

Statement of Audited Financial Results for the Quarter and Year Ended March 31, 2022

INR in Lakhs

Sl.No.	Particulars	For the Quarter ended March 31, 2022	For the Quarter ended December 31, 2021	For the Quarter ended March 31, 2021	For the Year ended March 31, 2022	For the Year ended March 31, 2021
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
	Revenue from Operations					
	(a) Interest Income	23,227	19,837	19,002	82,189	66,592
	(b) Fee and Commission Income	1,370	1,787	792	4,289	2,392
	(c) Net Gain on fair value changes	117	101	67	454	198
	I Total Revenue from Operations	24,714	21,725	19,861	86,932	69,182
	II Other Income	662	430	58	1,432	575
	III Total Income (I + II)	25,376	22,155	19,919	88,364	69,757
	Expenses					
	(a) Finance cost	9,114	8,741	8,297	34,765	31,319
	(b) Fees and commission expenses	467	417	493	1,470	1,204
	(c) Impairment on financial instruments & other receivable	1,691	1,142	1,558	8,388	7,121
	(d) Employee benefit expense	4,702	4,627	3,493	17,541	13,159
	(e) Depreciation and amortisation expense	1,098	1,037	763	3,670	2,727
	(f) Other expenses	2,753	2,261	2,001	8,609	6,534
	IV Total Expenses	19,825	18,225	16,605	74,443	62,064
	V Profit / (Loss) before tax (III-IV)	5,551	3,930	3,314	13,921	7,693
	VI Tax expense	1,377	1,097	973	3,575	1,525
	Current tax	1,483	1,771	257	4,710	2,424
	Deferred tax	(106)	(674)	716	(1,135)	(899)
	VII Net Profit / (Loss) for the period/year (V-VI)	4,174	2,833	2,341	10,346	6,168
	VIII Other Comprehensive Income	59	-	44	68	33
	Items that shall not be reclassified to profit and loss					
	(i) Re-measurement of net defined benefit plan	80	-	59	92	44
	(ii) Income tax related to Items that shall not be reclassified to profit and loss	(21)	-	(15)	(24)	(11)
	IX Total Comprehensive Income (VII+VIII)	4,233	2,833	2,385	10,414	6,201
	X Earnings Per Share (Face Value of Rs. 10/- each)#					
	- Basic (Rs.)	1.30	0.89	0.83	3.32	2.19
	- Diluted (Rs.)	1.30	0.88	0.83	3.31	2.18

EPS for the period is not annualised

Corporate Identity Number: U65910MH1995PLC364635

Registered Office & Corporate Office: Kanakia Wall Street, A-Wing, 5thFloor, Unit No.511, Andheri-Kurla Road, Andheri East, Mumbai, Maharashtra-400093

Tel: +91 22 68520601

Website: www.fedfina.com

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Statement of Assets and Liabilities

		INR in Lakhs	
Particulars	As at March 31, 2022 (Audited)	As at March 31, 2021 (Audited)	
I ASSETS			
Financial Assets	6,32,921	5,28,332	
(a) Cash and cash equivalents	6,596	52,603	
(b) Bank balances other than cash and cash equivalents	7,664	15,476	
(c) Receivables			
(i) Trade Receivables	1,184	117	
(ii) Other Receivables	386	320	
(d) Loans	5,64,481	4,55,214	
(e) Investments	51,433	3,249	
(f) Other financial assets	1,177	1,353	
Non-Financial Assets	22,650	18,298	
(a) Current tax assets (net)	1,192	986	
(b) Deferred tax assets (net)	3,150	2,038	
(c) Property, Plant & Equipment	3,086	1,886	
(d) Right Of Use Assets	11,970	11,185	
(e) Capital work in progress	66	96	
(f) Other Intangible assets	306	231	
(g) Other non-financial assets	2,880	1,876	
TOTAL	6,55,571	5,46,630	
II LIABILITIES AND EQUITY			
Financial Liabilities	5,37,128	4,61,514	
(a) Payables			
(I) 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	643	433	
(II) 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	-	-	
(b) Debt securities	53,342	59,370	
(c) Borrowing (other than debt securities)	4,22,435	3,47,592	
(d) Subordinated liabilities	25,907	25,846	
(e) Lease liability	13,704	12,462	
(f) Other financial liabilities	21,097	15,811	
Non-Financial Liabilities	3,091	1,641	
(a) Provisions	313	302	
(b) Other non-financial liabilities	2,778	1,339	
Equity	1,15,352	83,475	
(a) Equity share capital	32,152	28,992	
(b) Other equity	83,200	54,483	
TOTAL LIABILITIES AND EQUITY	6,55,571	5,46,630	

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Statement of Cash flows

Particulars	INR in Lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
	(Audited)	(Audited)
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	13,921	7,693
Adjustments for :		
Finance cost	34,765	31,319
Share based payment to employee	249	262
Depreciation	3,670	2,727
Interest from Debentures	(89)	(158)
Liability no longer required, written back	(3)	(11)
Interest on Fixed Deposit	(818)	(879)
Loss on sale of tangible assets	75	13
Profit on Sale of Mutual Fund units (Net) - realised	(444)	(198)
Gain/(Loss) on fair valuation of mutual fund - unrealised	(9)	0
Security deposit - Fair Valuation	13	17
EIR impact on Loans	232	(309)
Excess interest spread on Direct Assignment Transaction (net)	(704)	(759)
Impairment on financial instrument	8,388	7,175
Provision for Doubtful Interest	-	86
CWIP written off	-	6
Operating profit before working capital changes	59,246	46,984
Adjustments for working capital:		
- (Increase)/decrease in loans	(1,17,039)	(88,533)
- (Increase)/decrease in financial asset and non financial asset	(840)	(3,101)
- (Increase)/decrease in trade and other receivables	(1,280)	(66)
- Increase/(decrease) in trade payables	(353)	114
- Increase/(decrease) in provisions	103	111
- Increase/(decrease) in financial liabilities and non financial liabilities	7,290	8,903
Cash generated from / (used in) operating activities	(52,873)	(35,588)
Direct taxes paid (net)	(4,916)	(1,535)
Net cash generated from / (used in) operating activities	(57,789)	(37,123)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of tangible assets	(2,461)	(1,115)
Sale of tangible assets	5	4
Purchase of intangible assets	(228)	-
Investment in Government securities	(41,874)	-
Redemption of Government securities	1,500	-
Redemption / (Investment) of NCD	(0)	297
Investment in Mutual Fund	(3,93,380)	(2,69,128)
Sale of Mutual Fund	3,86,026	2,69,827
Redemption of fixed deposit	1,22,205	92,413
Investment in fixed deposit	(1,14,555)	(1,00,387)
Interest on fixed deposits	981	879
Interest income from Investment	89	158
Net cash generated from / (used in) investing activities	(41,692)	(7,054)
CASH FLOW FROM FINANCING ACTIVITIES		
Debt Securities issued	40,000	1,89,487
Debt Securities repaid	(45,000)	(1,44,090)
Borrowings availed	1,85,000	1,42,971
Borrowings repaid	(1,10,010)	(1,06,223)
Subordinate borrowing availed	-	24,999
Finance Cost	(34,919)	(30,216)
Lease Payment (principal)	(1,850)	(1,277)
Lease Payment (interest)	(900)	(1,003)
Share application money pending allotment	(4)	4
Equity Shares Issued	2,886	1,650
Money received on partly paid OCRPS (being fully paid)	1,897	-
Redemption of OCRPS	(842)	-
Share Premium net of Share Issue Expenses	17,216	6,247
Net cash generated from / (used in) financing activities	53,474	82,549
Net increase / (decrease) in cash and cash equivalents	(46,007)	38,374
Cash and cash equivalents as at the beginning of the period	52,603	14,229
Closing balance of cash and cash equivalents (A+B+C)	6,596	52,603
Components of cash and cash equivalents:		
Cash on hand	1,684	747
Balances with banks		
- in current accounts	4,912	10,856
- in fixed deposit with maturity less than 3 months	-	41,000
Cash and cash equivalents	6,596	52,603

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 above 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"), and other recognised accounting practices generally accepted in India and are in compliance with regulation 52 and regulation 33 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. The annual financial statements, used to prepare the financial results, are based on the notified Schedule III of the Act, as amended from time to time, for Non-Banking Financial Companies that are required to comply with Ind AS.
- 3 The aforesaid financial results have been approved by the Board of Directors at its meeting held on May 18, 2022 after review by the Audit Committee. The statutory auditors have issued an unmodified audit opinion on the aforesaid financial results for year ended March 31, 2022.
- 4 The figures for the quarter ended March 31 of the current year are the balancing figures between audited figures in respect of the full financial year ended March 31 and the published year-to-date figures up to the end of third quarter of the current financial year which were subjected to limited review by the statutory auditors.
- 5 The Covid-19 pandemic has impacted most countries including India. The nationwide lockdown initiated by the Government of India in April-May 2020 substantially impacted economic activity. The easing of lockdown measures subsequently led to gradual improvement in economic activity and progress towards normalcy. RBI took various regulatory measures like moratorium on payment of dues, relief towards "Interest on interest" charged during March-August 2020 and allowing one time restructuring to eligible borrowers (OTR).

Further the second wave of COVID-19 pandemic in April-May 2021 led to re- imposition of localised /regional lockdown in various parts of the country, which led to substantial impact on economic activities. The second wave has started to subside from June'21 onwards and there has been gradual lifting of lock downs and increase in economic activities. However the uncertainty which may emerge out of any possible new variants of the Corona Virus in future and its impact on the economic activities are not known. Accordingly, the Company's results remain uncertain and dependent on future developments and actuals may differ from the estimates used in the preparation of financial statements on the reporting date. The Company is carrying a management overlay, as part of its Expected Credit Loss (ECL) provision, of Rs 1,767 lakhs as on March 31, 2022 to cover any further deterioration in credit quality of its loans due to such uncertainties. The Company has been regular in servicing its debt obligations and has adequate capital and financial resources to run its business.
- 6 On 12 November 2021, the Reserve Bank of India (RBI) had issued circular no. RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22, requiring changes to and clarifying certain aspects of Income Recognition, Asset Classification and Provisioning norms (IRACP norms) pertaining to Advances. The Company has implemented the requirements pertaining to day-end-processing and allied matters as mentioned in the RBI circular dated November 12, 2021.

Notes: Continued

7 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 borrowers 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	2146	79	276	9	1782
Corporate persons*	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	-	-	-	-	-

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

8 During the year ended March 31, 2022, the Company has implemented resolution plan in accordance with the Resolution Framework for COVID-19 related stress announced by the RBI in 9042 loan account with a total outstanding INR 20,238 Lakhs as on March 31, 2022. Of these, total loan which were restructured during the period, for 3836 cases having an outstanding amount of INR 2,352 Lakhs (as at March 31, 2022) basis their credit assessment and the terms of restructuring, the Company has classified such restructured borrower accounts as non-impaired (under Ind AS 109, Financial Instruments) at March 31, 2022. The Company has evaluated the same basis repayment behaviour of borrowers and other qualitative factors which have been approved by Audit Committee of the Company.

9 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 March 31, 2022
234	8,127

10 Asset cover available: The Company has secured NCDs of Rs 187.5 Crs (face value) outstanding at March 31, 2022 which are secured by way of first ranking pari passu charge over the eligible receivables & Current assets to the extent of security cover of 1.10 times of the Obligations.

Notes: Continued

11 Segment Information

(INR in Lakhs)

Particulars	Quarter ended	Quarter ended	Quarter ended	Year ended	Year ended
	Mar 31, 2022	Dec 31, 2021	Mar 31, 2021	Mar 31, 2022	Mar 31, 2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
(i) Segment Revenue					
Retail Finance	23,531	20,573	18,163	81,582	61,767
Wholesale Finance	9	234	738	1,303	3,962
Distribution	821	661	783	2,603	2,376
Unallocated	1,015	687	235	2,877	1,652
Less: Inter Segment Revenue	-	-	-	-	-
Income from Operations	25,376	22,155	19,919	88,364	69,757
(ii) Segment Result					
Retail Finance	5,856	4,335	4,144	14,760	6,896
Wholesale Finance	(511)	(499)	(957)	(1,069)	(246)
Distribution	33	43	41	123	130
Unallocated	173	51	86	107	913
Profit before tax	5,551	3,930	3,314	13,921	7,693
(iii) Capital Employed					
Segment Assets					
Retail Finance	6,45,861	5,83,817	5,16,743	6,45,861	5,16,743
Wholesale Finance	4,967	25,946	26,534	4,967	26,534
Distribution	401	284	329	401	329
Unallocated	4,342	4,318	3,024	4,342	3,024
Total Assets	6,55,571	6,14,365	5,46,630	6,55,571	5,46,630
Segment Liabilities					
Retail Finance	5,33,368	4,89,221	4,31,329	5,33,368	4,31,329
Wholesale Finance	6,487	15,132	31,709	6,487	31,709
Distribution	364	58	117	364	117
Unallocated	-	-	-	-	-
Total Liabilities	5,40,219	5,04,411	4,63,155	5,40,219	4,63,155
(Segment assets - Segment Liabilities)					
Retail Finance	1,12,493	94,596	85,414	1,12,493	85,414
Wholesale Finance	(1,520)	10,814	(5,175)	(1,520)	(5,175)
Distribution	37	226	212	37	212
Unallocated	4,342	4,318	3,024	4,342	3,024
Net Segment assets / (liabilities)	1,15,352	1,09,954	83,475	1,15,352	83,475

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 SME Loans for Holding Company

Notes: Continued

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

Particulars	As at	As at	As at
	Mar 31, 2022	Dec 31, 2021	Mar 31, 2021
Debt-Equity Ratio ²	4.35	4.32	5.18
Outstanding redeemable preference shares (quantity and value)	NA	NA	NA
Capital redemption reserve/debenture redemption reserve	NA	NA	NA
Current liability ratio ³	0.40	0.37	0.38
Total debts to total assets	0.77	0.77	0.79
Net worth ⁴ (INR in Lakhs)	1,15,352	1,09,954	83,475
Sector specific equivalent ratios			
- CRAR	23.04%	23.65%	23.52%
- Gross Non Performing Assets (GNPA) ⁵	2.23%	3.60%	1.01%
- Net Non Performing Assets (NNPA) ⁶	1.75%	2.90%	0.71%
- Provision Coverage Ratio (PCR) ⁷	22.07%	20.09%	29.86%

Particulars	Quarter ended			Year ended	Year ended
	Mar 31, 2022	Dec 31, 2021	Mar 31, 2021	Mar 31, 2022	Mar 31, 2021
Net profit margin (%)	16.45%	12.79%	11.74%	11.71%	6.96%
Net Profit after tax (INR in Lakhs)	4174	2833	2341	10346	6169
Earning Per Share (EPS) - Not annualised					
- Basic	1.30	0.89	0.83	3.32	2.19
- Diluted	1.30	0.88	0.83	3.31	2.18

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]

13 Details of loans transferred / acquired during the quarter ended March 31, 2022 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:

(i) The Company has not transferred any non-performing assets (NPAs).

(ii) The Company has not transferred any Special Mention Account (SMA) and loan not in default.

(iii) Details of loans not in default transferred through Assignment are given below:

Particulars	Amount
Aggregate amount of Loan transferred (Rs. in lakhs)	27,216
Weighted average residual maturity (in months)	116
Weighted average holding period by originator (in months)	27
Retention of beneficial economic interest	10%/20%
Coverage of tangible security coverage (in %)	82%
Rating-wise distribution of rated loans	NA

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

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

14 The figures for the corresponding quarter ended March 31, 2021, as reported in these audited financial results have been approved by the Company's Board of Directors, but have not been subjected to review/audit by current or predecessor auditor since the requirement of submission of quarter figures of the previous year has become mandatory with effect from quarter ending on or after September 30, 2021.

15 The comparative figures provided in the financial results for the year ended March 31, 2021 were audited by the predecessor auditor, who had expressed an unmodified opinion on those audited financial results vide its Independent Auditors' Report dated May 12, 2021.

16 Previous period / year figures have been regrouped / reclassified, wherever found necessary, to conform to current year classification.

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

Place: Mumbai
Date : May 18, 2022

**Anil Kothuri
Managing Director & CEO
DIN: 00177945**