

Annexure – 1

Annual report on CSR activities

1. Brief outline on CSR policy of the company

KIFS Financial Services Limited is committed to the 'Good & Green' vision of creating a more inclusive and greener India. We never lose sight of our responsibility to the environment and society. Our commitments towards corporate social responsibility include but not limited to, promotion of education and healthcare, animal welfare, protection of national heritage, art and culture, eradicating hunger, poverty and malnutrition and betterment of the society through respect for universal human rights and the environment, acting with integrity and accountability and operating responsibly and sustainably.

2. Composition of the CSR committee as on March 31, 2024

| 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. Dharmendra Soni | Member (Independent director) | 1 | 1 |
| 3 | Mr. Devang Shah | Member (Independent director) | 1 | 1 |

After closure of financial year 2023-24, the second consecutive term of two of the independent directors namely Mr. Dharmendra Soni and Mr. Devang Shah expired w.e.f. May 26, 2024 and accordingly they ceased to be directors of the company and members of the various committees and thus the revised constitution of CSR committee w.e.f. May 27, 2024 stands as below:

| 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) | NA | NA |
| 3 | Mr. Sharvil Bharat Kumar Suthar | Member (Independent director) | NA | NA |

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/wp-content/uploads/all/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): ₹ 7,29,71,526.33
 (b) Two percent of average net profit of the company as per section 135(5): ₹ 14,59,431
 (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: 1,02,631.77
 (e) Total CSR obligation for the financial year (5b+5c-5d): ₹ 13,56,799.23

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 15,00,000/-
 (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): ₹ 15,00,000/-
 (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 |
| 15,00,000/- | - | - | - | - | - |

(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)) | 13,56,799.23 |
| (ii) | Total amount spent for the financial year | 15,00,000 |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | 1,43,200.77 |
| (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)] | 1,43,200.77 |

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

| 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

For KIFS Financial Services Limited

Rajesh P. Khandwala

(Chairman of CSR committee and managing director)

(DIN: 00477673)

Ahmedabad, August 10, 2024

Rajesh Gopaldas Parekh

(Member of CSR committee and independent director)

(DIN: 09362221)

Ahmedabad, August 10, 2024