assets	-		
III	Other loans counting towards AFC activities :			
	a) Loans where assets have been repossessed	-		
	b) Loans other than (a) above	-		
4)	Break- up of Investments:			
	Current Investments			
I	Quoted			
I	Shares			
	a) Equity	-		
	b) Preference	-		
ii	Debenture and Bonds	-		
iii	Units of Mutual Funds	11,413.65		
iv	Government Securities	-		
V	Others	-		
II	Unquoted			
I	Shares			
	c) Equity	-		

Sr. no.	Particulars	Amount
	d) Preference	-
ii	Debenture and Bonds	-
iii	Units of Mutual Funds	-
iv	Government Securities	-
v	Others	-
	Long Term Investments	
I	Quoted	
I	Shares	
	e) Equity	-
	f) Preference	-
ii	Debenture and Bonds	-
iii	Units of Mutual Funds	-
iv	Government Securities	-
v	Others	-
II	Unquoted	
I	Shares	
	g) Equity	-
	h) Preference	-
ii	Debenture and Bonds	-
iii	Units of Mutual Funds	-
iv	Government Securities	-
v	Others	-

Borrower group-wise classification of assets financed as in (2) and (3) above:

Rs. in lacs

Category	Amount of Net Provision		
	Secured	Unsecured	Total
Related Parties			
a) Subsidiaries	-	-	-
b) Companies in the same group	-	-	-
c) Other Related Parties	-	-	-
Other than related parties	44,392.96	-	44,392.96
Total	44,392.96	-	44,392.96

Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Rs. in lacs

Category	Market Value/Break up or Fair Value or NAV	Book Value (Net of Provisions)
Related Parties		
a) Subsidiaries	-	-
b) Companies in the same group	-	-
c) Other Related Parties	-	-
Other than related parties	11,413.65	11,413.65
Total	11,413.65	11,413.65

Other Information

Rs. in lacs

Particulars	
Gross Non- Performing Assets	
a) Related Parties	-
b) Other than related parties	364.72
Net Non- Performing Assets	
c) Related Parties	-
d) Other than related parties	205.86
Assets acquired in satisfaction of Debts	-

NOTICE IS HEREBY GIVEN THAT THE 6TH ANNUAL GENERAL MEETING (AGM) OF THE MEMBERS OF KIFS HOUSING FINANCE LIMITED WILL BE HELD ON THURSDAY, JULY 01, 2021 AT 11.00 A.M. AT THE REGISTERED OFFICE SITUATED AT B-81, PARISEEMA COMPLEX, C. G. ROAD, ELLISBRIDGE, AHMEDABAD - 380006, TO TRANSACT THE FOLLOWING BUSINESS

ORDINARY BUSINESS

- To receive, consider, approve and adopt the Audited Financial Statements of the Company for the half year and year ended March 31, 2021, including the Audited Balance Sheet as at March 31, 2021 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.**
- To consider re-appointment of Mr. Kartik Mehta (DIN: 02083342), Non-Executive Director who retires by rotation and, being eligible, offers himself for re-appointment.**
- To re-appoint Statutory Auditor**

To consider and, if thought fit, to pass the following as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to provisions of section 139 and 142 of the Companies Act 2013 read with rules made thereunder including any statutory modification or re-enactment thereof for the time being in force, M/s. Manubhai & Shah LLP, Chartered Accountants, having Firm Registration No. 106041W/W100136, be and is hereby re-appointed as the Statutory Auditors of the Company, to hold office from the conclusion of Sixth (6th) Annual General Meeting until the conclusion of the Eleventh (11th) Annual General Meeting of the Company, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS

- To approve borrowing limits under Section 180(1)(c) of the Companies Act, 2013**

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

“RESOLVED THAT pursuant to Section 180(1)(c) of the Companies Act, 2013 and Rules made there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing by way of loans or debentures (whether secured or unsecured), bonds, deposits, fund based, non-fund based or in any other manner for the purpose of business of the Company any sums or sums of money whether in Indian or foreign currency from time to time from any bank(s) or any financial institutions or any other institution(s), firm(s), body corporate(s) or other person(s) or from any other source in India or outside India whomsoever from time to time with or without security and upon such terms and conditions as the Board of Directors of the Company may deem fit and expedient for the purpose of the business of the Company, notwithstanding, that the monies to be borrowed, together with the monies already borrowed by the Company and remaining undischarged at any given time (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the Company's paid-up share capital, free reserves and securities premium, provided that the total amount so borrowed/to be borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) and outstanding at any given time shall not at any time exceed Rs. 1000 Crore (Rupees One Thousand Crores Only).

RESOLVED FURTHER THAT the Board of Directors, President - Finance, Chief Financial Officer and Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution.”

5. To re-appoint Shri Rajesh P. Khandwala as a Managing Director of the Company

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT in accordance with the provisions of Sections 196,197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force), Articles of Association, other statutory provisions as may be applicable and subject to the approval of Central Government or any other authorities, if any, consent of the Company be and is hereby accorded for re-appointment of Shri Rajesh P. Khandwala (DIN: 00477673) as a Managing Director of the Company for a period of 5 (five) years with effect from March 04, 2021 till March 03, 2026 on such terms & conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (including its Committee thereof) to alter and vary the terms & conditions of the said Appointment in such manner as may be agreed to between the Board of Directors and Shri Rajesh P. Khandwala.”

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such agreements, documents, instruments and writings as may be required to be executed and to delegate all or any of its power(s) herein conferred, to any Committee of Directors or Director(s) and to take all such steps as may be necessary, proper or expedient to give effect to the above stated resolutions including filing of forms with the Registrar of Companies and certifying the copy of this resolution for submission to the authorities wherever required.”

6. To re-appoint Shri Vimal P. Khandwala as a Managing Director of the Company

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT in accordance with the provisions of Sections 196,197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force), Articles of Association, other statutory provisions as may be applicable and subject to the approval of Central Government or any other authorities, if any, consent of the Company be and is hereby accorded for re-appointment of Shri Vimal P. Khandwala (DIN: 00477768) as a Managing Director of the Company for a period of 5 (five) years with effect from March 04, 2021 till March 03, 2026 on such terms & conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (including its Committee thereof) to alter and vary the terms & conditions of the said Appointment in such manner as may be agreed to between the Board of Directors and Shri Vimal P. Khandwala.”

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such agreements, documents, instruments and writings as may be required to be executed and to delegate all or any of its power(s) herein conferred, to any Committee of Directors or Director(s) and to take all such steps as may be necessary, proper or expedient to give effect to the above stated resolutions including filing of forms with the Registrar of Companies and certifying the copy of this resolution for submission to the authorities wherever required.”

By Order of the Board of Directors
for **KIFS Housing Finance Limited**,
Sd/-
Rajesh khandwala
Chairman & Managing director
DIN: 00477673

Date: June 09, 2021
Place: Ahmedabad

NOTES:

1. The Explanatory Statement as required under section 102 of the Companies Act, 2013 in respect of items of Special Business is annexed hereto and forms part of this notice. Further, additional information with respect to item no. 2 as required under Secretarial Standards-2 on General Meetings, is annexed hereto and forms part of this notice.
2. Members are requested to produce/handover the enclosed attendance slip duly signed as per the specimen signature recorded with the Company for admission to the meeting venue. In all correspondences with the Company, Members are requested to quote their account/folio numbers.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF /HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument appointing the proxy in Form MGT-11 annexed hereto, in order to be effective, should reach the registered office of the Company duly filled, stamped and signed at least 48 hours before the time of commencement of the meeting.
4. A person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other Member. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution/ authority as applicable. The Proxy-holder shall prove his identity at the time of attending the Meeting.
5. A member desirous of inspecting the proxies received by the Company is requested to forward his/her request in writing at least three days before the commencement of the meeting. The proxy register will be made available for inspection by the member entitled to vote, during the period beginning twenty-four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the Meeting i.e. between 09.00 a.m. to 06.00 p.m. during such period.
6. Members are requested to notify immediately any change in their contact details and address to the Company by emailing at secretarial@kifshousing.com
7. Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013 as well as the Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 will be made available for inspection by the Members at AGM.
8. The Members will be allowed to pose questions during the course of the Meeting. The queries can also be given in advance at secretarial@kifshousing.com
9. Corporate members intending to appoint their authorized representatives to attend the Meeting are requested to submit to the Company a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the AGM.
10. All the documents referred to in Notice and Explanatory Statement are open for inspection by the members at the registered office of the Company on all working days during business hours and will also be available at the request by a member of the Company.
11. The Notice calling the AGM has been uploaded on the website of the Company at <https://www.kifshousing.com/>

Registered Office: B-81, Pariseema Complex, C. G. Road, Ellisbridge, Ahmedabad - 380006, Gujarat, India.

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

Ph. No.: +91 22 61796400 **E-mail:** contact@kifshousing.com **Website:** www.kifshousing.com

CIN: U65922GJ2015PLC085079 **RBI COR- DOR-00145**

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

Agenda Item No. 4

The members of the Company at its previous Annual general Meeting held on June 11, 2020, had approved by way of a Special Resolution under Section 180(1)(c) of the Companies Act, 2013, borrowing limits over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs. 1000 Crores (Rupees One Thousand Crores) for the FY 2020-2021.

However the borrowings of the Company for the FY 2020-2021 has yet not reached the limit and the Company would continue to borrow funds to meet the increased business volumes and growth of the Company, thus it is necessary that the borrowing powers shall remain same so as to match the business targets.

The Board of Directors of a Company shall not, except with the consent of Company by Special Resolution borrow money together with the money already borrowed, if any (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), exceeding the aggregate of the paid up capital and its free reserves as per the provisions of Section 180(1)(c) of the Companies Act, 2013 ("the Act") and its rules thereunder.

Hence, the consent of the Members is therefore sought to pass Special Resolution under Section 180(1) (c) of the Act, as set out in item no. 4 of the notice, to enable the Board of Directors to borrow monies and inter alia, authorized the Board to secure its borrowing by way of mortgage / charge on the assets of the Company, which shall not exceed the maximum limit prescribed by Reserve Bank of India i.e. 12 times of Net Owned Fund or a sum of Rs. 1000 Crores, whichever is less, subject to RBI Directions.

None of the Directors, Key Managerial Personnel or their relatives are interested, except to the extent of their equity shareholding in the company or has any concern or interest in respect of the above mentioned Special Resolution.

The Board recommends the **Special Resolution** as per the accompanying Notice, for approval by the Members of the Company.

Agenda Item No. 5

As per the requirement of sections 196, 197, 203 and Schedule V of the Companies Act, 2013 read with the prescribed rules of the Companies Rules, 2014, the Board has upon the recommendation of the Nomination & Remuneration Committee reappointed Mr. Rajesh Khandwala (DIN: 00477673) as a Managing Director (Whole Time Key Managerial Personnel) at the 60th Board Meeting held on the March 04, 2021 since the tenure of the Mr. Rajesh Khandwala, Managing Director had expired on March 03, 2021.

The company has received the (i) consent in writing from Mr. Rajesh Khandwala in form DIR-2 pursuant to the Rule 8 of the Companies (Appointment & Qualifications of Directors) Rules 2014; (ii) intimation in Form DIR-8 pursuant to the Rule 14 of the Companies (Appointment & Qualifications of Directors) Rules 2014 that he is not disqualified under section 164 sub-section (2) of the Companies Act, 2013.

The terms and conditions regarding the reappointment and remuneration are mentioned below:

(i) Term: 5 years commencing from 04/03/2021 till 3/03/2026

(ii) Remuneration: Managing Director being the promoter of the Company has expressed that he shall not charge any amount as a remuneration to the Company.

The company now seeks the approval of the shareholders by way of ordinary resolution as per the provisions of sections 196, 197 and schedule V of the companies act, 2013 read with the companies rules, 2014 (including any statutory modifications or re-enactment thereof) and other applicable provisions if any, for the reappointment of Mr. Rajesh Khandwala (DIN: 00477673) as the Managing Director from from March 04, 2021 till March 03, 2026. No directors, key managerial personnel, manager or their relatives are interested or concerned in the above-mentioned resolution except for Mr. Rajesh Khandwala.

The Board recommends the **Ordinary Resolution** as per the accompanying Notice, for approval by the Members of the Company.

Agenda Item No. 6

As per the requirement of sections 196, 197, 203 and Schedule V of the Companies Act, 2013 read with the prescribed rules of the Companies Rules, 2014, the Board has upon the recommendation of the Nomination & Remuneration Committee reappointed Mr. Vimal Khandwala (DIN: 00477768) as a Managing Director (Whole Time Key Managerial Personnel) at the 60th Board Meeting held on the March 04, 2021 since the tenure of the Mr. Vimal Khandwala, Managing Director had expired on March 03, 2021.

The company has received the (i) consent in writing from Mr. Vimal Khandwala in form DIR-2 pursuant to the Rule 8 of the Companies (Appointment & Qualifications of Directors) Rules 2014; (ii) intimation in Form DIR-8 pursuant to the Rule 14 of the Companies (Appointment & Qualifications of Directors) Rules 2014 that he is not disqualified under section 164 sub-section (2) of the Companies Act, 2013.

The terms and conditions regarding the reappointment and remuneration are mentioned below:

(i) Term: 5 years commencing from 04/03/2021 till 3/03/2026

(ii) Remuneration: Managing Director being the promoter of the Company has expressed that he shall not charge any amount as a remuneration to the Company.

The company also seeks the approval of the shareholders by way of ordinary resolution as per the provisions of sections 196, 197 and schedule V of the companies act, 2013 read with the companies rules, 2014 (including any statutory modifications or re-enactment thereof) and other applicable provisions if any, for the reappointment of Mr. Vimal Khandwala (DIN: 00477768) as the Managing Director from March 04, 2021 till March 03, 2026.

No directors, key managerial personnel, manager or their relatives are interested or concerned in the above mentioned resolution except for Mr. Vimal Khandwala.

The Board recommends the **Ordinary Resolution** as per the accompanying Notice, for approval by the Members of the Company.

By Order of the Board of Directors
For KIFS Housing Finance Limited,

Sd/-
Rajesh Khandwala,
Chairman & Managing Director
DIN: 00477673

Date: June 09, 2021
Place: Ahmedabad

ADDITIONAL INFORMATION AS REQUIRED UNDER SECRETARIAL STANDARDS-2

Agenda Item No. 2

Details of Mr. Kartik Mehta, Non-Executive Director (DIN: 02083342) on the Board of the Company is liable to retire by rotation and being eligible, has offered himself for re-appointment.

Name of the Director	Mr. Kartik Mehta
Designation	Non-Executive Director
Date of Birth/Age	26-06-1968/ 52 years
DIN	02083342
Date of First appointment on the Board	March 4, 2016 as a Non-Executive Director of the Company
Qualification	Bachelor of Commerce
Experience	<ul style="list-style-type: none"> • Career banker with more than 26 years of experience in banking and financial services • Has worked across various functions including corporate finance, treasury management, Retail banking and distribution, agriculture credit and priority sector and microfinance during his banking career • Has been associated as a microfinance practitioner and also been involved with some pioneering work in the banking correspondent space • Chartered Accountant, Cost Accountant and a qualified Certified Financial Planner (CFP)
Shareholding in the Company	0.10001 %
Number of Board Meetings attended during the year	2
Chairperson/ Membership of Committees of other Company	<u>Pahal Financial Services Limited</u> Audit Committee, Member Finance Committee, Member Stakeholder Relationship Committee, Member
Directorships held in other Company as on date	Pahal Financial Services Private Limited Suyash Advisory LLP Sprinkle Advisors LLP
Terms and conditions of appointment/re-appointment	Appointed as a Non-Executive of the Company w.e.f. March 4, 2016, liable to retire by rotation. Remuneration sought to be paid: Sitting fees INR 10,000/- Board Meeting and per Committee Meeting. Remuneration last drawn: INR 60,000/- as sitting fees for attending Board Meetings and Committee Meetings during the Financial Year 2020-21
Relationship with other Directors/KMP of the Company	Not related to any Director or Key Managerial Personnel. Company has no Manager.

Agenda Item No. 5

Details of Managing Directors seeking re-appointment under sections 196,197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013

Name of the Director	Mr. Rajesh Khandwala
Designation	Managing Director
Date of Birth/Age	23-06-1964/ 57 years
DIN	00477673
Date of First appointment on the Board	November 16, 2015 as a Managing Director of the Company
Qualification	Graduation in Commerce
Experience	Shri Rajesh P. Khandwala, son of Shri Parmanand G. Khandwala aged about 55 years, holds the Bachelors Degree in Commerce and has an experience of more than two decades in capital market activities. He has rich and varied experience in the field of Primary market, Secondary market and Mutual Funds. He is an independent thinker and a measured risk taker with a passion for equities. Also with his support in the business of housing finance, Shri Rajesh P. Khandwala is taking up the Company to the new heights, growth and success.
Shareholding in the Company	0 %
Number of Board Meetings attended during the year	11
Chairperson/ Membership of Committees of other Company	<p><u>KIFS Financial Services Limited</u> Audit Committee Shareholders Grievance Committee Risk Management Committee Corporate Social Responsibility Committee</p> <p><u>KIFS Trade Capital Private Limited</u> Corporate Social Responsibility Committee</p> <p><u>Khandwala Finstock Private Limited</u> Corporate Social Responsibility Committee</p>
Directorships held in other Company as on date	<ol style="list-style-type: none"> 1. KIFS Infrastructure LLP 2. KIFS International LLP 3. KIFS Estate LLP 4. Aananta Exim LLP 5. Bsafal.Kz Estate LLP 6. KIFS Financial Services Limited 7. KIFS Motors Private Limited 8. KIFS Trade Capital Private Limited 9. Khandwala Commercial Private Limited 10. Amoureux Enterprise Private Limited
Terms and conditions of appointment/re-appointment	As mentioned in the Explanatory Statement

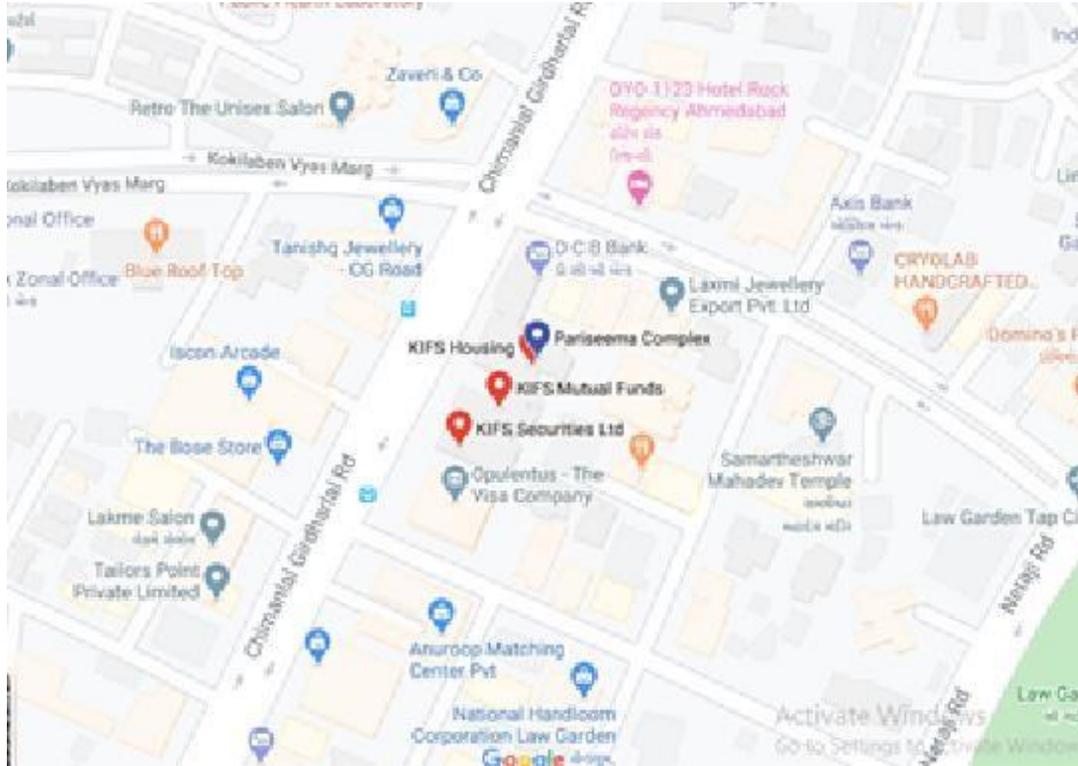
Relationship with other Directors/KMP of the Company	Related to Shri. Vimal Khandwala
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Agenda Item No. 6
Details of Managing Directors seeking re-appointment under sections 196,197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013

Name of the Director	Mr. Vimal Khandwala
Designation	Managing Director
Date of Birth/Age	05-02-1971/ 50 years
DIN	00477768
Date of First appointment on the Board	November 16, 2015 as a Managing Director of the Company
Qualification	Graduation in Commerce
Experience	Mr. Vimal P. Khandwala is a Commerce Graduate and has deep operational knowledge of more than 20 years in Capital Market activities. He has rich experience in Primary Market, Secondary Market, Derivatives and Arbitrage Operations, and Financial Management. With his strong operational skills, he keeps providing the group with the much needed controls for efficient business operations. Also with his support in the business of housing finance, Shri Vimal P. Khandwala is taking up the Company to the new heights, growth and success.
Shareholding in the Company	0 %
Number of Board Meetings attended during the year	11
Chairperson/ Membership of Committees of other Company	None
Directorships held in other Company as on date	<ol style="list-style-type: none"> 1. KIFS International LLP 2. KIFS Estate LLP 3. KIFS Financial Services Limited 4. KIFS Bullion Private Limited 5. KIFS Motors Private Limited 6. Padmaja E-Commerce Private Limited 7. KIFS Trade Capital Private Limited 8. Khandwala Finstock Pvt Ltd 9. Khandwala Commercial Private Limited 10. Amoureux Enterprise Private Limited
Terms and conditions of appointment/re-appointment	As mentioned in the Explanatory Statement
Relationship with other Directors/KMP of the Company	Related to Shri. Rajesh Khandwala

ROUTE MAP FOR EXTRA - ORDINARY MEETING

Address: B-81, Pariseema Complex, C. G. Road, Ellisbridge, Ahmedabad – 380006



Registered Office: B-81, Pariseema Complex, C. G. Road, Ellisbridge, Ahmedabad - 380006, Gujarat, India.

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

Ph. No.: +91 22 61796400 **E-mail:** contact@kifshousing.com **Website:** www.kifshousing.com

CIN: U65922GJ2015PLC085079 **RBI COR- DOR-00145**



KIFS HOUSING FINANCE LIMITED

ATTENDANCE SLIP

KIFS HOUSING FINANCE LIMITED

CIN: U65922GJ2015PLC085079

Registered office: B-81, Pariseema Complex, C. G. Road, Ellisbridge, Ahmedabad – 380006, Gujarat

6th Annual General Meeting, July 01, 2021, 11:00 AM

Registered Folio No. / DP ID No. Client ID No. : _____

Number of Shares held: _____

I certify that I am a member / proxy for the member(s) of the Company.

I hereby record my presence at the 6th **Annual General Meeting** of the Company being held on Thursday, **July 01, 2021 at 11.00 A.M.** at the registered office of the Company at B-81, Pariseema Complex, C. G. Road, Ellisbridge, Ahmedabad – 380006, Gujarat.

Name of the Member / Proxy

Signature of the Member / Proxy



KIFS HOUSING FINANCE LIMITED

Form No. MGT-11

Proxy form

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

KIFS HOUSING FINANCE LIMITED

CIN: U65922GJ2015PLC085079

Registered office: B-81, Pariseema Complex, C. G. Road, Ellisbridge, Ahmedabad – 380006, Gujarat

Name of the Member(s):

Registered address:

E-mail Id:

Folio No/ Clint Id:

DP ID:

I/ We being the member of, holding.....shares, hereby appoint

1. Name:,

Address:

E-mail Id:

Signature:....., or failing him

2. Name:,

Address:

E-mail Id:

Signature:.....,

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 6th Annual General Meeting of members of the Company, to be held on July 01, 2021 at the Registered office of the Company at B-81, Pariseema Complex, C. G. Road, Ellisbridge, Ahmedabad - 380006, Gujarat and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

Sr. No	Nature of Resolutions	Voting (Asset or Dissent)
	ORDINARY RESOLUTIONS	
1.	To receive, consider, approve and adopt the Audited Financial Statements of the Company for the half year and year ended March 31, 2021, including the Audited Balance Sheet as at March 31, 2021 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.	
2.	To consider re-appointment of Mr. Kartik Mehta (DIN: 02083342), Non-Executive Director who retires by rotation and, being eligible, offers himself for re-appointment.	
3.	To re-appoint Statutory Auditor	
4.	To approve borrowing limits under Section 180(1)(c) of the Companies Act, 2013	

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

Ph. No.: +91 22 61796400 **E-mail:** contact@kifshousing.com **Website:** www.kifshousing.com

CIN: U65922GJ2015PLC085079 **RBI COR- DOR-00145**

Affix Revenue
Stamp

Signed this day of2021
Signature of Shareholder

Signature of Proxy holder(s)

Note:

- **This form of proxy in order to be effective should be duly completed, signed, stamped & deposited at the Registered Office of the Company, not later than FORTY-EIGHT HOURS before the commencement of the aforesaid meeting.**
- **It is optional to indicate your preference. If you leave the ‘for’, ‘against’ and ‘abstain’ column blank on all/any resolutions, your Proxy(ies) will be entitled to vote on Poll (if taken) in the manner as he/she thinks fit.**