

SD/ 24 / /2016

Secretarial Department  
30.4.2016.

Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers,  
Floor 25, Dalal Street,  
MUMBAI – 400 001.

Dear Sir,

As required under the Listing Agreement entered into by us with your Stock Exchange and as per Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we are forwarding the Audited Financial Results of the Bank for the period ended 31<sup>st</sup> March, 2016, which was approved at the Bank's Board of Directors meeting held today.

Kindly acknowledge

Thanking you,

  
Company Secretary



**THE FEDERAL BANK LIMITED**  
**REGD.OFFICE: P.B.NO. 103, FEDERAL TOWERS, ALUVA-683101**  
**(CIN: L65191KL1931PLC000368)**  
**AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2016**

(₹ in Lakhs)

| Particulars   | Quarter ended                       |                 |                                     | Year ended      |                 | Consolidated figures for the year ended |                 |
|---|-------------------------------------|-----------------|-------------------------------------|-----------------|-----------------|---|-----------------|
|   | 31.03.2016                          | 31.12.2015      | 31.03.2015                          | 31.03.2016      | 31.03.2015      | 31.03.2016                              | 31.03.2015      |
|   | Audited<br>(Refer Note<br>12 below) | Unaudited       | Audited<br>(Refer Note<br>12 below) | Audited         | Audited         | Audited                                 | Audited         |
| 1. Interest earned (a)+(b)+(c)+(d)  | 2,02,652                            | 1,90,276        | 1,90,828                            | 7,74,469        | 7,41,946        | 7,82,280                                | 7,48,777        |
| (a) Interest/discount on advances/bills   | 1,46,949                            | 1,38,554        | 1,38,506                            | 5,66,931        | 5,44,683        | 5,74,818                                | 5,51,011        |
| (b) Income on Investments   | 45,981                              | 44,589          | 42,453                              | 1,75,963        | 1,64,968        | 1,75,887                                | 1,65,471        |
| (c) Interest on balances with Reserve Bank of India and other inter bank funds          | 725                                 | 1,657           | 598                                 | 5,596           | 6,236           | 5,596                                   | 6,236           |
| (d) Others  | 8,997                               | 5,476           | 9,271                               | 25,979          | 26,059          | 25,979                                  | 26,059          |
| 2. Other Income   | 22,686                              | 18,331          | 30,600                              | 78,638          | 87,831          | 78,655                                  | 87,854          |
| <b>3. TOTAL INCOME (1+2)</b>  | <b>2,25,338</b>                     | <b>2,08,607</b> | <b>2,21,428</b>                     | <b>8,53,107</b> | <b>8,29,777</b> | <b>8,60,935</b>                         | <b>8,36,631</b> |
| 4. Interest expended  | 1,34,058                            | 1,29,756        | 1,28,505                            | 5,24,045        | 5,03,905        | 5,25,935                                | 5,05,633        |
| 5. Operating Expenses (i)+(ii)  | 51,828                              | 46,303          | 46,008                              | 1,86,684        | 1,63,093        | 1,90,632                                | 1,67,521        |
| (i) Employees Cost  | 29,304                              | 25,859          | 24,866                              | 1,05,285        | 89,196          | 1,07,422                                | 91,305          |
| (ii) Other operating expenses   | 22,524                              | 20,444          | 21,142                              | 81,399          | 73,897          | 83,210                                  | 76,216          |
| <b>6. TOTAL EXPENDITURE (4+5)</b><br>(excluding Provisions and Contingencies)           | <b>1,85,886</b>                     | <b>1,76,059</b> | <b>1,74,513</b>                     | <b>7,10,729</b> | <b>6,66,998</b> | <b>7,16,567</b>                         | <b>6,73,154</b> |
| <b>7. OPERATING PROFIT (3-6)</b><br>(Profit before Provisions and Contingencies)        | <b>39,452</b>                       | <b>32,548</b>   | <b>46,915</b>                       | <b>1,42,378</b> | <b>1,62,779</b> | <b>1,44,368</b>                         | <b>1,63,477</b> |
| 8. Provisions (other than Tax) and Contingencies  | 38,864                              | 7,511           | 3,978                               | 70,413          | 10,675          | 70,517                                  | 10,520          |
| 9. Exceptional Items  | -                                   | -               | -                                   | -               | -               | -                                       | -               |
| <b>10. Profit from Ordinary Activities before tax (7-8-9)</b>                           | <b>588</b>                          | <b>25,037</b>   | <b>42,937</b>                       | <b>71,965</b>   | <b>1,52,104</b> | <b>73,851</b>                           | <b>1,52,957</b> |
| 11. Tax expense   | (438)                               | 8,765           | 14,884                              | 24,400          | 51,529          | 25,061                                  | 51,748          |
| <b>12. Net Profit from Ordinary Activities after tax (10-11)</b>                        | <b>1,026</b>                        | <b>16,272</b>   | <b>28,053</b>                       | <b>47,565</b>   | <b>1,00,575</b> | <b>48,790</b>                           | <b>1,01,209</b> |
| 13. Extraordinary Items (net of tax expense)  | -                                   | -               | -                                   | -               | -               | -                                       | -               |
| <b>14. Net Profit for the period (12-13)</b>  | <b>1,026</b>                        | <b>16,272</b>   | <b>28,053</b>                       | <b>47,565</b>   | <b>1,00,575</b> | <b>48,790</b>                           | <b>1,01,209</b> |
| 15. Share in Profit/(Loss) of Associate   | -                                   | -               | -                                   | -               | -               | (148)                                   | 4,572           |
| <b>16. Consolidated Net Profit of the group (14+15)</b>                                 |                                     |                 |                                     |                 |                 | <b>48,642</b>                           | <b>1,05,781</b> |
| 17. Paid-up Equity Share Capital (Refer Note 10)<br>(Face value ₹ 2/- per Equity Share) | 34,379                              | 34,367          | 17,133                              | 34,379          | 17,133          | 34,379                                  | 17,133          |
| 18. Reserves excluding Revaluation Reserve  | -                                   | -               | -                                   | 7,74,242        | 7,56,180        | 7,71,533                                | 7,52,393        |
| 19. Analytical Ratios   |                                     |                 |                                     |                 |                 |   |                 |
| (i) Percentage of shares held by Government of India                                    | NIL                                 | NIL             | NIL                                 | NIL             | NIL             | NIL                                     | NIL             |
| (ii) Capital Adequacy ratio (%)<br>Under Basel III                                      | 13.93                               | 14.32           | 15.46                               | 13.93           | 15.46           | -                                       | -               |
| (iii) Earnings per Share (EPS) (in ₹) (Refer Note 10)                                   |                                     |                 |                                     |                 |                 |   |                 |
| (a) Basic EPS (before and after Extra ordinary Items)                                   | 0.06*                               | 0.95*           | 1.64*                               | 2.77            | 5.87            | 2.83                                    | 6.17            |
| (b) Diluted EPS (before and after Extra ordinary Items)                                 | 0.06*                               | 0.94*           | 1.62*                               | 2.75            | 5.82            | 2.82                                    | 6.12            |
| (iv) NPA Ratios   |                                     |                 |                                     |                 |                 |   |                 |
| a) Gross NPA  | 1,66,777                            | 1,68,411        | 1,05,773                            | 1,66,777        | 1,05,773        | -                                       | -               |
| b) Net NPA  | 95,001                              | 87,610          | 37,327                              | 95,001          | 37,327          | -                                       | -               |
| c) % of Gross NPA   | 2.84                                | 3.15            | 2.04                                | 2.84            | 2.04            | -                                       | -               |
| d) % of Net NPA   | 1.64                                | 1.66            | 0.73                                | 1.64            | 0.73            | -                                       | -               |
| (v) Return on Assets (%)  | 0.01*                               | 0.19*           | 0.35*                               | 0.57            | 1.32            | -                                       | -               |

\* Not Annualised



## Segment Information@

(₹ In Lakhs)

| Particulars                                 | Quarter ended                       |                 |                                     | Year ended      |                 | Consolidated figures for the year ended |                 |
|---|-------------------------------------|-----------------|-------------------------------------|-----------------|-----------------|---|-----------------|
|   | 31.03.2016                          | 31.12.2015      | 31.03.2015                          | 31.03.2016      | 31.03.2015      | 31.03.2016                              | 31.03.2015      |
|   | Audited<br>(Refer Note<br>12 below) | Unaudited       | Audited<br>(Refer Note<br>12 below) | Audited         | Audited         | Audited                                 | Audited         |
| <b>Segment Revenue:</b>                     |                                     |                 |                                     |                 |                 |   |                 |
| Treasury                                    | 59,193                              | 55,321          | 60,377                              | 2,28,193        | 2,25,027        | 2,28,193                                | 2,25,027        |
| Corporate/Wholesale Banking                 | 67,702                              | 56,861          | 59,886                              | 2,36,094        | 2,34,993        | 2,36,094                                | 2,34,993        |
| Retail Banking                              | 92,787                              | 95,416          | 96,621                              | 3,80,964        | 3,57,797        | 3,88,792                                | 3,64,651        |
| Other Banking operations                    | 5,656                               | 1,009           | 4,544                               | 7,856           | 11,960          | 7,856                                   | 11,960          |
| Unallocated                                 | -                                   | -               | -                                   | -               | -               | -                                       | -               |
| Total Revenue                               | <b>2,25,338</b>                     | <b>2,08,607</b> | <b>2,21,428</b>                     | <b>8,53,107</b> | <b>8,29,777</b> | <b>8,60,935</b>                         | <b>8,36,631</b> |
| Less: Inter Segment Revenue                 | -                                   | -               | -                                   | -               | -               | -                                       | -               |
| <b>Income from Operations</b>               | <b>2,25,338</b>                     | <b>2,08,607</b> | <b>2,21,428</b>                     | <b>8,53,107</b> | <b>8,29,777</b> | <b>8,60,935</b>                         | <b>8,36,631</b> |
| <b>Segment Results (net of provisions):</b> |                                     |                 |                                     |                 |                 |   |                 |
| Treasury                                    | 3,172                               | 2,721           | 9,623                               | 15,851          | 34,218          | 15,851                                  | 34,218          |
| Corporate/Wholesale Banking                 | (5,324)                             | 2,936           | 3,190                               | 1,814           | 33,399          | 1,814                                   | 33,399          |
| Retail Banking                              | (2,062)                             | 19,280          | 26,658                              | 49,459          | 76,112          | 51,345                                  | 76,965          |
| Other Banking operations                    | 5,532                               | 914             | 4,167                               | 7,385           | 10,372          | 7,385                                   | 10,372          |
| Unallocated                                 | (730)                               | (814)           | (701)                               | (2,545)         | (1,997)         | (2,545)                                 | (1,997)         |
| <b>Profit before tax</b>                    | <b>588</b>                          | <b>25,037</b>   | <b>42,937</b>                       | <b>71,964</b>   | <b>1,52,104</b> | <b>73,851</b>                           | <b>1,52,957</b> |
| <b>Capital employed:</b>                    |                                     |                 |                                     |                 |                 |   |                 |
| Treasury                                    | 2,50,922                            | 3,40,276        | 2,57,003                            | 2,50,922        | 2,57,003        | 2,50,922                                | 2,57,003        |
| Corporate/Wholesale Banking                 | 1,52,771                            | 1,00,711        | 1,33,845                            | 1,52,771        | 1,33,845        | 1,52,771                                | 1,33,845        |
| Retail Banking                              | 2,01,481                            | 1,44,191        | 1,96,520                            | 2,01,481        | 1,96,520        | 1,98,772                                | 1,92,734        |
| Other Banking operations                    | 2,656                               | 7,070           | 2,432                               | 2,656           | 2,432           | 2,656                                   | 2,432           |
| Unallocated                                 | 2,01,292                            | 2,30,118        | 1,84,013                            | 2,01,292        | 1,84,013        | 2,01,292                                | 1,84,013        |
| <b>Total</b>                                | <b>8,09,122</b>                     | <b>8,22,366</b> | <b>7,73,813</b>                     | <b>8,09,122</b> | <b>7,73,813</b> | <b>8,06,413</b>                         | <b>7,70,027</b> |

15. For the above segment reporting, the reportable segments are identified into Treasury, Corporate/Wholesale Banking, Retail Banking and Other Banking Operations in compliance with the revised RBI guidelines. The Bank mainly operates in India.

## Notes:

1 Statement of Assets and Liabilities of the bank as on March 31, 2016 is given below:


(₹ in Lakhs)

| Particulars   | Standalone                     |                                | Consolidated                   |                                |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
|   | As at<br>31.03.2016<br>Audited | As at<br>31.03.2015<br>Audited | As at<br>31.03.2016<br>Audited | As at<br>31.03.2015<br>Audited |
| <b>CAPITAL AND LIABILITIES</b>                        |                                |                                |                                |                                |
| Capital   | 34,379                         | 17,133                         | 34,379                         | 17,133                         |
| Reserves and Surplus                                  | 7,74,743                       | 7,56,680                       | 7,72,033                       | 7,52,894                       |
| Deposits  | 79,17,171                      | 70,82,499                      | 79,17,090                      | 70,82,269                      |
| Borrowings  | 2,17,656                       | 2,30,825                       | 2,29,832                       | 2,39,298                       |
| Other Liabilities and Provisions                      | 1,99,054                       | 1,97,911                       | 2,02,105                       | 1,99,235                       |
| <b>Total</b>  | <b>91,43,003</b>               | <b>82,85,048</b>               | <b>91,55,439</b>               | <b>82,90,829</b>               |
| <b>ASSETS</b>   |                                |                                |                                |                                |
| Cash and Balances with Reserve Bank of India          | 3,77,454                       | 3,37,954                       | 3,77,696                       | 3,38,198                       |
| Balance with Banks and Money at Call and Short Notice | 1,64,527                       | 1,40,045                       | 1,64,618                       | 1,40,246                       |
| Investments   | 22,21,749                      | 20,56,882                      | 21,98,247                      | 20,34,944                      |
| Advances  | 58,09,014                      | 51,28,499                      | 58,41,977                      | 51,52,919                      |
| Fixed Assets  | 51,998                         | 46,663                         | 52,364                         | 47,268                         |
| Other Assets  | 5,18,261                       | 5,75,004                       | 5,20,537                       | 5,77,254                       |
| <b>Total</b>  | <b>91,43,003</b>               | <b>82,85,048</b>               | <b>91,55,439</b>               | <b>82,90,829</b>               |



- 2 The above Audited Financial Results for the quarter and year ended March 31, 2016 were reviewed by the Audit Committee and recommended for approval to and approved by the Board of Directors at its meeting held on April 30, 2016. These Results have been subjected to "Audit" by the Statutory Central Auditors of the Bank and an unqualified report has been issued by them.
- 3 The Bank has made provision for Non Performing Assets as stipulated under Reserve Bank of India (RBI) norms. Further, provision for standard assets including requirements for exposures to entities with Unhedged Foreign Currency Exposures and provision for restructured advances have been made as per RBI guidelines.
- 4 In accordance with RBI Circular DBR.No.BP.BC.1/21.06.201/2015-16 on Basel III Capital Regulations dated July 01, 2015 and RBI Circular DBR.No.BP.BC.80/21.06.201/2014-15 dated March 31, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standards amendments', Banks are required to make Pillar 3 disclosure requirements including Leverage Ratio disclosure requirements that are to be made along with the publication of Financial Results. Accordingly, such applicable disclosures have been placed on the website of the Bank which can be accessed at the following link: <http://www.federalbank.co.in/regulatory-disclosures>. These disclosures have not been subjected to audit by the Statutory Central Auditors of the Bank.
- 5 Other income includes fees earned from providing services to customers, commission from non-fund based banking activities, earnings from foreign exchange and derivative transactions, selling of Third party products, profit / loss on sale of investments (net), recoveries from accounts written off.
- 6 Pursuant to RBI Circular DBR.BP.BC.No.31/21.04.018/2015-16 dated July 16, 2015, the Bank has, effective from September 30, 2015 included its deposits placed with NABARD, SIDBI, and NHB on account of shortfall in lending to priority sector under 'Other Assets'. Hitherto these were included under 'Investments' and Interest income thereon was included under 'Interest Earned - Income on Investments'. Arising out of regrouping in line with the above mentioned RBI guidelines, interest income on deposits placed with NABARD, SIDBI and NHB is included under 'Interest Earned - Others'. Figures for the previous periods / year have been regrouped / reclassified to conform to current period classification. The above change in classification has no impact on the profit of the Bank for the quarter and year ended March 31, 2016.
- 7 As per the directions given by RBI, the Bank has completed the Review of certain loan accounts and their classifications within the time frame stipulated as on 31 March, 2016.
- 8 The Board of Directors have recommended a dividend of 35% i.e. ₹ 0.70/- per Equity Share on face value of ₹ 2/- each for the year 2015-16 (previous year 110% i.e ₹ 2.20 per Equity Share) subject to the approval of the members at the ensuing Annual General Meeting.
- 9 During the quarter and year ended March 31, 2016, the Bank allotted 5,96,500 and 43,46,441 Equity Shares respectively, pursuant to the exercise of stock options by certain employees.
- 10 The shareholders of the Bank had approved the issue of Bonus Shares at the Annual General Meeting held on June 29, 2015, in the Ratio of 1:1 for Shares held as on the record date of July 9, 2015. Pursuant to which 85,79,45,206 fully paid up Equity Shares had been allotted by the bank as bonus shares and One Global Depository share (GDS) had been issued as bonus for every GDS held to the existing holders as on the record date. Consequently, as per the extant ESOS 2010 Scheme bonus options had been provided to the existing ESOS option holders and the exercise price had been adjusted accordingly. The earnings per share have been adjusted for previous periods / year in accordance with Accounting Standard 20, Earnings per share.
- 11 During the year ended March 31,2016, the Bank had assigned certain Non performing financial assets to Asset Reconstruction Companies. In terms of RBI Master Circular DBR.No.BP.BC.2/21.04.048/2015-16 on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances dated July 1, 2015, the shortfall arrived at by deducting sale consideration from the Net Book value of the financial assets, amounting to ₹ 12,214.15 Lakhs (₹ 7,829.27 Lakhs upto the period ended December 31, 2015), is amortised over a period of two years. Accordingly, the bank has charged to the profit and loss account an amount of ₹ 2,168.29 Lakhs (₹ 1,291.31 Lakhs for the quarter ended December 31, 2015) for the Quarter and ₹ 3,541 Lakhs during the year ended March 31,2016 respectively and the balance of ₹ 8,673.15 Lakhs will be amortised over the next four quarters.
- 12 The figures of the last quarter are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto the end of third quarter of the respective financial year.
- 13 Previous period / year figures have been regrouped / reclassified, where necessary to conform to current period classification.

Kochi  
April 30, 2016

  
SHYAM SRINIVASAN  
MANAGING DIRECTOR & CEO  
(DIN: 02274773)



## **Deloitte Haskins & Sells**

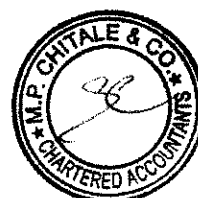
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Fax: +91 484 2380094

## **M P Chitale & Co.**

Chartered Accountants  
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Ambalal Doshi Marg, Fort  
Mumbai - 400 001  
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Tel: +91-22-22651186  
Fax: +91-22-22655334

### **INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF THE FEDERAL BANK LIMITED**

1. We have audited the accompanying Statement of Standalone Financial Results of **THE FEDERAL BANK LIMITED** ("the Bank") for the year ended 31<sup>st</sup> March, 2016 ("the Statement"), being submitted by the Bank pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement, which is the responsibility of the Bank's Management and approved by the Board of Directors, has been prepared on the basis of the related financial statements for the year ended 31<sup>st</sup> March, 2016 prepared in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949, Accounting Standards prescribed under Section 133 of the Companies Act, 2013, as applicable to banks, other accounting principles generally accepted in India and the Guidelines issued by the Reserve Bank of India. Our responsibility is to express an opinion on the Statement.
2. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial results are free from material misstatements. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, and evaluating the overall presentation of the Statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
3. In our opinion and to the best of our information and according to the explanations given to us, and based on the audit reports received from the Branch Auditors for the 1221 branches / offices audited by them, the Statement:
  - (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
  - (ii) the standalone financial results give a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the net profit and other financial information of the Bank for the year ended 31<sup>st</sup> March, 2016.



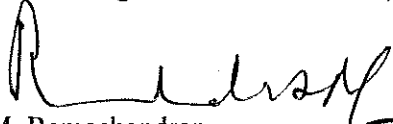
4. The Statement includes the standalone financial results for the quarter ended 31<sup>st</sup> March, 2016 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the three quarters ended 31<sup>st</sup> December, 2015 of the current financial year, which were previously subjected to limited review by us.

**Emphasis of Matter**

5. Attention is drawn to Note No.11 of the Statement regarding deferment of shortfall of Rs.122.14 Crore arising from the sale of certain non-performing assets during the year ended 31st March, 2016 in terms of RBI Master Circular DBR. No. BP. BC. 2/21. 04. 048/2015-16 on Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to advances, dated July 1, 2015, and the unamortised balance as at 31st March, 2016 is Rs.86.73 Crore.

Our report is not qualified in respect of this matter.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No.008072S)

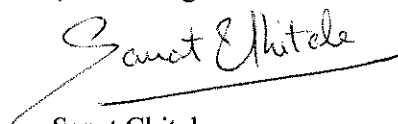


M. Ramachandran  
Partner  
(Membership No.16399)

KOCHI, 30 April, 2016.



For **M P CHITALE & CO.**  
Chartered Accountants  
(Firm's Registration No. 101851W)



Sanat Chitale  
Partner  
(Membership No.143700)



## **Deloitte Haskins & Sells**

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## **M P Chitale & Co.**

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### **INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF THE FEDERAL BANK LIMITED**

1. We have audited the accompanying Statement of Consolidated Financial Results of **THE FEDERAL BANK LIMITED** ("the Bank") and its subsidiary (the Bank and its subsidiary together referred to as "the Group") and its share of loss of its associate for the year ended 31<sup>st</sup> March, 2016 ("the Statement"), being submitted by the Bank pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement, which is the responsibility of the Bank's Management and approved by the Board of Directors, has been prepared on the basis of the related consolidated financial statements which are in accordance with the Accounting Standards, prescribed under Section 133 of the Companies Act, 2013, as applicable, and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement.
2. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial results are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, and evaluating the overall presentation of the Statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

3. We did not audit the financial statements of the subsidiary included in the consolidated financial results, whose financial statements reflect total assets of Rs.64,194 Lakhs as at 31<sup>st</sup> March, 2016, total revenues of Rs.8,948 Lakhs for the year ended 31<sup>st</sup> March, 2016, and total profit after tax of Rs.1,225 Lakhs for the year ended 31<sup>st</sup> March, 2016, as considered in the consolidated financial results. These financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, is based solely on the report of the other auditor.
4. The consolidated financial results also include the Group's share of loss after tax of Rs.148 Lakhs for the year ended 31<sup>st</sup> March, 2016, as considered in the consolidated financial results, in respect of an associate, based on its unaudited financial statements. Our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this associate, is based solely on such unaudited financial statements as certified by the Management of that associate. In our opinion and according to the



information and explanations given to us by the Management, these financial statements are not material to the Group. Our opinion on the Statement is not modified in respect of our reliance on the financial statements certified by the Management.

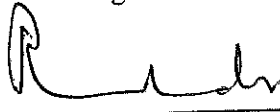
5. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the report of the other auditor as referred to in paragraph 3 above, the Statement:
  - a. includes the results of Fedbank Financial Services Limited.
  - b. is presented in accordance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
  - c. gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the consolidated net profit and other financial information of the Group for the year ended 31<sup>st</sup> March, 2016.
6. The Statement includes the results for the quarter ended 31st March, 2016 being the balancing figure between audited figures in respect of the full financial year ended 31st March, 2016 and the published year to date figures up to the third quarter ended 31st December, 2015 which were subject to limited review by us.

**Emphasis of Matter**

7. Attention is drawn to Note No.11 of the Statement regarding deferment of shortfall of Rs.122.14 Crore arising from the sale of certain non-performing assets during the year ended 31st March, 2016 in terms of RBI Master Circular DBR. No. BP. BC. 2/21. 04. 048/2015-16 on Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to advances, dated July 1, 2015, and the unamortised balance as at 31st March, 2016 is Rs.86.73 Crore.

Our report is not qualified in respect of this matter.

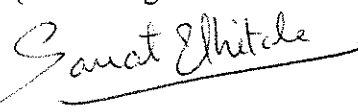
For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No.008072S)

  
M. Ramachandran  
Partner  
(Membership No.16399)



**KOCHI,** April, 2016.

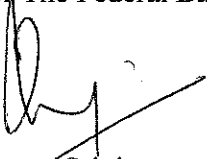
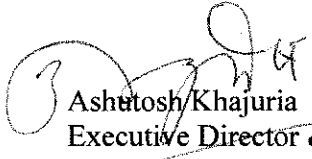

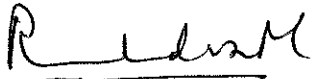
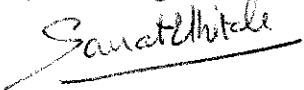
For **M P CHITALE & CO.**  
Chartered Accountants  
(Firm's Registration No. 101851W)

  
Sanat Chitale  
Partner  
(Membership No.143700)

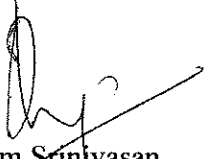


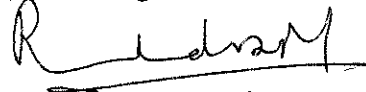
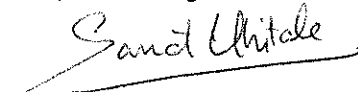




## FORM A

|  |  |   |                                 |
|--|--|---|---------------------------------|
| 1.   | Name of the Company  | :   | <b>The Federal Bank Limited</b> |
| 2.   | Annual standalone financial statements for the year ended  | :   | 31 <sup>st</sup> March, 2016    |
| 3.   | Type of Audit observation  | :   | Emphasis of Matter              |
| 4.   | Frequency of observation   | :   | First time                      |
| 5.   | For The Federal Bank Limited   |   |                                 |
|  | <br>Shyam Srinivasan<br>Managing Director & CEO   | <br>Ashutosh Khajuria<br>Executive Director & CFO   |                                 |
|  | <br>Grace Elizabeth Koshie<br>Audit Committee Chairperson  |   |                                 |
|  | Place : Kochi<br>Date : 30 <sup>th</sup> April, 2016   |   |                                 |
| Refer our Audit Report dated 30 <sup>th</sup> April, 2016 on the Standalone Audited Financial Results of the Bank for the Quarter and Year ended 31 <sup>st</sup> March, 2016. |  |   |                                 |
|  | For <b>Deloitte Haskins &amp; Sells</b><br>Chartered Accountants<br>(Firm's Registration No. 008072S)<br><br>M Ramachandran<br>Partner<br>(Membership No.16399) | For <b>M P Chitale &amp; Co.</b><br>Chartered Accountants<br>(Firm's Registration No. 101851W)<br><br>Sanat Chitale<br>Partner<br>(Membership No. 143700) |                                 |
|  | Place : Kochi<br>Date : 30 <sup>th</sup> April, 2016   |   |                                 |

## FORM A

|  |  |   |   |
|--|--|---|---|
| 1.   | Name of the Company  | : | <b>The Federal Bank Limited</b>   |
| 2.   | Annual consolidated financial statements for the year ended  | : | 31 <sup>st</sup> March, 2016  |
| 3.   | Type of Audit observation  | : | Emphasis of Matter  |
| 4.   | Frequency of observation   | : | First time  |
| 5.   | For The Federal Bank Limited   |   |   |
|  | <br>Shyam Srinivasan<br>Managing Director & CEO   |   | <br>Ashutosh Khajuria<br>Executive Director & CFO   |
|  | <br>Grace Elizabeth Koshie<br>Audit Committee Chairperson  |   |   |
|  | Place : Kochi<br>Date : 30 <sup>th</sup> April, 2016   |   |   |
| Refer our Audit Report dated 30 <sup>th</sup> April, 2016 on the Consolidated Audited Financial Results of the Bank for the year ended 31 <sup>st</sup> March, 2016. |  |   |   |
|  | For <b>Deloitte Haskins &amp; Sells</b><br>Chartered Accountants<br>(Firm's Registration No. 008072S)<br><br>M Ramachandran<br>Partner<br>(Membership No.16399) |   | For <b>M P Chitale &amp; Co.</b><br>Chartered Accountants<br>(Firm's Registration No. 101851W)<br><br>Sanat Chitale<br>Partner<br>(Membership No. 143700) |
|  | Place : Kochi<br>Date : 30 <sup>th</sup> April, 2016   |   |   |