KIFS FINANCIAL SERVICES LIMITED

Registered and Corporate Office: 4th Floor, KIFS Corporate House (Khandwala House),
Nr. Land Mark Hotel, Nr. Neptune House, Iskon-Ambli Road, Bodakdev, Ahmedabad – 380054, Gujarat, India.
CIN: L67990GJ1995PLC025234, **Tel.:** +91 79 69240000 – 09, **NBFC RBI Reg.:** 01.00007,
Email: cs@kifs.co.in, **Website:** www.kifsfinance.com

Date: September 2, 2026

To,
The Corporate Relationship Department,
Bombay Stock Exchange,
P. J. Towers, Dalal Street,
Mumbai – 400001, Maharashtra, India.

Scrip code: **535566**
Subject: **Submission of notice of the 31st annual general meeting (AGM) and the annual report for the financial year 2025-26**
Reference: **Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sir / Madam,

This is to inform that the **31st AGM** of the company is scheduled to be held on **Tuesday, September 29, 2026 at 04:00 P.M. (IST)** through video conferencing ("VC") / other audio visual means ("OAVM") in accordance with the applicable circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

Pursuant to regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the annual report for the financial year 2025-26 which includes notice of the 31st AGM, which is being sent in soft copies to all those shareholder(s) who have registered their email addresses either with the company / RTA or with any depository and letters providing the web-link, including the exact path, where complete details of the annual report is available are also being sent to those shareholders who have not so registered their email addresses.

The 31st annual report containing the notice of the ensuing AGM is also available on the company's website at http://www.kifsfinance.com/category/annual-reports.php.

Kindly take the same on your records.

Thanking you,
Yours faithfully,
For **KIFS Financial Services Limited**

DURGESH DULICHAND SONI

Digitally signed by DURGESH DULICHAND SONI
DN: c=IN, postalCode=380013, st=GUJARAT, street=31 366 ,DARSHAN APPARTMENT ,AHMEDABAD,NARANPURA ,380013, l=AHMEDABAD, o=Personal, serialNumber=1ebe4a1cd758ff4d18abb32d8f996b372c7e273643dc24f325a9d759d81b656f, pseudonym=8717a6abc5f94239b3294c3f764de809, 2.5.4.20=ce359811804be75545e4eca0de1e04423de8e8dbcaefbc04336dcce16313da116, email=SONI.DURGESH014@GMAIL.COM, cn=DURGESH DULICHAND SONI
Date: 2026.09.02 14:50:33 +05'30'

Durgesh D. Soni
Company Secretary & Compliance officer
ICSI Mem. No.: A38670

Encl.: Copy of annual report for the financial year 2025-26

KIFS FINANCIAL SERVICES LIMITED



Registered office

KIFS Financial Services Limited

4th Floor, KIFS Corporate House, Nr. Land Mark Hotel,
Nr. Neptune House, Iskon-Ambli Road, Bodakdev, Ahmedabad – 380054, Gujarat, India.
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31st Annual Report | 2025-26

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KIFS FINANCIAL SERVICES LIMITED

CORPORATE INFORMATION

31ST ANNUAL GENERAL MEETING
Tuesday, September 29, 2026

BOARD OF DIRECTORS
Mr. Rajesh P. Khandwala
Chairman & managing director
Mr. Vimal P. Khandwala
Executive director
Mrs. Sonal R. Khandwala
Director
Mr. Sharvil B. Suthar
Independent director
Mr. Rajesh G. Parekh
Independent director
Mr. Dixit D. Shah
Independent director

COMPANY SECRETARY & COMPLIANCE OFFICER
Mr. Durgesh D. Soni

CHIEF FINANCIAL OFFICER
Mr. Bhavik J. Shah

REGISTERED & CORPORATE OFFICE
4th Floor, KIFS Corporate House,
Nr. Land Mark Hotel, Nr. Neptune House,
Iskon-Ambli Road, Bodakdev,
Ahmedabad – 380054, Gujarat, India.
Ph. no.: +91 79 69240000 – 09,
Email: cs@kifs.co.in,
Website: www.kifsfinance.com

STATUTORY AUDITORS
M/s. Bimal Shah Associates,
Chartered accountants, Ahmedabad

SECRETARIAL AUDITORS
M/s. Prachi Bansal & Associates,
Practicing company secretary, Faridabad

INTERNAL AUDITORS
M/s. Parikh Shah & Associates,
Practicing chartered accountant,
Ahmedabad

BANKERS
HDFC Bank – Ahmedabad
Bank of Maharashtra – Ahmedabad
IndusInd Bank – Mumbai

REGISTRAR & SHARE TRANSFER AGENT (RTA)
MUFG Intime India Private Limited
(Formerly known as Link Intime India Private Limited)

REGISTERED OFFICE ADDRESS OF RTA
C-101, 247 Park, L.B.S. Marg, Vikhroli (W),
Mumbai – 400083, Maharashtra, India.
Ph. no.: +91 22 49186270,
Fax: +91 22 49186000,
Email: mumbai@in.mpms.mufg.com

AHMEDABAD BRANCH OFFICE ADDRESS OF RTA
506-508, Amarnath Business Center – 1,
Besides Gala Business Center,
Nr. St. Xavier's College Corner,
Off C. G. Road, Navrangpura,
Ahmedabad – 380009, Gujarat, India.
Ph. no.: +91 79 26465179, 86, 87,
Fax: +91 79 26465179,
Email:
investor.helpdesk@in.mpms.mufg.com,
Website: www.in.mpms.mufg.com

ISIN
INE902D01013

BSE SCRIP CODE
535566

CIN
L67990GJ1995PLC025234

Notice of 31st annual general meeting

NOTICE is hereby given that the 31st annual general meeting of the members of KIFS Financial Services Limited is scheduled to be held on **Tuesday, September 29, 2026** at **4:00 pm** through electronic mode [video conference ("VC") or other audio visual means ("OAVM")] to transact the following business:

Ordinary businesses

Item no. 1 – Adoption of financial statements

To receive, consider and adopt the audited financial statements of the company for the financial year ended on March 31, 2026 together with reports of the directors and auditors thereon.

Item no. 2 – Declaration of final dividend

To declare a final dividend on equity shares of the company for the financial year ended on March 31, 2026.

Item no. 3 – Re-appointment of director(s) retiring by rotation

To appoint a director in place of Mr. Vimal Parmanand Khandwala (DIN: 00477768), who retires by rotation and being eligible, offers himself for re-appointment.

Explanation: Based on the respective terms of appointment(s), executive directors and non-independent non-executive directors are subject to retirement by rotation. Mr. Vimal Parmanand Khandwala, executive director, initially appointed as director of the company on January 25, 2021 and lastly re-appointed by retiring by rotation at 28th annual general meeting held on September 29, 2023, and whose office is liable to retire by rotation at the ensuing annual general meeting, being eligible, seeks reappointment. Based on performance evaluation and the recommendation of the nomination and remuneration committee, the board recommends his reappointment.

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

"**RESOLVED THAT** pursuant to the provisions of section 152 and other applicable provisions of the Companies Act, 2013, the approval of members of the company, be and is hereby accorded to re-appoint Mr. Vimal Parmanand Khandwala (DIN: 00477768) as a director, who is liable to retire by rotation."

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Email: cs@kifs.co.in,
Website: www.kifsfinance.com

By order of board of directors
For **KIFS Financial Services Limited**

Rajesh P. Khandwala
(Chairman & managing director)
(DIN: 00477673)
Ahmedabad, August 13, 2026

Notes

1. An explanatory statement pursuant to section 102 of the Companies Act, 2013, ('the Act') relating to the special businesses, if any, to be transacted at the annual general meeting ('AGM') is annexed hereto.

2. Pursuant to the circular no. 14/2020 dated April 08, 2020, circular no. 17/2020 dated April 13, 2020 and other clarification(s) issued by the Ministry of Corporate Affairs followed by circular no. 20/2020 dated May 5, 2020, circular no. 02/2021 dated January 13, 2021, circular no. 21/2021 dated December 14, 2021, circular no. 02/2022 dated May 5, 2022, circular no. 10/2022 dated December 28, 2022, circular no. 09/2023 dated September 25, 2023, circular no. 09/2024 dated September 19, 2024 and all other relevant circulars issued from time to time, physical attendance of the members to the EGM / AGM venue is not required and general meeting may be held through video conferencing (VC) or other audio visual means (OAVM). Hence, members can attend and participate in the ensuing AGM through VC / OAVM. The registered office of the company shall be deemed to be the venue for the AGM. National Securities Depository Limited ('NSDL') will be providing facility for voting through remote e-voting, for participation in the AGM through VC / OAVM facility and e-voting during the AGM. The procedure for e-voting and participating in the meeting through VC / OAVM is explained at note no. 9 & 10 below and is also available on the website of the company at www.kifsfinance.com.

3. As the AGM shall be conducted through VC / OAVM, the facility for appointment of proxy by the members is not available for this AGM and hence, the proxy form and attendance slip including route map are not annexed to this notice. However, the body corporates are entitled to appoint authorised representatives to attend the AGM through VC / OAVM and participate there at and cast their votes through e-voting.

4. Institutional / corporate members are requested to send a scanned copy (pdf / jpeg format) of the board resolution authorizing its representatives to attend and vote at the AGM, pursuant to section 113 of the Act, on email id of the scrutinizer at csyatimittal@gmail.com and the email id of company at cs@kifs.co.in.

5. The register of members and share transfer books of the company will be closed from Wednesday, September 23, 2026 to Tuesday, September 29, 2026 (both days inclusive) for the purpose of annual general meeting.

ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT

6. Copies of the financial statements (including report of board of directors, auditor's report or other documents required to be attached therewith) including the notice of AGM are being sent in electronic mode to members whose e-mail address is registered with the company or the depository participant(s). In line with the ministry of corporate affairs (MCA) circular no. 17/2020 dated April 13, 2020 and other relevant circulars issued in that respect, the notice calling the AGM has been uploaded on the website of the company at www.kifsfinance.com. The notice can also be accessed from the websites of the stock exchange i.e. BSE Limited at www.bseindia.com and the notice is also available on the website of NSDL (agency for providing the remote e-voting facility) i.e. www.evoting.nsdl.com.

7. Members holding shares in physical mode and who have not updated their email addresses with the company are requested to update their email addresses by writing to the RTA of the company on the email id investor.helpdesk@in.mpms.mufg.com along with the copy of the signed request letter mentioning the name and address of the member, mobile number, self-attested copy of the PAN card, and self-attested copy of any document (eg.: driving license, election identity card, passport) in support of the address of the member. Members holding shares in dematerialized mode are requested to register / update their email addresses with the relevant depository participants. In case of any queries / difficulties in registering the e-mail address, members may write to RTA of the company on the email id investor.helpdesk@in.mpms.mufg.com.

   Updation of bank account details:
   Members who have not updated their bank account details for receiving the dividends directly in their bank accounts through Electronic Clearing Service or any other means may follow the below instructions:

Physical holding	Send a scanned copy of the following details / documents to the registrar of the company MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited), at investor.helpdesk@in.mpms.mufg.com a) a signed request letter mentioning your name, folio number, complete address and

	following details relating to bank account in which the dividend is to be received: i. Name and branch of bank and bank account type; ii. Bank account number & type allotted by your bank after implementation of core banking solutions; iii. 11 digit IFSC code; b) self-attested scanned copy of cancelled cheque bearing the name of the member or first holder, in case shares are held jointly; c) self-attested scanned copy of the PAN card; and d) self-attested scanned copy of any document (such as AADHAR card, driving license, election identity card, passport) in support of the address of the member as registered with the company.
Demat holding	Members holding shares in demat form are requested to update their bank account details with their respective DPs.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER

8. The remote e-voting period begins on Saturday, September 26, 2026 at 9:00 am IST and ends on Monday, September 28, 2026 at 5:00 pm IST. The remote e-voting module shall be disabled by NSDL for voting thereafter. The members, whose names appear in the register of members / beneficial owners as on the record date (cut-off date) i.e. Tuesday, September 22, 2026, may cast their vote electronically. The voting right of shareholders shall be in proportion to their shares in the paid-up equity share capital of the company as on the cut-off date, being Tuesday, September 22, 2026.

HOW DO I VOTE ELECTRONICALLY USING NSDL E-VOTING SYSTEM?

9. The way to vote electronically on NSDL e-voting system consists of "two steps" which are mentioned below:

Step 1: Access to NSDL e-voting system

A. Login method for e-voting and joining virtual meeting for individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login method
Individual shareholders holding securities in demat mode with NSDL	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login method
	3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 5. Shareholders/Members can also download NSDL Mobile App "NSDL Speed-e" facility by scanning the QR code mentioned below for seamless voting experience. 
Individual shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from an e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve user ID / password are advised to use forget user ID and forget password option available at abovementioned website.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

B. Login method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode

How to log-in to NSDL e-voting website?

i. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile.

ii. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section.

iii. A new screen will open. You will have to enter your user ID, your password / OTP and a verification code as shown on the screen.
Alternatively, if you are registered for NSDL e-services i.e. IDeAS, you can log-in at https://eservices.nsdl.com/ with your existing IDeAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-voting and you can proceed to step 2 i.e. cast your vote electronically

iv. Your user ID details are given below:

Manner of holding shares i.e. demat (NSDL or CDSL) or physical	Your user ID is:
a) For members who hold shares in demat account with NSDL	8 character DP ID followed by 8 digit client ID For example if your DP ID is IN300*** and client ID is 12****** then your user ID is IN300***12******.
b) For members who hold shares in demat account with CDSL	16 digit beneficiary ID For example if your beneficiary ID is 12********** then your user ID is 12**********
c) For members holding shares in physical form	EVEN number followed by folio number registered with the company For example if EVEN is 101456 and folio number is 001*** then user ID is 101456001*** EVEN of your company is 141371.

v. Password details for shareholders other than individual shareholders are given below:

a) If you are already registered for e-voting, then you can user your existing password to login and cast your vote.

b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

- If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'user ID' and your 'initial password'.
- If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

vi. If you are unable to retrieve or have not received the "initial password" or have forgotten your password:
   a) Click on **"forgot user details / password"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) **Physical user reset password** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number / folio number, your PAN, your name and your registered address etc.
   d) Members can also use the OTP (one time password) based login for casting the votes on the e-voting system of NSDL.

vii. After entering your password, tick on agree to "terms and conditions" by selecting on the check box.
viii. Now, you will have to click on "Login" button.
ix. After you click on the "Login" button, home page of e-voting will open.

Step 2: Cast your vote electronically and join general meeting on NSDL e-Voting system

i. After successful login at step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and general meeting is in active status.
ii. Select "EVEN" of company for which you wish to cast your vote during the remote e-voting period and casting your vote during the general meeting. For joining virtual meeting, you need to click on "VC / OAVM" link placed under "join general meeting".
iii. Now you are ready for e-voting as the voting page opens.
iv. Cast your vote by selecting appropriate options i.e. assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on "submit" and also "confirm" when prompted.
v. Upon confirmation, the message "vote cast successfully" will be displayed.
vi. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
vii. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General guidelines for shareholders

i. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (pdf / jpg format) of the relevant board resolution / authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the scrutinizer by e-mail to csyatimittal@gmail.com with a copy marked to evoting@nsdl.co.in.
ii. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "forgot user details / password" or "physical user reset password" option available on www.evoting.nsdl.com to reset the password.
iii. In case of any queries, you may refer the frequently asked questions (FAQs) for shareholders and e-voting user manual for shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to NSDL at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of email ids for e-voting for the resolutions set out in this notice:

i. In case shares are held in physical mode please provide folio no., name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), Aadhar (self attested scanned copy of Aadhar card) by email to cs@kifs.co.in.
ii. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), name, client master or copy of consolidated account statement, PAN (self attested scanned copy of PAN card), Aadhar (self attested scanned copy of Aadhar card) to cs@kifs.co.in. If you are an individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **Step 1 (A)** i.e. login method for e-voting and joining virtual meeting for individual shareholders holding securities in demat mode.
iii. Alternatively shareholder / members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

iv. In terms of SEBI circular dated December 9, 2020 on e-voting facility provided by listed companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with depositories and depository participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-voting facility.

The instructions for members for e-voting on the day of the AGM are as under:

i. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
ii. Only those members / shareholders, who will be present in the AGM through VC / OAVM facility and have not casted their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.
iii. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
iv. The details of the person who may be contacted for any grievances connected with the facility for e-voting on the day of the AGM shall be the same person mentioned for remote e-voting.

Instructions for members for attending the AGM through VC / OAVM are as under:

i. Member will be provided with a facility to attend the AGM through VC / OAVM through the NSDL e-voting system. Members may access by following the steps mentioned above for access to NSDL e-voting system. After successful login, you can see link of "VC / OAVM link" placed under "join general meeting" menu against company name. You are requested to click on VC / OAVM link placed under join general meeting menu. The link for VC / OAVM will be available in shareholder / member login where the EVEN of company will be displayed. Please note that the members who do not have the user ID and password for e-voting or have forgotten the user ID and password may retrieve the same by following the remote e-voting instructions mentioned in the notice to avoid last minute rush.
ii. Members are encouraged to join the meeting through laptops for better experience.
iii. Further members will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting.
iv. Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio / video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
v. Shareholders who would like to express their views / have questions may send their questions in advance mentioning their name demat account number / folio number, email id, mobile number at cs@kifs.co.in. Questions / queries received by the company till 5.00 pm IST on Friday, September 25, 2026 shall only be considered and responded during the AGM. Members who would like to express their views or ask questions during the AGM may use chat facility to raise questions to moderator. The moderator then will ask one by one question during the meeting. The company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM

10. The members can join the AGM in the VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the meeting by following the procedure mentioned in the notice. The facility of participation at the AGM through VC / OAVM will be made available for 1,000 members on first come first served basis. This will not include large shareholders (shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the chairpersons of the audit committee, nomination and remuneration committee and stakeholders relationship committee, auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

11. The attendance of the members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under section 103 of the Companies Act, 2013.

DETAILS RELATED TO FINAL DIVIDEND FOR FY 2025-26

12. The board of directors at its meeting held on Wednesday, May 20, 2026, has recommended a final dividend of ₹ 1.55/- per equity share. The record date fixed for determining entitlement of members to final dividend for the financial year ended March 31, 2026, if approved at the AGM, is Tuesday, September 22, 2026. The final dividend, once approved by the members, will be paid within 30 days from the date of annual general

meeting, electronically through various online transfer modes to those members who have updated their bank account details.

13. SEBI vide its circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 as amended, mandated furnishing of PAN, KYC details (viz., i. Contact Details, ii. Mobile Number, iii. Bank Account Details, iv. Signature), by holders of physical securities. Further, members, who hold shares in physical form and whose folios are not updated with any of the above details, shall be eligible to get dividend only in electronic mode with effect from April 01, 2024. Accordingly, payment of final dividend, subject to approval by the members in the AGM, shall be paid to physical holders only after the above details are updated in their folios. The forms for updating the same are available at www.kifsfinance.com.

14. Communication in this regard has been sent to all physical holders whose folios are not KYC compliant at the latest available address / E-mail ID. Members whose details are not updated are once again requested to update their KYC details by submitting the investor service request (ISR) forms, viz. ISR-1, ISR-2, ISR-3 / SH-13, as applicable, duly executed by the registered holder(s) to the company's RTA, so that the KYC details can be updated in the folios before the cut-off date i.e. Tuesday, September 22, 2026. ISR forms can be accessed from RTA website at https://web.in.mpms.mufg.com/KYC-downloads.html.

15. Members may note that the Income Tax Act, 2025, ("the IT Act, 2025"), mandates that dividend paid or distributed by a company shall be taxable in the hands of members. The company shall therefore be required to deduct tax at source (TDS) at the time of making the payment of final dividend. To enable us to determine the appropriate TDS rate as applicable, members are requested to submit relevant documents, as specified in the below paragraphs, in accordance with the provisions of the IT Act, 2025.

For resident shareholders, taxes shall be deducted at source under section 393 of the IT Act as follows:

Members having valid permanent account number (PAN)	10%***** or as notified by the Government of India (GOI)
Members not having PAN / valid PAN	20% or as notified by the GOI

*****As per section 262 of the IT Act, 2025, every person who has been allotted a PAN and who is eligible to obtain Aadhaar, shall be required to link the PAN with Aadhaar. In case of failure to comply with this, the PAN allotted shall be deemed invalid / inoperative and, such person shall be liable to all consequences under the IT Act, 2025 and tax shall be deducted at the higher rates as provided in section 397 of the IT Act, 2025, i.e., 20% of tax deduction at source.

However, no tax shall be deducted on the dividend payable to resident individual shareholders if the total dividend to be received by them during tax year 2026-27 does not exceed ₹ 10,000 and also in cases where members provide form 121, subject to conditions specified in the IT Act, 2025. Resident shareholders may also submit any other document as prescribed under the IT Act, 2025 to claim a lower / nil withholding of tax. PAN is mandatory for members providing form 121 or any other document as mentioned above.

For non-resident shareholders, taxes are required to be withheld in accordance with the provisions of section 393 and other applicable sections of the IT Act, 2025, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by the GOI on the amount of dividend payable. However, as per section 159 of the IT Act, 2025, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement ("tax treaty" or "DTAA"), read with Multilateral Instrument (MLI), if any, between India and the country of tax residence of the shareholders, if they are more beneficial to them. For this purpose, i.e. to avail the benefits under the DTAA read with MLI, non-resident shareholders will have to provide the following:

- Copy of the PAN card allotted by the Indian Income Tax authorities duly attested by the shareholders / authorized signatory. In case of non-availability of PAN, information under sub-rule 2 of rule 217 of the Income Tax Rules, 2026.

- Copy of the Tax Residency Certificate for the tax year 2026-27 obtained from the revenue or tax authorities of the country of tax residence, duly attested by shareholders / authorized signatory.

- Form 41 (for claiming tax treaty benefit), which can be obtained electronically through the e-filing portal of the income tax website at https://www.incometax.gov.in/iec/foportal.

- Self-declaration by the shareholders of having no permanent establishment in India in accordance with the applicable tax treaty and IT Act, 2025.

- Self-declaration of beneficial ownership of equity shares by the non-resident shareholder.

- Self-declaration of fulfilling all conditions of applicable tax treaty for being eligible to claim benefit of the tax treaty read with MLI.

- Any other documents as prescribed under the IT Act, 2025, if applicable, or certificate for lower withholding of taxes, duly attested by the shareholders.

In case of foreign institutional investors (FII) / foreign portfolio investors (FPI), tax will be deducted under section 393 of the IT Act, 2025 at the rate of 20% (plus applicable surcharge and cess) or the rate provided in relevant DTAA, read with MLI, whichever is more beneficial, subject to the submission of the above documents, if applicable.

The aforementioned documents are required to be uploaded on the RTA portal at https://web.in.mpms.mufg.com/formsreg/submission-of-Form-121-41.html on or before Tuesday, September 29, 2026. No communication would be accepted from members after Tuesday, September 29, 2026, regarding tax-withholding matters. Shareholders may write to investor.helpdesk@in.mpms.mufg.com or cs@kifs.co.in for any clarifications on this subject. Shareholders can check their tax credit in form 168 (erstwhile form 26AS) from the e-filing account at https://www.incometax.gov.in/iec/foportal.

GENERAL INFORMATION

16. Members are requested to note that pursuant to the provisions of section 124 of the Companies Act, 2013, the amount of dividend unclaimed or unpaid for a period of 7 years from the date of transfer to unpaid dividend account, shall be transferred to the investor education & protection fund (IEPF) set up by government of India and no claim shall lie against the company after the transfer of unpaid or unclaimed dividend amount to the government.

    The members are also requested to note that all shares on which dividend remains unclaimed for seven consecutive years or more shall be transferred to the IEPF account in compliance with section 124 of the Companies Act, 2013 and the applicable rules. In view of this, members are requested to claim their dividends from the company, within the stipulated timeline. The members, whose unclaimed dividends shares have been transferred to IEPF, may claim the same by making an application to the IEPF authority after complying with the procedure prescribed under the IEPF rules.

17. Details as per regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 in respect of the directors seeking appointment / re-appointment at the AGM, forms integral part of the notice. Other details as required under secretarial standard – 2 are included in the corporate governance report, which forms part of the annual report. The directors have furnished the requisite consents / declarations for their appointment / re-appointment.

18. The members, who still hold share certificates in physical form, are advised to dematerialize their shareholding to avail the benefits of dematerialization, which includes easy liquidity since the trading is permitted in dematerialized form only, electronic transfer, savings in stamp duty and elimination of possibility of loss of documents and bad deliveries.

19. As per the provisions of section 72 of the Act, the facility for making nomination is available for the members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting form no. SH-13. Members are requested to submit these details to their DP in case the shares are held by them in electronic form, and to the RTA MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited) at investor.helpdesk@in.mpms.mufg.com, in case the shares are held in physical form.

20. The company has appointed Mrs. Yati Mittal, proprietor of M/s. Yati Mittal & Associates, practicing company secretaries, Delhi (ICSI membership no.: A60378, certificate of practice no.: 25176), as scrutinizer, who in the opinion of the board is a duly qualified person to scrutinize the voting processes in a fair and transparent manner.

21. The scrutinizer shall, immediately after the conclusion of voting at the annual general meeting, count votes cast at the meeting, thereafter unblock votes cast through remote e-voting in presence of at least two witnesses not in employment of the company and present a consolidated scrutinizers' report of the total votes cast in favour or against, if any, to the chairman or a person authorized by him in writing who shall countersign the same.

22. The results declared along with the scrutinizer's report shall be placed on the company's website www.kifsfinance.com and on the website of NSDL and shall be communicated to the stock exchange within the time prescribed by the law.

23. The resolution shall be deemed to be passed on the date of the annual general meeting, subject to the same being with requisite majority.

PROCEDURE FOR INSPECTION OF DOCUMENTS

24. All the documents referred to in the accompanying notice and explanatory statements, shall be available for inspection through electronic mode, for which the request is required to be sent on or before Friday, September 25, 2026.

25. The register of directors and key managerial personnel and their shareholding, maintained under section 170 of the Act, and the register of contracts or arrangements in which the directors are interested, maintained under section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the notice will also be available for electronic inspection without any fee by the members from the date of circulation of this notice up to Friday, September 25, 2026. Members seeking to inspect such documents can send an email to cs@kifs.co.in.

Explanatory statement

Explanatory statement pursuant to section 102 of the Companies Act, 2013 (including additional information on director(s) recommended for appointment / re-appointment as required under regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable Secretarial Standards)

In respect of item no. 3
Mr. Vimal Parmanand Khandwala
Brief resume and nature of expertise

Mr. Vimal P. Khandwala, executive director of the company appointed since January 25, 2021, holding DIN: 00477768, aged around 55 years (DOB: February 5, 1971), Indian national, is a commerce graduate having experience of over two decades in the field of stock broking, securities trading and other allied capital market related services as well as fund management, hedging, and import export business. He has rich experience in primary market, secondary market, dealing with institutional and non-institutional clients, HNIs, derivatives and arbitrage operations, and financial management.

The re-appointment of Mr. Vimal P. Khandwala is being proposed in terms of provisions of section 152(6) of the Companies Act, 2013 i.e. appointment of director(s) in place of director(s) retiring by rotation.

Discloser of relationships between directors inter-se

Mr. Vimal P. Khandwala is brother of Mr. Rajesh P. Khandwala.

Shareholding in the company as on March 31, 2026

Nil

No. of board meetings attended during the financial year 2025-26

Mr. Vimal Parmanand Khandwala has attended all the five board meetings held during the financial year 2025-26 details of which have been provided in the corporate governance report forming part of this annual report.

Except Mr. Vimal Parmanand Khandwala being the proposed appointee and his relative director(s) in general, none of the directors, key managerial personnel and relatives of the directors / key managerial personnel of the company is interested in the proposed resolution. The board recommends the resolution in relation to re-appointment (by way of appointment of director(s) retiring by rotation) of Mr. Vimal Parmanand Khandwala, as a director, for the approval by shareholders of the company.

Disclosures as required under regulation 36(3) of the SEBI listing regulations and revised standard-2 on general meetings issued by the Institute of Company Secretaries of India are annexed to this notice.

Registered & corporate office
4th Floor, KIFS Corporate House,
Nr. Land Mark Hotel, Nr. Neptune House,
Iskon-Ambli Road, Bodakdev,
Ahmedabad – 380054, Gujarat, India.
CIN: L67990GJ1995PLC025234,
Ph. no.: +91 79 69240000 - 09,
Email: cs@kifs.co.in,
Website: www.kifsfinance.com

By order of board of directors
For **KIFS Financial Services Limited**

Rajesh P. Khandwala
(Chairman & managing director)
(DIN: 00477673)

Ahmedabad, August 13, 2026

Details of director(s) seeking re-appointment at the annual general meeting

[Pursuant to regulation 36(3) of the SEBI listing regulations and revised secretarial standard–2 on general meetings]

Name of the director	**Mr. Vimal Parmanand Khandwala** **(Director retiring by rotation)**
DIN	00477768
Date of birth	February 5, 1971
Age	55 years
Date of first appointment on the board	January 25, 2021
Qualifications, Profile, experience and expertise in specific functional areas	Mr. Vimal Parmanand Khandwala, executive director, Indian national, is a commerce graduate having experience of over two decades in the field of stock broking, securities trading and other allied capital market related services as well as fund management, hedging, and import export business. He has rich experience in primary market, secondary market, dealing with institutional and non-institutional clients, HNIs, derivatives and arbitrage operations, and financial management.
Skills and capabilities required for the role and the manner in which the directors meet the requirements	As above
Terms and conditions of re-appointment	Director liable to retire by rotation
Details of remuneration last drawn (FY 2025-26)	Nil
Details of remuneration sought to be paid	Gross fixed remuneration / salary as approved by nomination and remuneration committee and board of directors from time to time
Directorships in other companies (excluding foreign companies) as on March 31, 2026	**Directorships:** KIFS Motors Private Limited KIFS Housing Finance Limited KIFS Trade Capital Private Limited KIFS (IFSC) Private Limited KIFS Finstock Limited Khandwala Commercial Private Limited Padmaja E-Commerce Private Limited Anantadrishti Pedestal Private Limited Amoureux Enterprise Private Limited Endroit Enterprise Private Limited Greensward Enterprise Private Limited
Membership / chairpersonship of committees in other companies (excluding foreign companies) as on March 31, 2026	**Chairmanships:** Risk Management Committee – KIFS Housing Finance Limited CSR Committee – KIFS Housing Finance Limited Asset Liability Management Committee – KIFS Housing Finance Limited Borrowing and Investment Committee – KIFS Housing Finance Limited Customer Grievance Redressal Committee – KIFS Housing Finance Limited Willful Defaulter Identification Committee – KIFS Housing Finance Limited **Memberships:** IT Strategy Committee – KIFS Housing Finance Limited

Directors' report

Dear members,

Your directors have pleasure in presenting the 31st annual report on the business and operations of the company together with the audited financial statement for the financial year ended on March 31, 2026.

1. Financial summary

(₹ in lakhs except EPS)

Particulars	2025-26	2024-25
Revenue from operations	**3,599.44**	**2,911.86**
Other income	0.34	404.06
Total income	3,599.78	3,315.92
Total expenditure	**2,523.61**	**2,232.16**
Profit / (loss) before exceptional items & provision for tax	1,076.17	1,083.76
Exceptional items	-	-
Profit / (loss) before tax	1,076.17	1,083.76
Tax expenses	277.59	277.24
Net profit	**798.58**	**806.52**
EPS – basic & diluted (₹)	7.38	7.46

2. Operational performance of the company

During the financial year under report, total income of the company includes ₹ 3,599.44 lakhs as revenue from operations and ₹ 0.34 lakhs as other income as compared to ₹ 2,911.86 lakhs as revenue from operations and ₹404.06 lakhs as other income during the previous financial year. The revenue from operations has been increased 23.61% in compare to previous financial year. Profit before interest, depreciation and tax also stands at ₹ 3,441.78 lakhs as compared to ₹ 3,252.51 lakhs in the financial year ended on March 31, 2025 which shows positive growth of 5.82%.

However, net profit after tax has been declined by 0.99% when compared to that of previous financial year. Earnings per share stands at ₹ 7.38 compared to ₹ 7.46 for the previous financial year ended on March 31, 2025.

The detailed analysis as to review of company's operational and financial performance is given in the management discussion and analysis report.

3. Dividend

The board of directors of your company has recommended final dividend for the financial year 2025-26 at a rate of ₹ 1.55 (one rupee and paise fifty five only) (15.50 %) per equity share of ₹ 10/- (rupees ten only) each in compare to ₹ 1.50 (15.00%) per equity share of ₹ 10/- (rupees ten only) each declared for the previous financial year.

Further, the payment of dividend is subject to the approval of shareholders in the ensuing annual general meeting of the company. The dividend, if declared at the ensuing annual general meeting, will be paid to those shareholders whose names appear in the register of members as on the record date. The amount of final dividend will be ₹ 167.68 lakhs.

4. Transfer to reserves

The company proposes to transfer ₹ 159.72 lakhs to the special reserve out of amount available for appropriations and an amount of ₹ 3,358.85 lakhs is proposed to be retained in the statement of profit and loss.

5. Deposits

During the financial year ended on March 31, 2026, the company has not accepted any deposits from the public within the meaning of the provisions of applicable directions and notifications issued by the Reserve Bank of India in this respect.

The company being a non-deposit taking non-banking financial company, the disclosures with respect to deposits, required as per rule 8(5)(v) & (vi) of the Companies (Accounts) Rules, 2014 read with the Companies (Acceptance of Deposits) Rules, 2014 and section 73 of the Companies Act, 2013 are not applicable to it. Further, the company continues to be a non-deposit taking non-banking financial company in conformity with the guidelines of the RBI.

6. Annual return

Pursuant to the provisions of section 92(3) read with section 134(3)(a) of the Companies Act, 2013, the annual return as on March 31, 2026 is available under the investors tab on the company's website www.kifsfinance.com.

7. Share capital

The authorized share capital of the company as on March 31, 2026, stood at ₹ 11,00,00,000 (Rupees Eleven Crore Only) consisting of 1,10,00,000 (One Crore and Ten Lakh only) equity shares of ₹ 10 (Rupees Ten only) each.

The issued, subscribed and paid up share capital of the company as on March 31, 2026, stood at ₹ 10,81,80,000/- (Rupees Ten Crores Eighty One Lakhs and Eighty Thousand Only) consisting of 1,08,18,000 (One Crore Eight Lakhs and Eighteen Thousand Only) equity shares of ₹ 10/- (Rupees Ten Only) each fully paid-up.

During the financial year under report, the company has neither made any issue of equity shares with differential voting rights, sweat equity shares or under employee stock options scheme nor it has made any provision of money for purchase of its own shares by employees or by trustees for the benefit of employees. Accordingly the details related to statement of deviation and details related to raising of funds are not applicable to the company during the financial year under report.

8. Directors and key managerial personnel (KMP)

Director retiring by rotation

Pursuant to the provisions of section 152 of the Companies Act, 2013 and in accordance with the articles of association of the company, Mr. Rajesh Parmanand Khandwala (DIN: 00477673) managing director of the company retired by rotation at the previous annual general meeting of the company held on Tuesday, August 19, 2025 i.e. during the financial year 2025-26 and Mr. Vimal Parmanand Khandwala (DIN: 00477768) executive director of the company retires by rotation at the ensuing annual general meeting and being eligible offers himself for re-appointment. The board of directors of the company recommends his re-appointment.

Independent directors

In terms of the definition of the independent director as prescribed under regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 149(6) of the Companies Act, 2013, Mr. Sharvil Bharat Kumar Suthar (DIN: 08785030), Mr. Rajesh Gopaldas Parekh (DIN: 09362221) and Mr. Dixit Dipakkumar Shah (DIN: 07826994) remained independent directors of the company throughout the financial year under report.

The independent directors have submitted the declaration, confirming that they meet the criteria of independence as prescribed under the provisions of the relevant laws. Further, the independent directors have complied with the code for independent directors prescribed in schedule IV of the Companies Act, 2013 and code of conduct prescribed for the directors, management and senior managerial personnel.

Further, a separate meeting of independent directors of the company was held on Friday, February 13, 2026 in accordance with the provisions of clause VII of the schedule IV of the Companies Act, 2013 and provisions of the SEBI LODR regulations.

All the independent directors of the company have completed their registration on the independent directors' data bank within the timeline stipulated by the law. Also the requisite independent director(s) have cleared the proficiency self-assessment test or are not required to do so based on the relaxation provided therein.

Also the board of directors of the company opines that during the year the integrity, expertise and experience (including proficiency) of the independent directors are satisfactory to the company's requirements. The independent directors are proficient in the field as specified in point II(h) of the corporate governance report attached herewith.

Woman director

Pursuant to the provisions of section 149 of the Companies Act, 2013 and regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the board of directors of the company is required to be constituted with at least one women director and accordingly, the company has appointed Mrs. Sonal Rajesh Khandwala (DIN: 01788620) as a non executive non independent woman director on the board of director of the company.

All of the directors of the company have confirmed that they are not disqualified under provisions of section 164 of the Companies Act, 2013 from being appointed / continue to hold position of directors of the company.

Key managerial personnel

Pursuant to the provisions of section 203 of the Companies Act, 2013, Mr. Rajesh Parmanand Khandwala holds position of managing director and Mr. Bhavik Jayantibhai Shah holds the position of chief financial officer of the company. Mr. Durgesh Dulichand Soni, an associated member of the Institute of Company Secretaries of India, holds the position of company secretary, compliance officer and key managerial personnel of the company to perform the functions of a company secretary as prescribed under provisions of section 205 of the Companies Act, 2013 and rules made there under and other duties as assigned by the board of directors of the company to him, at such remuneration and at such other terms and conditions as may be mutually decided from time to time.

Remuneration policy

The company follows a policy on remuneration of directors and senior management employees. The policy has been approved both by the nomination & remuneration committee and the board of directors. The company's remuneration policy is framed in line with the requirement of section 178 of the Act, regulation 19 read with part D of schedule II to the listing regulations. More details on the same have been given in the corporate governance report.

The policy on remuneration of directors, key managerial personnel and senior employees can be accessed on website of the company at following web link:

https://www.kifsfinance.com/assets/pdf/Nomination-Remuneration-policy-KIFS.pdf

9. Number of meetings of the board of directors

During the financial year 2025-26, the board of directors met five times and the details of which have been given in the corporate governance report. The intervening gap between every two consecutive meetings was within the period prescribed under the applicable provisions of the law.

10. Committees of the board

The company has formed various committees namely audit committee, nomination and remuneration committee, stakeholders' relationship committee, corporate social responsibility committee and risk management committee in compliance with the requirements of the relevant provisions of the applicable laws and statutes. The risk management committee has been established voluntarily as a part of the better corporate governance practices.

Apart from the above statutory committees, the company also has a managing committee of the board of directors to look after the routine day to day affairs of the company.

The details with respect to the compositions, terms of reference, scope and powers, roles, meetings etc. of the relevant committees are given in detail in the corporate governance report forming part of this annual report.

11. Corporate social responsibility

The company was required to comply with the provisions related to corporate social responsibility considering its applicability for the financial year 2025-26. Accordingly it has adhered the provisions of section 135(1) of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and has also implemented a policy and has formed a committee named corporate social responsibility committee, more details on which along with details of spending w.r.t. CSR are provided in the report on corporate social responsibility enclosed along with this directors' report as **Annexure – 1**. It is also stated by the board and CSR committee that implementation and monitoring of CSR policy has been carried out responsibly and to the best extent possible.

12. Performance evaluation of the board

In accordance with the provisions of regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and schedule IV of the Companies Act, 2013, evaluation of performance of independent directors by the non independent directors and review of performance of non independent directors and the board as a whole by the independent directors was made during the financial year under report. The board also evaluated performance of all the committee and their members. The directors were satisfied with the evaluation results, which reflected an overall engagement of the board and its committees with the company. This may be considered as a statement under provisions of section 134(3)(p) of the Companies Act, 2013 and rule 8(4) of the Companies (Accounts) Rules, 2014.

More details on the evaluation mechanism are given in the corporate governance report.

13. Vigil mechanism / whistle blower policy

Pursuant to rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 read with section 177(9) of the Act (as amended from time to time), the company has framed vigil mechanism / whistle blower policy. The company promotes ethical behavior in all its business activities and has put in place a mechanism wherein the directors and employees are free to report illegal or unethical behavior, actual or suspected fraud or violation of the company's codes of conduct or corporate governance policies, raise concerns against management and business practices, incorrect or misrepresentation of any financial statements and reports or any improper activity being negative in nature to the chairman of the audit committee of the company or chairman of the board. The whistle blower policy has been appropriately communicated within the company. The policy provides adequate safeguards against victimization of director(s) / employee(s) who avail of the mechanism. The company has not received any instance under the said policy during the year.

Under the whistle blower policy, the confidentiality of those reporting violation(s) is protected and they are not subject to any discriminatory practices. No personnel have been denied access to the audit committee. The functioning of the vigil mechanism is reviewed by the audit committee from time to time. The vigil mechanism / whistle blower policy has been uploaded on website of the company and can be accessed at following web link:

https://www.kifsfinance.com/assets/pdf/kifs_whistle_blower_policy.pdf

14. Statement of development & implementation of risk management policy

The company has developed and implemented a risk management policy to meet the risks associated with the business of the company. Business risk evaluation and management is an ongoing process within the company. The assessment is periodically examined by the risk management committee of the board constituted voluntarily by the company. The company, while giving loan to its customers, follows the criteria and procedure laid down in policy and the credibility of the clients.

15. Loans / guarantees or investment in securities

Being a non banking financial company pursuing loan business in its ordinary course of business, the disclosures relating to the details of loans made, guarantees given, securities provided or subscription / acquisition of securities, pursuant to the provisions of section 186(11) of the Companies Act, 2013 and rule 11 of the Companies (Meetings of Board and its Powers) Rules, 2014 are not required to be given. Details of loans as financial assets are given in note no. 6 of the notes to the financial statements of the company.

16. Contracts or arrangements with related parties

All related party transactions that were entered during the financial year under report were in the ordinary course of business of the company and were on arm's length basis. There were no materially significant related party transactions entered by the company with its promoters, directors, key managerial personnel or other persons, which may have a potential conflict with the interest of the company. All such related party transactions are being quarterly placed before the audit committee for its review. Omnibus approval has been obtained from the audit committee, board of directors and shareholders of the company, as and when required, for all the related party transactions (including transactions which are foreseen and repetitive in nature).

Since no material related party transactions were entered by the company which may have a potential conflict with the interest of the company and all the transactions entered into by the company with its related parties were in the ordinary course of business and on arm's length basis, disclosure in the form AOC-2 is not being given.

In terms of amendment made vide the SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021 replacing threshold determining material related party transactions and related clarifications issued in this respect, the board had proposed and the shareholders accorded their consent in the annual general meeting held on Friday, September 29, 2023 for the related party transactions / material related party transactions made and proposed to be made with the related parties identified in terms of definition provided in the Companies Act, 2013.

The policy on related party transactions as approved by the board has been uploaded on the company's website at the web link:

https://www.kifsfinance.com/category/assets/pdf/RPT-Policy-KIFS.pdf

17. Internal financial control systems and their adequacy

As per section 134(5)(e) of the Companies Act, 2013, the directors have an overall responsibility for ensuring that the company has implemented a robust system and framework of internal financial controls. The company has internal control systems, commensurate with the size, scale and complexity of its operations. Your company has laid down set of standards, processes and structure which enable it to implement internal financial control systems across the organization and ensure that the same are adequate and operating effectively. Internal financial control systems of the company 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.

18. Disclosure as per the rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

In terms of the provisions of section 197(12) of the Act read with rule 5 of the Companies (Appointment Remuneration of Managerial Personnel) Rules, 2014, including any statutory modification(s) thereof for the time being in force, the details of remuneration etc. of directors, key managerial personnel and employees covered under the said rules are enclosed herewith as **Annexure – 2**.

19. Auditors

Statutory auditors

Pursuant to the provisions of section 139 and 141 of the Companies Act, 2013 read with rule 4 of the Companies (Audit and Auditors) Rules, 2014, the shareholders of the company at their 27th annual general meeting held on Tuesday, September 27, 2022, re-appointed M/s. Bimal Shah Associates, chartered accountants, Ahmedabad as statutory auditors of the company for a period of 5 years i.e. upto conclusion of 32nd annual general meeting of the company and the same firm of auditors continues to be statutory auditors of your company during the financial year under report.

The said appointment of statutory auditors has been made in accordance with the provisions of rule 6 of the Companies (Audit and Auditors) Rules, 2014 i.e. manner of rotation of auditors by the companies on expiry of their term.

Further, the company, being engaged in the financial service activities, is not required to maintain cost records under the provisions of section 148 of the Companies Act, 2013.

Secretarial auditors

Pursuant to the provisions of section 204 of the Companies Act, 2013 and rules framed thereunder, M/s. Prachi Bansal & Associates, secretarial auditors of the company who was appointed by the shareholders at their previous annual general meeting held on Tuesday, August 19, 2025 for a period of 5 (five) consecutive years i.e. to hold office from the conclusion of previous 30th annual general meeting till the conclusion of 35th annual general meeting of the company, has issued secretarial audit report for the financial year under report.

Secretarial audit report issued by the secretarial auditor of the company for the financial year ended on March 31, 2026 in form MR-3 is enclosed to this directors' report as **Annexure – 3**. Further, the company has complied with the secretarial standards to the extent applicable to the company. Annual secretarial compliance report issued in terms of provisions of regulation 24A of the SEBI LODR is attached as **Annexure – 4**.

Explanations or comments by the board on qualification / reservation / adverse remark or disclaimer made by the statutory auditors in their audit report and by the secretarial auditor in their secretarial audit report

The audit report issued by the statutory auditors of the company is self-explanatory and no comment from the board of directors of the company is required as no qualification, reservation or adverse remark or disclaimer is given by any of the auditors of the company.

The secretarial auditor has not reported any observation in the secretarial audit report and annual secretarial compliance report issued for the financial year ended on March 31, 2026.

Internal auditors

In accordance with the provisions of section 138 of the Companies Act, 2013 and rules framed thereunder, your company has appointed M/s. Parikh Shah & Associates, Ahmedabad, as the internal auditors of the company in the board meeting held on May 20, 2026 to conduct the internal audit of the functions and activities of the company for the financial year ending on March 31, 2027.

20. Investor education and protection fund (IEPF)

In compliance with the provision of section 124 and 125 of the Companies Act, 2013 and rules framed thereunder, the equity shares in respect of which dividend remains unclaimed / unpaid for seven consecutive years or more, are required to be transferred to the investors education and protection fund. During the financial year under report i.e. financial year 2025-26, the company has transferred ₹ 38,432/- (rupees thirty eight thousand four hundred and thirty two only) from the unclaimed and unpaid dividend amount for the financial year 2017-18 to the investor education and protection fund. Moreover, 900 number of equity shares were also transferred to the IEPF during the financial year under report, corresponding to the unpaid dividend remained unclaimed and unpaid for seven consecutive years. The shares outstanding with the IEPF authority stands at 1,75,500 equity shares of ₹ 10/- each as on March 31, 2026.

Further, the details as on March 31, 2026 for unclaimed / unpaid dividend lying in the unpaid account, which are liable to be transferred to the IEPF are as follows:

Sr. no.	Financial year	Type of dividend	Unclaimed / unpaid dividend (₹)	Due date of transfer to IEPF
1	2018-19	Final dividend	₹ 20,850.00	November 2, 2026
2	2019-20	Final dividend	₹ 18,588.50	November 4, 2027
3	2020-21	Final dividend	₹ 20,376.25	November 3, 2028
4	2021-22	Final dividend	₹ 17,597.60	November 2, 2029
5	2022-23	Final dividend	₹ 20,256.00	November 4, 2030
6	2023-24	Final dividend	₹ 62,743.80	November 2, 2031
7	2024-25	Final dividend	₹ 69,246.00	September 24, 2032

21. Material changes and commitments affecting financial position of the company

There are no material changes and commitments, affecting the financial position of the company which have been occurred between the end of the financial year i.e. March 31, 2026 and the date of signing of the directors' report. Further, no significant or material orders have been passed by the regulators or courts or tribunals impacting the going concern status of the company and / or the company's operations in future.

22. Remuneration given to the managing director

The managing director of the company, Mr. Rajesh Parmanand Khandwala also occupies the office of the managing director in KIFS Housing Finance Limited, a group company to the Khandwala group. Mr. Khandwala was paid remuneration to the tune of ₹ 9,00,000/- (rupees nine lakhs only) from your company during and for the financial year ended on March 31, 2026. The company does not have any subsidiary company.

23. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The company has in place a robust policy on prevention, prohibition and redressal of sexual harassment at the workplace, in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder has been laid down and circulated to every employee of the company so as to inform them about the redressal mechanism available to them against any kind of harassment. Your directors state that during the financial year under report, there were no cases filed or compliant received from any employee pertaining to the sexual harassment. More details on the same have been given in the corporate governance report.

An internal complaints committee (ICC) has been constituted at all applicable locations to redress complaints received regarding sexual harassment. The ICC is duly constituted and comprises members in accordance with the statutory requirements, including an external member with experience in social work and legal knowledge.

A policy framed and adopted by the board of directors of the company on prevention of sexual harassment is uploaded on the company website at below web link:

https://www.kifsfinance.com/assets/pdf/SEXUAL-HARASSMENT-POLICY.pdf

24. Listing

Presently, the equity shares of your company are listed at the Bombay Stock Exchange Limited (BSE) (scrip code: 535566). The company's equity shares are available for trading in demat form by all the investors on BSE which is having nation-wide trading terminals in various cities affording to the investors convenient access to trade and deal in the company's equity shares across the country.

The company is regular in complying with the requirements of the listing agreement / regulations and has duly paid the requisite listing fees to the BSE.

25. Code of conduct

The board has laid down a code of conduct ("code") for board members, managerial personnel and for senior management employees of the company. This code has been posted on the company's website at https://www.kifsfinance.com/category/code-of-conduct-policies.php. All the board members and senior management personnel have affirmed compliance with this code. A declaration by the managing director to this effect forms part of the corporate governance report.

The board has also laid down a code of conduct for independent directors pursuant to section 149(8) and schedule IV to the Companies Act, 2013 via terms and conditions for appointment of independent directors, which is a guide to professional conduct for independent directors and has been uploaded on the website of the company at following web link:

http://www.kifsfinance.com/assets/pdf/Terms-of-appointment-of-Independent-Directors.pdf

26. Corporate governance

Your company practices a culture that is built on core values and ethical governance practices and is committed to transparency in all its dealings. A report on corporate governance along with a certificate from statutory auditors of the company regarding compliance of conditions of corporate governance, as stipulated under provisions of regulation 34(3) and schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to this report.

27. Details of subsidiary / joint venture / associate companies

The company doesn't have any subsidiary, joint venture or associate company.

28. Management discussion and analysis report

A detailed analysis of the company's performance is made in the management discussion and analysis report, which forms part of this annual report.

29. Compliance with the Reserve Bank of India guidelines

The company is registered with the Reserve Bank of India as a non banking financial company (NBFC) within the provisions of the NBFC (Reserve Bank of India) Directions, 1998. The company categorized as a loan company continues to comply with the requirements prescribed by the Reserve Bank of India as applicable to it, from time to time.

30. Particulars regarding conservation of energy, technology absorption and foreign exchange earnings and outgo

The disclosures required 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 the conservation of energy, technology absorption and foreign exchange earnings and outgo are not applicable to the company as the company being a non banking financial company, is neither involved in any manufacturing, processing activities nor any of its transactions involves foreign exchange earnings and outgo.

31. Directors' responsibility statement

Pursuant to the provisions of section 134(3)(c) of the Companies Act, 2013, your directors state and confirm that:

a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company for the financial year ended on March 31, 2026 and of the profit and loss of the company for that period;

c) the directors had taken proper and sufficient care 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;
d) the directors had prepared the annual accounts on a going concern basis;
e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

32. Capital adequacy ratio

The company usually makes lending to limited known entities and IPO funding it makes against secured margin amount thus it assumes minimum to no risk for its lending.

33. Details of application made or proceedings pending under the Insolvency and Bankruptcy Code, 2016

During the financial year under report, no application was made or proceeding was pending for the company under the Insolvency and Bankruptcy Code, 2016.

34. Details of difference between valuation amount on one time settlement and valuation while availing loan from bank and financial institutions

During the financial year under report, there has been no instance of one time settlement of loans taken from banks and financial institutions.

35. Disclosure under the Maternity Benefit Act, 1961

In accordance with the provisions of the Maternity Benefit Act, 1961, as amended, the company affirms that it has complied with all applicable requirements relating to maternity benefits for women employees during the financial year 2025-26.

Wherever required, necessary arrangements were made for eligible women employees in the form of statutory entitlements, including benefits such as paid maternity leave, medical bonuses, nursing breaks and where applicable crèche facilities were provided in line with the prescribed norms. This measure aims to reinforce the company's commitment to fostering a safe, equitable, and supportive workplace for women during and after pregnancy.

The company remains committed to fostering a safe, equitable, and supportive work environment for all employees and ensures full compliance with all statutory provisions under the Act.

36. Acknowledgement

Your directors take this opportunity to express their deep and sincere gratitude to the clients, customers, employees, shareholders and other stakeholders of the company for their trust and patronage, as well as to the various bankers, Reserve Bank of India, Securities and Exchange Board of India, Bombay Stock Exchange, Government of India and other regulatory authorities for their continued co-operation, support and guidance. The Company look forward to their continued co-operation in realisation of the corporate goals in the years ahead.

For and on behalf of the board of directors
KIFS Financial Services Limited

Rajesh P. Khandwala
(Chairman & managing director)
(DIN: 00477673)

Ahmedabad, August 13, 2026

Annexure – 1

Annual report on CSR activities

1. Brief outline on CSR policy of the company

KIFS Financial Services Limited is committed to rewarding back to the environment and society it works with. The objective of CSR policy of the company is to continue to contribute towards social welfare projects focusing on providing vocational training, protection of national heritage, art and culture, promoting animal welfare, education and health care facilities to economically weaker and underprivileged section of the society and others and to do such other activities as may be permissible under section 135 of the Companies Act, 2013 ('the Act') and the Companies (Corporate Social Responsibility Policy) Rules, 2014 ('the Rules').

2. Composition of the CSR committee as on March 31, 2026

Sr. no.	Name of 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. Rajesh Parmanand Khandwala	Chairman (Managing director)	1	1
2	Mr. Rajesh Gopaldas Parekh	Member (Independent director)	1	1
3	Mr. Sharvil Bharat Kumar Suthar	Member (Independent director)	1	1

3. Provide the web-link where composition of CSR committee, CSR policy and CSR projects approved by the board are disclosed on the website of the company

https://www.kifsfinance.com/assets/pdf/csr-policy.pdf

4. Provide the executive summary along with web link(s) 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. **(a) Average net profit of the company as per section 135(5):** ₹ 9,72,23,053.33/-
(b) Two percent of average net profit of the company as per section 135(5): ₹ 19,44,461.07/-
(c) Surplus arising out of the CSR projects or programs or activities of the previous financial years: Nil
(d) Amount required to be set-off for the financial year, if any: ₹ 11,745/-
(e) Total CSR obligation for the financial year (5b+5c-5d): ₹ 19,32,716.07/-

6. **(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** ₹ 19,50,000/-
(b) Amount spent in Administrative Overheads: Nil
(c) Amount spent on Impact Assessment, if applicable: Nil
(d) Total amount spent for the financial year (6a+6b+6c): ₹ 19,50,000/-
(e) Total amount spent or unspent for the financial year:

Total amount spent for the financial year (in ₹)	Amount unspent (in ₹)				
	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
19,50,000/-	-	-	-	-	-

(f) Excess amount for set off, if any

Sr. no.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5) (after availing set-off of previous year(s))	19,32,716.07/-
(ii)	Total amount spent for the financial year	19,50,000.00/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	17,283.93/-

(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	17,283.93/-

7. Details of unspent CSR amount for the preceding three financial years: Nil

Sr. no.	Preceding financial year	Amount transferred to unspent CSR account under section 135(6) (₹)	Amount spent in the reporting financial year (₹)	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 (₹)
				Name of the fund	Amount (₹)	Date of transfer	
Not applicable							

8. Whether any capital assets have been created or acquired through corporate social responsibility amount spent in the financial year:
☐ Yes ☑ No

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5): Not applicable

For **KIFS Financial Services Limited**

Rajesh P. Khandwala
(Chairman of CSR committee and managing director)
(DIN: 00477673)

Ahmedabad, August 13, 2026

For **KIFS Financial Services Limited**

Rajesh Gopaldas Parekh
(Member of CSR committee and independent director)
(DIN: 09362221)

Ahmedabad, August 13, 2026

Annexure – 2

Disclosure as per section 197(12) of the Companies Act, 2013 & rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. no.	Particulars	Disclosure	
(i)	Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	**Director's name**	**Ratio to median remuneration of the employees**
		Mr. Rajesh P. Khandwala – MD	1.16:1
		Mr. Vimal P. Khandwala	NA
		Mrs. Sonal R. Khandwala	NA
		Mr. Sharvil Suthar	NA
		Mr. Rajesh Gopaldas Parekh	NA
		Mr. Dixit Dipakkumar Shah	NA
(ii)	Percentage increase in remuneration of each director, chief financial officer, chief executive officer, company secretary or manager, if any, in the financial year	**Director / CFO / CS**	**Percentage increase**
		Mr. Rajesh P. Khandwala – MD	Nil
		Other directors	Nil
		Mr. Bhavik J. Shah - chief financial officer	14.75%
		Mr. Durgesh D. Soni – company secretary	1.89%
(iii)	Percentage increase in the median remuneration of employees in the financial year	16.63%	
(iv)	Number of permanent employees on the rolls of company as on March 31, 2026	6 employees (previous year: 5 employees)	
(v)	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	Average percentage increase in the managerial remuneration (managing director) was nil and increase in the salaries of employees other than managerial personnel in the financial year was 34.53%.	
(vi)	Affirmation that the remuneration is as per the remuneration policy of the company	The board of directors of the company affirms that the remuneration is as per the remuneration policy of the company.	

Disclosure as per section 197(12) of the Companies Act, 2013 & rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(i) Names of the top ten employees in terms of remuneration drawn*:

Sr. no. in terms of remuneration	**1**	**6**	**2**	**3**	**4**	**5**
Name of the employee	**Mr. Durgesh Soni**	**Mr. Amit Modi**	**Mr. Ketan Patel**	**Mr. Bhavik J. Shah**	**Mrs. Juhi Giletwala**	**Mr. Kiran Jani**
Designation of the employee	Company secretary	Senior accountant	Executive – wealth	Chief financial officer	Executive – wealth	Driver
Remuneration received during FY 2025-26 (in ₹)	11,20,868/-	9,53,467/-	7,78,714/-	7,75,035/-	5,44,899/-	4,49,303/-
Nature of employment	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent
Qualification	Company Secretary, M. Com. & LL. B.	B.Com	B. Sc.	B. Com., ICAI Inter & ICMAI Inter	M. Com. & LL. B.	-
Experience	11 years	29 years	17 years	24 years	14 years	-
Date of commencement of employment	February 13, 2025	November 1, 2018	July 1, 2013	September 25, 2010	July 16, 2012	-
Age of employee (years)	32	54	41	54	34	47
Last employment held before joining the company	Jindal Worldwide Limited	Khandwala Enterprise Private Limited	ICICI Bank, Ahmedabad	Kunvarji Finstock Private Limited	NA	-
% of equity shares held in the company	-	-	-	-	-	-
Whether relative of any director, if yes, name of such director	No	No	No	No	No	No

* Details of employees serving in the company as on March 31, 2026 have been provided above.

(ii) Name of every employee who:

a. if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees: None / not applicable;

b. if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month: None / not applicable; and

c. if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company: Kindly refer details of employees in the table above.

For and on behalf of the board of directors
KIFS Financial Services Limited

Rajesh P. Khandwala
(Chairman & managing director)
(DIN: 00477673)

Ahmedabad, August 13, 2026

Annexure – 3

FORM MR – 3

SECRETARIAL AUDIT REPORT
(FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2026)
[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of
the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
KIFS Financial Services Limited
(CIN: L67990GJ1995PLC025234)
4th Floor, KIFS Corporate House (Khandwala House),
Nr. Land Mark Hotel, Nr. Neptune House,
Iskon-Ambli Road, Bodakdev,
Ahmadabad – 380054, Gujarat, India.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KIFS Financial Services Limited** (hereinafter called "the company") for the audit period covering the financial year ended on March 31, 2026. Secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of 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, I hereby report that, the company has, during the audit period covering the financial year ended on March 31, 2026 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:

I. The company is engaged in the business of non-banking financial institution as defined in section 45I (a) of the Reserve Bank of India Act, 1934.

II. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the company, for the financial year ended on March 31, 2026, according to the provisions of:

(i) The Companies Act, 2013 ("the Act") and the rules made thereunder to the extent applicable;

(ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;

(iii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;

(iv) The Foreign Exchange Management Act, 1999 ("FEMA") and the rules and regulations made thereunder to the extent of foreign direct investment (FDI), overseas direct investment (ODI) and external commercial borrowings (ECB); and

(v) 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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
(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;
(e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
(f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
(g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.
(h) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; and
(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

I have also examined compliance of the following to the extent applicable:

(j) The Secretarial Standards issued by the Institute of Company Secretaries of India on Meeting of Board of Directors and General Meetings.
(k) The Listing Agreements entered into by the company with the Bombay Stock Exchange.

III. I further report that:

(i) The company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the rules made thereunder, with regard to maintenance of minimum public shareholding;
(ii) The company has complied with the provisions of the Depositories Act, 1996 and the byelaws framed there under by the depositories with regard to dematerialization / re-materialization of securities and reconciliation of records of dematerialized securities with all securities issued by the company;
(iii) The company has, complied with the provisions of Companies Act, 2013 and the rules made thereunder as notified by the ministry of corporate affairs and the memorandum and articles of association of the company;
(iv) The company has complied with the requirements under the equity listing agreements entered into with the Bombay Stock Exchange Limited; and
(v) The company has complied with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

IV. I further report that:

(i) The company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said regulations;
(ii) The company has not introduced ESOP / ESPS schemes; therefore, it does not require to comply with the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 including the provisions with regard to disclosures and maintenance of records required under the said regulations;

(iii) There are no FDI transactions in the company. Therefore, the company does not require complying with the relevant provisions, rules and regulations under FEMA Act,1999

(iv) The company has not bought back equity shares of the company, during the period; therefore, the compliance of the provisions of the Securities and Exchange Board of India (Buyback of Securities) Regulations 2018, as the case may be, does not arise; and

(v) The company has not delisted any of its securities, during the period, therefore, the compliance of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; does not arise.

V. I further report that:

(i) The board of directors of the company is duly constituted with proper balance of executive directors, non - executive directors and independent directors;

(ii) Adequate notices are given to all the directors to conduct the meetings of board and its committees. Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting;

(iii) As per the minutes of Board meetings duly recorded and signed by the Chairman, the decision at the meetings were unanimous and no dissenting views have been recorded.

(iv) The company has obtained all necessary approvals under the various provisions of the Act;

(v) There was no prosecution initiated and no fines or penalties imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, listing agreement and rules, regulations and guidelines framed under these Acts against / on the company, its directors and officers;

(vi) The directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the code of business conduct & ethics for directors and managerial personnel.

VI. I further report that having regard to the compliance system prevailing in the company and on examination of relevant documents and records in pursuance thereof, the company has complied with the following laws applicable specifically to the company:

(i) The Reserve Bank of India Act, 1934 and its circulars, master circulars, notifications and directions as prescribed for NBFC companies from time to time; and

VII. I further report that we have not examined compliance by the company with applicable financial laws, income tax laws, goods & service tax laws, since the same have been subject to review by statutory financial auditor and other designated professionals.

VIII. I further report that based on the information received and the records maintained, there are adequate systems and processes in the company that commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

IX. I further report that, during the audit period, there were no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc.

For **Prachi Bansal & Associates,**
Practicing company secretary

Prachi Bansal
(Proprietor)
C. P. No.: 23670 ACS No.: 43355 Faridabad, August 13, 2026
UDIN No: A043355H001101885

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

Annexure-1

To,
The Members,
KIFS Financial Services Limited
(CIN: L67990GJ1995PLC025234)
4th Floor, KIFS Corporate House (Khandwala House),
Nr. Land Mark Hotel, Nr. Neptune House,
Iskon-Ambli Road, Bodakdev,
Ahmadabad – 380054, Gujarat, India.

Our report of even date is to be read along with this letter:

I. 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.

II. 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.

III. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.

IV. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

V. 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.

VI. 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 **Prachi Bansal & Associates,**
Practicing company secretary

Prachi Bansal
(Proprietor)
C. P. No.: 23670
ACS No.: 43355
UDIN No: A043355H001101885

Place & Date: Faridabad, August 13, 2026

Annexure – 4

SECRETARIAL COMPLIANCE REPORT
of
KIFS Financial Services Limited
(CIN: L67990GJ1995PLC025234)
(For the year ended March 31, 2026)

We have been engaged by KIFS Financial Services Limited (hereinafter referred to as 'the Company') whose equity shares are listed on BSE Limited (Script Code: 535566) to conduct an audit in terms of Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, read with SEBI's Circular No. CIR/CFD/CMD1/27/2019 dated February 08, 2019 and to issue Annual Secretarial Compliance Report thereon.

It is the responsibility of the management of the Company to maintain records, devise proper systems to ensure compliance of the provisions of the Securities and Exchange Board of India Act, 1992 ("SEBI Act"), the Securities Contracts (Regulation) Act, 1956 ("SCRA"), and all applicable Rules, Regulations and circulars/ guidelines issued there under from time to time and to ensure that the systems are adequate and are operating effectively.

Our responsibility is to verify compliances by the Company with provisions of all SEBI Act, SCRA and all applicable Rules, Regulations and circulars/ guidelines issued there under from time to time and issue a report thereon. This is neither an audit nor an expression of opinion.

Our audit was conducted in accordance with Guidance Note on Annual Secretarial Compliance Report issued by the Institute of Company Secretaries of India and in a manner which involved such examinations and verifications as considered necessary and adequate for the said purpose.

We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.

This Report is solely for the intended purpose of compliance in terms of Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

For Prachi Bansal and Associates

CS Prachi Bansal
Membership No. A43355
COP No. 23670

Place: Faridabad
Date: May 27, 2026
UDIN: A043355H000498964

I Prachi Bansal, Practising Company Secretary, have examined:

a) all the documents and records made available to me and explanation provided by **KIFS Financial Services Ltd** ("the listed entity"),
b) the filings/submissions made by the listed entity to the stock exchanges,
c) Website of the listed entity i.e. www.kifsfinance.com,
d) any other document/filing, as may be relevant, which has been relied upon to make this certification,

for the year ended **March 31, 2026** ("Review Period") in respect of compliance with the provisions of:

(a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

(b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:

a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations, 2015");

b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not Applicable to the listed entity during the Review Period;**

c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable to the listed entity during the Review Period;**

e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. **Not Applicable to the listed entity during the Review Period;**

f) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **Not Applicable to the listed entity during the Review Period;**

h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **Not Applicable to the listed entity during the Review Period;** and

i) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 regarding the Act and dealing with client. **Not Applicable to the listed entity during the Review Period;**

j) the Securities and Exchange Board of India (Depositories and Participant) Regulations, 2014;

and circulars/ guidelines issued thereunder;

(a) (**) The listed entity has complied with the provisions of the above Regulations and circulars/guidelines issued thereunder, except in respect of matters specified below:

Sr No.	Compliance Requirement (Regulations/ circulars/ guidelines)	Regulation/ Circular No.	Deviations	Action Taken By	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the PCS	Management Response	Remarks
NIL										

(b) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr No.	Observations/ Remarks of the Practicing Company Secretary in the Previous reports) (PCS)	Observations Made in the Secretarial compliance report for the year ended ….. (the years are to be mentioned)	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Details of violation / deviations and actions taken/penalty imposed, if any, on the listed entity	Remedial actions, if any, taken by the listed entity	Comments of the PCS on the actions taken by the listed entity
Not Applicable						

(c) I hereby report that, during the Review Period the compliance status of the listed entity is appended as below:

Sr No.	Particulars	Compliance Status (Yes/No/NA)	Observations/ Remarks by PCS*
1.	**Secretarial Standard** The compliances of listed entities are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India (ICSI), as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable.	Yes	-
2.	**Adoption and timely updation of the policies**: • All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities. • All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations/ circulars/ guidelines issued by SEBI.	Yes	-
3.	**Maintenance and disclosures on Website**: • The Listed entity is maintaining a functional website • Timely dissemination of the documents/information under a separate section on the website • Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website	Yes	
4.	**Disqualification of Directors**: None of the Director(s) of the Company is/are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity.	Yes	-
5.	**Details related to Subsidiaries of listed entities have been examined w.r.t.**:	Yes	The Company has no material subsidiary as

	(a) Identification of material subsidiary companies (b) Requirements with respect to disclosure of material as well as other subsidiaries		on March 31, 2026
6.	**Preservation of documents**: The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival Policy prescribed under SEBI LODR Regulations, 2015.	Yes	-
7.	**Performance Evaluation**: The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year/during the financial year as prescribed in SEBI Regulations.	Yes	-
8.	**Related Party Transactions**: (a) The listed entity has obtained prior approval of Audit Committee for all Related Party Transactions; or (b) The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved / ratified /rejected by the Audit committee, in case no prior approval has been obtained.	Yes NA	- No such instances were observed during the Review Period
9.	**Disclosures of events or information**: The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	-
10.	**Prohibition of Insider Trading**: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015	Yes	-
11.	**Actions taken by SEBI or Stock Exchange(s), if any**: No Action(s) has been taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder except as provided under separate paragraph herein (**).	No action has been taken by SEBI/Stock Exchange	-
12.	**Resignation of statutory auditors from the listed entity or its material subsidiaries**:	Not Applicable	No such observations during the Review Period.

	In case of resignation of statutory auditor from the listed entity or any of its material subsidiaries during the financial year, the listed entity and / or its material subsidiary(ies) has / have complied with paragraph 6.1 and 6.2 of section V-D of chapter V of the Master Circular on compliance with the provisions of the LODR Regulations by listed entities.		
13.	**Additional non-compliances, if any:** No any additional non-compliance observed for all SEBI regulations/circulars/guidelines note etc.	Yes	No such observations during the Review Period.

Assumptions & Limitation of scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.

2. Our responsibility is to certify based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.

3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.

4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

For Prachi Bansal and Associates
Practicing Company Secretaries

CS Prachi Bansal
M. No.: A43355**, CP No.:** 23670
UDIN: A043355H000498964
Place: Faridabad
Date: May 27, 2026

Management discussion and analysis report

I. Industry structure and developments

KIFS Financial Services Limited ('KIFS' or 'the company') is registered with the Reserve Bank of India as a non-banking financial company – investment and credit company (NBFC-ICC). As per RBI's 'scale based regulations' (SBR), the company is classified as NBFC - base layer (NBFC-BL).

India's economic outlook for the financial year 2025-26 (FY 2026) remains resilient, although GDP growth is expected to moderate reflecting a slight easing from the stronger growth momentum witnessed in recent years. The economy is expected to continue benefiting from robust domestic demand, improving investment activity, and ongoing structural reforms.

The Indian Non-Banking Financial Company (NBFC) sector continued to play a pivotal role in expanding credit access, supporting financial inclusion, and meeting the financing needs of underserved segments of the economy. During FY 2025–26, the sector witnessed sustained growth driven by increasing demand for retail credit, digital lending adoption, government infrastructure initiatives, and improving economic activity.

The Reserve Bank of India (RBI) continued its focus on strengthening governance, risk management, customer protection, and regulatory compliance within the NBFC ecosystem. Enhanced supervisory oversight and evolving regulatory frameworks encouraged stronger capitalization, prudent lending practices, and improved operational resilience.

Despite global economic uncertainties, inflationary pressures, and evolving interest rate dynamics, the Indian economy demonstrated resilience, creating favorable opportunities for NBFCs to expand their lending portfolios while maintaining asset quality.

Fiscal management remained a key priority for the Government in FY 2025-26, with continued emphasis on capital expenditures as a central pillar for sustaining economic growth and strengthening long-term productive capacity. The real gross fixed capital formation (GFCF) in India continued to demonstrate healthy growth momentum during FY 2025–26, reflecting sustained investment activity across key sectors of the economy. As a critical indicator of economic growth and business confidence, GFCF measures investments in fixed assets and provides insights into the economy's productive capacity and long-term growth potential.

II. Opportunities and threats

Opportunities

Non-Banking Financial Companies (NBFCs) are fast emerging as an important segment of Indian financial system. The Company believes significant opportunities exist in the following areas:

- Greater focus on corporate governance and prudent practices in line with the target segment
- Growing digital adoption enabling cost efficiencies and wider reach
- Adapting to regulatory and compliance shifts impacting the NBFC sector
- Addressing external risks related to liquidity strain, political uncertainties and fiscal instability
- Company's excellent customer service and strong experience and brand recognition
- Continuing demand of working capital
- Government initiatives for startups
- Growing digitalization and analytics
- Economic Upliftment
- Low retail penetration of financial services / products
- Strong managerial capabilities
- Integration of various financial services in the group

Threats

Being an NBFC, the Company operates in a competitive and regulated environment and has to face various threats as under mentioned:

- Stringent regulation of NBFCs
- Global economic slowdown
- Liquidity management challenges
- Market fluctuations
- Interest rate volatility
- Impact of unforeseen natural events / climate conditions
- Stiff competition from banks, fintech companies, and other NBFCs
- Volatility of economic cycle
- High cost of funds

The Company continuously monitors these risks and implements appropriate mitigation measures.

III. Segment–wise / product–wise performance

The company is engaged into a single segment of finance and thus separate segment wise performance details aren't given. Income from interest on loans stands at ₹ 3,599.44 lakhs in compare to ₹ 2,911.86 lakhs for the previous financial year. Profit before tax has been decreased by 0.70% i.e. from ₹ 1,083.76 lakhs to ₹ 1,076.17 lakhs during the financial year under report.

IV. Outlook

According to ICRA, the Non-Banking Financial Company (NBFC) sector is expected to face certain challenges relating to funding availability and liquidity conditions, which is likely to impede growth vis-à-vis the robust expansion in the last two fiscals. Nevertheless, entities with strong governance frameworks, prudent risk management practices, diversified funding sources, and robust asset quality are expected to remain well positioned to navigate these challenges and capitalize on emerging business opportunities.

According to RBI, NBFCs have expanded their reach, particularly in underserved regions, witnessing credit growth driven by unsecured loans and MSME lending. The company's consistent growth, innovative approach, and robust financial health make it an attractive proposition. Looking ahead, the company's focus remains on expanding its digital footprint and empowering its digital infrastructure to optimise processes and elevate efficiency.

Furthermore, NBFCs' ability to provide lower transaction costs, innovative products, quick decision-making backed faster turnaround, customer centric approaches, and prompt service standards differentiate them from traditional banks. Considering the reach and expanse, NBFCs, are well-suited to bridge the financing gap in a large country like India.

V. Risks and concerns

The risk management strategy of your company is based on specific risks that are particular to its business and the environment within which it operates, including interest rate volatility, economic cycle, credit and market risks. Risk is an integral part of the business and almost every business decision requires the management to balance risk and reward. For the company, risk management forms an integral part of the business operations and monitoring activities. The risk is managed through risk management framework approved by the risk management committee established by the board, considering adequate practices for identifying, measuring, monitoring, reporting, mitigating and managing of various risks– business, strategic, operational, market, credit, liquidity, reputational and process risks for the business operations and activities of the company.

The risk management oversight structure includes committees of the board and senior management. KIFS recognizes that the risks need to be managed to protect its customers, employees, shareholders and other stakeholders, to achieve its business objectives and to enable the sustainable growth. Although the board recognizes presence of these risks, but there are no risks which in the opinion of the board threaten the existence of the company. On-going monitoring by the management helps in identifying the risks at an early stage. Experience team members identify and monitor these risks on an on-going basis and control the same to keep the risks to minimum levels.

VI. Internal control systems and their adequacy

In any industry, the processes and internal control systems play a critical role in the health of the Company. The Company's well-defined organizational structure and adequate system of internal control in all spheres of its activities to ensure that all its assets are safeguarded and protected against loss from unauthorized use or disposition and that the transactions are authorized, recorded and reported diligently. The internal control is

supplemented by an effective internal audit being carried out by an external firm of chartered accountants. The company ensures adherence to all internal control policies and procedures as well as compliances with all regulatory guidelines. The audit committee of the board of directors reviews the adequacy of internal controls. Systems of internal controls are designed to provide reasonable assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial controls and compliance with applicable laws and regulations.

The main purposes of the internal control systems are:

- being constantly updated with new / revised standard operating procedures;
- to ensure the highest standards of integrity and transparency in its operations;
- to ensure operational efficiency, compliance with internal policies, laws and regulations, as well as the protection of resources;
- a strong corporate governance structure;
- assurance about the fact that the transactions are recorded in proper manner and under proper heads;
- conducting business efficiently;
- automatic and independent checking of transactions so as to ensure their validity;
- to check and assure the compliance of various enactments like corporate laws, tax laws etc.;
- to prevent and early detection of frauds and malpractices, if any; and
- to ensure timely preparation of reliable financial information.

The internal control system is supplemented by an extensive program of internal audit and reviews by the senior management. Adherence to these processes is ensured through frequent internal audits to assess and improve the effectiveness of risk management, control, operations and processes. To ensure independence, the internal audit function has a reporting line to the audit committee of the board. The management regularly reviews the findings and recommendations of the internal auditors so as to continuously monitor and improve internal controls to match the organization's pace of growth and increasing complexity of operations as well as to meet the changes in statutory and accounting requirements.

The audit committee of the board reviews the performance of the audit and the adequacy of internal control systems and compliance with regulatory guidelines. Significant deviations are brought to the notice and corrective measures are recommended for implementation. The audit committee provides necessary oversight and directions to the internal audit function and periodically reviews the findings and ensures corrective measures are taken. This system enables us to achieve efficiency and effectiveness of operations, reliability and completeness of financial and management information and compliance with applicable laws and regulations.

VII. Financial performance with respect to operational performance

The overall financial performance of the company during the financial year ended on March 31, 2026 is simplified in tabular form as under:

Sr. no.	Particulars	March 31, 2026 (₹ in lakhs)	March 31, 2025 (₹ in lakhs)
1	Revenue from operations	3,599.44	2,911.86
2	Profit before interest, depreciation and tax	3,441.79	3,252.51
3	Depreciation	28.03	46.55
4	Finance cost	2,337.58	2,122.20
5	Tax	277.59	277.24
6	Profit after tax	798.58	806.52
7	Net profit margin (%)	22.19	27.70
8	EPS (basic and diluted) (amount in ₹)	7.38	7.46

VIII. Human resources / industrial relations

At KIFS, our people are our core asset, and they remain at the heart of our strategy. The company has established a robust human resources ('HR') system that nurtures a high performing, conducive and inclusive work culture. In an environment that is rapidly becoming technology and digital oriented, your company continues to stay focused on providing an enriching work environment to our team by fostering a value driven culture and to invest in long term people development, skill enhancement, leadership building, and performance management initiatives. We promote an atmosphere of inclusion, by encouraging the next level of employees to take higher responsibilities.

The company strongly believes that its human resources are critical to its success and carrying forward its mission. With their sustained, determined and able work efforts the company has been able to cruise smoothly through the hard time of the economic volatility and rapidly changing market conditions. By creating conducive environment for career growth, company always tries to achieve the maximum utilization of employee's skills in the most possible way. Board of directors thanks all of the employees for their valuable contribution towards the growth of the company.

Additionally, there were no cases of sexual harassment of woman at work place. Also, there are no instances of child labour / forced labour / involuntary labour and discriminatory employment during the year.

There are 6 employees employed by the company on payroll as on March 31, 2026. Industrial relations throughout the year continued to remain very cordial and satisfactory.

IX. Key financial ratios

Key indicators	2025-26	2024-25	Change (%)	Reason for change
PBT / total income (%)	29.90	32.68	(8.51)	Increase in finance cost as well as impairment on financial instruments i.e. provisions related to standard assets
PBT / total assets (%)	2.39	2.75	(13.09)	Increase in total assets as amount of loans and advances granted by the company increased
Interest coverage ratio (x) (EBIDTA / Interest)	1.47	1.53	(3.92)	Increase in finance cost
Debt / equity (x)	6.02	5.82	3.44	Increased borrowings by the company
Net profit margin (%)	22.19	27.70	(19.89)	Due to increase in finance cost and overall expense
Return on net worth (%)	12.60	14.15	(10.95)	Increase in net worth; however profit for the year remained affected due to increase in finance cost and overall expenses

Profit before tax (%) in the proportion of total income has shown down trend of 8.51% as compared to that of last year due to increase in finance cost as well as impairment on financial instruments i.e. provisions related to standard assets. Total expenses including finance cost have been increased by 13.06% as the financial cost has also been increased and thus profit before tax stands at ₹ 1,076.17 lakhs compared to ₹ 1,083.76 lakhs for previous financial year which shows fall of 0.70%. Net profit margin stands at 22.19% as compared to 27.70% for the previous financial year ended on March 31, 2025.

Cautionary statement

Statements in this management discussion and analysis report describing the company's objectives, projections, outlook, expectations, estimates and predictions may be "forward-looking statements" within the meaning of applicable laws and regulations. Actual results may vary significantly from the forward looking statements contained in this document whether expressed or implied, due to various risks and uncertainties. These risks and uncertainties include the effect of climatic, economic and political conditions in India, volatility in interest rates, regulatory developments, market dynamics, new regulations and government policies that may impact the company's business as well as its ability to implement the strategies. The company does not undertake to update these statements.

For and on behalf of the board of directors
KIFS Financial Services Limited

Rajesh P. Khandwala
(Chairman & managing director)
(DIN: 00477673)

Ahmedabad, August 13, 2026

Corporate governance report

I. Company's philosophy on code of corporate governance

The company's philosophy on corporate governance is founded on the fundamental ideologies of the group viz., trust, value and service. It has been a constant endeavor on the part of the company to achieve excellence in corporate governance by following the principles of transparency, accountability and integrity in functioning, so as to constantly striving to enhance value for all the stakeholders and society in general. The company's governance framework is based on the principles of appropriate composition and size of the board with each member bringing in expertise in their respective domains; timely disclosure of material operational and financial information to the stakeholders; proper systems and processes of internal control as well as proper business conduct by the board, senior management and employees.

II. Board of directors

a. Composition of the board

The board is mainly headed by Mr. Rajesh Parmanand Khandwala who is chairman & managing director of the company. The independent directors on the board are experienced, competent and reputed persons from their respective fields. The independent directors take active part at the board and committee meetings, which adds vision, strategic direction and value in the decision making process of the board of directors. As at March 31, 2026, the composition of board is given herein below:

- Mr. Rajesh P. Khandwala (Executive chairman, managing, non independent director)
- Mr. Vimal P. Khandwala (Executive, non independent director)
- Mrs. Sonal R. Khandwala (Non executive, non independent, woman director)
- Mr. Sharvil Suthar (Non executive, independent director)
- Mr. Rajesh G. Parekh (Non executive, independent director)
- Mr. Dixit D. Shah (Non executive, independent director)

b. Attendance of each director at the board meetings and at the last annual general meeting

The board meets at least once a quarter to review the quarterly financial results and operations of your company. In addition, the board has also constituted a managing committee to look after other managerial affairs of the company when it is not feasible to the board to convene a meeting.

Attendance of each director at the board meetings and at the last 30th annual general meeting (AGM) (held on August 19, 2025) is as under:

Sr. no.	Name of director	Dates of board meetings and attendance					30th AGM
		May 21, 2025	June 20, 2025	August 13, 2025	November 14, 2025	February 13, 2026	
1	Mr. Rajesh P. Khandwala	✓	✓	✓	✓	✓	✓
2	Mrs. Sonal R. Khandwala	✓	✓	✓	✓	✓	✓
3	Mr. Vimal P. Khandwala	✓	✓	✓	✓	✓	✓
4	Mr. Sharvil B. Suthar	✓	✓	✓	✓	✓	✓
5	Mr. Rajesh G. Parekh	✓	✓	✓	✓	✓	✓
6	Mr. Dixit D. Shah	✓	✓	✓	✓	✓	✓

✓ denotes presence

c. Number of other board of directors or committees in which a director is a member or chairperson (as on March 31, 2026)

Sr. no.	Name of director	Relationship inter-se directors	No. of other directorships (other than KIFS Financial Services Limited)	No. of board committees (other than KIFS Financial Services Limited)		Details of the listed entities where the person is a director and the category of directorship
				Chairman	Member	
1	Mr. Rajesh P. Khandwala	Spouse of Mrs. Sonal R. Khandwala and brother of Mr. Vimal P. Khandwala	6	-	3	-
2	Mr. Vimal P. Khandwala	Brother of Mr. Rajesh P. Khandwala	11	5	2	-
3	Mrs. Sonal R. Khandwala	Spouse of Mr. Rajesh P. Khandwala	-	-	-	-
4	Mr. Sharvil B. Suthar	-	-	-	-	-
5	Mr. Rajesh G. Parekh	-	3	-	-	-
6	Mr. Dixit D. Shah	-	-	-	-	-

d. Number and dates of board meetings held

Please refer point b. above

e. Disclosure of relationships between directors inter-se

Please refer point c. above

f. Number of equity shares and convertible instruments held by the non executive directors

Sr. no.	Name of the non executive director	No. of equity shares held as on March 31, 2026	No. of convertible instruments held as on March 31, 2026
1	Mrs. Sonal R. Khandwala	-	Not issued by the company
2	Mr. Sharvil B. Suthar	-	
3	Mr. Rajesh G. Parekh	-	
4	Mr. Dixit D. Shah	-	

g. Web link of details of familiarization programmes imparted to the independent directors

Following is the web link of familiarization programmes imparted to the independent directors of the company:

http://www.kifsfinance.com/category/independent-directors-familiarization-program.php

h. Matrix / table containing skills / expertise / competence of the board of directors

The board members are from diversified areas having the required knowledge, competency, skills and experience to effectively discharge their responsibilities. The range of experience of the board members includes in the areas of primary market, secondary market, mutual funds, arbitrage operations, banking & finance, taxation and legal.

The company has identified and broadly categorized its core skills, expertise and competencies as mentioned hereunder:

Matrix / table of core skills, expertise and competencies of board of directors as whole:

Particulars	Detailed list of core skills, expertise and competencies
Core Skills	Strategic policy formulation and advising, regulatory framework knowledge, financial performance, advising on Risk mitigation and compliance requirements
Expertise	Knowledge of stock market, commercial acumen and able to guide in building the right environment for human assets development
Competencies	Strategic leadership, execution of policies framed by the board, identifying the growth areas for expanding the business in India and outside India and advising on business risks & environment

All the board members i.e. Mr. Rajesh P. Khandwala, Mr. Vimal P. Khandwala, Mrs. Sonal R. Khandwala, possess the requisite skills, expertise and competencies as mentioned above in the table. Also Mr. Sharvil B. Suthar, Mr. Rajesh G. Parekh and Mr. Dixit D. Shah, independent directors of the company are company secretaries by profession and possesses the requisite knowledge of corporate governance, knowledge of NBFC, stock market and corporate advisory skills.

i. Confirmation of the board regarding the independent directors

The board of directors confirms that in the opinion of the board, the independent directors fulfill the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and are independent of the management. No independent director resigned during the financial year under report.

III. Audit committee

a. Brief description of terms of reference

The audit committee reviews the matters falling in its terms of reference and addresses larger issues and examines those facts that could be of vital concerns to the company. The committee acts as a link between the statutory and the internal auditors and the board of directors of the company. It is authorized to select and establish accounting policies, review reports of the statutory and the internal auditors and meet with them to discuss their findings, suggestions and other related matters. It is authorized to, inter alia, review and monitor the auditor's independence and performance, effectiveness of the audit process, oversight the company's financial reporting process and the disclosure of its financial information, reviewing with the management the quarterly, half yearly and annual financial statements before submission to the board for approval, examination of the financial statements and the auditors' report thereon, approval of transactions of the company with its related parties including subsequent modifications thereof, grant omnibus approvals subject to fulfillment of certain conditions, scrutiny of inter-corporate loans and investments, valuation of undertakings or assets of the company wherever it is necessary, evaluation of internal financial controls and risk management systems etc.

The committee is empowered to review, inter alia, the remuneration payable to the statutory auditors and internal auditors and to recommend a change in the auditors, if felt necessary. It is also empowered to review the management discussion and analysis of financial conditions and results of operations and statement of significant related party transactions. Further, the committee is also authorized to oversee the functioning of the whistle blower policy / vigil mechanism.

Generally all the items listed in section 177(4) of the Companies Act, 2013 and point A of part C of the schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are covered under the roles of the audit committee. The audit committee has been granted powers as prescribed under provisions of the regulation 18(2)(c) of the aforesaid regulations and reviews all the information as prescribed in point B of the part C of the schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

b. Composition of the audit committee

During the financial year under report and as at March 31, 2026, following directors were the members of the audit committee:

Name of the member	Designation in committee	Designation in company	Date of appointment	Date of cessation	Status as on March 31, 2026
Mr. Rajesh G. Parekh	Chairman	Non executive independent director	May 27, 2024	-	Active
Mr. Sharvil B. Suthar	Member	Non executive independent director	May 27, 2024	-	Active
Mr. Rajesh P. Khandwala	Member	Managing director	July 31, 2010	-	Active

All members of the audit committee have the requisite qualification for appointment on the committee and possess sound knowledge of finance, accounting practices and internal controls.

Mr. Durgesh D. Soni, company secretary & compliance officer acts as secretary of the committee.

c. Meetings and attendance

During the financial year ended on March 31, 2026, four meetings of the audit committee were held on (i) May 21, 2025, (ii) August 13, 2025, (iii) November 14, 2025 and (iv) February 13, 2026.

All the members of the audit committee had attended all the audit committee meetings held during the financial year under report.

IV. Nomination and remuneration committee

a. Brief description of terms of reference

The constitution and the terms of reference of the nomination and remuneration committee are in compliance with the provisions of section 178(1) of the Companies Act, 2013 and regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The role of the nomination and remuneration committee is to establish criteria for selection to the board with respect to the competencies, qualifications, experience, track record and integrity, and recommend candidates for board membership, develop and recommend policies with respect to composition of the board commensurate with the size, nature of the business and operations of the company.

According to the provisions of point A of part D of the schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the roles / terms of reference of the nomination and remuneration committee include:

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- for every appointment of an independent director, evaluation of the balance of skills, knowledge and experience on the board and on the basis of such evaluation, preparation of a description of the role and capabilities required of an independent director and also to ensure that the person recommended to the board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the committee may:
  a. use the services of an external agencies, if required;
  b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  c. consider the time commitments of the candidates.
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; and
- recommend to the board, all remuneration, in whatever form, payable to senior management.

b. Composition of the nomination and remuneration committee

During the financial year under report and as at March 31, 2026, following directors were the members of the nomination and remuneration committee:

Name of the member	Designation in committee	Designation in company	Date of appointment	Date of cessation	Status as on March 31, 2026
Mr. Sharvil B. Suthar	Chairman	Non executive independent director	May 27, 2024	-	Active
Mr. Dixit D. Shah	Member	Non executive independent director	May 27, 2024	-	Active
Mr. Sonal R. Khandwala	Member	Non executive non independent director	May 27, 2014	-	Active

Mr. Durgesh D. Soni, company secretary & compliance officer acts as secretary of the committee.

c. Meetings and attendance

During the financial year ended on March 31, 2026, one meeting of the nomination and remuneration committee was held on May 14, 2025 with unanimous presence.

d. Performance evaluation criteria for independent directors

The performance evaluation of the independent directors of the company is made on the basis of their presence in the board and committee meetings, their approach of implementation of activities of the independent directors' familiarization programmes, their suggestions and advices for the betterment of business of the company, taking active part in the formulation of future plans of the company and performing the duties as entrusted by the provisions of the law and from the board of directors, from time to time etc.

V. Stakeholders' grievance committee

As on March 31, 2026, the committee was constituted with the following members:

Name of the member	Designation in committee	Designation in company	Date of appointment	Date of cessation	Status as on March 31, 2026
Mr. Dixit D. Shah	Chairman	Non executive independent director	May 27, 2024	-	Active
Mr. Rajesh P. Khandwala	Member	Managing director	July 31, 2010	-	Active
Mr. Sharvil B. Suthar	Member	Non executive independent director	May 27, 2024	-	Active

Mr. Durgesh D. Soni, company secretary & compliance officer acts as secretary of the committee.

During the financial year ended on March 31, 2026, four meetings of the stakeholders' grievance committee were held on (i) May 21, 2025, (ii) August 13, 2025, (iii) November 14, 2025 and (iv) February 13, 2026.

During the financial year ended on March 31, 2026, the company did not receive any investor complaint.

V.(A) Risk management committee

While business risk evaluation and management is an ongoing process within the organization, the company has a vigorous risk management framework to identify, monitor and minimize the business and non-business risks. The company has voluntarily formed a risk management committee consisting of the following members as on March 31, 2026:

Sr. no.	Name of the member	Category	Designation in the committee
1	Mr. Sharvil B. Suthar	Non executive independent director	Chairman
2	Mr. Dixit D. Shah	Non executive independent director	Member
3	Mr. Vimal P. Khandwala	Executive director	Member

The terms of reference, objectives and scope of the risk management committee inter-alia include:

- oversight of risk management performed by the officers;
- reviewing the risk management policy and framework in line with local legal requirements and SEBI guidelines;
- identification, monitoring and measurement of the risk profile of the company (including market risks, operational risks, and credit risks); and
- defining framework for identification, assessment, monitoring, and reporting of risks.

During the financial year under report, two meetings of the committee were held on (i) June 20, 2025 and (ii) February 13, 2026 with unanimous presence.

V.(B) Senior management

Particulars of senior management and the changes therein since the close of the previous financial year: Kindly refer details provided in the table "Names of the top ten employees in terms of remuneration drawn" in the annexure 2 to the directors' report to get details of senior management / executives of the company. Kindly note that there was no change in the senior management of the company during the financial year under report except changes in directors / KMPs, if any, already stated in directors' report.

VI. Remuneration of the directors

a. Pecuniary relationship or transactions of the non executive directors *vis-à-vis* company

During the financial year under report, the company has compensated the non executive independent directors by way of paying them sitting fees for attending the board and committee meetings. Apart from this, no transaction for payment of any sum has been made with non executive directors *vis-à-vis* your company.

b. Criteria for making payments to the non executive directors

The criteria of making payments to the non executive directors are enumerated in the nomination and remuneration policy adopted by the board and uploaded on the website of the company at the web link given below:

http://www.kifsfinance.com/category/assets/pdf/Nomination-Remuneration-policy-KIFS.pdf

c. Remuneration of directors

(amount in ₹)

Sr. no.	Name of the director	Basic fixed salary* / sitting fee#	Other benefits	Stock option & pensions	Fixed and performance linked incentives	Stock option	Total
1	Mr. Rajesh P. Khandwala	9,00,000*	-	-	-	-	**9,00,000**
2	Mr. Vimal P. Khandwala	-	-	-	-	-	**-**
3	Mrs. Sonal R. Khandwala	-	-	-	-	-	**-**
4	Mr. Rajesh Gopaldas Parekh	40,000#	-	-	-	-	**40,000**
5	Mr. Dixit Dipakkumar Shah	40,000#	-	-	-	-	**40,000**
6	Mr. Sharvil B. Suthar	40,000#	-	-	-	-	**40,000**
	Total	**10,20,000**	**-**	**-**	**-**	**-**	**10,20,000**

Further, none of the directors has been appointed on service contract basis. The notice period and severance fees are decided based on the mutual understandings between the board members from time to time. Also no stock options are issued / given to any of the directors / employees of the company.

VII. General body meetings

a. Dates, time and places of last three annual general meetings (AGMs)

AGM	Date	Time	Place
30th AGM for the financial year 2024-25	Tuesday, August 19, 2025	4.00 pm	Through electronic mode [video conference ("VC") or other audio visual means ("OAVM")]
29th AGM for the financial year 2023-24	Friday, September 27, 2024	4.00 pm	Through electronic mode [video conference ("VC") or other audio visual means ("OAVM")]
28th AGM for the financial year 2022-23	Friday, September 29, 2023	4.00 pm	Through electronic mode [video conference ("VC") or other audio visual means ("OAVM")]

b. Special resolution(s) passed in the previous three annual general meetings

AGM	Particulars of special resolutions passed
30th AGM for the financial year 2024-25	• Re-appointment of Mr. Sharvil Bharat Kumar Suthar (DIN: 08785030) as an independent director of the company
29th AGM for the financial year 2023-24	• To approve ratification of appointment of Mr. Rajesh Gopaldas Parekh (DIN: 09362221) as an independent director • To approve ratification of appointment of Mr. Dixit Dipakkumar Shah (DIN: 07826994) as an independent director
28th AGM for the financial year 2022-23	• Nil

c. Special resolution(s) passed during the year through postal ballot

No resolution was passed during the financial year under report by way of postal ballot.

d. Persons who conducted postal ballot exercise

Please refer point c. above.

e. Whether any special resolution is proposed to be conducted through postal ballot

No special resolution is proposed to be conducted through postal ballot, however one special resolution was passed in the previous 30th annual general meeting held through electronic mode [video conference ("VC") or other audio visual means ("OAVM")], as mentioned in point b. above.

VIII. Means of communication

The annual, half yearly and quarterly financial results of the company and other notices are submitted to the Bombay Stock Exchange in accordance with the provisions of the listing regulations and the same are generally being published in The Indian Express – English language and The Financial Express – Gujarati vernacular language newspapers. The results and other notices are simultaneously posted on the company website i.e. www.kifsfinance.com. The official news releases, as & when given, are displayed at the website of the company.

IX. General shareholder information

a. Annual general meeting

Date	:	Tuesday, September 29, 2026
Time	:	4:00 pm
Venue	:	Through video conference or other audio visual means
Record date	:	Tuesday, September 22, 2026

b. Financial year

Financial year : April 1 to March 31

Tentative calendar :

First quarter result	Within 45 days from closure of quarter ended on June 30, 2026
Second quarter / half yearly result	Within 45 days from closure of quarter / half year ending on September 30, 2026
Third quarter result	Within 45 days from closure of quarter ending on December 31, 2026
Results for the financial year ending on March 31, 2027	Within 60 days from closure of quarter / financial year ending on March 31, 2027

***** Subject to additional relaxation(s), if any, granted by respective authorities

c. Dividend payment dates

The final dividend, if declared for the financial year ended on March 31, 2026, in the ensuing annual general meeting shall be paid within 30 days of annual general meeting.

d. Listing of securities

During the financial year under report, the equity shares of the company were listed on the Bombay Stock Exchange situated at P. J. Towers, Dalal Street, Mumbai – 400001, Maharashtra, India. Your company has made timely arrangements for payment of the listing fees to the Bombay Stock Exchange for the financial year ended on March 31, 2026 as well as financial year ending on March 31, 2027.

e. No suspension of trading

During the financial year under report and during any of the previous financial years, the securities of the company were never suspended from trading on any of the stock exchange(s).

f. Registrar and share transfer agent

MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited) is acting as registrar & share transfer agent of the company for physical and demat segment. Their address for communication is as under:

MUFG Intime India Pvt. Ltd (formerly known as Link Intime India Private Limited),
506-508, Amarnath Business Center – 1, Besides Gala Business Center,
Nr. St. Xavier's College Corner, Off C. G. Road, Navrangpura, Ahmedabad – 380009, Gujarat, India.
Ph. no.: +91 79 26465179, 86, 87, Fax: +91 79 26465179,
Email: investor.helpdesk@in.mpms.mufg.com, Website: www.in.mpms.mufg.com

g. Share transfer system

Share transfer work of physical segment is attended by the company's registrar & share transfer agent MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited). The shares lodged for transfer

are processed and share certificates duly endorsed are returned within the stipulated time, subject to documents being valid and complete in all respects. A summary of approved transfers, transmissions, deletion requests, etc., are placed before the board of directors / stakeholders' grievance committee from time to time as per the listing regulations.

h. Distribution of shareholding as on March 31, 2026

No. of equity share held	No. of shareholders	% of shareholders	No. of equity shares held	% of shareholding
Upto 500	1,358	91.26%	92,095	0.85%
501 to 1,000	57	3.84%	46,332	0.43%
1,001 to 2,000	24	1.62%	36,779	0.34%
2,001 to 3,000	9	0.60%	22,449	0.21%
3,001 to 4,000	7	0.47%	25,329	0.23%
4,001 to 5,000	6	0.40%	27,715	0.26%
5,001 to 10,000	6	0.40%	46,980	0.43%
10,001 and above	21	1.41%	1,05,20,321	97.25%
Total	**1,488**	**100.00%**	**1,08,18,000**	**100.00%**

Category of shareholders as on March 31, 2026

Category	No. of shareholders	% of shareholders	No. of equity shares held	% of shareholding
A. Promoter & promoter group shareholding				
Body corporate	1	0.07	80,50,000	74.41
B. Public shareholding				
(a) Other Body corporate	6	0.40	3,720	0.03
(b) Resident individuals	1,424	95.70	20,13,413	18.61
(c) HUF	46	3.09	33,320	0.31
(d) NRI	5	0.34	546	0.01
(e) Clearing members	1	0.07	5,01,240	4.63
(f) IEPF authority	1	0.07	1,75,500	1.62
(g) Trusts	1	0.07	100	0.00
(h) Escrow account	1	0.07	160	0.00
(i) Alternate Investment Funds	1	0.07	40,000	0.37
(j) Body Corporate - Ltd Liability Partnership	1	0.07	1	0.00
Total	**1,488**	**100.00%**	**1,08,18,000**	**100.00%**

i. Dematerialization of shares and liquidity

The company's equity shares have been allotted ISIN (INE902D01013) both by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL).

1,07,71,840 equity shares representing 99.57% of the paid up equity share capital of the company have been dematerialized till March 31, 2026.

Holding as on March 31, 2026

Mode of holding	No. of equity shares	% of total paid up capital
Electronic – CDSL	10,94,429	10.12%
Electronic – NSDL	96,77,411	89.45%
Physical	46,160	0.43%
Total	**1,08,18,000**	**100.00%**

As per BSE available data, 1,47,994 number of shares have been traded during the financial year under report.

j. Outstanding GDRs / ADRs / warrant(s) / convertible instrument(s)

The company has not issued any of the securities stated above.

k. Commodity price risk / foreign exchange risk and hedging activities

The nature of business of the company doesn't involve any commodity price risk / foreign exchange risk and doesn't require any hedging activities.

l. Plant locations

Being an NBFC, your company does not have any manufacturing plant.

m. Address for correspondence

Company

Mr. Durgesh D. Soni, Company secretary and compliance officer,
KIFS Financial Services Limited,
4th Floor, KIFS Corporate House, Nr. Land Mark Hotel, Nr. Neptune House, Iskon-Ambli Road, Bodakdev,
Ahmedabad – 380054, Gujarat, India.
Ph. no.: +91 79 69240000 - 09, Email: cs@kifs.co.in, Website: www.kifsfinance.com

Registrar and share transfer agent

MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited),
506-508, Amarnath Business Center – 1, Besides Gala Business Center,
Nr. St. Xavier's College Corner, Off C. G. Road, Navrangpura, Ahmedabad – 380009, Gujarat, India.
Ph. no.: +91 79 26465179, 86, 87, Fax: +91 79 26465179,
Email: investor.helpdesk@in.mpms.mufg.com, Website: www.in.mpms.mufg.com

n. List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad

The company did not avail any credit rating for any of its facilities. The details of last credit rating provided by CARE is as under:

The CARE Ratings Limited has vide its letter dated May 31, 2019, provided the credit rating to the company for its facilities as given below:

Facilities	Amount (₹ Crore)	Rating	
Long-term / short-term bank facilities (over draft against fixed deposits)	25.00	ICRA (old)	**CARE (revised)**
		ICRA BBB+ (stable)	**CARE BBB+; Stable/CARE A2 (Triple B Plus; Outlook: Stable/ A Two)**
Total facilities	**25.00 (Rupees Twenty Five Crores Only)**		

X. Other disclosures

a. The company doesn't have any material significant related party transactions that may have potential conflict with the interests of the listed entity at large.

b. No penalties or strictures have been imposed on the company by the stock exchange(s) or SEBI or any other statutory authority on any matter related to capital markets during last three financial years.

c. Pursuant to the provisions of section 177(9) of the Companies Act, 2013, rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company has duly established a vigil mechanism / whistle blower policy for directors and employees of the company. Mr. Rajesh P. Khandwala, managing director of the company does hereby affirm that no personnel are being denied access to the audit committee to report genuine concerns in this regard.

d. The company has complied with all mandatory requirements of the listing regulations to the extent applicable.

e. The company doesn't have any subsidiary and thus it has not adopted any policy for determination of material subsidiaries.

f. Web link of the policy on dealing with related party transactions is as follows:
http://www.kifsfinance.com/category/assets/pdf/RPT-Policy-KIFS.pdf

g. The nature of business of the company doesn't involve any commodity price risk / foreign exchange risk and doesn't require any hedging activities.

h. During the financial year under report, the company didn't raise any funds through preferential allotment or qualified institutions placement as specified under regulation 32 (7A).

i. **A compliance certificate** from M/s. Prachi Bansal & Associates, practicing company secretary, confirming that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the board / ministry of corporate affairs or any such authority is attached as annexure to this corporate governance report.

j. There was no such instance during the financial year 2025-26 when the board of directors had not accepted recommendation(s), if any, made by any of the committee(s) of the board of directors of the company.

k. Aggregate Statutory audit fees of ₹ 1,00,000/- (₹ 80,000/- as statutory audit fees and ₹ 20,000/- as other services fees) have been paid by the company to M/s. Bimal Shah Associates (FRN: 101505W) and all entities in the network firm / network entity of which the statutory auditor is a part, for agreed services between the company and the said firm of auditors for the financial year 2025-26.

l. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder, the number of complaints received during the financial year 2025-26 along with their status of redressal are as under:

Particulars	2025-26
Number of complaints received during the financial year	0
Number of complaints disposed of during the financial year	0
Number of cases pending for more than 90 days	0

The Company remains fully committed to ensuring a work environment that is free from any form of harassment and discrimination.

m. Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms / companies in which directors are interested by name and amount: The company didn't grant any loans and advances in the nature of loans to firms / companies in which directors are interested and there was no such debit figure loans either at the opening or at the end of the financial year under report.

n. The company doesn't have any subsidiary / material subsidiary thus the contents related to Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries are not applicable to it.

o. Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the listed entity), agreement(s) / treaty(ies) / contract(s) with media companies) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof : There are no such agreements executed by the company during the financial year under report.

p. Information to be disclosed under clause 5A of paragraph A of Part A of Schedule III of the listing regulations: There are no such agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the listed entity or of its holding, subsidiary or associate company, among themselves or with the listed entity or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or impose any restriction or create any liability upon the listed entity during the financial year under report.

XI. Non compliance and reason(s) thereof

The company has complied with all the provisions of corporate governance related to the matters enumerated in the point II to X above for the financial year ended on March 31, 2026 to the extent applicable.

XII. Adoption of discretionary requirements

During the year under report and previous financial years, there were no audit qualifications on company's financial statements. The company has moved towards a regime of financial statements with unmodified audit opinions. The internal auditor also reports directly to the audit committee of the company.

XIII. Disclosures of compliance with corporate governance specified in regulation 17 to 27 and regulation 46(2)(b) to (i) of the listing regulations

The company is in compliance with the corporate governance requirements specified in regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (listing regulations) for the financial year ended on March 31, 2026, to the extent applicable.

XIV. Disclosure of certain types of agreements binding listed entities

The company doesn't have any agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the listed entity, disclosed under clause 5A of paragraph A of Part A of Schedule III of these regulations

XV. Code of conduct

The board of directors has adopted a code of conduct & policy for the directors and senior management personnel. This code is a comprehensive code applicable to all executives as well as non executive directors and members of the senior management. A copy of the code has been hosted on the company's website at following web link:

http://www.kifsfinance.com/category/code-of-conduct-&-policy.php

The code has been circulated to all the members of the board and senior management personnel and compliance of the same has been affirmed by them. A declaration signed by the managing director in this regard is given below:
"I, Rajesh P. Khandwala, managing director of the company, hereby confirm that:

The company has obtained from all the members of the board and senior management personnel of the company, affirmation that they have complied with the code of conduct & policy framed for the directors and senior management personnel in respect to the financial year 2025-26."

Yours' sincerely,
For KIFS Financial Services Limited

Rajesh P. Khandwala
(Managing director)
(DIN: 00477673)

XVI. Compliance certificate on corporate governance

A certificate from statutory auditors of the company regarding compliance of conditions of the corporate governance is attached at the end of this corporate governance report.

XVII. Disclosure with respect to demat suspense account / unclaimed suspense account

		IEPF account	Unclaimed suspense account
(a)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year i.e. April 1, 2025	1,74,600 equity shares via 1,560 records	160 equity shares via 2 records
(b)	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	Nil	Nil
(c)	Number of shareholders to whom shares were transferred from suspense account during the year	Nil	Nil
(d)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year i.e. March 31, 2026	1,75,500 equity shares via 1,564 records	160 equity shares via 2 records

Reconciliation data:
IEPF Account: Opening 1,74,600 shares (1,560 records) + 900 shares (4 records) transferred during the year = 1,75,500 shares (1,564 records) at the end of the year

Unclaimed suspense account: Opening 160 shares (2 records) – No shares transferred to / from during the year = 160 shares (2 records) at the end of the year

Shareholders are requested to make sure encashment of their dividend to avoid transfer of their shares to the investor education and protection fund unnecessarily and are also requested to take note that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

XVIII. MD & CFO certification

Mr. Rajesh P. Khandwala, managing director & Mr. Bhavik J. Shah, chief financial officer heading finance functions have certified to the board, inter-alia the accuracy of the financial statements and adequacy of internal controls for the financial reporting purpose as required under the provisions of regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the financial year ended on March 31, 2026.

XIX. Transfer of unclaimed dividend to the investor education and protection fund

During the financial year under report, your company has transferred the unpaid dividend amount of ₹ 38,432/- (rupees thirty eight thousand four hundred and thirty two only) for the financial year 2017-18, to the investor education and protection fund (IEPF). Shareholders are requested to ensure that they claim the dividend(s) from the company before transfer of the said amounts to the IEPF.

XX. Prevention of insider trading

In accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, a comprehensive code of practices and procedures for fair disclosure of unpublished price sensitive information for adhering to the principles of fair disclosure, a code of internal procedures and conduct for regulating, monitoring and reporting of trading by insiders and policy and procedures for inquiry in case of leak of unpublished price sensitive information for prevention and regulation of trading in the company's shares by insiders are in vogue.

The code prohibits purchase or sale of company's shares by directors, KMP and other designated person, designated employees while in possession of unpublished price sensitive information in relation to the company. The same can be found on website of the company at the investors section.

XXI. Reconciliation of share capital audit

As stipulated by the SEBI, a qualified practicing company secretary carries out the reconciliation of share capital audit to reconcile the total admitted share capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and total issued and paid-up share capital of the company. This audit is carried out every quarter. The audit, inter-alia, confirms that the listed and paid-up share capital of the company is in agreement with the aggregate of the total number of shares in dematerialized form held with NSDL and CDSL and the total number of shares in physical form.

XXII. Independent directors registration

All the independent directors of the company have completed their registration on the independent directors' data bank within the timeline stipulated by the law. Also the requisite independent director(s) have cleared the proficiency self-assessment test or are not required to do so based on the relaxation provided therein.

Also the board of directors of the company opines that during the year the integrity, expertise and experience (including proficiency) of the independent directors are satisfactory to the company's requirements. The independent directors are proficient in the field as specified in point II(h) above.

For and on behalf of the board of directors
KIFS Financial Services Limited

Rajesh P. Khandwala
(Chairman & managing director)
(DIN: 00477673)

Ahmedabad, August 13, 2026

Managing director (MD) & chief financial officer (CFO) certificate

To,
The board of directors,
KIFS Financial Services Limited,

We, Mr. Rajesh P. Khandwala, managing director and Mr. Bhavik J. Shah, chief financial officer of the company, do hereby certify that on the basis of the review of the financial statements and the cash flow statement of KIFS Financial Services Limited for the financial year ended on March 31, 2026 and that to the best of our knowledge and belief, we state that:

a. (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
   (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. there are, to the best of our knowledge and belief, no transactions entered into by the company during the financial year which are fraudulent, illegal or in violation of the company's code of conduct.

c. we accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d. we have indicated to the auditors and the audit committee:
   (i) significant changes, if any, in the internal control over financial reporting during the financial year;
   (ii) significant changes, if any, in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the internal control system over financial reporting.

Yours sincerely,

Rajesh P. Khandwala
(Managing director)
(DIN: 00477673)

Bhavik J. Shah
(Chief financial officer)

Ahmedabad, August 13, 2026

Statutory auditor's certificate on compliance with corporate governance requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The members of KIFS Financial Services Limited,

We have examined the compliance of conditions of corporate governance by KIFS Financial Services Limited ("the company") for the year ended on March 31, 2026, as per regulations 17-27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("listing regulations") with amendments as applicable.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of the corporate governance as stipulated in the above mentioned listing agreement / listing regulations as applicable.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For **M/s. Bimal Shah Associates**,
Chartered accountants
FRN: 101505W

Bimal Arvindbhai Shah
(Proprietor)
Membership no.: 042372

Ahmedabad, August 13, 2026
UDIN: 26042372DEEJRN1273

Certificate of non-disqualification of directors

To,
The members of
KIFS Financial Services Limited,
4th Floor, KIFS Corporate House, Nr. Land Mark Hotel, Nr. Neptune House,
Iskon-Ambli Road, Bodakdev, Ahmadabad – 380054, Gujarat, India.

I have examined the relevant registers, records, forms, returns and disclosures received from the directors of KIFS Financial Services Limited having CIN: L67990GJ1995PLC025234 and having its registered office situated at 4th Floor, KIFS Corporate House, Nr. Land Mark Hotel, Nr. Neptune House, Iskon-Ambli Road, Bodakdev, Ahmadabad City-380054 (Gujarat), India (hereinafter referred to as 'the company'), produced before me by the company for the purpose of issuing this certificate, in accordance with regulation 34(3) read with schedule V para C sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In my opinion and to the best of my information and according to the verifications (including directors identification number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the company & its officers, I / we hereby certify that none of the directors on the board of the company as stated below for the financial year ended on March 31, 2026 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other statutory authority. The details of directors of the company throughout the year and as on closure of the financial year i.e. on March 31, 2026 are as below:

Sr. no.	Name of director	DIN	Date of appointment in company
1	Mr. Rajesh Parmanand Khandwala	00477673	July 31, 2010
2	Mrs. Sonal Rajesh Khandwala	01788620	May 27, 2014
3	Mr. Vimal Parmanand Khandwala	00477768	January 25, 2021
4	Mr. Sharvil Bharatkumar Suthar	08785030	June 29, 2020
5	Mr. Dixit Dipakkumar Shah	07826994	August 14, 2023
6	Mr. Rajesh Gopaldas Parekh	09362221	August 14, 2023

Ensuring the eligibility for the appointment / continuity of every director on the board is the responsibility of the management of the company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

For **Prachi Bansal & Associates,**
Practicing company secretary

Prachi Bansal
(Proprietor)
C. P. no.: 23670
ACS no.: A43355

Faridabad, August 13, 2026
UDIN: A043355H001101896

Independent auditors' report

To the members of
KIFS Financial Services Limited,

Report on the IND AS Financial Statements

Opinion

We have audited the Financial Statements of KIFS FINANCIAL SERVICES LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2026, the Statement of Profit and Loss (including Other Comprehensive Income) and 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.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the 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 March 31, 2026, the Profit and total comprehensive income 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have no key audit matter to communicate in our report.

Information other than the 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, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Financial Statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 accounting

policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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 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, 2020 ("the Order"), issued by the Central Government of India in terms of Sub-Section (11) of Section 143 of the Companies Act, 2013, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by section 143(3) of the Act, 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 and the statement of cash flow dealt with by this report are in agreement with the books of account;

(d) in our opinion, the aforesaid financial statements comply with the AS specified under section 133 of the Act;

(e) on the basis of the written representations received from the directors as on March 31, 2026 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2026 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"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

I. The company does not have any pending litigations which would impact its financial position;

II. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

III. During the financial year under report i.e. 2025-26, the company has duly transferred ₹ 38,432/-, the unclaimed and unpaid dividend amount for the financial year 2017-18 to the investor education and protection fund.

IV. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity , including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are Material either individually or in the aggregate) have been received by the company from any person Or entity, including foreign entity ("funding parties"), with the understanding, whether recorded in Writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other Persons or entities identified in any manner whatsoever by or on behalf of

the funding party ("Ultimate Beneficiaries") or provide any guarantee , security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the Circumstances, nothing has come to our notice that has caused us to believe that the representations under sub – clause (i) and (ii) of Rule 11(e) as provide under (a) and (b) above, contain any material misstatement.

V. (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

(b) The Company has not declared and paid any interim dividend during the year and until the date of this report.

(c) The Board of Directors of the Company have proposed final dividend for the year, which is subject to approval of the member at the ensuing Annual General Meeting. The amount of dividend proposed in accordance with Section 123 of the act as applicable.

VI. Based on our examination which included test checks, the company, has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility. However, we are unable to comment that the audit trail facility has been operated throughout the year for all relevant transactions recorded in the software. Accordingly the question of our commenting on whether the audit trail was tampered with does not arise.

VII. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For **Bimal Shah Associates**,
Chartered accountants
FRN: 101505W

Bimal A. Shah
(Proprietor)
Membership no.: 042372
Ahmedabad, May 20, 2026
UDIN: 26042372KUJFJR2376

Annexure – "A" to the independent auditors' report

(Referred to in paragraph 1 under 'report on other legal & regulatory requirement' section of our report of even date)

(Report of even date on the Companies (Auditor's Report) Order, 2020 ("the order") issued by the Central Government in terms of Section 143(11) of the Act)

i. In respect of the company's Property, Plant and Equipment and Intangible assets:

(a) (A) The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
(B) The company has maintained proper records showing full particulars of intangible assets.
(b) As explained to us, all the Property, Plant and Equipment have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such physical verification.
(c) The Company does not has any immovable properties accordingly this para is not applicable.
(d) The Company has not re-valued any of its Property, Plant and Equipment during the year.
(e) As explained to us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made there under and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.

ii. (a) The Company does not has any inventory accordingly this para is not applicable.
(b) The Company has not taken/sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, from a bank on the basis of security of current assets. So, this para is not applicable.

iii. The Company has not made investments in a subsidiary company during the year and not provided guarantee to companies. As the company has not granted secured /unsecured loan or provide security or advance in the nature of loan to any parties, the reporting under sub-clauses (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the clause 3 of the order are not applicable to the company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of investments made and providing guarantees.

v. According to the information and explanations given to us, the company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposit) Rules, 2014 (as amended). According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or The Reserve Bank of India or any Court or any other Tribunal.

vi. According to the information and explanation given to us, the company no cost audit records have been prescribed under section 148(1) of the companies act, 2013 in respect of business activities of the company.

vii. (a) As per information and explanations given to us, the company is regular in depositing undisputed statutory dues including Goods and service tax, Provident fund, Employees' State Insurance, Income tax, Sales-tax, Wealth tax, Service tax, Duty of Customs, Duty of Excise, Value added tax, cess and any other statutory dues with the appropriate authorities wherever applicable. There are no outstanding statutory dues as at the last day of the financial year under audit for a period of more than six months from the date they became payable.
(b) According to the information and explanation given to us, there are no dues of Goods and Service Tax, sales tax, income tax, custom duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. (a) Based on our audit procedures and as per the information and explanations given by the management, the company has not defaulted in repayment of loans or borrowings or in the payment of interest thereon from any lender.
(b) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.
(c) The Company has applied term loan for the purpose for which the loans were obtained.
(d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company as at 31st March, 2026, we report that the funds raised on short-term basis have not been used for long-term purposes by the Company.
(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary and joint venture.
(f) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the company has not raised loans during the year on the pledge of securities held in its subsidiary and joint venture.

x. (a) The company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the Auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.

xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.

xiii. The Company has entered in to transactions with related parties in compliance with Sections 177 and 188 of Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 24, Related Party Disclosures specified under Section 133 of the Act.

xiv. (a) As explained to us and in our opinion, the Company has adequate internal audit system commensurate with the size and the nature of its business.
(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

xv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the company.

xvi. The company being an NBFC, is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. The Company is duly registered as a Non-Banking Financial Company ("NBFC") with the Reserve Bank of India ("RBI") and has got classified as a Non-Banking Financial Company with effect from February 18, 1998.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

xx. The company has during the year spent the amount of corporate social responsibility as required under subsection (5) of section 135 of the Act. Accordingly, no comment in respect of the said clause has been included in this report.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For **Bimal Shah Associates**,
Chartered accountants
FRN: 101505W

Bimal A. Shah
(Proprietor)
Membership no.: 042372
Ahmedabad, May 20, 2026
UDIN: 26042372KUJFJR2376

Annexure – "B" report on the internal financial controls

ANNEXURE-"B" 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 Financial Services Limited ("the company") as of March 31, 2026 in conjunction with our audit of the standalone financial statements of the company for the year ended on that date.

Management's responsibility for internal financial controls

The Company's management is responsible for establishing and maintaining internal financial controls based on 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.

Auditors' 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 (the "Guidance Note") and the standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial control, both applicable to an audit of Internal Financial Control and, both issued by the Institute of Chartered Accountants of India. 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 understating of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud of error.

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

Meaning of internal financial controls over financial reporting

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

i. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

ii. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

iii. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statement.

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 misstatement due to error or fraud may occur and not be detected. Also, projections of any evaluation of 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 March 31, 2026, based on;

i. existing policies and procedures adopted by the company for ensuring orderly and efficient conduct of business;

ii. continuous adherence to company's policies;

iii. existing procedures in relation to safeguarding of company's fixed assets, investments, inventories, receivables, loans and advances made and cash and bank balances;

iv. existing system to prevent and detect fraud and errors;

v. accuracy and completeness of company's accounting records; and

vi. existing capacity to prepare timely and reliable financial information.

For **Bimal Shah Associates**,
Chartered accountants
FRN: 101505W

Bimal A. Shah
(Proprietor)
Membership no.: 042372
Ahmedabad, May 20, 2026
UDIN: 26042372KUJFJR2376

Balance sheet as at March 31, 2026

(Amount ₹ in lakhs)

Particulars	Note No.	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
ASSETS				
Financial assets				
Cash and cash equivalents	5	2,316.10	17,676.02	1,275.63
Loans	6	41,417.97	20,158.17	25,367.05
Investments		804.15	1,177.68	2,969.52
Other Financial assets	7	3.91	4.00	3.77
Total Financial Assets		**44,542.14**	**39,015.88**	**29,615.96**
Non-Financial Assets				
Income tax assets (net)	8	355.32	233.06	392.67
Deferred tax Assets (Net)	9	18.98	18.32	14.56
Property, Plant and Equipment	10 (a)	183.10	102.67	149.22
Other Intangible assets	10 (b)	0.03	0.03	0.03
Other non-financial assets	11	8.51	8.90	11.88
Total Non-Financial Assets		**565.94**	**362.98**	**568.36**
Total Assets		**45,108.08**	**39,378.85**	**30,184.32**
LIABILITIES AND EQUITY				
LIABILITIES				
Financial Liabilities				
Payables				
(I) 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		1.04	1.12	0.95
Borrowings (Other than Debt Securities)	12	38,182.52	33,205.02	24,493.50
Other financial liabilities	13	2.30	2.30	3.43
Total Financial Liabilities		**38,185.85**	**33,208.44**	**24,497.88**
Non-Financial Liabilities				
Provisions	14	382.49	331.40	329.42
Other non-financial liabilities	15	202.18	137.77	310.85
Total Non-Financial Liabilities		**584.67**	**469.17**	**640.27**
Total Liabilities		**38,770.53**	**33,677.61**	**25,138.15**
EQUITY				
Equity Share Capital	16	1,081.80	1,081.80	1,081.80
Other Equity	17	5,255.75	4,619.44	3,964.37
		6,337.55	**5,701.24**	**5,046.17**
Total Liabilities and Equity		**45,108.08**	**39,378.85**	**30,184.32**
See accompanying notes to the financial statements				

As per our attached report of even date
For **M/s. Bimal Shah Associates,**

Chartered accountants
FRN: 101505W

Bimal Arvindbhai Shah
(Proprietor)
(Membership no.: 042372)

Ahmedabad, May 20, 2026
UDIN: 26042372KUJFJR2376

For and on behalf of board of directors of
KIFS Financial Services Limited

Rajesh P. Khandwala
(Managing director – DIN: 00477673)

Sharvil B. Suthar
(Director– DIN: 08785030)

Durgesh D. Soni
(Company secretary – A38670)

Bhavik J. Shah
(Chief financial officer)

Ahmedabad, May 20, 2026

Statement of profit & loss for the financial year ended on March 31, 2026

		Note no.	For the financial year 2025-26	For the financial year 2024-25
			(Amount ₹ in lakhs)	
I	**Revenue from operations**			
	Interest income	18	3,599.44	2,911.86
	Training income	19		
	Fees and commission income	20		
	Total revenue from operations		**3,599.44**	**2,911.86**
	Other income	21	0.34	404.06
	Total income		**3,599.78**	**3,315.92**
II	**EXPENSES**			
	Finance Costs	22	2,337.58	2,122.20
	Impairment on financial instruments	23	53.84	(13.02)
	Employee Benefit Expenses	24	55.31	41.54
	Depreciation, amortization and impairment	25	28.03	46.55
	Other expenses	26	48.84	34.89
	Total expenses		**2,523.61**	**2,232.16**
	Profit before exceptional items and tax (I-II)		**1,076.17**	**1,083.76**
	Exceptional items		-	-
	Profit before extraordinary items and tax		**1,076.17**	**1,083.76**
	Extraordinary items		-	-
III	**Profit before tax**		**1,076.17**	**1,083.76**
IV	**Tax expense**			
	Current tax	9	278.25	281.00
	Deferred tax (credit) / charge	9	0.66	3.76
	Net tax expenses		277.59	277.24
V	**Profit for the year (III-IV)**		**798.58**	**806.52**
VI	**Earnings per share (of ₹ 10/- each)**	27		
	(a) Basic		7.38	7.46
	(b) Diluted		7.38	7.46
	See accompanying notes to the financial statements			

As per our attached report of even date
For **M/s. Bimal Shah Associates**,

Chartered accountants
FRN: 101505W

Bimal Arvindbhai Shah
(Proprietor)
(Membership no.: 042372)

Ahmedabad, May 20, 2026
UDIN: 26042372KUJFJR2376

For and on behalf of board of directors of
KIFS Financial Services Limited

Rajesh P. Khandwala
(Managing director – DIN: 00477673)

Sharvil B. Suthar
(Director– DIN: 08785030)

Durgesh D. Soni
(Company secretary – A38670)

Bhavik J. Shah
(Chief financial officer)

Ahmedabad, May 20, 2026

Statement of changes in equity for the year ended March 31, 2026

(A) Equity Share Capital

(Amount ₹ in lakhs)

Particulars	Balance at 1 April 2024	Changes in equity share capital during the year	Balance at 31 March 2025	Changes in equity share capital during the year	Balance at 31 March 2026
Equity Share of ₹ 10 each issued, subscribed and fully paid	1,081.80	-	1,081.80	-	1,081.80

(B) Other Equity

(Amount ₹ in lakhs)

Particulars	Reserves and Surplus			Total
	Reserve fund	Securities Premium	Retained Earnings	
Balance at 1 April 2024	**1,089.07**	**486.81**	**2,388.49**	**3,964.37**
Changes in accounting policy / prior period errors	-	-	-	**-**
Restated balance at the beginning of the reporting period	**1,089.07**	**486.81**	**2,388.49**	**3,964.37**
Total Comprehensive Income for the year	-	-	806.52	**806.52**
Dividend on Equity Shares including DDT	-	-	(151.45)	**(151.45)**
Transfer to Reserve fund	161.30	-	(161.30)	**-**
Balance at 31 March 2025	**1,250.37**	**486.81**	**2,882.26**	**4,619.44**
Changes in accounting policy/prior period errors	-	-	-	**-**
Restated balance at the beginning of the reporting period	**1,250.37**	**486.81**	**2,882.26**	**4,619.44**
Total Comprehensive Income for the year	-	-	798.58	**798.58**
Dividend on Equity Shares including DDT	-	-	(162.27)	**(162.27)**
Transfer to Reserve fund	159.72	-	(159.72)	**-**
Balance at 31 March 2026	**1,410.09**	**486.81**	**3,358.85**	**5,255.75**

In terms of our report attached
For **M/s. Bimal Shah Associates**,

Chartered accountants
FRN: 101505W

Bimal Arvindbhai Shah
(Proprietor)
(Membership no.: 042372)

Ahmedabad, May 20, 2026
UDIN: 26042372KUJFJR2376

For and on behalf of board of directors of
KIFS Financial Services Limited

Rajesh P. Khandwala
(Managing director – DIN: 00477673)

Sharvil B. Suthar
(Director –DIN: 08785030)

Durgesh D. Soni
(Company secretary – A38670)

Bhavik J. Shah
(Chief financial officer)

Ahmedabad, May 20, 2026

Cash flow statement for the financial year ended on March 31, 2026

		For the financial year 2025-26		For the financial year 2024-25	
		Amount in ₹ Lakhs		Amount in ₹ Lakhs	
A	**Cash flow from the operating activities**				
	Net profit before tax		1,076.17		1,083.76
	Add: adjustments for:				
	Depreciation and amortization	28.03		46.55	
	Profit on sale of fixed assets	6.21	34.24		46.55
	Operating profit before working capital changes		**1,110.41**		**1,130.31**
	Changes in Working Capital:				
	Adjustments for (increase)/decrease in operating assets:				
	Loans and Advances	(21,259.80)		5,208.88	
	Other financial and non-financial assets	(121.78)		162.36	
	Adjustments for increase/(decrease) in operating liabilities:				
	Proceeds from borrowings	4,977.49		8,711.52	
	Other financial and non-financial liabilities	64.33		(174.04)	
	Provisions	51.09	(16,288.67)	1.98	13,910.69
	Cash generated from / (used in) operations		(15,178.25)		15,041.00
	Income tax paid (net)	278.25	278.25	281.00	281.00
	Cash flow from / (used in) operating activities (A)		**(15,456.50)**		**14,760.00**
B	**Cash flow from investing activities**				
	Sale of fixed assets	43.91		-	
	Sale of Investment	373.53		-	
	Purchase of Investment	-		1,791.84	
	Purchase of Fixed Assets	(158.58)		-	
	Net cash used in investing activities (B)		**258.86**		**1,791.84**
C	**Cash flow from financing activities**				
	Dividend paid including dividend distribution tax	(162.27)		(151.45)	
	Cash flow from / (used in) financing activities (C)		**(162.27)**		**(151.45)**
	Net increase / (decrease) in cash and cash equivalents (A+B+C)		(15,359.92)		16,400.39
	Cash and Cash Equivalents at the beginning of the year		17,676.02		1,275.63
	Cash and Cash Equivalents at the end of the year (Refer Note 1 below)		**2,316.10**		**17,676.02**

Notes:

Particulars	As at 31 March 2026	As at 31 March 2025
1. Cash and bank balances at the end of the year comprises:		
(a) Cash on Hand	0.59	0.59
(b) Balances with banks	2,315.51	17,675.43
Cash and Cash Equivalents as per Balance Sheet	**2,316.10**	**17,676.02**

2. The above cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard-7 on Statement of Cash Flows specified under Section 133 of the Companies Act, 2013.

3. Change in liabilities arising from financing activities

Particulars	31 March 2025	Cash Flows	Non-cash changes*	31 March 2026
Borrowings other than debt securities	33,205.02	4,977.50	-	38,182.52
Total liabilities from financing activities	**33,205.02**	**4,977.50**	**-**	**38,182.52**

Particulars	1 April 2024	Cash Flows	Non-cash changes*	31 March 2025
Borrowings other than debt securities	24,493.50	8,711.52	-	33,205.02
Total liabilities from financing activities	**24,493.50**	**8,711.52**	**-**	**33,205.02**

* Non-cash changes includes the effect of recording financial liability at amortized cost, amortization of processing fees etc.

See accompanying explanatory notes forming part of the financial statements

In terms of our report attached
For **M/s. Bimal Shah Associates**,

Chartered accountants
FRN: 101505W

For and on behalf of board of directors of
KIFS Financial Services Limited

Rajesh P. Khandwala
(Managing director – DIN: 00477673)

Sharvil B. Suthar
(Director –DIN: 08785030)

Bimal Arvindbhai Shah
(Proprietor)
(Membership no.: 042372)

Durgesh D. Soni
(Company secretary – A38670)

Bhavik J. Shah
(Chief financial officer)

Ahmedabad, May 20, 2026
UDIN: 26042372KUJFJR2376

Ahmedabad, May 20, 2026

Notes forming part of the financial statements

Note 1 Significant accounting policies

1. Corporate information

KIFS Financial Services Limited (KFSL) incorporated under the provisions of the Companies Act, 1956 on March 29, 1995 [CIN: L67990GJ1995PLC025234] is a non banking financial company registered with the Reserve Bank of India (RBI) under the provisions of section 45-IA of the RBI Act, 1934 as a loan company (RBI registration no. 01.00007 dated 18.02.1998). KFSL is a public limited company and is listed on Bombay Stock Exchange Ltd. It offers capital market products like margin trading, loan against shares (las) and funding primary market issues for the retail investors.

The Company's registered office is at 4th Floor, KIFS Corporate House, Nr. Land Mark Hotel, Nr. Neptune House, Iskon - Ambli Road, Bodakdev, Ahmedabad – 380054, Gujarat, India.

2. Basis of preparation

2.1 Statement of compliance

The standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (the "Ind AS") prescribed under section 133 of the Companies Act, 2013 (the "Act").

For all periods up to and including the year ended 31 March 2019, the Company prepared its standalone financial statements in accordance with accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). These standalone financial statements for the year ended 31 March 2026 was the Company's sixth financial statements prepared in accordance with Ind AS.

2.2 Basis of measurement

The standalone financial statements have been prepared on historical cost basis except as stated otherwise.

2.3 Functional and presentation currency

The standalone financial statements are presented in Indian Rupees (₹) which is the currency of the primary economic environment in which the Company operates (the "functional currency").

2.4 Use of estimates and judgments

The preparation of the standalone financial statements in conformity with Ind AS requires management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

The areas involving the use of estimates or judgements are:

i) Business model assessment

Classification and measurement of financial assets depends on the results of business model and the solely payments of principal and interest ("SPPI") test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors the financial assets measured at amortised cost and this monitoring is part of the Company's continuous assessment of whether the business model for which the financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

ii) Effective Interest Rate ("EIR") method

The Company's EIR methodology, as explained in Note 3.1(A), recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at

various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to interest rates and other fee income/ expense that are integral parts of the instrument.

iii) Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

There is no need to provide such impairment of financial assets as the company only provide short term loans which are mostly payable on demand there is no significant effect on impairment of financial asset.

iv) Provisions and other contingent liabilities

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

These estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. The Management believes that the estimates used in preparation of the standalone financial statements are prudent and reasonable.

2.5 Presentation of the standalone financial statements

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in Note 38.

Financial assets and financial liability are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

i) The normal course of business
ii) The event of default

3. Summary of significant accounting policies

3.1 Recognition of Interest Income

A. EIR method

Under Ind AS 109, interest income is recorded using the effective interest rate method for all financial instruments measured at amortised cost, financial instrument measured at FVOCI and financial instruments designated at FVTPL. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial instrument.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in

the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the statement of profit and loss.

B. Interest income

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets.

3.2 Financial Instrument - Initial Recognition

A. Date of recognition

Financial assets and liabilities, with the exception of loans, debt securities, deposits and borrowings are initially recognised on the trade date, i.e. the date that the Company becomes a party to the contractual provisions of the instrument.

B. Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments (Refer note 3.3(A)). All financial assets and liabilities are initially recognized at amortised cost. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, are adjusted to the cost on initial recognition.

C. Measurement categories of financial assets and liabilities

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at Amortised cost.

3.3 Financial assets and liabilities

A. Financial Assets

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

a) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel.
b) The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.
c) How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).
d) The expected frequency, value and timing of sales are also important aspects of the Company's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

SPPI test

As a second step of its classification process, the Company assesses the contractual terms of financial to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimise exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual

cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Accordingly, the financial assets are measured as follows:

i) Financial assets carried at amortised cost ("AC")

A financial asset is measured at amortised cost if it is 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 asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) Financial assets measured at fair value through other comprehensive income ("FVOCI")

A financial asset is measured at FVTOCI 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 on the principal amount outstanding.

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

A financial asset which is not classified in any of the above categories are measured at FVTPL.

B. Financial Liability

i) Initial recognition and measurement

All financial liability are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liability, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

ii) Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method.

3.4 Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in the year 2021-22, 2020-21, 2019-20, 2018-19 and 2017-18.

3.5 Derecognition of financial assets and liabilities

i) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss.

Accordingly, gain on sale or derecognition of assigned portfolio are recorded upfront in the statement of profit and loss as per Ind AS 109. Also, the Company recognises servicing income as a percentage of interest spread over tenure of loan in cases where it retains the obligation to service the transferred financial asset.

As per the guidelines of RBI, the company is required to retain certain portion of the loan assigned to parties in its books as Minimum Retention Requirement (MRR). Therefore, it continue to recognise the portion retained by it as MRR.

ii) Financial liability

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The

difference between the carrying value of the original financial liability and the consideration paid is recognised in the statement of profit and loss.

3.6 Impairment of financial assets

A. Overview of the ECL principles

In accordance with Ind AS 109, the Company uses ECL model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

i.) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

ii.) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12 months ECL. Stage 1 loans includes those loans where there is no significant credit risk observed and also includes facilities where the credit risk has been improved and the loan has been reclassified from stage 2 or stage 3.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the life time ECL. Stage 2 loans also includes facilities where the credit risk has improved and the loan has been reclassified from stage 3.

Stage 3: Loans considered credit impaired. The Company records an allowance for life time ECL.

B. The calculation of ECLs

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

PD The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest

LGD The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The Company has calculated Probability of Default (PDs), Exposure at Default (EAD) and Loss Given Default (LGDs) to determine impairment loss on the portfolio of loans and discounted at an approximation to the EIR. At every reporting date, the above calculated PDs, EAD and LGDs are reviewed and changes in the forward looking estimates are analysed.

C. Forward looking information

In its ECL models, the Company relies on a broad range of forward looking macro parameters and estimated the impact on the default at a given point of time.

3.7 Write-offs

Financial assets are written off either partially or in their entirety after reasonable efforts for recovery have been made and when the Company has stopped pursuing the recovery. Any subsequent recoveries are credited to impairment on financial instrument on the statement of profit and loss.

3.8 Determination of fair value

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, regardless of whether that price is directly observable or estimated using another valuation technique.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 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 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;

• Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

• Level 3 inputs are unobservable inputs for the asset or liability.

3.9 Recognition of other income and expenses

Revenue (other than for those items to which Ind AS 109 - Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 - Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

A. Interest income on Bank deposits & Other Income

Interest income on Bank deposits is accounted on accrual basis. Other Operating Income such as Service Charges, Stamp and Document Charges etc. are recognised on accrual basis.

B. Fees and commission income

Fees and commission income such as stamp and document charges, guarantee commission, service income etc. are recognised on point in time basis.

C. Borrowing costs

Borrowing Costs are the interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

All other borrowing costs are charged to the statement of profit and loss for the period for which they are incurred.

3.10 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

3.11 Property, plant and Equipment

Property, Plant and Equipments are carried at cost, less accumulated depreciation and impairment losses, if any. The cost of Property, Plant and Equipments comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses. Subsequent expenditure on Property, Plant and Equipments after its purchase is capitalized only if it is probable that the future economic benefits will flow to the enterprise and the cost of the item can be measured reliably.

Depreciation is calculated using the straight line method to write down the cost of property and equipment to their residual values over their estimated useful lives as specified under Schedule II of the Act.

In respect of property, plant and Equipments purchased during the period, depreciation is provided on a pro-rata basis from the date on which such asset is purchased or ready for its intended use.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised.

3.12 Intangible Assets

The Company's other intangible assets include the value of software and trademark. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated using the straight–line method to write down the cost of intangible assets to their residual values over their estimated useful lives.

3.13 Impairment of non-financial assets - property, plant and equipment and intangible assets

The carrying values of assets / cash generating units at the each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and if the carrying amount of these assets exceeds their recoverable amount, impairment loss is recognised in the Statement of Profit and Loss as an expense, for such excess amount. The recoverable amount is the greater of the net selling price and value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

3.14 Leasing

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

Company as a lessee

Leases that do not transfer to the Company substantially all of the risks and benefits incidental to ownership of the leased items are operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the increase is in line with expected general inflation, in which case lease payments are recognised based on contractual terms. Contingent rental payable is recognised as an expense in the period in which they are incurred.

Company as a lessor

Leases where the Company does not transfer substantially all of the risk and benefits of ownership of the asset are classified as operating leases. Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in rental income in the statement of profit and loss, unless the increase is in line with expected general inflation, in which case lease income is recognised based on contractual terms. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3.15 Provisions, contingent liabilities and contingent assets

A. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, 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. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

B. Contingent liability

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for.

C. Contingent Asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised and disclosed only when an inflow of economic benefits is probable.

3.16 Taxes

A. Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. Current tax is the amount of tax payable on the taxable income for the period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or equity.

B. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or equity.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.

C. Goods and services tax / value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax paid, except when the tax incurred on a purchase of assets or availing of services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

3.17 Earnings Per Share

Basic earnings per share is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) as adjusted for after-tax amount of dividends and interest recognised in the period in respect of the dilutive potential ordinary shares and is adjusted for any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares, by the weighted average number of equity shares considered for deriving basic earnings per share as increased by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits, right issue and bonus shares, as appropriate.

3.18 Dividends on ordinary shares

The Company recognises a liability to make cash to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Companies Act, 2013, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

3.19 Cash flow statement

Cash flows are reported using the indirect method as prescribed under Ind AS 7, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3.20 Operating cycle

Based on the nature of products/activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

3.21 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year.

4. Adoption of Ind AS

The Company has adopted Ind AS with effect from 1st April 2019 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at 1st April 2018. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III.

i) Fair value as deemed cost exemption
The Company has elected to measure items of property, plant and equipment and intangible assets at its carrying value at the transition date.

ii) Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2018 (the transition date).

iii) Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

5 Cash and Cash Equivalents

(Amount in ₹ Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Cash on Hand	0.59	0.59	0.46
Balances with Banks:			
In Current / Cash Credit Accounts	2,030.51	17,390.43	990.17
In Fixed Deposit Accounts	285.00	285.00	285.00
Total Cash and Cash Equivalents	**2,316.10**	**17,676.02**	**1,275.63**

Note 6. Loans (At amortised cost)

(Amount in ₹ Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
(A) (i) Loans repayable on Demand	41,417.97	20,158.17	25,367.05
Total (A) – Gross	**41,417.97**	**20,158.17**	**25,367.05**
Less: Impairment loss allowance	-	-	-
Total (A) - Net	**41,417.97**	**20,158.17**	**25,367.05**
(B) (i) Secured loan	-	-	-
(ii) Unsecured loan	41,417.97	20,158.17	25,367.05
Total (B)-Gross	**41,417.97**	**20,158.17**	**25,367.05**
Less: Impairment loss allowance	-	-	-
Total (B) - Net	**41,417.97**	**20,158.17**	**25,367.05**

Note: 1. Loans granted by the Company are secured against listed shares.

6.1 An analysis of changes in the gross carrying amount and the corresponding ECL allowances

(Amount in ₹ Lakhs)

Particulars	FY 2025-26 (Stages)				FY 2024-25 (Stages)			
	1	2	3	Total	1	2	3	Total
Gross carrying amount opening balance	20,158.17	-	-	20,158.17	25,367.05	-	-	25,367.05
Assets derecognised or repaid (excluding write offs)	-	-	-	-	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	(7.13)	7.13	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Amounts written off	-	-	-	-	-	-	-	-
New assets originated	21,259.80	-	-	21,259.80	(5,208.88)	-	-	**(5,208.88)**
Gross carrying amount closing balance	**41,410.84**	7.13	-	**41,410.84**	**20,158.17**	-	-	**20,158.17**

* New assets originated are those assets which have remained in stage 1 at the year end.

6.2 Reconciliation of ECL balance is given below

(Amount in ₹ Lakhs)

Particulars	FY 2025-26				FY 2024-25			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	50.40	-	-	**50.40**	63.42	-	-	**63.42**
Addition during the year	53.13	0.71	-	**53.84**	(13.02)	-	-	**(13.02)**
Reversal during the year	-	-	-	-	-	-	-	-
ECL allowance - closing balance	**103.53**	**0.71**	**-**	**104.24**	**50.40**	**-**	**-**	**50.40**

Increase in ECLs of the portfolio was driven by an increase in the gross size of the portfolio and movements between stages as a result of increases in credit risk.

7 Other financial assets

(Amount in ₹ Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Security deposits	1.16	1.16	1.16
Interest accrued but not due on loans and advances	2.75	2.84	2.61
Total Other Financial Assets	**3.91**	**4.00**	**3.77**

8 Income tax assets

(Amount in ₹ Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Advance Tax and TDS Receivable	355.32	233.06	392.67
Total Income Tax Assets	**355.32**	**233.06**	**392.67**

9 Income tax

(Amount in ₹ Lakhs)

The components of income tax expense for the years ended 31 March 2026 and 2025 are:	2025-26	2024-25
Current tax	278.25	281.00
Adjustment in respect of current income tax of prior years	-	-
Deferred tax	0.66	-
Total tax charge	**278.91**	**281.00**
Current tax	278.25	281.00
Deferred tax	0.66	-

9.1 Deferred tax

(Amount in ₹ Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Deferred Tax Asset / Liability (Net)		
The movement on the deferred tax account is as follows:		
At the start of the year DTA / (DTL)	18.32	14.56
Credit/(Charge) to Statement of Profit and Loss	0.66	3.76
At the end of year DTA / (DTL)	**18.98**	**18.32**

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

(Amount in ₹ Lakhs)

	As at 31 March 2025	Credit / (Charge) to Profit or Loss	As at 31 March 2026
Component of Deferred tax asset / (liability)			
Deferred tax asset / (liability) in relation to:			
Difference between written down value of fixed assets as per books of accounts and income tax	18.32	0.66	18.98
Impairment on financial assets	-	-	-
Total	**18.32**	**0.66**	**18.98**

(Amount in ₹ Lakhs)

	As at 31 March 2025	Credit / (Charge) to Profit or Loss	As at 31 March 2026
Component of Deferred tax asset / (liability)			
Deferred tax asset / (liability) in relation to:			
Difference between written down value of fixed assets as per books of accounts and income tax	14.56	3.76	18.32
Impairment on financial assets	-	-	-
Total	**14.56**	**3.76**	**18.32**

10 Property, Plant and Equipment and Intangible assets

(Amount in ₹ Lakhs)

Nature of Assets	Property, Plant and Equipment (a)				Intangible Assets (b)		
	Office Equipments	Plant and Machinery	Vehicles	Total	Soft ware	Other Intangibles	Total
At Deemed Cost							
At 1 April 2024	**0.15**	**0.04**	**288.24**	**288.42**	**0.07**	**-**	**0.07**
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
At 31 March 2025	**0.15**	**0.04**	**288.24**	**288.42**	**0.07**	**-**	**0.07**
Additions	-	-	158.58	158.58	-	-	-
Disposals	-	-	-	-	-	-	-
At 31 March 2026	**0.15**	**0.04**	**357.66**	**357.84**	**0.07**	**-**	**0.07**
Depreciation/Amortisation							
At 1 April 2024	**0.03**	**-**	**139.17**	**139.20**	**0.04**	**-**	**0.04**
Depreciation/Amortization Charge	-	-	46.55	**46.55**	-	-	-
Disposal	-	-	-	-	-	-	-
At 31 March 2025	**0.03**	**-**	**185.73**	**185.75**	**0.04**	**-**	**0.04**
Depreciation/Amortization Charge	-	-	28.03	**28.03**	-	-	-
Disposal	-	-	-	-	-	-	-
At 31 March 2026	**0.03**	**-**	**174.71**	**174.74**	**0.04**	**-**	**0.04**
Net Block Value:							
At 1 April 2024	**0.12**	**0.04**	**149.06**	**149.22**	**0.03**	**-**	**0.03**
At 31 March 2025	**0.12**	**0.04**	**102.51**	**102.67**	**0.03**	**-**	**0.03**
At 31 March 2026	**0.12**	**0.04**	**182.94**	**183.10**	**0.03**	**-**	**0.03**

11 Other non-financial assets

(Amount in ₹ Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Prepaid expenses	0.05	-	0.06
Advances to employees	8.46	8.90	11.82
Total other non-financial assets	**8.51**	**8.90**	**11.88**

12 Borrowings (Other than Debt Securities) (At amortised cost)

(Amount in ₹ Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
(a) Working Capital Loan			
(i) from Banks	-	-	88.60
(d) Loans repayable on demand			
(i) from other parties	38,182.52	33,205.02	24,404.91
Total (A)	**38.182.52**	**33,205.02**	**24,493.50**
Borrowings in India	38,182.52	33,205.02	24,493.50
Borrowings outside India	-	-	-
Total (B) to tally with (A)	**38,182.52**	**33,205.02**	**24,493.50**

13 Other financial liabilities

(Amount in ₹ Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Unclaimed Dividend	2.30	2.30	3.43
Total other financial liabilities	**2.30**	**2.30**	**3.43**

14 Provisions

(Amount in ₹ Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Proposed Equity Final Dividend	-	-	-
Tax on Proposed Equity Final Dividend	-	-	-
Current Tax	278.25	281.00	266.00
Tax of earlier years	-	-	-
Contingent Provision for Standard Assets	103.53	50.40	63.42
Sub Standard Assets	0.71	-	-
Total Provisions	**382.49**	**331.40**	**329.42**

15 Other non-financial liabilities

(Amount in ₹ Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Statutory remittances	202.18	137.77	310.85
Total other non-financial liabilities	**202.18**	**137.77**	**310.85**

16 Equity shares capital

(Amount in ₹ Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Authorized Shares:			
1,10,00,000 Equity Shares of ₹ 10 each	1,100.00	1,100.00	1,100.00
	1,100.00	**1,100.00**	**1,100.00**
Issued, Subscribed and Fully Paid-Up Shares:			
1,08,18,000 Equity Shares of ₹ 10 each fully paid up	1,081.80	1,081.80	1,081.80
	1,081.80	**1,081.80**	**1,081.80**

16.1 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

(Amount in ₹ Lakhs)

Particulars	As at 31 March 2026		As at 31 March 2025		As at 31 March 2024	
Equity Shares	No. of Shares	(Amount in ₹)	No. of Shares	(Amount in ₹)	No. of Shares	(Amount in ₹)
Outstanding at the beginning of the year	1,08,18,000	1,081.80	1,08,18,000	1,081.80	1,08,18,000	1,081.80
Issued during the year	-	-	-	-	-	-
Bonus issue during the year	-	-	-	-	-	-
Outstanding at the end of the year	**1,08,18,000**	**1,081.80**	**1,08,18,000**	**1,081.80**	**1,08,18,000**	**1,081.80**

16.2 Details of shares held by each shareholder holding more than 5% shares

(Amount in ₹ Lakhs)

Class of shares / Name of shareholder	As at 31 March 2026		As at 31 March 2025		As at 31 March 2024	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity Shares						
Khandwala Commercial Private Limited	80,50,000	74.41%	80,50,000	74.41%	80,50,000	74.41%

16.3 Details of shares held by each promoters

(Amount in ₹ Lakhs)

Class of shares / Name of shareholder	As at 31 March 2026		As at 31 March 2025		As at 31 March 2024	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity Shares						
Khandwala Commercial Private Limited	80,50,000	74.41%	80,50,000	74.41%	80,50,000	74.41%

16.4 Terms / rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

17 Other equity

(Amount in ₹ Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Reserve fund			
Opening Balance of Special Reserve	**1,250.37**	**1,089.07**	**946.75**
Add:			
Amount of Special Reserve	159.72	161.30	142.32
Less:			
Amount withdrawn from Special Reserve	-	-	-
Closing Balance of Special Reserve	**1,410.09**	**1,250.37**	**1,089.07**
Securities Premium			
Outstanding at the beginning of the year	**486.81**	**486.81**	**486.81**
Additions during the year	-	-	-
Outstanding at the end of the year	**486.81**	**486.81**	**486.81**
Surplus in Statement of Profit and Loss			
Outstanding at the beginning of the year	**2,882.26**	**2,388.49**	**1,965.25**
Add: Opening Ind AS Adjustment	-	-	-
Add: Profit for the year	798.58	806.52	711.62
	3,680.84	**3,195.02**	**2,676.86**
Less : Appropriations:			
Special Reserve	159.72	161.30	142.32
Dividend on Equity Shares	162.27	151.45	146.04
Dividend Distribution Tax on Equity Dividend	-	-	-
Total Appropriations	**321.99**	**312.76**	**288.37**

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Net Surplus in Statement of Profit and Loss	**3,358.85**	**2,882.26**	**2,388.49**
Total Other Equity	**5,255.75**	**4,619.44**	**3,964.37**

17.1 Nature and purpose of reserve

1 Special reserve
Special Reserve is created as required under Section 45-IC of the RBI Act.

2 Securities premium
Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes in accordance with the provisions of section 52 the Companies Act, 2013.

3 Surplus in Statement of Profit and Loss
Surplus in Statement of Profit and Loss is the accumulated available profit for the company carried forward from earlier years. These reserve are free reserves which can be utilised for any purpose as may be required.

18 Interest Income (On Financial assets measured at Amortised Cost)

(Amount in ₹ Lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Interest on loans	3,599.44	2,911.86
Total	**3,599.44**	**2,911.86**

19 Training income

(Amount in ₹ Lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Training Income	-	-
Total	**-**	**-**

20 Fees and Commission Income

(Amount in ₹ Lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Management / Corporate Advisory fees	-	-
Mutual Fund Distribution Commission	-	-
Total	**-**	**-**

21 Other income

(Amount in ₹ Lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Income from non-financing activity	-	400.00
Interest on Income Tax Refund	-	4.06
Profit of Sale of Fixed Assets	-	-
Excess Provision of Income Tax Written Back	-	-
Total	**-**	**404.06**

22 Finance costs (On Financial liabilities measured at Amortised Cost)

(Amount in ₹ Lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Interest on borrowings		
(a) Banks	1.57	2.12
(b) Others	2,336.01	2,120.08
Total	**2,337.58**	**2,122.20**

23 Impairment on financial instruments (On Financial instruments measured at Amortised Cost)

(Amount in ₹ Lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Contingent Provision for Standard Assets	53.13	(13.02)
Provision for Sub standard Assets	0.71	-
Total	**53.84**	**(13.02)**

Note: The disclosure requirements of splitting the loss allowance between "individually" and "collectively" assessed allowances as per Ind AS 107 is not applicable to the Company as it has determined loss allowances on collective basis only.

24 Employee benefits expense

(Amount in ₹ Lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Salaries and wages	46.31	32.54
Director Remuneration	9.00	9.00
Total	**55.31**	**41.54**

25 Depreciation and amortization

(Amount in ₹ Lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Depreciation on Property, Plant & Equipment	28.03	46.55
Total	**28.03**	**46.55**

26 Other expenses

(Amount in ₹ Lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Advertisement Expenses	0.60	0.43
Annual Subscription	1.08	1.06
Auditor Remuneration	1.00	0.90
Bank Charges	0.23	0.41
Director's Sitting Fees	1.20	1.40
CSR Expenses	19.50	17.71
Interest on Late payment of Statutory Dues	0.47	0.23
Income Tax written off	6.48	0.16
Listing Fees	3.25	3.25
Miscellaneous Expenses	0.01	0.09
Power and Fuel Expense	3.40	4.29
Legal and Professional Fees	2.95	2.44
Loss on Sale of Fixed Assets	6.21	-
Rates & Taxes	2.29	2.29
Rent (Refer note no. 28)	-	-
Repairs & Maintenance:		
Computers	0.17	0.22
Total	**48.84**	**34.89**
Note: Payment to Statutory Auditors (excluding Taxes)		
For Statutory Audit Fees	0.80	0.70
For Other Services	0.20	0.20
Total	**1.00**	**0.90**

27 Earnings per share

(Amount in ₹ Lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
(A) Basic		
Computation of Profit (Numerator)		
Net Profit for the year	798.58	806.52
Net Profit for the year attributable to Equity Shareholders	**798.58**	**806.52**
Computation of Weighted Average Number of Shares (Denominator)	**Nos.**	**Nos.**
Weighted average number of Equity Shares of ₹ 10 each used for calculation of Basic Earnings per Share	1,08,18,000	1,08,18,000
Basic Earnings per Share of face value of ₹ 10 each (in ₹)	7.38	7.46
(B) Diluted		
Net Profit attributable to Equity Shareholder's as above	**798.58**	**806.52**
Computation of Weighted Average Number of Shares (Denominator)	**Nos.**	**Nos.**
Weighted average number of Equity Shares as above	1,08,18,000	1,08,18,000
Diluted Earnings per Share of face value of ₹ 10 each (in ₹)	7.38	7.46

28 Leasing arrangements

Operating lease commitments – company as lessee

The Company has entered into leave and license agreements for taking office premises on rental basis ranging from 11 to 72 months. The specified disclosure in respect of these agreements is given below:

(Amount in ₹ Lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
1. Lease payments recognised in the Statement of Profit and Loss	0.00	0.60
Note:- i. The company has given refundable, interest free security deposits under certain Agreements. ii. Certain agreements contain a provision for their renewal and further there are no sub-leases.		

29 Segment reporting

The company is engaged primarily in the business of financing and all its operations are in India only. Accordingly, there is no separate reportable segment as per Ind AS 108 on 'Operating Segments'.

30 Related party disclosures

(a) Related party disclosures as required by Indian Accounting Standard 24, "Related Party Disclosures".

List of related parties and relationships:

Sr. no.	Nature of Relationship	
1	Holding company	Khandwala Commercial Private Limited
2	Key Management Personnel / Director	Rajesh P. Khandwala Vimal P. Khandwala Bhavik J. Shah Durgesh D. Soni Sonal R. Khandwala
3	Other Related Parties (i) Associate Company	 KIFS Finstock Limited KIFS Trading LLP KIFS Motor Private Limited KIFS International LLP KIFS Trade Capital Private Limited KIFS Housing Finance Limited

	(ii) Relatives of Key Management Personnel	Jayesh P. Khandwala Minaxi P. Khandwala Kinnari J. Khandwala Priyanka V. Khandwala

Transactions with related parties are as follows:

(Amount in ₹ Lakhs)

Particulars	Year ended 31 March 2026			
	Holding / Associate Company	Key management personnel	Other Related Parties	Total
Inter-corporate Loan Taken (Max. balance during the year)	-	-	-	-
Inter-corporate Loan Given (Max. Balance during the year)	-	-	-	-
Interest Received on loans	-	-	-	-
Interest Paid on Loans	-	-	-	-
Reimbursement of Expense	-	-	-	-
Remuneration (Including Bonus)	-	26.55	-	**26.55**
Dividend Paid	120.75	-	-	**120.75**
Sitting fees	-	1.20	-	**1.20**

(Amount in ₹ Lakhs)

Particulars	Year ended 31 March 2025			
	Holding / Associate Company	Key management personnel	Other Related Parties	Total
Inter-corporate Loan Taken (Max. balance during the year)	-	-	-	-
Inter-corporate Loan Given (Max. Balance during the year)	-	-	-	-
Interest Received on loans	-	-	-	-
Interest Paid on Loans	-	-	-	-
Reimbursement of Expense	-	-	-	-
Remuneration (Including Bonus)	-	19.63	-	**19.63**
Dividend Paid	112.70	-	-	**112.70**
Sitting fees	-	1.40	-	**1.40**

Balances outstanding from related parties are as follows:

(Amount in ₹ Lakhs)

Particulars	As at March 31, 2026			
	Holding / Associate Company	Key management personnel	Other Related Parties	Total
Inter-corporate Loan Taken (Closing Balance as on March 31, 2026)	-	-	-	-
Inter-corporate Loan Given (Closing Balance as on March 31, 2026)	-	-	-	-

(Amount in ₹ Lakhs)

Particulars	As at March 31, 2025			
	Holding / Associate Company	Key management personnel	Other Related Parties	Total
Inter-corporate Loan Taken (Closing Balance as on March 31, 2025)	-	-	-	-
Inter-corporate Loan Given (Closing Balance as on March 31, 2025)	-	-	-	-

(Amount in ₹ Lakhs)

Particulars	As at March 31, 2024			
	Holding / Associate Company	Key management personnel	Other Related Parties	Total
Inter-corporate Loan Taken (Closing Balance as on March 31, 2024)	71.75	-	-	**71.75**
Inter-corporate Loan Given (Closing Balance as on March 31, 2024)	-	-	-	**-**

All transactions with these related parties are priced on an arm's length basis.

Related party transactions:

(Amount in ₹ Lakhs)

Nature of transactions	Year ended 31 March 2026	Year ended 31 March 2025
Remuneration:		
Rajesh Khandwala	9.00	9.00
Bhavik J Shah (Chief Financial Officer)	7.78	6.78
Durgesh Soni (Company Secretary)	10.38	3.05
Utsav S. Bhavsar (Company Secretary)	-	0.80
Director Sitting Fees:		
Devang M. shah	-	0.10
Dharmendra N. Soni	-	0.10
Sharvil Suthar	0.40	0.40
Rajesh Gopaldas Parekh	0.40	0.40
Dixit Dipakkumar Shah	0.40	0.40

31 The Company has not received any intimation from vendors regarding their status under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. In view of this, information required under section 22 of MSMED Act, 2006 to that extent is not given.

32 Details of Total Non-Performing Assets (NPA) and % of Total Assets under Management (AUM) are as follow:

(Amount in ₹ Lakhs)

Particulars	As at 31.03.2026	As at 31.03.2025
AUM	41,417.97	20,158.17
Gross NPA on AUM	7.13	-
Net NPA on AUM	7.13	-
Gross NPA as % of AUM	0.02%	0.00%
Net NPA as % of AUM	0.02%	0.00%

33 Balances of trade payables and loans and advances are subject to confirmation. Adjustments, if any required, will be made on settlement of the account of the parties.

34 Financial Instrument and Fair Value Measurement

(A) Accounting classifications and fair values

The carrying amount and fair value of financial instruments including their levels in the fair value hierarchy presented below:

(Amount in ₹ Lakhs)

As at 31 March 2026	Carrying amount	Amortised cost	Fair value			
			Level 1	Level 2	Level 3	Level 4
Financial assets						
Cash and cash equivalents	2,316.10	2,316.10	-	-	-	-
Loans	41,417.97	41,417.97	-	-	-	-
Security deposits	1.16	1.16	-	-	1.16	1.16
Interest Accrued on Loans and Advances	2.75	2.75	-	-	-	-
	43,737.99	**43,737.99**	-	-	**1.16**	**1.16**

As at 31 March 2026	Carrying amount	Amortised cost	Fair value			
			Level 1	Level 2	Level 3	Level 4
Financial liabilities						
Trade Payables	1.04	1.04	-	-	-	-
Borrowings (Other than Debt Securities)	38,182.52	38,182.52	-	-	38,182.52	38,182.52
Other financial liabilities	2.30	2.30	-	-	-	-
	38,185.85	**38,185.85**	**-**	**-**	**38,182.52**	**38,182.52**

(Amount in ₹ Lakhs)

As at 31 March 2025	Carrying amount	Amortised cost	Fair value			
			Level 1	Level 2	Level 3	Level 4
Financial assets						
Cash and cash equivalents	17,676.02	17,676.02	-	-	-	-
Loans	20,158.17	20,158.17	-	-	-	-
Security deposits	1.16	1.16	-	-	1.16	1.16
Interest Accrued on Loans and Advances	2.84	2.84	-	-	-	-
	37,838.20	**37,838.20**	-	-	**1.16**	**1.16**
Financial liabilities						
Trade Payables	1.12	1.12	-	-	-	-
Borrowings (Other than Debt Securities)	33,205.02	33,205.02	-	-	33,205.02	33,205.02
Other financial liabilities	2.30	2.30	-	-	-	-
	33,208.44	**33,208.44**	**-**	**-**	**33,205.02**	**33,205.02**

(Amount in ₹ Lakhs)

As at 31 March 2024	Carrying amount	Amortised cost	Fair value			
			Level 1	Level 2	Level 3	Level 4
Financial assets						
Cash and cash equivalents	1,275.63	1,275.63	-	-	-	-
Loans	25,367.05	25,367.05	-	-	-	-
Security deposits	1.16	1.16	-	-	1.16	1.16
Interest Accrued on Loans and Advances	2.61	2.61	-	-	-	-
	26,646.45	**26,646.45**	**-**	**-**	**1.16**	**1.16**
Financial liabilities						
Trade Payables	0.95	0.95	-	-	-	-
Borrowings (Other than Debt Securities)	24,493.50	24,493.50	-	-	24,493.50	24,493.50
Other financial liabilities	3.43	3.43	-	-	-	-
	24,497.88	**24,497.88**	**-**	**-**	**24,493.50**	**24,493.50**

B Measurement of fair values

i. Valuation techniques and significant unobservable inputs

The carrying amounts of financial assets and liabilities which are at amortised cost are considered to be the same as their fair values as there is no material differences in the carrying values presented.

ii. Financial instruments - fair value

The fair value of financial instruments as referred to in note (A) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurement).

The categories used are as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices;

Level 2: The fair value of financial instruments that are not traded in active market is determined using valuation technique which maximizes the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value on instrument are observable, the instrument is included in level 2; and

Level 3: If one or more of significant input is not based on observable market data, the instrument is included in level 3.

iii. Transfers between levels I and II

There has been no transfer in between level I and level II.

C Capital

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the regulator.

Company has complied in full with all its externally imposed capital requirements over the reported period. Equity share capital and other equity are considered for the purpose of Company's capital management.

1 Capital Management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

2 Regulatory capital

(Amount in ₹ Lakhs)

Particulars	2026	2025	2024
Tier 1 Capital	1,081.80	1,081.80	1,081.80
Tier 2 Capital	-	-	-
Total Capital	**1,081.80**	**1,081.80**	**1,081.80**

35 Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include loan and advances, cash and cash equivalents that derive directly from its operations.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

1) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party to financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and loans.

The carrying amounts of financial assets represent the maximum credit risk exposure.

Loans and advances

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references.

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 time value of money and credit risk. For the purposes of this analysis, the loan receivables are categorised into groups based on days past due. Each group is then assessed for impairment using the Expected Credit Loss (ECL) model as per the provisions of Ind AS 109 - Financial instruments. The calculation is based on provision matrix which considers actual historical data adjusted appropriately for the future expectations and probabilities. Proportion of expected credit loss provided for across the ageing buckets is summarised below:

(Amount in ₹ Lakhs)

Days past due	31 March 2026	31 March 2025
Stage I	0.25%	0.25%
Stage II	10.00%	10.00%
Stage III	100.00%	100.00%
Amount of expected credit loss provided for	**104.24**	**50.40**

The loss rates are based on actual credit loss experience over past years. These loss rates are then adjusted appropriately to reflect differences between current and historical economic conditions and the Company's view of economic conditions over the expected lives of the loan receivables. Movement in provision of expected credit loss has been provided in below note.

Movement of ECL:

(Amount in ₹ Lakhs)

Particulars	2025-26	2024-25
Opening provision of ECL	50.40	63.42
Addition / (Reversal) during the year	53.84	(13.02)
Closing provision of ECL	**104.24**	**50.40**

Cash and cash equivalent and Bank deposits

Credit risk on cash and cash equivalent and bank deposits is limited as the Company generally invests in term deposits with banks.

2) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

The Company monitors its risk of a shortage of funds by estimating the future cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credit facilities and bank loans. The Company has access to a sufficient variety of sources of funding.

The composition of the Company's liability mix ensures healthy asset liability maturity pattern and well diverse resource mix.

3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes interest rate risk and foreign currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

3.1 Interest Rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's investment in bank deposits and variable interest rate borrowings and lending. The interest rates for the tenure of the fixed deposits are fixed. However, with the continuous decrease in the returns on fixed deposits, the income earned on such deposits may change in future based on the interest rates.

The sensitivity analysis have been carried out based on the exposure to interest rates for bank deposits, lending and borrowings carried at variable rate.

The company has mainly obtained short term loan which are repayable on demand, Further the company has mainly given Short Term Advances which are also repayable on demand, besides most of the loans given and loans taken are fixed interest loan and therefore there is not significant / material effect of interest rate due.

3.2 Foreign Currency Risk

The company does not have any instrument denominated or traded in foreign currency. Hence, such risk does not affect the company.

36 Revenue from contracts with customers

Set out below is the disaggregation of the Company's revenue from contracts with customers and reconciliation to profit and loss account:

(Amount in ₹ Lakhs)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Type of income		
Services charges	-	-
Others	-	-
Total revenue from contracts with customers	**-**	**-**
Geographical markets		
India	-	-
Outside India	-	-
Total revenue from contracts with customers	**-**	**-**
Timing of revenue recognition		
Services transferred at a point in time	-	-
Services transferred over time	-	-
Total revenue from contracts with customers	**-**	**-**

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

38 Maturity analysis of assets and liabilities

(Amount in ₹)

Particulars	31 March 2026			31 March 2025			1 April 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS									
Financial assets									
Cash and cash equivalents	2,316.10	-	**2,316.10**	17,676.02	-	**17,676.02**	1,275.63	-	**1,275.63**
Loans	41,417.97	-	**41,417.97**	20,158.17	-	**20,158.17**	25,367.05	-	**25,367.05**
Other Financial assets	3.91	-	**3.91**	4.00	-	**4.00**	3.77	-	**3.77**
Non-Financial Assets									
Income tax assets (net)	-	355.32	**355.32**	-	233.06	**233.06**	-	392.67	**392.67**
Deferred tax Assets (Net)	18.98	-	**18.98**	18.32	-	**18.32**	14.56	-	**14.56**
Property, Plant and Equipment	-	183.10	**183.10**	-	102.67	**102.67**	-	149.22	**149.22**
Other Intangible assets	-	0.03	**0.03**	-	0.03	**0.03**	-	0.03	**0.03**
Other non-financial assets	8.51	-	**8.51**	8.90	-	**8.90**	11.88	-	**11.88**
Total Assets	**43,765.48**	**538.45**	**44,303.93**	**37,865.42**	**335.75**	**38,201.17**	**26,672.89**	**541.91**	**27,214.81**
LIABILITIES									
Financial Liabilities									
Other Payables									
(i) Total outstanding dues of creditors other than micro enterprises and small enterprises	1.04	-	**1.04**	1.12	-	**1.12**	0.95	-	**0.95**
Borrowings (Other than Debt Securities)	38,182.52	-	**38,182.52**	33,205.02	-	**33,205.02**	24,493.50	-	**24,493.50**
Other financial liabilities	2.30	-	**2.30**	2.30	-	**2.30**	3.43	-	**3.43**
Non-Financial Liabilities									
Provisions	382.49	-	**382.49**	331.40	-	**331.40**	329.42	-	**329.42**
Other non-financial liabilities	202.18	-	**202.18**	137.77	-	**137.77**	310.85	-	**310.85**
Total Liability	**38,770.53**	**-**	**38,770.53**	**33,677.61**	**-**	**33,677.61**	**25,138.15**	**-**	**25,138.15**
Net	**4,994.95**	**538.45**	**5,533.40**	**4,187.81**	**335.75**	**4,523.57**	**1,534.74**	**541.91**	**2,076.66**

39 Additional regulatory information

(a) Ratio

Particulars	Numerator	Denominator	Numerator (₹ in Lakhs) C.Y.	Numerator (₹ in Lakhs) P.Y.	Denominator (₹ in Lakhs) C.Y.	Denominator (₹ in Lakhs) P.Y.	Ratio 2025-26	Ratio 2024-25	% Variance
(a) Current ratio	Total current assets	Total current liabilities	44,542.14	39,015.88	38,185.85	33,208.44	1.17	1.17	(0.72)
(b) Debt-equity ratio	Total Debt	Total equity	38,182.52	33,205.02	6,337.55	5,701.24	6.02	5.82	(3.44)
(c) Debt service coverage ratio (DSCR)	Profit before depreciation, interest and tax (EBIT)	Total current borrowings+ Finance Cost	3,441.79	3,252.51	2,337.58	2,122.20	1.47	1.53	(3.93)
(d) Return on equity ratio	Net Profits after Tax	Average total equity	798.58	806.52	6,019.40	5,373.71	0.13	0.15	(11.61)
(e) Inventory turnover ratio	Revenue from Operation	Average inventory	-	-	-	-	NA	NA	NA
(f) Trade receivables turnover ratio	Revenue from Operation	Average trade receivables	-	-	-	-	NA	NA	NA
(g) Trade payables turnover ratio	Net purchases	Average trade payables	-	-	-	-	NA	NA	NA
(h) Net capital turnover ratio	Revenue from Operation	Current assets-current liabilities	3,599.44	2,911.86	6,356.29	5,807.43	0.57	0.50	12.94
(i) Net profit ratio	Profit after tax	Revenue from Operation	798.58	806.52	3,599.44	2,911.86	0.22	0.28	(19.90)
(j) Return on capital employed	Profit before interest and tax (EBIT)	Tangible Networth + Total Debt + Deferred Tax	3,413.76	3,205.96	44,501.09	38,887.95	0.08	0.08	(6.95)
(k) Return on investment (Unquoted)	Income generated from Investments	Weighted Average Investments	-	-	-	-	NA	NA	NA

39 Additional regulatory information

(b) Details of Benami Property Held
The Company does not hold any benami property as defined under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder. No Proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

(c) Particulars of Transactions with companies struck off under section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 are given hereunder:
During the year the company has not done any transaction with struck off companies.

(d) Registration of Charges of Satisfaction with Registrar of Companies
The Company does not have any charges or satisfaction, which yet to be registered with ROC beyond the statutory period.

(e) Undisclosed Income
The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961 (Such as search or survey or any other relevant provisions of the Income Tax Act, 1961.

(f) Details of Crypto Currency or Virtual Currency
The Company has not traded or invested in crypto currency or virtual currency during the financial year.

(g) The Company has not advanced or loaned or invested funds to any other person(s) or entity, including foreign entities (intermediaries) with the understanding that the Intermediary Shall:
a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(h) The Company has not received any fund any person or entity, including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the company shall:
a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

40 As per the management explanation, the company does not has any immovable property. Further the Company has not revalued its property, plant and equipment (including right-of-use assets) during the current or previous year.

41 The Management is of the opinion that as on the Balance Sheet date, there are no indications of material impairment loss on Fixed Assets, hence, the need to provide for impairment loss does not arise.

42 Previous year figures have been recasted / restated wherever necessary including those as required in keeping with revised Schedule III amendments.



A KHANDWALA INTERGRATED VENTURE

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