

COMPLIANCE REPORT ON CORPORATE GOVERNANCE
(Annexure to Directors' Report)

Pursuant to clause 49 of Listing Agreement your directors present below a complete report on Corporate Governance:

1. CORPORATE GOVERNANCE

The principal characteristics of Corporate Governance are Transparency, Independence, Accountability, Responsibility, and Social Responsibility along with respecting interests of the stakeholders and the better business performance. The Company recognizes its role as a corporate citizen and adopts the best practices in the field of corporate governance through transparency in business ethics, accountability to its customers, government and others.

2. COMPANY'S PHILOSOPHY ON 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 endeavour 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 stakeholders and the 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.

3. BOARD OF DIRECTORS

As on 31st March, 2015, the Board of the Company consists of four Directors, out of which two Directors are independent and one is the Women Director. The Chairman-cum-Managing Director of the Company is an Executive Director. According to clause 49, if the Chairman is an Executive Director, at least one half of the Board of the company should consist of independent directors. The composition of the Board is in conformity with clause 49 of the Listing Agreement and that of Companies Act, 2013 which is effective as on 31st March, 2015.

The names and categories of Directors, their attendance at the Board Meetings held during the financial year 2014-15 and at the Annual General Meeting (AGM) held on 6th September, 2014 and also the number of Directorships and Committee positions held by them in other Companies are given herein below:-

Details of the composition of the Board, number of Board Meetings held and the attendance of the Directors thereat and number of Directorships etc. held:

| Name of Director | Category | No. of Board Meetings during 2014-15 | | Attendance at AGM held on 06/09/2014 | No. of Directorships and Committee Membership/ Chairmanship in other Indian Public Limited Companies*** | | |
|--------------------------|----------------------|--------------------------------------|----------|--------------------------------------|---|----------------------|------------------------|
| | | Held | Attended | | Directorships in Unlisted Public Cos. | Committee Membership | Committee Chairmanship |
| *Mr. Rajesh P. Khandwala | CMD | 4 | 4 | Yes | --- | --- | --- |
| *Mrs. Sonal R. Khandwala | Director | 4 | 4 | No | --- | --- | --- |
| Mr. Devang M. Shah | Independent Director | 4 | 4 | Yes | --- | --- | --- |
| Mr. Dharmendra N. Soni | Independent Director | 4 | 4 | Yes | --- | --- | --- |

*Mr. Rajesh P. Khandwala and Mrs. Sonal R. Khandwala are related to each other.

*****Notes:**

Private Limited Companies, Foreign Companies and Companies under section 8 of the Companies Act, 2013 are excluded for the above purposes. Only Audit Committee, and Stakeholders Relationship Committee are considered for the purpose of Committee positions as per listing agreement.

Number of Board Meetings held during the financial year 2014-15 and dates of Board meetings:

| No. of Board Meeting | Date of Board Meeting |
|-----------------------------|------------------------------|
| 1 | 27/05/2014 |
| 2 | 13/08/2014 |
| 3 | 08/11/2014 |
| 4 | 12/02/2015 |

4. COMMITTEES OF THE BOARD

In order to comply with the Listing Agreement and the Companies Act, 2013, the Board of Directors has constituted Committees to deal with specific areas and activities which concern the Company and need a closer review. These committees include the following:

a.) QUALIFIED AND INDEPENDENT AUDIT COMMITTEE

i) Terms of Reference/ Roles/ Functions of Audit Committee:

In addition to the matters provided in Clause 49 of the Listing Agreement and requirements of Section 177 of the Companies Act, 2013, Rules made there under and Reserve Bank of India, the Committee reviews the reports of the Internal Auditors, periodically meets the Statutory Auditors of the Company and discusses their findings, observations, suggestions, scope of audit etc. and also reviews internal control systems and accounting policies followed by the Company. The Committee also reviews the financial statements with the management, before their submission to the Board. The terms of reference of the Audit Committee of the Board of Directors of the Company, inter alia includes;

1. Overseeing the Company's financial reporting process and reviewing with the management, the financial statements before submission to the Board for approval;
2. Recommending to the Board the appointment, re-appointment and replacement of the Statutory Auditor and fixing their fees;
3. Reviewing the internal audit function of the Company;
4. Such other matters as specified under Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013 and Reserve Bank of India or as may be delegated by the Board of Directors of the Company.

ii) Composition Of Audit Committee And Attendance of the Members at the Meetings:

The majorities of the members of the Audit committee including Chairman are Independent Directors and possess sound financial and accounting knowledge. Members are regularly present at the meetings.

The Audit Committee met four times during the financial year 2014-15 i.e. on 27/05/2014, 13/08/2014, 08/11/2014 and 12/02/2015 and that the time gap between any two meetings was less than four months. The details of the Composition of the Committee as on 31/03/2015, the category and Designation of the members, number of meetings held and the attendance of the Directors thereat during the period from 01/04/2014 to 31/03/2015 is given herein below:-

Composition of the Audit Committee

| Name | Designation | Category | No. of Meetings | |
|-------------------------|-------------|----------------------------|-----------------|----------|
| | | | Held | Attended |
| Mr. Devang M. Shah | Chairman | Non-Executive-Independent | 4 | 4 |
| Mr. Dharmendra N. Soni | Member | Non-Executive-Independent | 4 | 4 |
| Mr. Rajesh P. Khandwala | Member | Executive- Non Independent | 4 | 4 |

All Members of the Audit Committee were present at the previous Annual General Meeting of the Company held on 6th September, 2014.

b.) STAKEHOLDERS' RELATIONSHIP COMMITTEE

In accordance with the provisions of section 178 of the Companies Act, 2013 as well as Amended Clause - 49 of the Listing Agreement, the Board of Directors of the Company has constituted "**STAKEHOLDERS' RELATIONSHIP COMMITTEE**" to specifically look into the shareholders'/ investors' complaints on matters relating to non-receipt of annual report, non-receipt of dividend, transfer of shares, transmission of shares etc. In addition, the committee also looks into matters that can facilitate better investor services and relations. The Committee meets as and when required, to deal with the investor related matters and takes due care that all the complaints are disposed off timely and upto the satisfaction of the shareholders.

The details of the Composition of the Committee including the category and Designation of the members, number of meetings held and the attendance of the Directors thereat is given herein below:-

Composition of the Stakeholders' Relationship Committee

| Name | Designation | Category | Committee meeting attended |
|-------------------------|-------------|---------------------------|----------------------------|
| Mr. Dharmendra N. Soni | Chairman | Non-Executive-Independent | 4 |
| Mr. Devang M. Shah | Member | Non-Executive-Independent | 4 |
| Mr. Rajesh P. Khandwala | Member | Executive Non-Independent | 4 |

| Sr. No. | Particulars | Position |
|---------|--|----------|
| 1. | No. of Shareholders Compliances received so far | Nil |
| 2. | No. of complaints not solved to the satisfaction of shareholders | Nil |
| 3. | No. of pending complaints | Nil |

c.) NOMINATION AND REMUNERATION COMMITTEE

As per the provisions of section 178 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, and in accordance with amended Clause 49 of the Listing Agreement with BSE, the Company has constituted a Committee in the name of "**NOMINATION AND REMUNERATION COMMITTEE**".

The Committee formulates the criteria for determining qualifications, positive attributes and independence of a director and recommends to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees. It makes evaluation of Independent Directors and the Board. The Committee ensures that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully; relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

It shall be the duty of the committee to identify the 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 their appointment and removal.

During the year under review, only one meeting of the Nomination and Remuneration Committee was held.

The details of the Composition of the Committee including the category and Designation of the members is given herein below:

| Sr. No. | Name of the Director | Designation in Committee | Nature of Directorship |
|---------|-------------------------|--------------------------|------------------------|
| 1. | Mr. Devang M. Shah | Chairman | Independent Director |
| 2. | Mr. Dharmendra N. Soni | Member | Independent Director |
| 3. | Mrs. Sonal R. Khandwala | Member | Director |

d.) 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 risks as also identify business opportunities. The company has formed a business Risk Management Committee consisting of the following members:

| Sr. No. | Name of the Member | Category | Designation | No. of Meetings | |
|---------|-------------------------|---------------------------|-------------|-----------------|----------|
| | | | | Held | Attended |
| 1. | Mr. Rajesh P. Khandwala | Executive-Non Independent | Member | 2 | 2 |
| 2. | Mr. Devang Shah | Independent | Member | 2 | 2 |
| 3. | Mr. Dharmendra Soni | Independent | Chairman | 2 | 2 |

The Terms of reference, Objectives and Scope of the Risk Management Committee inter alia includes:

- (i) Oversight of risk management performed by the officers;
- (ii) Reviewing the Risk Management policy and framework in line with local legal requirements and SEBI guidelines;
- (iii) Identification, Monitoring and Measurement of the risk profile of the Company (including market risk, operational risk, and credit risk)
- (iv) Defining framework for identification, assessment, monitoring, and reporting of risks.

5. REMUNERATION TO THE DIRECTORS:

The Chairman-cum-Managing Director of the Company viz; Mr. Rajesh P. Khandwala is being paid Rs. 50,000/- (Rupees Fifty Thousand) per month as remuneration w.e.f. the date of his appointment as Managing Director. No sitting fees are paid to Mr. Rajesh P. Khandwala. The other Non-executive- Independent Directors are being paid sitting fees for each Board Meeting and Audit committee meetings attended as below and apart from such sitting fees no other remuneration is being paid to them:

| Sr. No. | Name of the Independent director | Sitting Fees paid (p.a.) |
|---------|----------------------------------|--------------------------|
| 1. | Mr. Devang M. Shah | Rs. 40,000/- |
| 2. | Mr. Dharmendra N. Soni | Rs. 40,000/- |

6. INDEPENDENT DIRECTORS MEETING:

During the year under review, the Independent Directors met on 20th February, 2015, inter alia, to discuss:

1. The performance of all the non-independent directors and the Board as a whole;
2. The performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
3. The performance of the Key Managerial Personnel and Senior Management.
4. The quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the independent Directors were present at the meeting.

7. INDEPENDENT DIRECTORS FAMILIARIZATION PROGRAMME:

At the time of appointment of a Director, a formal letter of appointment is given to him/her, which inter alia contains the role, functions, duties and responsibilities expected of him/ her as a Director of the Company. The Independent Directors are also given a copy of the "Code for Independent Directors" as contained in Schedule IV to the Companies Act, 2013.

During the year under review, the Independent Directors were familiarized about the industry in which the Company operates, their roles as Independent Directors, rights, responsibilities in the Company, business model, risk management system and other policies of the Company by conducting a familiarization programme. The details of such familiarization programmes are displayed on the website of the Company at:

[<http://kifsfinance.com/wp-content/uploads/2015/03/Independent-Director-Familiarization-Programme.pdf>]

8. PERFORMANCE EVALUATION OF THE BOARD

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Appointment and Remuneration Committees.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board' functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department.

The Directors expressed their satisfaction with the evaluation process.

9. WHISTLE BLOWER MECHANISM OF THE COMPANY

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company, through whistle blower mechanism, provides a channel to the Employees and Directors and encourages them to come forward and express their concerns about suspected misconduct and to report to the management these concerns, without any fear of punishment or unfair treatment.

The Company has formulated a Whistle Blower Policy which aims at providing a secured framework to an employee to share his/ her views, observations and objections with regards to unacceptable work behaviour, management practices, business practices, physiologically adverse work conditions, actual or suspected fraud or violation of the Codes of conduct or violation of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports and such other activities of reasonably negative nature which may be seen to tarnish the image of the organization, its products, its social image, employee morale and employee's safety at the workplace. It covers serious concerns that could have grave impact on the operations and performance of the business of the Company and malpractices and events which have taken place/ suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of company rules, manipulations, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees.

The functioning of the Whistle Blower mechanism is reviewed by the Audit Committee from time to time. None of the Whistle Blowers have been denied access to the Audit Committee of the Board. The Policy containing the details of the Whistle Blower Mechanism is available on the website of the Company (www.kifsfinance.com).

10. CODE OF CONDUCT

The Board has laid down the Code of Conduct for all Board members and Senior Management Personnel. The code is a comprehensive code applicable to all Directors and Members of Senior Management of the Company. It is in alignment with Company's vision and values to achieve the Mission and Objectives and aims at enhancing ethical and transparent process in managing the affairs of the Company. All Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct. A copy of the code has been posted on the Company's website www.kifsfinance.com. A declaration signed by Chairman towards the compliance of Code of Conduct is enclosed with this Report as "*Annexure - 4*".

11. CEO/ CFO CERTIFICATION

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, Mr. Rajesh P. Khandwala, Chairman-cum-Managing Director of the Company has certified to the Board regarding the Financial Statements of the Company for the financial year ended 31st March, 2015. The said certificate is annexed to this Report as “*Annexure – 5*”.

12. GENERAL BODY MEETINGS

The details of the Annual General Meetings held during past three years are as under:

| Year | Date | Time | Venue |
|---------|------------|---------------|--|
| 2013-14 | 06/09/2014 | 2:00 p.m. | At Registered Office of the Company at B-81, Pariseema Complex, C. G. Road, Ellisbridge, Ahmedabad – 380 006 |
| 2012-13 | 02/08/2013 | 4:00 p.m. | ‘do’ |
| 2011-12 | 29/09/2012 | 12.00 Noon | ‘do’ |

During the year under review, an Extra-ordinary General Meeting of the Members of the Company was held on 16th March, 2015 at 12:00 noon at the Registered Office of the Company for obtaining the members consent by way of special resolution for increasing the borrowing powers of the Company under section 180 (1)(c) of the Companies Act, 2013.

The Company has not passed any resolutions by way of Postal Ballot since the date of last Annual General Meeting.

13. NOTE ON DIRECTORS' APPOINTMENT/RE-APPOINTMENT

Mrs. Sonal R. Khandwala, Director of the Company is retiring by rotation at the ensuing Annual General Meeting and being eligible offers herself for reappointment. The details required under clause 49(E) of the listing agreement of Mrs. Sonal R. Khandwala, the Director retiring by rotation is annexed to the Notice of the 20th Annual General Meeting.

14. CODE FOR PREVENTION OF INSIDER TRADING PRACTICES

In compliance with the provisions of the Securities and Exchange Board of India, the Company has framed a comprehensive Code of Conduct for prevention of Insider Trading for its designated employees. The Code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company, and cautioning them of the consequences of violations.

The said code has been revised and the Company has adopted a fresh new set of code in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015. The said code can be obtained from website of the Company; www.kifsfinance.com.

15. ANTI MONEY LAUNDERING AND KNOW YOUR CUSTOMER POLICY

In keeping with specific requirements of RBI for NBFCs, the company has also formulated Prevention of Anti Money Laundering & Know your customer Policies. The said policies can be obtained from website of the Company; www.kifsfinance.com.

16. MEANS OF COMMUNICATIONS

The Company regularly publishes its Quarterly, Half yearly & Annual Results in one English daily newspaper and one Regional Language daily newspaper & submits to stock exchange in accordance with the Listing Agreement requirements. The above referred results are also posted on the Company's website viz; www.kifsfinance.com.

17. GENERAL SHAREHOLDER'S INFORMATION

1. **Date of Annual General Meeting** : Friday, 4th September, 2015
2. **Time and Venue** : 12:00 noon at the Registered office of the Company at B-81, Pariseema Complex, C. G. Road, Ellisbridge, Ahmedabad - 380 006."
3. **Listing on Stock Exchanges** : (1) Bombay Stock Exchange Ltd., (BSE), Mumbai.
4. **Financial Calendar** : 1st April to 31st March

Tentative Calendar for Financial Year ending 31st March, 2016

| Financial Reporting for the | Tentative dates of the Board Meeting |
|------------------------------------|---|
| First quarter ending 30/06/2015 | : On or before August 14, 2015 |
| Half year ending 30/09/2015 | : On or before November 14, 2015 |
| Third quarter ending 31/12/2015 | : On or before February 14, 2016 |
| Fourth quarter ending 31/03/2015 | : End of May, 2016 |

5. **Date of Book Closures** : Monday, 31/08/2015 to Friday, 04/09/2015 (Both Days inclusive)
6. **Dividend Payment Date** : On or after 7th September, 2015.
7. **Name of Compliance Officer** : Ms. Krupa Joshi, Company Secretary
8. **Market Price Data during the financial year ended 31/03/2015** : The monthly High and Low quotations as well as the total turnover at the BSE for the current year are provided as follows:

All Prices in ₹

| Month | High | Low | Total Turnover (No. Of shares traded) |
|-----------------|-------------|------------|--|
| April, 2014 | 24.20 | 21.30 | 16,811 |
| May, 2014 | 25.00 | 21.30 | 14,177 |
| June, 2014 | 26.50 | 21.80 | 4,29,624 |
| July, 2014 | 26.70 | 23.05 | 4,14,781 |
| August, 2014 | 28.85 | 22.60 | 2,19,489 |
| September, 2014 | 28.20 | 21.65 | 1,82,122 |
| October, 2014 | 25.70 | 22.35 | 1,68,241 |
| November, 2014 | 25.35 | 20.95 | 16,538 |
| December, 2014 | 26.55 | 21.70 | 2,17,298 |
| January, 2015 | 25.25 | 19.90 | 6,47,256 |
| February, 2015 | 24.75 | 20.00 | 4,96,002 |
| March, 2015 | 26.25 | 21.95 | 3,53,207 |

9. **Stock Code** : BSE – 535566;
10. **Registrars & Transfer Agents** : Link Intime India Pvt. Ltd.
Unit No. 303, 3rd Floor,
Shoppers Plaza V,
Opp. Municipal Market,
B/h. Shoppers Plaza II,
Off C. G. Road,
Ahmedabad – 380 009
Phone No.: 079-26465179
Fax No.: 079-26465179
Email: ahmedabad@linkintime.co.in

18. LISTING AND TRANSFER OF SHARES AND LIQUIDITY:

The Company's Shares are currently listed on the Bombay Stock Exchange Ltd.,

For expediting physical transfer, the Board has delegated share transfer formalities to the Share Transfer Committee. Ms. Krupa Joshi is designated as Compliance Officer for the same.

19. DISTRIBUTION OF SHAREHOLDING (SHARES) as on 31st March, 2015

| SHAREHOLDING OF SHARES | SHAREHOLDERS NUMBER | % OF TOTAL | SHARES ALLOTTED | % OF TOTAL |
|------------------------|---------------------|------------|-----------------|------------|
| 1 to 500 | 1669 | 94.081 | 237233 | 2.19 |
| 501 to 1000 | 34 | 1.917 | 28586 | 0.26 |
| 1001 to 2000 | 20 | 1.127 | 29890 | 0.28 |
| 2001 to 3000 | 10 | 0.564 | 25766 | 0.24 |
| 3001 to 4000 | 9 | 0.507 | 30900 | 0.29 |
| 4001 to 5000 | 3 | 0.169 | 13640 | 0.13 |
| 5001 to 10000 | 7 | 0.395 | 45981 | 0.42 |
| 10001 to 9999999999 | 22 | 1.240 | 10406004 | 96.19 |
| TOTAL | 1774 | 100.00 | 1,08,18,000 | 100.00 |

20. DEMATERIALIZATION OF SHARES

As on 31st March, 2015, 97.33% of the total equity share capital was held in dematerialized form with National Securities Depository Limited and Central Depository Services (India) Limited.

21. ADDRESS FOR CORRESPONDENCE

Shareholders may correspond with the Registrars and Transfer Agents, at the address mentioned hereinabove on all matters relating to non-receipt of transferred share certificates, non-credit of shares in demat account or any other query relating to shares/dividend of the Company.

For all investor related matters, following Officer can be contacted at the Registered Office of the Company at: -

Ms. Krupa Joshi, Company Secretary-cum- Compliance Officer
KIFS FINANCIAL SERVICES LIMITED
 B – 81, Pariseema Complex, C. G. Road, Ellisbridge, Ahmedabad – 380 006
 Tel.: +91-79-30000320/21/22, Fax: +91-79-26403717
 Email: cs@kifs.co.in

22. DISCLOSURES

- a) Disclosures on materially significant related party transactions i.e. transaction of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc., that may have potential conflict with the interests of the company at large and disclosure required under listing agreement as amended: *The details of this disclosure are mentioned in Notes on Accounts and covered by accounts.*
- b) Details of non-compliance by the Company, penalties, and strictures imposed on the company by Stock Exchanges or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years.
- c) There is no pecuniary relationship or transaction of the non executive Director. Further no remuneration, benefits, incentives and stock options are provided to directors.
- d) All the mandatory requirements of clause 49 of the Listing agreement are complied with.

FOR AND ON BEHALF OF THE BOARD

Sd/-

**Rajesh P. Khandwala
Chairman**

**Place: Ahmedabad
Date: 28/05/2015**

Certificate by Auditors on Corporate Governance

To
**The Members of
KIFS FINANCIAL SERVICES LIMITED**

We have reviewed and examined all the relevant records concerning the Company’s compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into, by the Company, with the Bombay Stock Exchange (BSE Limited), for the financial year ended 31st March 2015.

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 conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. This certificate is neither an assurance as to the future viability of the Company, nor as to the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

In our opinion and to the best of our information and according to the explanations given to us by the Company, we hereby certify that the Company has complied with all the conditions as stipulated in Clause 49 of the Listing Agreements.

For and on behalf of Shailesh C. Parikh & Co.
Chartered Accountants
(FRN No: 109858W)
Sd/-
Shailesh Parikh
Proprietor
Membership Number: 039254

Place: Ahmedabad
Date: 28/05/2015

**As required by Clause 49 of the Listing Agreement, the declaration for
Code of Conduct is given below:**

To
**The Members of
KIFS FINANCIAL SERVICES LIMITED**

I Rajesh P. Khandwala, Chairman-cum-Managing Director of KIFS Financial Services Limited hereby declare that all the Senior Managerial Personnel have affirmed for the year ended 31st March, 2015 compliance with the code of conduct of the Company laid down for them.

Sd/-
Rajesh P. Khandwala
Chairman-cum-Managing Director

Place: Ahmedabad
Date: 28/05/2015