

Date: 14<sup>th</sup> February, 2022

To,  
The General Manager  
Compliance Dept.  
BSE Limited  
1<sup>st</sup> Floor, New Trading Ring,  
Rotunda Building,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai- 400 001

**Company Code: 12337**

Sub: Outcome of the Board meeting held on 14<sup>th</sup> February, 2022

Dear Sir/Madam,

Pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("**Listing Regulations**") and amendments thereof, we hereby inform the Exchange that the Board of Directors of the Company at its meeting held today i.e. February 14, 2022, has *inter alia*, approved the unaudited financial results (standalone) for the quarter and Nine months ended December 31, 2021.

Further in accordance with the provisions of the Regulation 52 of the Listing Regulations, the statutory auditors of the Company M/s BSR & CO. LLP has submitted the limited review report for the quarter and Nine months ended December 31, 2021 with unmodified opinion.

The abovementioned results will also be published in the newspaper(s) as prescribed. The Meeting of the Board of Directors of the Company commenced at 15:30 hrs and concluded at 17:00 hrs.

Please find enclosed the following:

1. Statement of Unaudited Financial Results (standalone) as per stock exchange format for the Quarter and Nine months ended December 31, 2021 along with the limited review report.
2. Disclosures required under Regulation 52(4) of the Listing Regulations

We request you to take on record and acknowledge the receipt of the same.

Thanking you,

**Yours Faithfully**  
**For Fedbank Financial Services Limited**



**S. Rajaraman**  
**Company Secretary & Compliance Officer**  
**Membership No.:F3514**

# 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

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## Limited Review Report on unaudited financial results of Fedbank Financial Services Limited for the quarter ended 31 December 2021 and year-to-date results for the period from 1 April 2021 to 31 December 2021 pursuant to Regulation 52 and Regulation 33 of Securities and 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

1. We have reviewed the accompanying Statement of unaudited financial results of Fedbank Financial Services Limited ("the Company") for the quarter ended 31 December 2021 and year-to-date results for the period from 01 April 2021 to 31 December 2021 ("the Statement").

Attention is drawn to the fact that the figures for the corresponding quarter ended 31 December 2020 and the corresponding period from 1 April 2020 to 31 December 2020, as reported in these unaudited financial results have been approved by the Company's Board of Directors, but have not been subjected to review by us or predecessor auditor since the requirement of submission of quarterly financial results has become mandatory with effect from quarter ending on or after 30 September 2021.

2. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "*Interim Financial Reporting*" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 52 and Regulation 33 of the Securities and 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. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 52 and Regulation 33 of Securities and 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, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. As more fully described in Note 4 to the financial results, the extent to which the COVID-19 pandemic will have an impact on the Company's financial performance is dependent on future developments, which are highly uncertain.

Our conclusion is not modified in respect of the above matter.

Registered Office:

**B S R & Co. LLP**

6. As more fully described in Note 7 to the financial results, the Company has restructured borrower accounts in accordance with the Resolution Framework for COVID-19 related stress announced by the RBI vide notifications dated 6 August 2020 and 5 May 2021. Based on the terms of restructuring and management's credit evaluation, the Company has continued to classify such restructured borrower accounts as non-impaired (under Ind AS 109, Financial Instruments) at 31 December 2021.

Our conclusion is not modified in respect of this matter.

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

Our conclusion is not modified in respect of this matter.

**For B S R & Co. LLP**

*Chartered Accountants*

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

ASHWIN  
SOMA  
SUVARNA

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Date: 2022.02.14  
17:05:29 +05'30'

**Ashwin Suvarna**

*Partner*

Membership No.: 109503

UDIN:22109503ABZLRE1596

Mumbai  
14 February 2022

Corporate Identity Number: U65910MH1995PLC364635

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

Tel: +91 22 68520601

Website: www.fedfina.com

**FEDBANK**  
FINANCIAL SERVICES LIMITED

Statement of Unaudited Financial Results for the Quarter and Nine Months Ended December 31, 2021

INR in Lakhs

Sl.No.	Particulars	For the Quarter ended December 31, 2021	For the Quarter ended September 30, 2021	For the Quarter ended December 31, 2020	For the Nine month ended December 31, 2021	For the Nine month ended December 31, 2020	For the Year ended March 31, 2021
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	<b>Revenue from Operations</b>						
	(a) Interest Income	19,837	19,829	16,382	58,962	46,938	66,592
	(b) Fee and Commission Income	1,787	661	735	2,919	1,600	2,392
	(c) Net Gain on fair value changes	101	103	79	337	131	198
	<b>I Total Revenue from Operations</b>	<b>21,725</b>	<b>20,593</b>	<b>17,196</b>	<b>62,218</b>	<b>48,669</b>	<b>69,182</b>
	<b>II Other Income</b>	<b>430</b>	<b>327</b>	<b>825</b>	<b>770</b>	<b>1,169</b>	<b>575</b>
	<b>III Total Income (I + II)</b>	<b>22,155</b>	<b>20,920</b>	<b>18,021</b>	<b>62,988</b>	<b>49,838</b>	<b>69,757</b>
	<b>Expenses</b>						
	(a) Finance cost	8,741	8,148	8,158	25,651	23,022	31,319
	(b) Fees and commission expenses	417	355	420	1,003	710	1,204
	(c) Impairment on financial instruments & other receivable	1,142	(159)	1,625	6,697	5,563	7,121
	(d) Employee benefit expense	4,627	4,316	3,483	12,839	9,666	13,159
	(e) Depreciation and amortisation expense	1,037	866	750	2,572	1,963	2,727
	(f) Other expenses	2,261	2,102	1,577	5,856	4,533	6,534
	<b>IV Total Expenses</b>	<b>18,225</b>	<b>15,628</b>	<b>16,013</b>	<b>54,618</b>	<b>45,457</b>	<b>62,064</b>
	<b>V Profit / (Loss) before tax (III-IV)</b>	<b>3,930</b>	<b>5,292</b>	<b>2,008</b>	<b>8,370</b>	<b>4,381</b>	<b>7,693</b>
	<b>VI Tax expense</b>	<b>1,097</b>	<b>1,260</b>	<b>394</b>	<b>2,198</b>	<b>551</b>	<b>1,524</b>
	Current tax	1,771	(17)	410	3,228	2,166	2,424
	Deferred tax	(674)	1,277	(16)	(1,030)	(1,615)	(899)
	<b>VII Net Profit / (Loss) for the period (V-VI)</b>	<b>2,833</b>	<b>4,032</b>	<b>1,614</b>	<b>6,172</b>	<b>3,830</b>	<b>6,169</b>
	<b>VIII Other Comprehensive Income</b>	<b>-</b>	<b>1</b>	<b>(4)</b>	<b>9</b>	<b>(11)</b>	<b>33</b>
	Items that shall not be reclassified to profit and loss						
	(i) Re-measurement of net defined benefit plan	-	1	(5)	12	(15)	44
	(ii) Income tax related to Items that shall not be reclassified to	-	(0)	1	(3)	4	(11)
	<b>IX Total Comprehensive Income (VII+VIII)</b>	<b>2,833</b>	<b>4,033</b>	<b>1,610</b>	<b>6,181</b>	<b>3,819</b>	<b>6,202</b>
	<b>X Earnings Per Share (Face Value of Rs. 10/- each)#</b>						
	- Basic (Rs.)	0.89	1.32	0.58	2.00	1.38	2.19
	- Diluted (Rs.)	0.88	1.32	0.58	1.98	1.37	2.18

# EPS for the period is not annualised

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

Anil  
Kothuri

Digitally signed by Anil Kothuri, DN: cn=Anil Kothuri, o=Fedbank Financial Services Limited, ou=, email=anil.kothuri@fedbankfsl.com, c=IN

Anil Kothuri  
Managing Director & CEO  
DIN:00177945

Place : Mumbai  
Date : February 14, 2022

**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 Standard 34 - Interim Financial Reporting ("Ind AS 34"), 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.
- 3 The aforesaid financial results have been approved by the Board of Directors at its meeting held on February 14, 2022 after review by the Audit Committee. The statutory auditors have issued an unmodified review opinion on the aforesaid financial results for quarter and nine month ended December 31, 2021.
- 4 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 (OTS).  
  
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 1,938 lakhs as on December 31, 2021 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.
- 5 On November 12, 2021, Reserve Bank of India issued circular requiring changes to and clarifying certain aspects of Income Recognition and Asset Classification Norms. The Company's management has taken necessary steps to comply with the norms/changes as they become applicable. The implementation of this has led to change in methodology in determination of Non-Performing Assets (NPA) as was done in from the previous quarter/period. The Company has also on the basis of prudence, aligned Stage 3 definition to the revised NPA definition. Consequentially, this has led to an increase in the loans categorised as Stage 3 as on December 31, 2021.

Notes: Continued

6 Details of resolution plan implemented under Resolution framework for Covid-19 related stress as per RBI circular dated May 5, 2021 are given below:

Format - X

(INR in Lakhs)

Sl. No	Description	Individual Borrowers		Small businesses
		Personal Loans	Business Loans	
(A)	Number of requests received for invoking resolution process under Part A	8505	212	211
(B)	Number of accounts where resolution plan has been implemented under this window	8505	212	211
(C)	Exposure to accounts mentioned at (B) before implementation of the plan	3,804	5,456	7,811
(D)	Of (C), aggregate amount of debt that was converted into other securities	0	0	0
(E)	Additional funding sanctioned, if any, including between invocation of the plan and implementation	0	0	0
(F)	Increase in provisions on account of the implementation of the resolution plan	536	414	375

7 During the nine months ended December 31, 2021, 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 21,550 Lakhs as on December 31, 2021. Of these, total loan which were restructured during the period, for 82 cases having an outstanding amount of INR 2,142 Lakhs (as at December 31, 2021) 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 December 31, 2021. 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.

8 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 December 31, 2021
244	9,433

Out of 244 accounts, 13 accounts have been written off amounting to INR 282 lakhs and 22 accounts amounting to INR 496 lakhs have slipped to NPA during the nine months ended December 31, 2021.

9 Asset cover available: The Company has secured NCDs of Rs 187.5 Crs (face value) and Rs 100 Crs (face value) outstanding at December 31, 2021 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 and 1.25 times respectively of the Obligations.

10 Pursuant to SEBI Circular No. SEBI/HO/DDHS/DDSH/CIR/P/2019/115 dated October 22, 2019, the Company has listed Commercial Papers on Bombay Stock Exchange (BSE).

11 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received the Indian Parliament and Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Notes: Continued

12 Segment Information

(INR in Lakhs)

Particulars	Quarter ended	Quarter ended	Quarter ended	Nine month ended	Nine month ended	Year ended
	Dec 31, 2021	Sep 30, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020	Mar 31, 2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>(i) Segment Revenue</b>						
Retail Finance	20,573	19,159	15,622	58,051	43,604	61,767
Wholesale Finance	234	416	963	1,294	3,224	3,962
Distribution	661	655	731	1,782	1,593	2,376
Unallocated	687	690	704	1,861	1,417	1,652
Less: Inter Segment Revenue	-	-	-	-	-	-
<b>Income from Operations</b>	<b>22,155</b>	<b>20,920</b>	<b>18,020</b>	<b>62,988</b>	<b>49,838</b>	<b>69,757</b>
<b>(ii) Segment Result</b>						
Retail Finance	4,335	5,388	1,377	8,904	2,754	6,896
Wholesale Finance	(499)	(285)	152	(558)	711	(246)
Distribution	43	33	35	90	89	130
Unallocated	51	156	444	(66)	827	913
<b>Profit before tax</b>	<b>3,930</b>	<b>5,292</b>	<b>2,008</b>	<b>8,370</b>	<b>4,381</b>	<b>7,693</b>
<b>(iii) Capital Employed</b>						
<b>Segment Assets</b>						
Retail Finance	5,83,817	5,42,132	4,17,357	5,83,817	4,17,357	5,16,743
Wholesale Finance	25,946	27,708	22,884	25,946	22,884	26,534
Distribution	284	777	613	284	613	329
Unallocated	4,318	4,172	3,531	4,318	3,531	3,024
<b>Total Assets</b>	<b>6,14,365</b>	<b>5,74,789</b>	<b>4,44,385</b>	<b>6,14,365</b>	<b>4,44,385</b>	<b>5,46,630</b>
<b>Segment Liabilities</b>						
Retail Finance	4,89,221	4,48,385	3,94,244	4,89,221	3,94,244	4,31,331
Wholesale Finance	15,132	19,297	16,427	15,132	16,427	31,709
Distribution	58	162	5	58	5	117
Unallocated	0	0	0	0	0	0
<b>Total Liabilities</b>	<b>5,04,411</b>	<b>4,67,844</b>	<b>4,10,676</b>	<b>5,04,411</b>	<b>4,10,676</b>	<b>4,63,157</b>
<b>(Segment assets - Segment Liabilities)</b>						
Retail Finance	94,596	93,747	23,113	94,596	23,113	85,412
Wholesale Finance	10,814	8,411	6,457	10,814	6,457	(5,175)
Distribution	226	615	608	226	608	212
Unallocated	4,318	4,172	3,531	4,318	3,531	3,024
<b>Net Segment assets / (liabilities)</b>	<b>1,09,954</b>	<b>1,06,945</b>	<b>33,709</b>	<b>1,09,954</b>	<b>33,709</b>	<b>83,473</b>

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**

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

Particulars	As at	As at	As at	As at
	Dec 31, 2021	Sep 30, 2021	Mar 31, 2021	Dec 31, 2020
Debt-Equity Ratio <sup>2</sup>	4.32	4.09	5.18	4.83
Outstanding redeemable preference shares (quantity and value)*	NA	NA	NA	NA
Capital redemption reserve/debenture redemption reserve	NA	NA	NA	NA
Current liability ratio <sup>3</sup>	0.37	0.38	0.38	0.13
Total debts to total assets	0.77	0.76	0.79	0.80
Net worth <sup>4</sup> (INR in Lakhs)	1,09,954	1,06,945	83,473	81,013
Sector specific equivalent ratios				
- CRAR	23.65%	25.59%	23.52%	23.63%
- Gross Non Performing Assets (GNPA) <sup>5</sup>	3.60%	2.27%	1.04%	0.95%
- Net Non Performing Assets (NNPA) <sup>6</sup>	2.90%	1.56%	0.71%	0.60%
- Provision Coverage Ratio (PCR) <sup>7</sup>	20.09%	31.65%	31.81%	37.03%

\*The Company has Redeemable Preference Shares which are Optionally Convertible (47,29,730 shares, paid up value of Rs. 4 each amounting to Rs. 189.19 lakhs), hence it is disclosed Not Applicable (NA).

Particulars	Quarter ended			Nine months ended		Year ended
	Dec 31, 2021	Sep 30, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020	Mar 31, 2021
Net profit margin (%)	12.79%	19.26%	8.99%	9.80%	7.68%	6.96%
Net Profit after tax (INR in Lakhs)	2833	4032	1614	6172	3830	6169
Earning Per Share ('EPS') - Not annualised						
- Basic	0.89	1.32	0.58	2.00	1.38	2.19
- Diluted	0.88	1.32	0.58	1.98	1.37	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 Liabilities 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]

14 Details of loans transferred / acquired during the quarter ended December 31, 2021 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) The Company has not acquired any loans not in default through assignment.
- (iv) The Company has not acquired any stressed loan.

15 The figures for the corresponding quarter and nine months period ended December 31, 2020, as reported in these unaudited financial results have been approved by the Company's Board of Directors, but have not been subjected to review by current or predecessor auditor since the requirement of submission of quarterly financial results has become mandatory with effect from quarter ending on or after September 30, 2021.

16 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

17 Figures for the previous period have been regrouped wherever necessary, in order to make it comparable.

**For Fedbank Financial Services Limited**

Anil Kothuri

Anil Kothuri  
Managing Director & CEO  
DIN: 00177945

Place: Mumbai  
Date: Date : February 14, 2022