

Independent Auditor's Review Report on the quarterly and year to date unaudited financial results of KIFS Housing Finance Limited (Formerly known as KIFS Housing Finance Private Limited")

To

The Board of Directors of KIFS Housing Finance Limited

1. We have reviewed the accompanying statement of unaudited financial results of **KIFS Housing Finance Limited** (the 'Company') for the quarter ended on December 31, 2020 and year to date from April 1, 2020 to December 31, 2020 (the 'Statement') being prepared by the Company for specific purpose of submission to financial institutions.
2. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to issue report on the statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable Indian Accounting Standards ("Ind AS") specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other recognised accounting practices and policies contains any material misstatement.

For Manubhai & Shah LLP

Chartered Accountants

FRN: 106041W / W100136

LAXMINARAYAN PERAIAH YEKKALI
Digitally signed by
LAXMINARAYAN
PERAIAH YEKKALI
Date: 2021.03.04
22:44:24 +05'30'

CA. Laxminarayan P. Yekkali

Partner

M. No.: 114753

UDIN: 21114753AAAABN2660

Mumbai, Date: 04th March, 2021

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

Regd.Office: G-4, Capstone, Opp. Chirag Motors, Sheth Mangaldas Road, Ellisbridge, Ahmedabad-380006.

Gujarat, India. Phone : +91 79 2647 0000 Fax : 91-79-2647 0050 Email : info@msglobal.co.in

3C, Maker Bhavan-2, 18, New Marine Lines, Mumbai - 400020. Phone : 022-66333558

Email : infomumbai@msglobal.co.in

Website : www.msglobal.co.in

Statement of Financial Results For the Quarter & Period Ended December 31, 2020

S. No.	Particulars	For the period ended Dec 31, 2020	For the period ended Dec 31, 2019	For the quarter ended Dec 31, 2020	For the quarter ended Dec 31, 2019	For the Year ended March 31, 2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
(i)	Revenue from operations					
	Interest Income	3,600.86	2,653.49	1,335.32	990.73	3,739.35
	Fees and commission Income	189.56	135.16	206.00	34.07	274.58
	Net gain on fair value changes	20.13	1.58	-	1.58	4.15
(ii)	Net gain on derecognition of financial instruments under amortised cost category	-	-	-	-	-
(iii)	Other operating revenues	204.99	476.87	48.67	209.93	571.33
(iv)	Total Revenue from operations	4,015.54	3,267.10	1,589.99	1,236.31	4,589.41
(v)	Other Income	37.05	6.90	10.74	6.90	15.33
(vi)	Total income (I+II)	4,052.59	3,274.00	1,600.73	1,243.21	4,604.74
(i)	Expenses					
	Finance Costs	868.40	340.03	333.38	155.91	555.18
	Net loss on derecognition of financial instruments under amortised cost category	-	-	-	-	-
	Impairment on financial instruments	286.81	46.09	133.96	20.04	262.21
(ii)	Employee Benefits Expenses	1,010.74	1,024.56	400.90	457.46	1,331.73
(iii)	Depreciation, amortization and impairment	42.92	40.73	14.58	14.50	52.91
(iv)	Other expenses	251.39	377.58	108.44	132.74	502.76
(v)	Total Expenses	2,460.26	1,828.99	991.26	780.65	2,704.79
(vi)	Profit before exceptional items and tax (III-IV)	1,592.33	1,445.01	609.47	462.56	1,899.95
(i)	Tax Expense:					
	(i) Current Tax	372.85	411.06	129.33	131.04	473.27
	(ii) Short/(Excess) provision of tax for earlier year	-	-	-	-	4.99
	(iii) Deferred Tax	19.87	(19.62)	21.30	16.39	10.34
(ii)	Total Tax Expense	392.72	391.44	150.63	147.43	488.60
(iii)	Profit for the period (V-VI)	1,199.61	1,053.57	458.84	315.13	1,411.35
(iv)	Other Comprehensive Income					
(i)	A. Items that will not be reclassified to profit or loss					
	(i) Remeasurement of Defined Benefit Obligations	-	-	-	-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-
	Subtotal (A)	-	-	-	-	-
(i)	B. Items that will be reclassified to profit or loss					
	(i) Items that will be reclassified to profit or loss	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
	Subtotal (B)	-	-	-	-	-
(ii)	Other Comprehensive Income (A+B)	1,199.61	1,053.57	458.84	315.13	1,411.35
(iii)	Total Comprehensive Income for the period (VII + VIII)	2,399.22	2,107.14	917.68	630.26	2,822.70
(iv)	Earnings per equity share (Face value Rs. 10/- per equity share)	0.48	0.51	0.18	0.14	0.66
(v)	Diluted (Rs.)	0.48	0.51	0.18	0.14	0.66

(Rupees in Lakhs)

Signature



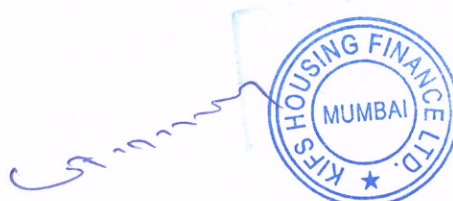
KIFS Housing Finance Limited
(Formally known as KIFS Housing Finance Private Limited)
Regd. Office : B-81, Pariseema Complex, C. G. Road, Ellisbridge, Ahmedabad - 380006
Ph.: 022-61796404 Email : secretarial@kifshousing.com
Website : www.kifshousing.com
CIN : U65922GJ2015PLC085079

Statement of Financial Results For the Period Ended December 31, 2020

Statement of Assets and Liabilities:

(Rupees in Lakhs)

S. No.	Particulars	As at Dec 31, 2020 (Unaudited)	As at Dec 31, 2019 (Unaudited)	As at March 31, 2020 (Audited)
	ASSETS			
[1]	Financial Assets			
(a)	Cash and cash equivalents	501.66	96.15	159.83
(b)	Bank Balance other than (a) above	2,701.08	2,643.36	2,754.27
(c)	Trade Receivables			
(i)	Trade Receivables	65.37	234.94	252.38
(ii)	Other Receivables	-	-	-
(d)	Loans	43,747.51	30,834.54	33,298.92
(e)	Investments	1,099.94	702.85	1,910.06
(f)	Other Financial assets	438.87	336.23	298.26
		48,554.43	34,848.07	38,673.72
[2]	Non-financial Assets			
(a)	Current tax assets (Net)	-	-	-
(b)	Deferred tax Assets (Net)	91.64	70.24	111.50
(c)	Property, Plant and Equipment	218.20	247.33	250.28
(d)	Intangible assets under development	-	15.26	15.26
(e)	Other Intangible assets	2.82	3.63	3.73
(f)	Other non-financial assets	109.10	80.25	70.24
		421.76	416.71	451.01
	Total Assets	48,976.19	35,264.78	39,124.73
	LIABILITIES AND EQUITY			
	LIABILITIES			
[1]	Financial Liabilities			
(a)	Payables			
(i)	Trade Payables	-	-	-
(ii)	total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii)	total outstanding dues of creditors other than micro enterprises and small enterprises	180.62	0.71	39.72
(ii)	Other Payables	-	-	-
(i)	total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii)	total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
(b)	Debt Securities	4,713.68	-	-
(c)	Borrowings (Other than Debt Securities)	14,306.04	8,035.68	11,154.53
(d)	Other financial liabilities	982.80	1,774.24	599.18
		20,183.14	9,810.63	11,793.43
[2]	Non-Financial Liabilities			
(a)	Current tax liabilities (Net)	(9.48)	89.79	37.01
(b)	Provisions	800.72	233.76	463.50
(c)	Other non-financial liabilities	141.43	391.29	170.04
		932.67	714.84	670.55
[3]	EQUITY			
(a)	Equity Share capital	24,998.65	23,506.19	24,998.65
(b)	Other Equity	2,861.71	1,233.09	1,662.10
(c)	Share application money pending allotment	-	-	-
	Total Equity	27,860.36	24,739.28	26,660.75
	Total Liabilities and Equity	48,976.17	35,264.75	39,124.73



1. The company is registered with National Housing Bank under section 29A of The National Housing Bank Act, 1987 with the objective of advancing housing loans.
2. The above financial results of the Company ("the statement") have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at its meeting held on 04th March, 2021 and have been subjected to limited review by the statutory auditors of the Company. The auditors have expressed an unmodified opinion.
3. These financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with relevant Rules issued there under (Ind-AS) and other accounting principles generally accepted in India. The Company has adopted Ind-AS with transition date of April 01, 2019.

The transition to Ind-AS has been carried out from the erstwhile Accounting Standards notified under the Act read with Rule 7 of Companies (Accounts) Rules 2014 (as amended), guidelines issued by the Reserve Bank of India ('the RBI') and other generally accepted accounting principles in India (collectively referred to as 'the Previous GAAP'). Accordingly, the impact of transition has been recorded in the opening reserves as at April 01, 2019 and the corresponding adjustments pertaining to comparative previous period as presented in these financial results have been restated / reclassified in order to confirm to current period presentation.
4. The Company is engaged primarily in the business of Housing finance and all its operations are in India only. Accordingly, there is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company.
5. Earning per share (EPS) for the full year ended March 31, 2020 have been calculated on yearly basis and for the quarter and period ended December 31, 2020 and December 31, 2019 is calculated for three months and nine months respectively and not annualised.
6. The Novel Coronavirus (COVID-19) pandemic has contributed to a significant decline and volatility in global and Indian markets, and a significant decrease in economic activity. On March 24, 2020 the Government of India announced a nation wide lockdown till April 14, 2020 which was extended till May 31, 2020 through subsequent announcements, to contain the spread of the virus. This lead to significant disruptions and dislocations for individuals and businesses, impacting company's regular operations including lending and collection activities due to inability of employees to physically reach borrowers.

The Honorable Supreme Court of India (Hon'ble SC) in a public interest litigation (Gajendra Sharma Vs. Union of India & Anr), vide an interim order dated September 03, 2020 ("interim order"), has directed that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders. In order to comply the above order, the company has not classified any account which was not NPA as of August 31, 2020 as per the NHB norms, as NPA after August 31, 2020. Further, in light of the Interim Order, even accounts that would have otherwise been classified as NPA post August 31, 2020 have not been and will not be, classified as NPA till such time that the Hon'ble SC rules finally on the matter. However, if the company would have classified borrower accounts as NPA after August 31, 2020, the company's Proforma Gross NPA ratio and Proforma Net NPA ratio would have been 0.71% at December 31, 2020 and 0.00% at December 31, 2020 respectively.

Further also please note that though these loan accounts are not classified as NPA due to pending disposal of above case but on conservative basis the company has created provision on these loan accounts also.
7. Previous year's/period's figures have been regrouped / reclassified wherever necessary.



By order of the Board of Directors
For KIFS Housing Finance Limited

Vimal P Khandwala
Managing Director
DIN: 00477768

Place : Mumbai
Date : 04th March 2021