

Independent Auditor's report on annual financial results of Fedbank Financial Services Limited under Regulation 33 and Regulation 52(4) read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors of
Fedbank Financial Services Limited

Opinion

1. We have audited the accompanying financial results of Fedbank Financial Services Limited ('the Company') for the year ended 31 March 2025, being submitted by the Company pursuant to the requirements of Regulation 33 and Regulation 52(4) read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial results:
 - 2.1. are presented in accordance with the requirements of the Listing Regulations in this regard; and
 - 2.2. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian accounting standards ('Ind AS'), RBI guidelines 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 2025.

Basis for Opinion

3. 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 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.

Management's Responsibilities for the Financial Results

4. These financial results have been compiled from the annual audited financial statements. The Company's Board of Directors are responsible for the preparation and presentation of these financial results that give a true and fair view of the net profit after tax and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Ind AS prescribed under Section 133 of the Act read with relevant rules issued thereunder, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India ('RBI') from time to time ('RBI Guidelines') and other accounting principles generally accepted in India and in compliance with the Listing Regulations. 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 design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting



records, relevant to the preparation and presentation of the financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the financial results by the Directors of the Company, as aforesaid.

5. In preparing the financial results, the 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.
6. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Results

7. Our objectives are to obtain reasonable assurance about whether the 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 financial results.
8. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - 8.1. Identify and assess the risks of material misstatement of the 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.
 - 8.2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - 8.3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
 - 8.4. Conclude on the appropriateness of the 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial 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.
 - 8.5. Evaluate the overall presentation, structure and content of the financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.
9. 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.



kkc & associates llp

Chartered Accountants

(formerly Khimji Kunverji & Co LLP)

10. 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 matters

11. The financial results include the results for the quarter ended 31 March 2025 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.
12. Attention is drawn to the fact that the audited financial results of the Company for the corresponding quarter ended 31 March 2024 and audited financial statements for the year ended 31 March 2024 were audited by predecessor auditors whose report dated 29 April 2024 expressed an unmodified opinion on those audited financial results and audited financial statements. Our opinion is not modified in respect of these matters.

For **KKC & Associates LLP**

Chartered Accountants

(formerly Khimji Kunverji & Co LLP)

Firm Registration Number: 105146W/W100621



Hasmukh B Dedhia

Partner

ICAI Membership No: 033494

UDIN: 25033494BMJKDN4317



Place: Mumbai

Date: 29 April 2025

Statement of Audited Financial Results for the Quarter and Year ended March 31, 2025

INR in Lakhs

Sl.No.	Particulars	For the Quarter ended			For the Year ended	
		Mar 31, 2025	Dec 31, 2024	Mar 31, 2024	Mar 31, 2025	Mar 31, 2024
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
	Revenue from Operations					
	(a) Interest Income	49,918	49,428	38,384	1,92,458	1,49,168
	(b) Fee and Commission Income	1,959	2,159	1,815	8,563	6,564
	(c) Net Gain on fair value changes	445	640	559	2,558	1,989
	I Total Revenue from Operations	52,322	52,227	40,758	2,03,579	1,57,721
	II Other Income	1,425	999	2,015	4,403	4,579
	III Total Income (I + II)	53,747	53,226	42,773	2,07,982	1,62,300
	Expenses					
	(a) Finance cost	21,587	22,126	17,332	85,378	67,956
	(b) Fees and commission expenses	231	557	706	1,850	2,287
	(c) Impairment on financial instruments and other receivable	3,253	10,879	1,773	21,636	6,585
	(d) Employee benefit expense	10,604	9,263	8,578	39,030	31,782
	(e) Depreciation and amortisation expense	1,325	1,283	948	4,885	3,735
	(f) Other expenses	6,882	6,614	4,351	24,828	17,147
	IV Total Expenses	43,882	50,722	33,688	1,77,607	1,29,492
	V Profit/ (Loss) before tax (III-IV)	9,865	2,504	9,085	30,375	32,808
	VI Tax expense	2,700	628	2,319	7,857	8,338
	Current tax	3,406	2,126	2,159	10,122	7,687
	Short / (Excess) provision for earlier years	47	-	-	47	-
	Deferred tax	(753)	(1,498)	160	(2,312)	651
	VII Net Profit/(Loss) for the quarter/year (V-VI)	7,165	1,876	6,766	22,518	24,470
	VIII Other Comprehensive Income	929	3,969	2,575	4,159	5,206
	(a) Items that will not be reclassified to profit or loss					
	(i) Re-measurement of net defined benefit plan	41	(11)	(72)	12	(59)
	(ii) Income tax related to Items that shall not be reclassified to profit and loss	(10)	3	18	(3)	15
	Total	31	(8)	(54)	9	(44)
	(b) Items that will be reclassified to profit or loss					
	(i) Fair value gain / (loss) - OCI - Loans	1,263	5,316	3,522	5,609	7,046
	(ii) Fair value gain / (loss) - OCI - Investment in Government Securities	(1)	(4)	6	-	(8)
	(iii) The effective portion of gain on hedging instruments in a cash flow hedge	(2)	-	-	(2)	-
	(iv) Tax effect on above (i), (ii) and (iii)	(362)	(1,335)	(899)	(1,457)	(1,788)
	Total	898	3,977	2,629	4,150	5,250
	IX Total Comprehensive Income (VII+VIII)	8,094	5,845	9,341	26,677	29,676
	X Paid-up equity share capital	37,272	37,267	36,939	37,272	36,939
	XI Reserves (excluding Revaluation Reserve)	2,17,464	2,09,169	1,89,144	2,17,464	1,89,144
	XII Earnings Per Share (Face Value of Rs. 10/- each)#					
	- Basic (Rs.)	1.92	0.50	1.83	6.06	7.22
	- Diluted (Rs.)	1.92	0.50	1.81	6.04	7.12

EPS for the quarter is not annualised



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Statement of Audited Assets and Liabilities as at March 31, 2025

		INR in Lakhs	
	Particulars	As at March 31, 2025 (Audited)	As at March 31, 2024 (Audited)
I.	ASSETS		
(1)	Financial assets		
	(a) Cash and cash equivalents	72,460	18,554
	(b) Bank balances other than cash and cash equivalents	11,009	-
	(c) Derivative financial instruments	58	-
	(d) Receivables		
	(i) Trade receivables	1,931	2,976
	(ii) Other receivables	-	476
	(e) Loans	11,64,637	9,82,245
	(f) Investments	40,419	75,128
	(g) Other financial assets	8,671	14,224
	Total Financial assets	12,99,185	10,93,603
(2)	Non-financial assets		
	(a) Current tax assets (net)	-	1,033
	(b) Deferred tax assets (net)	1,070	219
	(c) Property, Plant and Equipment	3,191	2,895
	(d) Right Of Use Assets	15,395	11,249
	(e) Capital work in progress	28	27
	(f) Intangible assets under development	64	-
	(g) Other Intangible assets	292	412
	(h) Other non- financial assets	5,745	4,346
	Total Non-financial assets	25,785	20,181
	TOTAL ASSETS	13,24,970	11,13,784
II.	LIABILITIES & EQUITY		
(1)	Financial liabilities		
	(a) Derivative financial instruments	123	112
	(b) Payables		
	Trade payables		
	(i) total outstanding dues of micro enterprises and small enterprises	24	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	849	1,215
	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	157	-
	(c) Debt securities	50,022	30,192
	(d) Borrowings (other than debt securities)	9,29,237	7,43,709
	(e) Subordinated Liabilities	47,607	47,559
	(f) Lease Liability	16,854	12,558
	(g) Other financial liabilities	20,229	45,330
	Total Financial liabilities	10,65,102	8,80,675
(2)	Non-financial liabilities		
	(a) Current tax liabilities (net)	1,161	-
	(b) Provision	1,381	949
	(c) Other non-financial liabilities	2,590	6,077
	Total Non-financial liabilities	5,132	7,026
	Equity		
	(a) Equity share capital	37,272	36,939
	(b) Other equity	2,17,464	1,89,144
		2,54,736	2,26,083
	TOTAL LIABILITIES AND EQUITY	13,24,970	11,13,784



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Statement of Audited Cash Flow for the Year ended March 31, 2026

	For the Year ended March 31, 2026 (Audited)	For the Year ended March 31, 2024 (Audited)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	30,376	32,808
Adjustments for :		
Finance cost	85,378	67,956
Share based payment to employee	130	456
Depreciation	4,885	3,735
Interest income from Investment	(1,957)	(1,735)
Interest on Fixed Deposit	(1,555)	(1,636)
Loss on sale of tangible assets	34	-
Profit on Sale Of Government Securities (Net) - realised	-	(11)
Profit on Sale Of Mutual Fund units (Net) - realised	(2,596)	(1,930)
Gain/(Loss) on fair valuation of mutual fund - unrealised	38	(48)
Security deposit - Fair Valuation	2	(44)
ElR impact on Loans	(230)	487
Excess interest spread on Direct Assignment Transaction (net)	(6,594)	(3,365)
Impairment on financial instrument	21,636	6,585
Operating profit before working capital changes	1,29,646	1,03,258
Adjustments for working capital:		
- (Increase)/decrease in loans	(1,90,889)	(1,78,790)
- (Increase)/decrease in financial asset and non financial asset	(1,307)	(1,981)
- (Increase)/decrease in trade and other receivables	1,191	(1,553)
- Increase/(decrease) in trade payables	(185)	(1,394)
- Increase/(decrease) in provisions	444	270
- Increase/(decrease) in financial liabilities and non financial liabilities	(28,577)	10,161
Cash generated from / (used in) operating activities	(89,777)	(70,029)
Direct taxes paid (net of refund)	(7,975)	(7,523)
Net cash generated from / (used in) operating activities	(97,752)	(77,662)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of tangible assets	(1,770)	(1,139)
Sale of tangible assets	13	7
Purchase of intangible assets	(61)	(233)
Purchase of Intangible assets under development	(64)	-
Investment in Government securities	(63,696)	(74,494)
Redemption of Government securities	60,543	1,15,091
Investment in Mutual Fund	(20,55,997)	(11,59,842)
Sale of Mutual Fund	20,96,688	11,13,875
Redemption of fixed deposit	5,006	66
Investment in fixed deposit	(10,309)	(6,419)
Interest on fixed deposits	1,251	1,142
Interest income from Investment	1,312	1,937
Net cash generated from / (used in) Investing activities	32,916	(10,009)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Debt Securities availed	99,500	50,000
Debt Securities repaid	(81,500)	(81,625)
Borrowings availed	6,34,333	5,78,170
Borrowings repaid	(4,49,157)	(4,61,487)
Subordinate borrowing availed	-	20,000
Finance Cost	(81,947)	(64,207)
Lease Payment (principal)	(3,128)	(3,116)
Lease Payment (interest)	(1,204)	(940)
Equity Shares Issued	333	4,748
Share Premium net of Share Issue Expenses	1,512	55,176
Net cash generated from / (used in) financing activities	1,18,742	96,719
Net increase / (decrease) in cash and cash equivalents	63,906	9,168
Cash and cash equivalents as at the beginning of the period	18,554	9,396
Closing balance of cash and cash equivalents (A+B+C)	72,460	18,564
Components of cash and cash equivalents:		
Cash on hand	654	1,555
Balances with banks		
- in current accounts	29,285	14,299
- in fixed deposit with maturity less than 3 months	42,521	2,700
Cash and cash equivalents	72,460	18,564



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Notes:

- 1 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.
- 2 The aforesaid audited 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 SEBI/HO/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.
- 3 The aforesaid audited financial results have been approved by the Board of Directors at its meeting held on April 29, 2025 after review and recommendation by the Audit Committee.
- 4 The figures for the quarter ended March 31, 2025 in the above financial results are the balancing figures between the unaudited figures for the period ended December 31, 2024 and the audited figures for the year ended March 31, 2025 and the figures for the quarter ended March 31, 2024 in the above financial results are the balancing figures between the unaudited figures for the period ended December 31, 2023 and the audited figures for the year ended March 31, 2024.
- 5 Security cover available: The Company has secured NCDs of Rs 36,125 Lakhs (face value) outstanding at March 31, 2025 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.
- 6 During the quarter and year ended March 31, 2025, The Company has granted 37,25,000 options in accordance with the company's Employee Stock Option Scheme(s) (ESOS 2024).
- 7 During the quarter and year ended March 31, 2025, The Company has allotted 48,499 and 33,29,955 equity shares respectively of INR 10 each fully paid up, on exercise of options by employees, in accordance with the company's Employee Stock Option Scheme(s).
- 8 The Company does not have any subsidiary/associate/joint venture company as on March 31, 2025.
- 9 The figures for the Quarter & Year ended March 31, 2024 were audited by the predecessor Statutory Auditors of the company BSR & Co. LLP, Chartered Accountants who have issued unmodified report thereon.
- 10 Disclosure in compliance with RBI circular 2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21

Format B

(INR In Lakhs)

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	6,819	84	-	26	6,710
Corporate persons*	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	-	-	-	-	-

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

- 11 Disclosure in compliance with RBI circular 2020-21/17 DOR.No.BP.BC/4/21.04.048/2020-21

(INR In Lakhs)

No. of accounts restructured	Amount outstanding as at March 31, 2025
5	322



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Notes (continued):

12 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, 2025	Dec 31, 2024	Mar 31, 2024
Debt-Equity Ratio ²	4.03	3.98	3.63
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	0.44	0.45	0.36
Total debts to total assets	0.78	0.77	0.74
Net worth ⁴ (INR In Lakhs)	2,54,736	2,46,436	2,26,083
Sector specific equivalent ratios			
- CRAR	21.92%	21.64%	23.46%
- Gross Non Performing Assets (GNPA) ⁵	2.02%	1.79%	1.66%
- Net Non Performing Assets (NNPA) ⁶	1.22%	1.05%	1.33%
- Liquidity Coverage ratio	149.77%	166.00%	108.00%
- Provision Coverage Ratio (PCR) ⁷	39.95%	42.27%	20.36%

Particulars	Quarter ended		Year ended	
	Mar 31, 2025	Dec 31, 2024	Mar 31, 2024	Mar 31, 2024
Net profit margin (%)	13.33%	3.52%	15.82%	10.83%
Net Profit after tax (INR In Lakhs)	7,165	1,876	6,766	22,518
Earning Per Share (EPS) - Not annualised				
- Basic	1.92	0.50	1.83	6.06
- Diluted	1.92	0.50	1.81	6.04

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

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 L

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

13 Disclosure pertaining to RBI Master Direction - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 dated September 24, 2021.

(i) The Company has not transferred any non-performing assets (NPAs) during the quarter ended March 31, 2025.

(ii) The Company has not transferred any Special Mention Account (SMA) and loan in default during the quarter ended March 31, 2025.

(iii) Details of transfer through assignment in respect of loans not in default during the quarter ended March 31, 2025:

Particulars	Value
Aggregate amount of Loan transferred (Rs. In lakhs)	59,012
Weighted average residual maturity (in months)	165
Weighted average holding period by originator (in months)	21
Retention of beneficial economic interest	10%
Coverage of tangible security coverage	100%
Rating-wise distribution of rated loans	NA

(iv) The Company has not acquired any loans through assignment during the quarter ended March 31, 2025.

(v) The Company has not acquired any stressed loan during the quarter ended March 31, 2025.

14 The Company's business comprise of lending loans, by way of offering different products and across geographies, that constitute the only segment considering internal reporting to Chief Operating Decision Maker (CODM). Hence there are no reportable segments.

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

Parvez Mulla
Managing Director & CEO
DIN: 08026994

Place: Mumbai
Date : April 29, 2025



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