



Secretarial Department

May 3, 2024

Ref. FEDFINA/ CS/104/ 2024-25

To,
National Stock Exchange of India Ltd.,
Listing Department
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051

Re: Scrip Code: 544027, Symbol: FEDFINA

Sub: Submission of Machine Readable format of Financial Results submitted for the fourth quarter and Financial Year ended March 31, 2024

Dear Sir/Madam,

We refer to the captioned letter received through your email on May 03, 2024, on Machine Readable format of Financial Results submitted for the fourth quarter and Financial Year ended March 31, 2024 on April 29, 2024.

In this regard, as per the direction received from NSE, we have enclosed Machine Readable / legible version of the Financial Results for the fourth quarter and Financial Year ended March 31, 2024 as duly submitted to the Exchange on April 29, 2024. Please note that there are no changes in the Financial Results uploaded at NSE on April 29, 2024 and it is only Machine Readable / legible version of the Financial Results is being uploaded as per the direction of NSE.

The above is submitted for your kind information and appropriate dissemination.

Thanking you,

Yours Faithfully
For Fedbank Financial Services Limited

Rajaraman Sundaresan
Company Secretary & Compliance Officer
Membership No.:F3514

Encl – As above

April 29, 2024

Ref. FEDFINA/ CS/ 96/ 2024-25

| | |
|---|--|
| To, National Stock Exchange of India Ltd., Listing Department Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 | To, BSE Limited, The Corporate Relationship Dept. Rotunda Building, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001 BSE NCD Company Code: 12337, ISINs: INE007N08023, INE007N07041, INE007N08015 and INE007N07033 |
|---|--|

Re: Scrip Code: 544027, Symbol: FEDFINA

Sub: Outcome of the Board meeting held on April 29, 2024 and submission of the Audited Financial results for the fourth quarter and Financial Year ended March 31, 2024 pursuant to the provisions of the SEBI (LODR) Regulations, 2015

Pursuant to the provisions of Regulations 30, 33, 52 and 54 read with Schedule III of the SEBI (Listing Obligations and Disclosure requirements) 2015 (“SEBI Regulations”) and other applicable regulations, if any, we hereby inform that the Board of Directors in their meeting held today i.e. April 29, 2024 has inter-alia, considered and approved the following:

1. Audited Financial Results including Cash flow statement of the Company for the fourth quarter and Financial Year ended March 31, 2024. The said results were reviewed and recommended by the Audit Committee in its meeting held today prior to the Board Meeting.

In this regard, please find enclosed the following:

- a. Audited Financial results including Cash Flow Statement for the fourth quarter and Financial Year ended March 31, 2024 along with the Auditors’ Report issued by M/s. BSR & Co. LLP, Statutory Auditors, of the Company with an unmodified opinion.
- b. Disclosure of ratios and prescribed line items in accordance with Regulation 52(4) of SEBI Regulations
- c. Disclosures of Security cover in accordance with Regulation 54 of SEBI Regulations as Annexure- I
- d. Statement of Nil deviation/variation in use of funds raised for public issue from ICRA Limited, Monitoring agency pursuant to Reg 32 of the SEBI Regulations as Annexure- II
- e. The Company, being a listed entity, has enclosed disclosure of related party transactions under Regulation 23(9) as Annexure- III.



- f. Pursuant to the criteria provided in SEBI Circular SEBI/HO/DDHS/P/CIR/2021/613 read with Master Circular No. SEBI/HO/DDHS/PoD1/P/CIR/2023/119 dated August 10, 2021, as amended ("SEBI Circulars") on fund raising by large entities and would like to state that the Company falls in the category of "Large Corporate" as on March 31, 2024. Further the Annual disclosure of Large corporate is enclosed as Annexure- IV

Further, in accordance with Regulations 47 and 52 of the SEBI Regulations, the Company shall publish the Audited Financial Results for the fourth quarter and Financial Year ended March 31, 2024 in Business Standard (English) newspaper and Pratahkal (Marathi) newspaper within the prescribed timelines.

The Board meeting commenced at 1.33 p.m and concluded at 2.10 p.m.

The above is submitted for your kind information and appropriate dissemination.

Thanking you,

Yours Faithfully
For Fedbank Financial Services Limited



Rajaraman Sundaresan
Company Secretary & Compliance Officer
Membership No.:F3514



BSR & Co. LLP

Chartered Accountants

14th Floor, Central B Wing and North C Wing
Nesco IT Park 4, Nesco Center
Western Express Highway
Goregaon (East), Mumbai - 400 063, India
Telephone: +91 (22) 6257 1000
Fax: +91 (22) 6257 1010

Independent Auditor's Report on audited annual financial results of Fedbank Financial Services Limited for the year ended 31 March 2024 pursuant to Regulation 33 and Regulation 52(4) read with Regulation 63 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, as prescribed in Securities and Exchange Board of India operational circular SEBI/HO/DDHS/P/CIR/2021/613 dated 10 August 2021.

To the Board of Directors of Fedbank Financial Services Limited

Report on the audit of the Annual Financial Results

Opinion

We have audited the accompanying annual financial results of Fedbank Financial Services Limited (hereinafter referred to as the "Company") for the year ended 31 March 2024, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 and Regulation 52(4) read with Regulation 63 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), as prescribed in Securities and Exchange Board of India operational circular SEBI/HO/DDHS/P/CIR/2021/613 dated 10 August 2021.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid annual financial results:

- a. are presented in accordance with the requirements of Regulation 33 and Regulation 52(4) read with Regulation 63 of the Listing Regulations, as prescribed in Securities Exchange Board of India operational circular SEBI/HO/DDHS/P/CIR/2021/613 dated 10 August 2021 in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI guidelines") to the extent applicable and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the year ended 31 March 2024.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Annual Financial Results* 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion on the annual financial results.

Principal Officer

Management's and Board of Directors' Responsibilities for the Annual Financial Results

These annual financial results have been prepared on the basis of the annual financial statements.

The Company's Management and Board of Directors are responsible for the preparation and presentation of these annual financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act, RBI Guidelines to the extent applicable and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52(4) read with Regulation 63 of the Listing Regulations, as prescribed in Securities Exchange Board of India operational circular SEBI/HO/DDHS/P/CIR/2021/613 dated 10 August 2021. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the annual financial results, the Management and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Annual Financial Results

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

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

- Identify and assess the risks of material misstatement of the annual financial results, 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 through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

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Auditor's Responsibilities for the Audit of the Annual Financial Results (Continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors 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 appropriateness of this assumption. 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 annual financial results 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 annual financial results, including the disclosures, and whether the annual financial results 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.

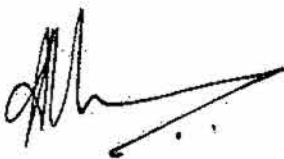
Other Matter

The annual financial results include the results for the quarter ended 31 March 2024 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.: 101248W/W-100022



Ashwin Suvarna

Partner

Membership Number: 109503

UDIN: 24109503BKCSJW4962

Place : Mumbai

Date: 29 April 2024

Statement of Audited Financial Results for the Quarter and Year ended March 31, 2024

INR in Lakhs

| Sl.No. | Particulars | For the Quarter ended | | | For the Year ended | |
|--------|--|-----------------------|---------------|---------------|--------------------|-----------------|
| | | Mar 31, 2024 | Dec 31, 2023 | Mar 31, 2023 | Mar 31, 2024 | Mar 31, 2023 |
| | | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) | (Audited) |
| | Revenue from Operations | | | | | |
| | (a) Interest Income | 38,384 | 39,239 | 31,748 | 1,49,168 | 1,11,016 |
| | (b) Fee and Commission Income | 1,815 | 1,624 | 1,584 | 6,564 | 5,601 |
| | (c) Net Gain on fair value changes | 559 | 482 | 460 | 1,989 | 1,262 |
| | I Total Revenue from Operations | 40,758 | 41,345 | 33,792 | 1,57,721 | 1,17,879 |
| | II Other Income | 2,015 | 1,600 | 873 | 4,579 | 3,588 |
| | III Total Income (I + II) | 42,773 | 42,945 | 34,665 | 1,62,300 | 1,21,467 |
| | Expenses | | | | | |
| | (a) Finance cost | 17,332 | 17,575 | 14,102 | 67,956 | 47,215 |
| | (b) Fees and commission expenses | 706 | 546 | 598 | 2,287 | 2,328 |
| | (c) Impairment on financial instruments and other receivable | 1,773 | 2,266 | 1,185 | 6,585 | 4,890 |
| | (d) Employee benefit expense | 8,578 | 8,349 | 6,891 | 31,782 | 24,760 |
| | (e) Depreciation and amortisation expense | 948 | 974 | 1,110 | 3,735 | 4,187 |
| | (f) Other expenses | 4,351 | 4,455 | 3,754 | 17,147 | 12,248 |
| | IV Total Expenses | 33,688 | 34,165 | 27,640 | 1,29,492 | 95,628 |
| | V Profit before exceptional items and tax (III-IV) | 9,085 | 8,780 | 7,025 | 32,808 | 25,839 |
| | VI Exceptional items | - | - | (1,537) | - | (1,537) |
| | VII Profit before tax | 9,085 | 8,780 | 5,488 | 32,808 | 24,302 |
| | VIII Tax expense | 2,319 | 2,239 | 1,584 | 8,338 | 6,289 |
| | Current tax | 2,159 | 1,612 | 1,249 | 7,687 | 5,738 |
| | Deferred tax | 160 | 627 | 335 | 651 | 551 |
| | IX Net Profit for the period/year (VII-VIII) | 6,766 | 6,540 | 3,904 | 24,470 | 18,013 |
| | X Other Comprehensive Income | 2,575 | 849 | 479 | 5,206 | 1,238 |
| | (a) Items that will not be reclassified to profit or loss | | | | | |
| | (i) Re-measurement of net defined benefit plan | (72) | (9) | (33) | (59) | 15 |
| | (ii) Income tax related to Items that shall not be reclassified to profit and loss | 18 | 2 | 9 | 15 | (4) |
| | Total | (54) | (7) | (24) | (44) | 11 |
| | (b) Items that will be reclassified to profit or loss | | | | | |
| | (i) Fair value gain / (loss) - OCI - Loans | 3,522 | 1,191 | 641 | 7,046 | 1,633 |
| | (ii) Fair value gain / (loss) - OCI - Investment in Government Securities | 6 | (43) | 17 | (8) | 6 |
| | (iii) Tax effect on Fair value gain / (loss) - OCI - Loans and Investment in Government Securities | (899) | (292) | (155) | (1,788) | (412) |
| | Total | 2,629 | 856 | 503 | 5,250 | 1,227 |
| | XI Total Comprehensive Income (IX+X) | 9,341 | 7,390 | 4,383 | 29,676 | 19,251 |
| | XII Earnings Per Share (Face Value of Rs. 10/- each)# | | | | | |
| | - Basic (Rs.) | 1.83 | 1.92 | 1.21 | 7.22 | 5.60 |
| | - Diluted (Rs.) | 1.81 | 1.89 | 1.21 | 7.12 | 5.59 |

EPS for the period is not annualised

Statement of Audited Assets and Liabilities as at March 31, 2024

| | | INR in Lakhs | |
|-------------|---|-----------------------------------|-----------------------------------|
| Particulars | | As at March 31, 2024 (Audited) | As at March 31, 2023 (Audited) |
| I. | ASSETS | | |
| (1) | Financial assets | | |
| | (a) Cash and cash equivalents | 18,554 | 9,396 |
| | (b) Bank balances other than cash and cash equivalents | | 66 |
| | (c) Receivables | | |
| | (i) Trade receivables | 2,976 | 1,485 |
| | (ii) Other receivables | 476 | 476 |
| | (d) Loans | 9,82,245 | 7,99,970 |
| | (e) Investments | 75,128 | 68,062 |
| | (f) Other financial assets | 14,224 | 6,446 |
| | Total Financial assets | 10,93,603 | 8,85,901 |
| (2) | Non-financial assets | | |
| | (a) Current tax assets (net) | 1,033 | 1,197 |
| | (b) Deferred tax assets (net) | 219 | 2,183 |
| | (c) Property, Plant and Equipment | 2,895 | 3,066 |
| | (d) Right Of Use Assets | 11,249 | 11,193 |
| | (e) Capital work in progress | 27 | 53 |
| | (f) Other Intangible assets | 412 | 320 |
| | (g) Other non-financial assets | 4,346 | 3,186 |
| | Total Non-financial assets | 20,181 | 21,198 |
| | TOTAL ASSETS | 11,13,784 | 9,07,099 |
| II. | LIABILITIES & EQUITY | | |
| (1) | Financial liabilities | | |
| | (a) Derivative financial instruments | 112 | 482 |
| | (b) Payables | | |
| | Trade payables | | |
| | (i) total outstanding dues of micro enterprises and small enterprises | | |
| | (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 1,215 | 2,609 |
| | 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 | | |
| | (c) Debt securities | 30,192 | 61,123 |
| | (d) Borrowings (other than debt securities) | 7,43,709 | 6,26,493 |
| | (e) Subordinated Liabilities | 47,559 | 25,967 |
| | (f) Lease Liability | 12,558 | 13,404 |
| | (g) Other financial liabilities | 45,330 | 35,078 |
| | Total Financial liabilities | 8,80,575 | 7,65,156 |
| (2) | Non-financial liabilities | | |
| | (a) Provisions | 949 | 620 |
| | (b) Other non-financial liabilities | 6,077 | 5,755 |
| | Total Non-financial liabilities | 7,026 | 6,375 |
| | Equity | | |
| | (a) Equity share capital | 36,939 | 32,191 |
| | (b) Other equity | 1,89,144 | 1,03,377 |
| | | 2,26,083 | 1,35,568 |
| | TOTAL LIABILITIES AND EQUITY | 11,13,784 | 9,07,099 |


 Fedbank Financial Services Limited
 Mumbai

| | For the Year ended March 31, 2024 (Audited) | For the Year ended March 31, 2023 (Audited) |
|---|---|---|
| Statement of Audited Cash flow for the Year ended March 31, 2024 | | |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net profit before tax | 32,808 | 24,302 |
| Adjustments for: | | |
| Finance cost | 67,956 | 47,215 |
| Share based payment to employee | 458 | 796 |
| Depreciation | 3,735 | 4,187 |
| Interest income from Investment | (1,735) | (954) |
| Interest on Fixed Deposit | (1,636) | (457) |
| Loss on sale of tangible assets | - | 2 |
| Profit on Sale Of Government Securities (Net) - realised | (11) | - |
| Profit on Sale Of Mutual Fund units (Net) - realised | (1,930) | (1,272) |
| Gain/(Loss) on fair valuation of mutual fund - unrealised | (48) | 9 |
| Security deposit - Fair Valuation | (44) | 29 |
| EIR impact on Loans | 487 | 552 |
| Excess interest spread on Direct Assignment Transaction (net) | (3,365) | (3,481) |
| Impairment on financial instrument | 6,585 | 4,890 |
| Operating profit before working capital changes | 1,03,258 | 75,818 |
| Adjustments for working capital: | | |
| -(Increase)/decrease in loans | (1,78,790) | (2,35,682) |
| -(Increase)/decrease in financial asset and non financial asset | (1,981) | (596) |
| -(Increase)/decrease in trade and other receivables | (1,553) | (443) |
| -(Increase)/decrease in trade payables | (1,394) | 1,966 |
| -(Increase)/(decrease) in provisions | 270 | 322 |
| -(Increase)/(decrease) in financial liabilities and non financial liabilities | 10,161 | 16,958 |
| Cash generated from / (used in) operating activities | (70,029) | (1,41,657) |
| Direct taxes paid (net of refund) | (7,523) | (5,743) |
| Net cash generated from / (used in) operating activities | (77,552) | (1,47,400) |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of tangible assets | (1,139) | (1,339) |
| Sale of tangible assets | 7 | 3 |
| Purchase of intangible assets | (233) | (170) |
| Investment in Government securities | (74,494) | (1,07,209) |
| Redemption of Government securities | 1,15,091 | 82,532 |
| Investment in Mutual Fund | (11,59,842) | (8,37,958) |
| Sale of Mutual Fund | 11,13,875 | 8,47,527 |
| Redemption of fixed deposit | 66 | 76,465 |
| Investment in fixed deposit | (6,419) | (7,4,037) |
| Interest on fixed deposits | 1,142 | 619 |
| Interest income from Investment | 1,937 | 615 |
| Net cash generated from / (used in) investing activities | (10,009) | (12,952) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Debt Securities availed | 50,000 | 83,500 |
| Debt Securities repaid | (81,625) | (77,500) |
| Borrowings availed | 5,78,170 | 26,41,980 |
| Borrowings repaid | (4,61,487) | (24,38,302) |
| Subordinate borrowing availed | 20,000 | - |
| Finance Cost | (64,207) | (43,568) |
| Lease Payment (principal) | (3,116) | (2,186) |
| Lease Payment (interest) | (940) | (943) |
| Equity Shares Issued | 4,748 | 40 |
| Share Premium net of Share Issue Expenses | 55,176 | 131 |
| Net cash generated from / (used in) financing activities | 96,719 | 1,63,152 |
| Net increase / (decrease) in cash and cash equivalents | 9,158 | 2,800 |
| Cash and cash equivalents as at the beginning of the year | 9,396 | 6,596 |
| Closing balance of cash and cash equivalents (A+B+C) | 18,554 | 9,396 |
| Components of cash and cash equivalents: | | |
| Cash on hand | 1,555 | 1,339 |
| Balances with banks | | |
| - in current accounts | 14,299 | 8,057 |
| - in fixed deposit with maturity less than 3 months | 2,700 | - |
| Cash and cash equivalents | 18,554 | 9,396 |

Fedbank Financial Services Limited
Mumbai

Notes:

- The Company is a Systemically Important Non Deposit taking Non Banking Finance Company (NBFC-ND-SI) registered with Reserve Bank of India (RBI) classified as an Investment and Credit Company.
- The aforesaid financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (Ind AS), prescribed under section 133 of the Companies Act, 2013 (the "Act"), as amended from time to time and other recognised accounting practices generally accepted in India and are in compliance with Regulation 33, Regulation 52(4) read with Regulation 63 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 as amended (the "Listing Regulations"), as prescribed in Securities and Exchange Board of India operational circular SEBHO/DDHS/P/CIR/2021/613 dated August 10, 2021. Any application guidance / clarification / directions issued by RBI or other regulators are implemented as and when they are issued / applicable. The annual financial statements, used to prepare the financial results, are based on the notified Schedule II of the Act, as amended from time to time, for Non-Banking Financial Companies that are required to comply with Ind AS.
- The aforesaid financial results have been approved by the Board of Directors at its meeting held on April 29, 2024 after review by the Audit Committee. The statutory auditors have issued an unmodified audit opinion on the aforesaid financial results for the year ended March 31, 2024.
- The figures for the quarter ended March 31, 2024 and March 31, 2023 in the above financial results are the balancing figures between the audited figures for the year ended March 31, 2024 and March 31, 2023 and the year to date unaudited figures published up to nine months ended December 31, 2023 and December 31, 2022 respectively.
- Disclosure in compliance with RBI circular 2020-21/16 DOR.No.BP,BC/3/21.04.048/2020-21

(INR In Lakhs)

Format B

| Type of borrower | Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A) | Of (A), aggregate debt that slipped into NPA during the half-year | Of (A) amount written off during the half-year | Of (A) amount paid by the borrower during the half-year | Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year |
|--------------------|--|---|--|---|--|
| Personal Loans | 10591 | - | 26 | 892 | 9 673 |
| Corporate persons* | - | - | - | - | - |
| Of which MSMEs | - | - | - | - | - |
| Others | - | - | - | - | - |
| Total | - | - | - | - | - |

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

6 Disclosure In compliance with RBI circular 2020-21/17 DOR.No.BP,BC/4/21.04.048/2020-21

| No. of accounts restructured | Amount outstanding as at Mar 31, 2024 |
|------------------------------|---------------------------------------|
| 12 | 907 |

- Security cover available: The Company has secured NCDs of Rs 281.25 Crs (face value) outstanding at March 31, 2024 which are secured by way of first ranking pari passu charge over the eligible receivables and current assets to the extent of security cover of 1.10 times of the obligations.

8 Segment Information

(INR in Lakhs)

| Particulars | Quarter ended | Quarter ended | Quarter ended | Year ended | Year ended |
|---|-----------------------------|-----------------------------|-----------------------------|---------------------------|---------------------------|
| | Mar 31, 2024 (Unaudited) | Dec 31, 2023 (Unaudited) | Mar 31, 2023 (Unaudited) | Mar 31, 2024 (Audited) | Mar 31, 2023 (Audited) |
| (i) Segment Revenue | | | | | |
| Retail Finance | 38,248 | 38,883 | 31,876 | 1,48,495 | 1,11,479 |
| Wholesale Finance | 11 | 15 | (23) | 210 | 319 |
| Distribution | 1,039 | 850 | 997 | 3,657 | 3,407 |
| Unallocated | 3,475 | 3,197 | 1,815 | 9,938 | 6,262 |
| Less: Inter Segment Revenue | - | - | - | - | - |
| Income from Operations | 42,773 | 42,945 | 34,665 | 1,62,300 | 1,21,467 |
| (ii) Segment Result | | | | | |
| Retail Finance | 5,526 | 6,489 | 4,886 | 25,688 | 21,809 |
| Wholesale Finance | (254) | (160) | (119) | (420) | (1,005) |
| Distribution | 46 | 38 | 41 | 166 | 151 |
| Unallocated | 3,767 | 2,412 | 2,218 | 7,374 | 4,884 |
| Profit before tax | 9,085 | 8,780 | 7,026 | 32,808 | 25,839 |
| (iii) Capital Employed | | | | | |
| Segment Assets | | | | | |
| Retail Finance | 11,10,558 | 10,59,564 | 8,96,543 | 11,10,558 | 8,96,543 |
| Wholesale Finance | 1,498 | 2,772 | 6,700 | 1,498 | 6,700 |
| Distribution | 476 | 658 | 476 | 476 | 476 |
| Unallocated | 1,252 | 2,400 | 3,380 | 1,252 | 3,380 |
| Total Assets | 11,13,784 | 10,65,394 | 9,07,099 | 11,13,784 | 9,07,099 |
| Segment Liabilities | | | | | |
| Retail Finance | 8,86,410 | 8,46,847 | 7,65,755 | 8,86,410 | 7,65,755 |
| Wholesale Finance | 1,107 | 2,084 | 5,293 | 1,107 | 5,293 |
| Distribution | 184 | 93 | 483 | 184 | 483 |
| Unallocated | - | - | - | - | - |
| Total Liabilities | 8,87,701 | 8,49,024 | 7,71,531 | 8,87,701 | 7,71,531 |
| (Segment assets - Segment Liabilities) | | | | | |
| Retail Finance | 2,24,148 | 2,12,718 | 1,30,788 | 2,24,148 | 1,30,788 |
| Wholesale Finance | 391 | 687 | 1,407 | 391 | 1,407 |
| Distribution | 292 | 565 | (7) | 292 | (7) |
| Unallocated | 1,252 | 2,400 | 3,380 | 1,252 | 3,380 |
| Net Segment assets / (liabilities) | 2,26,083 | 2,16,370 | 1,35,568 | 2,26,083 | 1,35,568 |

The Company has reported segment information as per Indian Accounting Standard (Ind AS) 108 on 'Operating segments'. As per Ind AS 108, segments are identified based on management's evaluation of financial information for allocating resources and assessing performance. For presentation of segment information, directly attributable income, and assets are allocated as such and the other income, expenses and other assets and liabilities are apportioned on appropriate basis. Accordingly, the Company has identified following three reportable segment:

| Business Segment | Principal Activities |
|----------------------|--|
| 1. Retail Finance | Retail finance comprises of Gold Loan, Loan Against Property, MSE Loan Against Property, Business Loans, Personal Loans and Housing Finance. |
| 2. Wholesale Finance | Wholesale finance segment comprised of Construction Finance and Loan to other NBFCs. |
| 3. Distribution | Distribution segment comprises of sourcing business of Home Loan, Auto Loans, Personal Loans and MSE Loans for Holding Company. |

The accounting policies consistently used in the preparation of the financial statements are also applied to items of revenue and expenditure in individual segments.



Notes (continued):

9 Disclosure as per Regulation 52(4) of SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015 as amended.

| Particulars | As at | As at | As at |
|---|--------------|--------------|--------------|
| | Mar 31, 2024 | Dec 31, 2023 | Mar 31, 2023 |
| Debt-Equity Ratio ² | 3.63 | 3.69 | 5.26 |
| Debt Service Coverage Ratio | NA | NA | NA |
| Interest Service Coverage Ratio | NA | NA | NA |
| Outstanding redeemable preference shares (quantity and value) | NA | NA | NA |
| Capital redemption reserve (INR in Lakhs) | 200 | 200 | 200 |
| Debenture redemption reserve | NA | NA | NA |
| Current liability ratio ³ | 0.36 | 0.37 | 0.33 |
| Total debts to total assets | 0.74 | 0.75 | 0.79 |
| Net worth ⁴ (INR in Lakhs) | 2,26,083 | 2,16,370 | 1,35,568 |
| Sector specific equivalent ratios | | | |
| - CRAR | 23.46% | 25.79% | 17.94% |
| - Gross Non Performing Assets (GNPA) ⁵ | 1.66% | 2.19% | 2.03% |
| - Net Non Performing Assets (NNPA) ⁶ | 1.33% | 1.66% | 1.59% |
| - Liquidity Coverage ratio | 115.00% | 126.00% | 108.00% |
| - Provision Coverage Ratio (PCR) ⁷ | 20.36% | 24.52% | 22.19% |

| Particulars | Quarter ended | | | Year ended | |
|--|---------------|--------------|--------------|--------------|--------------|
| | Mar 31, 2024 | Dec 31, 2023 | Mar 31, 2023 | Mar 31, 2024 | Mar 31, 2023 |
| Net profit margin (%) | 15.82% | 15.23% | 11.26% | 15.08% | 14.83% |
| Net Profit after tax (INR in Lakhs) | 6,766 | 6,540 | 3,904 | 24,470 | 18,013 |
| Earning Per Share (EPS) - Not annualised | | | | | |
| - Basic | 1.83 | 1.92 | 1.21 | 7.22 | 5.60 |
| - Diluted | 1.81 | 1.89 | 1.21 | 7.12 | 5.59 |

1. Debt service coverage ratio, Interest service coverage ratio, Current ratio, Long term debt to working capital ratio, Bad debts to accounts receivable ratio, Debtors turnover, Inventory turnover and Operating margin are not applicable to the Company.

2. Debt equity ratio = {Debt Securities + Borrowings (Other than Debt Securities) + Subordinated Liabilities} / {Equity Share capital + Other equity}

3. Current Liability Ratio = [Current Liabilities] / [Total Assets minus Total Net worth]

4. Net worth = [Equity share capital + Other equity]

5. GNPA = Stage 3 Loans / Total Gross Loans

6. NNPA = [Gross Stage 3 Loans - Impairment allowance for Stage 3 Loans] / [Total Gross Loans - Impairment allowance for Stage 3 Loans]

7. PCR = [Total Impairment allowance for Stage 3 Loans] / [Total Stage 3 Loans]

10 Disclosure pertaining to RBI Master Direction - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.046/2021-22 Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 dated September 24, 2021

(i) The Company has transferred following non-performing assets (NPAs).

| Details of NPA loans transferred during the year | |
|--|--------------|
| (all amounts in Rs. Lakhs) | To ARCs |
| No. of accounts | 1 |
| Aggregate principal outstanding of loans transferred | 23,92,10,942 |
| Weighted average residual tenor of the loans transferred | - |
| Net book value of loans transferred (at the time of transfer)* | 11,96,05,471 |
| Aggregate consideration | 11,96,00,000 |
| Additional consideration realized in respect of accounts | - |

During the year provisions* of Rs 1,268.34 lakhs (Previous Year Rs. Nil) reversed to the profit and loss account on accounts of sale of NPA loans.

* includes principal outstanding and interest thereof

(ii) The Company has not transferred any Special Mention Account (SMA).

(iii) Details of transfer through assignment in respect of loans not in default during the quarter ended March 31, 2024:

| Particulars | Amount |
|---|--------|
| Aggregate amount of Loan transferred (Rs. in lakhs) | 30,685 |
| Weighted average residual maturity (in months) | 96 |
| Weighted average holding period by originator (in months) | 14 |
| Retention of beneficial economic interest | 5%/10% |
| Coverage of tangible security coverage (in %) | 50% |
| Rating-wise distribution of rated loans | NA |

(iv) The Company has not acquired any loans through assignment.

(v) The Company has not acquired any stressed loan.

11 The Company's equity shares have been listed on National Stock Exchange ("NSE") and on BSE Limited ("BSE") on November 30, 2023 on account of completion of the Initial Public Offering ("IPO") consisting of fresh issue of 4,28,81,148 equity shares amounting to Rs. 60,000 lakhs and through an offer for sale of 3,51,61,723 equity shares amounting to Rs.49,226 lakhs.

12 During the quarter ended 31st March, 2024, 4,29,811 Equity shares of face value of Rs. 10/- each were allotted to employees pursuant to exercise of stock options by such employees. Further, after Listing, Fedbank Financial Services Limited- Employee Stock Option Scheme, 2018, as amended was ratified by the shareholders in the Extra Ordinary General Meeting held on 22nd Feb, 2024.

13 The accounting policy adopted for the financial results for year ended March 31, 2024 is consistent with previous year.

For and on behalf of Board of Directors
Fedbank Financial Services Limited

Anil Kojuri
Managing Director & CEO
DIN: 00177945

Place: Mumbai
Date : April 29, 2024



B S R & Co. LLP

Chartered Accountants

14th Floor, Central B Wing and North C Wing
Nesco IT Park 4, Nesco Center
Western Express Highway
Goregaon (East), Mumbai – 400 063, India
Telephone: +91 (22) 6257 1000
Fax: +91 (22) 6257 1010

Private and confidential

The Board of Directors
Fedbank Financial Services Limited
Unit No: 1101, 11th Floor
Cignus Plot No. 71A
Powai, Paspoli
Mumbai, Maharashtra 400087

29 April 2024

Dear Sirs,

Auditor's report on Statement of Information in respect of security cover maintained with respect to listed non-convertible debentures as at 31 March 2024 and compliance with covenants with respect to listed non-convertible debentures as at 31 March 2024.

1. This report is issued in accordance with the terms of our engagement letter dated 05 August 2023.
2. Management has requested us to certify the particulars contained in the accompanying Statement of Information for listed Non-Convertible Debentures ('NCDs') consisting of Annexure I and II attached herewith (the 'Statement') for Fedbank Financial Services Limited (the 'Company') as at 31 March 2024. This Statement has been prepared by the Company to comply with Regulation 54 read with Regulation 56 (1) (d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, and circular SEBI/HO/ MIRSD/ MIRSD_CRADT/ CIR/P/2022/67 dated 19 May 2022 (together referred to as the 'Regulations') for the purpose of its onward submission to Beacon Trusteeship Limited and Axis Trustee Services Limited ('Debenture Trustees').

Management's responsibility

3. The preparation and presentation of the Statement is the exclusive responsibility of the Company's management including the preparation and maintenance of all accounting and other records supporting its contents. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Company's management is also responsible for ensuring that the Company complies with the requirements of the Regulations and the Debenture Trust Deeds ('DTD') dated 4 January 2023 and 23 June 2023 entered into with Debenture Trustees for all listed NCDs outstanding as at 31 March 2024 (as listed in 'Annexure I and II') and for providing all relevant information to the Debenture Trustees. Further, the Company's management is responsible for completeness and accuracy of the information provided in Statement, including the status of compliance with covenants as at 31 March 2024.

4

Registered Office:

Auditor's responsibility

5. We have not performed an audit, the objective of which would be expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this report. Accordingly, we do not express such an opinion.
6. Pursuant to the request from management and as required by the Debenture Trustees, we are required to provide a limited assurance and form a conclusion based on the work performed as to whether anything has come to our attention that causes us to believe that the Statement, in all material respects, is not in agreement with audited financial statements and other records maintained by the Company.
7. For the purpose of this report, we have planned and performed the following procedures:
 - A. Obtained a list of loan assets and financial assets pledged as security against the outstanding listed NCDs;
 - B. Traced the amounts forming part of the Statement with the audited financial statements as at 31 March 2024 and other records maintained by the Company and verified the arithmetical accuracy of the Statement;
 - C. Verified outstanding amount of NCDs as at 31 March 2024 and assets hypothecated from audited financial statements and other records maintained by the Company for the year ended 31 March 2024;
 - D. The Company does not maintain a one-on-one identification of loan asset and financial assets earmarked towards a particular borrowing in the system. A separate statement containing loan assets and financial assets charged to each lending institution for onward submission is maintained and was provided to us by the management. We have compared the total loan assets and financial assets security cover as computed by the management in the aforementioned Statement with the financial statements and other report maintained by Company as at 31 March 2024;
 - E. Recomputed the Security coverage ratio for secured NCDs as set out in the Statement;
 - F. Obtained the list of covenants for each series of NCDs, certified by management, along with the status of compliance with such covenants;
 - G. Traced covenants, for sample cases, to the respective debenture trust deeds and related documents;
 - H. Verified the compliance of financial covenants (Annexure II, Part A) as set out in the Statement, for sample cases with the audited financial statements and other records maintained and provided by the Company;
 - I. For the non- financial covenants (Annexure II, Part B) we have relied on the management representation and not performed any independent procedures; and
 - J. Obtained and verified the quarterly compliance certificate submitted by management with the Debenture Trustees.
8. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Auditor's responsibility (Continued)

9. We conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)' ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
10. We have complied with the relevant applicable requirements of the Standard on Quality Control ('SQC') 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Conclusion

11. Based on our procedures performed as mentioned in paragraph 7 above, information and explanation given to us by the Company, nothing has come to our attention that causes us to believe that the Statement, in all material respects:
 - a. the security cover maintained by the Company against the outstanding listed NCDs as at 31 March 2024 are not in line with respective DTD's; and
 - b. the Company has not complied with the covenants as set out in the statement as on 31 March 2024.

Restriction of use

12. This report has been issued for the sole use of the Board of Directors, to whom it is addressed, for onward submission to the Debenture Trustees pursuant to the requirements of the above-mentioned Regulations. Accordingly, our report should not be quoted or referred to in any other document or made available to any other person or persons without our prior written consent. We neither accept nor assume any duty or liability for any other purpose or to any other party to whom our report is shown or into whose hands it may come without our prior consent in writing.

For B S R & Co. LLP
Chartered Accountants

Firm's Registration No: 101248W/W-100022



Ashwin Suvarna
Partner

Membership No: 109503

UDIN:- 24109503BKCSJX7886

Mumbai
29 April 2024

Annexure I- Security Cover as at 31 March 2024

| Column A | Column B | Column C | Column D | Column E | Column F | Column G | Column H | Column I | Column J | Column K | Column L | Column M | Column N | Column O |
|--|--|--|--------------------|--|--|--|---|--|--|---|---|--------------------------|-----------------|-----------------|
| Particulars | Description of asset for which this certificate relate | Exclusive Charge | Exclusive Charge | Pari-Passu Charge | Pari-Passu Charge | Pari-Passu Charge | Assets not offered as Security | Elimination (amount in negative) | (Total C to H) | Related to only those items covered by this certificate | | | | |
| | | Debt for which this certificate being issued | Other Secured Debt | Debt for which this certificate being issued | Assets shared by pari passu debt holder (Includes debt for which this certificate is issued & other debt with pari passu charge) | Other assets on which there is pari-Passu charge (excluding items covered in column F) | debt amount considered more than once (due to exclusive plus pari passu charge) | Market Value for Assets charged on Exclusive basis | Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable) | Market Value for Pari passu charge Assets | Carrying value /book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable) | Total Value (=(K+L+M+N)) | | |
| | | Book Value | Book Value | Yes/ No | Book Value | Book Value | | | | Relating to Column F | | | | |
| ASSETS | | | | | | | | | | | | | | |
| Property, Plant and Equipment | | | | No | NA | - | 28.95 | - | 28.95 | | | | | |
| Capital Work-in-Progress | | | | No | NA | - | 0.27 | - | 0.27 | | | | | |
| Right of Use Assets | | | | No | NA | - | 112.49 | - | 112.49 | | | | | |
| Goodwill | | | | No | NA | - | - | - | - | | | | | |
| Intangible Assets | | | | No | NA | - | 4.12 | - | 4.12 | | | | | |
| Intangible Assets under Development | | | | No | NA | - | - | - | - | | | | | |
| Investments | Mutual Funds | | | Yes | 450.34 | - | 300.94 | - | 751.28 | | | | 450.34 | 450.34 |
| Loans | Loan Portfolio | | | Yes | 8,241.50 | - | 1,580.95 | - | 9,822.45 | | | | 8,241.50 | 8,241.50 |
| Inventories | | | | No | NA | - | NA | - | - | | | | - | - |
| Trade Receivables | | | | No | NA | - | 29.77 | - | 29.77 | | | | - | - |
| Cash and Cash Equivalents | | | | No | NA | - | 185.53 | - | 185.53 | | | | - | - |
| Bank Balances other than Cash and Cash Equivalents | | | | No | - | - | - | - | - | | | | - | - |
| Others | | | | 63.53 | No | - | - | - | 139.47 | | | | - | - |
| Total | | | | 63.53 | No | 8,691.84 | - | 2,382.48 | - | 11,137.85 | | | 8,691.84 | 8,691.84 |
| LIABILITIES | | | | | | | | | | | | | | |
| Debt securities to which this certificate pertains | Non-Convertible Debentures | | | Yes | 301.92 | - | - | - | 301.92 | | | | | |
| Other debt sharing pari-passu charge with above debt | | | | No | NA | - | - | - | - | | | | | |
| Other Debt | | | | No | NA | - | - | - | - | | | | | |
| Subordinated debt | | | | No | NA | - | 475.59 | - | 475.59 | | | | | |
| Borrowings | | | | No | NA | - | - | - | - | | | | | |
| Bank | | | | No | 6,785.21 | - | - | - | 6,785.21 | | | | | |
| Debt Securities | | | | No | NA | - | - | - | - | | | | | |
| Others | | | | 50.00 | No | 575.18 | - | 26.21 | - | 601.39 | | | | |
| Trade payables | | | | No | NA | - | 12.15 | - | 12.15 | | | | | |
| Lease Liabilities | | | | No | NA | - | 125.58 | - | 125.58 | | | | | |
| Provisions | | | | No | NA | - | 9.49 | - | 9.49 | | | | | |
| Others | | | | No | NA | - | 515.19 | - | 515.19 | | | | | |
| Total | | | | 50.00 | No | 7,662.80 | - | 1,164.20 | - | 8,827.01 | | | | |
| Cover on Book Value | | | | | | | 1.10 | | | | | | | |
| Cover on Market Value | | | | | | | | | | | | | | |
| | | Exclusive Security cover ratio | | | Pari-passu security cover ratio | | | | | | | | | |

Notes:

- Loan portfolio mentioned in the column F represents Stage 1 and Stage 2 loans as defined in Ind AS 109.
- Column F includes book value of all assets having pari passu charge and outstanding book value of corresponding debt.
- The value mention in Column F, H and J in respect to loans is net of provision made as per Ind AS 109.
- Since market value of such loans are not readily available, the value disclose in column N are the book value.
- Amounts are in INR crore.



For Fedbank Financial Services Limited.

Authorised Signatory

d

Annexure II: Quarterly compliance with respect to listed debt securities outstanding as at 31 March 2024

Part A- Financial Covenant

Secured Non-Convertible Debentures

ISIN: INE007N07041

Date of Trustdeed: 23 June 2023

| Sr No | Covenant Name | Covenant Description | Actual Ratio | Covenant Compliance Status |
|-------|--|--|--------------|----------------------------|
| 1 | Capital to risk weighted assets ratio ("CRAR")* | The company shall maintain a minimum Capital Risk Adequacy Ratio of 16% (Sixteen Percent) at all times, until the Final Settlement Date. | 23.46% | Complied |
| 2 | Net Non performing Asset ("NNPA")* | Net NPA on the standalone basis not to exceed 4% during the tenor of the debentures | 1.33% | Complied |
| 3 | Gross Non performing Asset ("GNPA")* | Gross NPA on the standalone basis not to exceed 5% during the tenor of the debentures | 1.66% | Complied |
| 4 | Total outstanding liability to Adjusted tangible net worth * | Total outstanding liability to Adjusted tangible net worth is not more than 7.0 | 3.62 | Complied |

* Calculated based on audited figures ie. For 31 March 2024

Secured Non-Convertible Debentures -Market Linked Debentures

ISIN: INE007N07033

Date of Trustdeed: 04 January 2023

| Sr No | Covenant Name | Covenant Description | Actual Ratio | Covenant Compliance Status |
|-------|--|--|--------------|----------------------------|
| 1 | Capital to risk weighted assets ratio ("CRAR") | The Company shall maintain capital adequacy ratio (Tier I capital and Tier II capital) as per the requirement of RBI. | 23.46% | Complied |
| 2 | Net Non performing Asset ("NNPA") | Net NPA on the standalone basis not to exceed 5% of the assets under management (book value of the assets only) during the tenor of the debentures | 1.33% | Complied |
| 3 | Debt to Equity Ratio | Total Debt to Equity ratio to be within 6.5 | 3.63 | Complied |

Unsecured Non-Convertible Debentures

ISIN: INE007N08015

Date of Trustdeed: 24 December 2020

Unsecured Non-Convertible Debentures

ISIN: INE007N08023

Date of Trustdeed: 26 May 2023

There are no financial covenant

Part B - Other Covenants

Compliance of all the covenants/terms of the issue In respect of listed debt securities outstanding as at 31 March 2024 of the listed entity

The management of the listed entity has ensured compliance in respect of other covenants for the listed debt securities (NCD's) and certify that such covenants have been complied by the listed entity.

For Fedbank Financial Services Limited.


 Authorised Signatory



[Handwritten mark]



ICRA

ICRA Limited

Date: April 26, 2024

Mr. C.V. Ganesh
Chief Financial Officer
Fedbank Financial Services Limited
Kanakia Wall Street,
A wing, 5th floor, Unit No. 511, Andheri Kurla Road,
Andheri (East)
Mumbai – 400093, Maharashtra

Dear Sir,

Re: Final Monitoring Agency report of Fedbank Financial Services Limited for Q4 FY2024

Please refer to agreement dated November 16, 2023, appointing ICRA Limited as the Monitoring Agency (MA) for Fedbank Financial Services Limited's IPO Issue.

After due consideration, ICRA has prepared the attached final Monitoring Agency report as per SEBI (Issue of Capital and Disclosure Requirements) Regulations for Q4 FY2024.

Please note that the Monitoring Agency report does not constitute a commentary on the quality of the objects of the issue, appropriateness or reasonableness of costs or spending by Fedbank Financial Services Limited against any objects / heads or assurance on outcome of such spending.

We thank you for your kind cooperation extended during the course of Q4 FY2024. Should you require any clarification, please do not hesitate to get in touch with us.

We look forward to your communication and assure you of our best services.

With kind regards

For ICRA Limited

SUJOY SAHA
2024.04.26
22:32:33 +05'30'

Sujoy Saha
Vice President & Corporate Sector Rating
sujov.saha@icraindia.com

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Registered Office: B-710, Statesman House, 148, Barakhamba Road, New Delhi 110001; Tel.: +91-11-23357940-41

RATING • RESEARCH • INFORMATION



March 2024

MONITORING AGENCY REPORT

Name of the Issuer: Fedbank Financial Services Limited

For quarter ended: March 31, 2024

Name of the Monitoring Agency: ICRA Limited

(a) Deviation from the objects of the issue:

No deviation - The utilization of the issuance proceeds is in line with the objects of the issue.

(b) Range of deviation:

Not Applicable

Declaration:

We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013. The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit related analyses. We confirm that we do not perceive any conflict of interest in such relationship/ interest while monitoring and reporting the utilization of the issue proceeds by the issuer. We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title "Comments of the Board of Directors", that shall be captured by the Issuer's Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer's Management/Board.

Signature:

SUJOY SAHA

2024.04.26

22:33:13 +05'30'

Sujoy Saha

Vice President & Corporate Sector Rating

Analyst: Adrita Sadhukhan

QA: Dhvani Vinchi



3. Details of the arrangement made to ensure the monitoring of issue proceeds.

| Particulars | Reply | Source of information, certifications considered by the Monitoring Agency for the preparation of report | Comments of the Monitoring Agency | Comments of the Issuer's Board of Directors |
|---|----------------|---|--|---|
| Whether all utilization is as per the disclosures in the Offer Document? | Yes | -Confirmation from management -Bank statement of the proceeds account | No deviation observed | No Comments |
| Whether shareholder approval has been obtained in case of material deviations ^a from expenditures disclosed in the Offer Document? | Not Applicable | As confirmed by the Issuer's management | No comments | No comments |
| Whether the means of finance for the disclosed objects of the issue has changed? | Not applicable | As confirmed by the Issuer's management | No deviation observed. | No comments |
| Is there any major deviation observed over the earlier monitoring agency reports? | No | No deviation observed. | No comments | No comments |
| Whether all Government/ statutory approvals related to the object(s) have been obtained? | Not Applicable | As confirmed by the Issuer's management | No comments | No comments |
| Whether all arrangements pertaining to technical assistance/ collaboration are in operation? | Not Applicable | As confirmed by the Issuer's management | No comments | No comments |
| Are there any favorable events improving the viability of these object(s)? | Not Applicable | As confirmed by the Issuer's management | As understood from the Issuer's management | No comments |
| Are there any unfavorable events affecting the viability of the object(s)? | No | As confirmed by the Issuer's management | As understood from the Issuer's management | No comments |
| Is there any other relevant information that may materially affect the decision making of the investors? | No | As confirmed by the Issuer's management | As understood from the Issuer's management | No comments |

^a Where material deviation is defined to mean:

- (a) Deviation in the objects or purposes for which the funds had been raised
- (b) Deviation in the amount of funds utilized by more than 10% of the amount specified in the offer document.



(ii) Progress in the object(s)

| S.N. | Item Head* | Source of information, certifications considered by the Monitoring Agency for the preparation of report | Amount as proposed in the offer document [Rs. Crore] | Amount utilized [Rs. Crore] | | | Total unutilized amount [Rs. Crore] | Comments of the Monitoring Agency | Comments of the Issuer's Board of Directors | |
|------|---|---|--|------------------------------------|--------------------|---------------------------|-------------------------------------|-----------------------------------|---|---------------------------|
| | | | | As at the beginning of the quarter | During the quarter | At the end of the quarter | | | Reasons for idle funds | Proposed course of action |
| 1 | For augmentation of Company's Tier – I capital base | -Bank statement of the proceeds account/corresponding bank account statements | 573.910 | 290.550 | 274.910 | 565.460 | 8.450 | No comments | No comments | No comments |
| | Total | | 573.910 | 290.550 | 274.910 | 565.460 | 8.450 | | | |

Fedbank Financial Services Limited

CIN : L65910MH1995PLC364635

Related party transactions for the half year ended March 31, 2024 placed for review and noting by the Audit Committee

(INR in Lakhs)

| Sl no. | Details of the party (Listed entity / Subsidiary) entering into the transaction | Details of the Counterparty | | Type of related party Transactions | Value of the related party transaction as approved by the audit committee | Value of the transaction during the reporting period (HY2 2023-2024) | In case monies are due to either party as a result of the transaction | |
|--------|---|---------------------------------|---|--|---|--|---|--|
| | | Name | Relationship of the counterparty with the listed entity or its subsidiary | | | | Opening balance during the half year ended | Closing balance during the half year ended |
| 1 | Fedbank Financial Services Limited | The Federal Bank Limited | Promoter | Income from Distribution business | 2,500.00 | 1,889.35 | 341.66 | 493.47 |
| 2 | Fedbank Financial Services Limited | The Federal Bank Limited | Promoter | Interest received in Fixed Deposits/Current Account | 1,000.00 | 25.89 | 3,571.77 | 6,887.28 |
| 3 | Fedbank Financial Services Limited | The Federal Bank Limited | Promoter | Interest paid - Cash Credit | | 3.06 | 2,441.50 | - |
| 4 | Fedbank Financial Services Limited | The Federal Bank Limited | Promoter | Processing Fees | | 100.00 | - | - |
| 5 | Fedbank Financial Services Limited | The Federal Bank Limited | Promoter | Interest paid - Term Loan | 5,000.00 | 2,598.56 | 63,883.89 | 73,661.00 |
| 6 | Fedbank Financial Services Limited | The Federal Bank Limited | Promoter | Interest on WCDL | | 230.10 | 6,000.00 | 6,000.00 |
| 7 | Fedbank Financial Services Limited | The Federal Bank Limited | Promoter | Interest on Non Convertible Debentures | | 1,161.77 | 23,470.00 | 23,470.00 |
| 8 | Fedbank Financial Services Limited | The Federal Bank Limited | Promoter | Servicing Fee Income on Securitisation | 10.43 | 10.43 | - | - |
| 9 | Fedbank Financial Services Limited | The Federal Bank Limited | Promoter | Direct Assignment Transaction | 15,445.15 | 15,445.15 | - | - |
| 10 | Fedbank Financial Services Limited | Anil Kothuri | MD & CEO | Remuneration to MD & CEO | 150.00 | 150.00 | - | - |
| 11 | Fedbank Financial Services Limited | Anil Kothuri | MD & CEO | Exercise of ESOP at exercise price of Rs. 72.37 /- per equity share | 964.93 | 964.93 | - | - |
| 12 | Fedbank Financial Services Limited | Ganesh Venkatraman Chatapuram | Chief Financial Officer | Remuneration to CFO | 82.78 | 82.78 | - | - |
| 13 | Fedbank Financial Services Limited | Ganesh Venkatraman Chatapuram | Chief Financial Officer | Exercise of ESOP at exercise price of Rs. 48 per equity share | 87.84 | 87.84 | - | - |
| 14 | Fedbank Financial Services Limited | Ganesh Venkatraman Chatapuram | Chief Financial Officer | 3745 shares allotted in IPO at issue price of Rs. 130 per equity share | 4.87 | 4.87 | - | - |
| 15 | Fedbank Financial Services Limited | Rajaraman Sundaresan | Company Secretary | Remuneration to Company Secretary | 17.72 | 17.72 | - | - |
| 16 | Fedbank Financial Services Limited | Rajaraman Sundaresan | Company Secretary | Exercise of ESOP at exercise price of Rs. 72.37 /- per equity share | 3.62 | 3.62 | - | - |
| 17 | Fedbank Financial Services Limited | Gauri Shah | Independent Director | Director Sitting Fees | 6.10 | 6.10 | - | - |
| 18 | Fedbank Financial Services Limited | Balakrishnan Krishnamurthy | Independent Director & Chairman | Director Sitting Fees | 5.70 | 5.70 | - | - |
| 19 | Fedbank Financial Services Limited | Equinus Capital Private Limited | Associate of Holding Company | Book Running Lead Manager expense | 194.00 | 194.00 | - | - |



Ganesh

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Annexure- IV

Annual disclosure to be made by an entity identified as a LC

1. Name of the Company: Fedbank Financial Services Limited
2. CIN: L65910MH1995PLC364635
3. Report filed for FY: 2023-24
4. Details of the current block (all figures in Rs. crore): 2023-24/ 2024-25

| Sl. No. | Particulars | Details |
|---------|--|--|
| 1 | 2-year block period (FY 2023-24 and FY 2024-25) | (T) (FY 2023-24) (T+1) (FY 2024-25) |
| 2 | Incremental borrowing done in FY (T) (a) | 3100 |
| 3 | Mandatory borrowing to be done through debt securities in FY (T) (b) = (25% of a) | 775 |
| 4 | Actual borrowing done through debt securities in FY (T) (c) | 300 |
| 5 | Shortfall in the borrowing through debt securities, if any, for FY (T-1) carried forward to FY (T). (d) | NA |
| 6 | Quantum of (d), which has been met from (c) (e) | NA |
| 7 | Shortfall, if any, in the mandatory borrowing through debt securities for FY (T) {after adjusting for any shortfall in borrowing for FY (T-1) which was carried forward to FY (T)} (f) = (b) - [(c) - (e)] {If the calculated value is zero or negative, write "nil"} | 475 |

5. Details of penalty to be paid, if any, in respect to previous block (all figures in Rs. crore):

| Sl. No. | Particulars | Details |
|---------|---|--|
| 1 | 2-year block period (specify financial years) | (T-1) (FY 2022-23) (T) (FY 2023-24) |
| 2 | Amount of fine to be paid for the block, if applicable Fine = 0.2% of {(d)-(e)} [#] | NA |



Annual Disclosure as per SEBI Circular No. SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/172
dated October 19, 2023

| Sl. No. | Particulars | Details |
|---------|---|------------------------------------|
| 1 | Symbol | FEDFINA |
| 2 | Company Name | Fedbank Financial Services Limited |
| 3 | Financial From | 01-Apr-23 |
| 4 | Financial To | 31-Mar-24 |
| 5 | Outstanding Qualified Borrowings at the start of the financial year (Rs. In Crores) | 3,050 |
| 6 | Outstanding Qualified Borrowings at the end of the financial year (Rs. In Crores) | 2899.53 |
| 7 | Credit rating (highest in case of multiple ratings) | AA+ |
| 8 | Incremental borrowing done during the year (qualified borrowings) (Rs. In Crores) | 3100 |
| 9 | Borrowings by way of issuance of debt securities during the year (Rs. In Crores) | 300 |



Rajaram Sundaresan

Company Secretary & Compliance Officer

Tel: 022 68520616



C.V Ganesh

CFO

Tel: 022 68520601

