



Secretarial Department

April 29, 2024

To,

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

Company Code: 12337

Sub: Disclosure of security cover under provisions of Regulation 54 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

Pursuant to the provisions of Regulation 54 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Security Cover details of Non-Convertible Debentures issued by the Company as on March 31, 2024.

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

Thanking you,

Yours Faithfully
For Fedbank Financial Services Limited

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

B S R & Co. LLP

Chartered Accountants

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

Private and confidential

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

29 April 2024

Dear Sirs,

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

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

Management's responsibility

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

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Registered Office:

Auditor's responsibility

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

Auditor's responsibility (Continued)

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

Conclusion

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

Restriction of use

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

For B S R & Co. LLP
Chartered Accountants

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



Ashwin Suvarna
Partner

Membership No: 109503

UDIN:- 24109503BKCSJX7886

Mumbai
29 April 2024

Annexure I- Security Cover as at 31 March 2024

| Column A | Column B | Column C | Column D | Column E | Column F | Column G | Column H | Column I | Column J | Column K | Column L | Column M | Column N | Column O | |
|--|--|--|--------------------|--|---|--|---|--|--|---|---|----------------------|-----------------|-----------------|------------------------|
| Particulars | Description of asset for which this certificate relate | Exclusive Charge | Exclusive Charge | Pari-Passu Charge | Pari-Passu Charge | Pari-Passu Charge | Assets not offered as Security | Elimination (amount in negative) | (Total C to H) | Related to only those items covered by this certificate | | | | | Total Value (=K+L+M+N) |
| | | Debt for which this certificate being issued | Other Secured Debt | Debt for which this certificate being issued | Assets shared by pari passu debt holder (Includes debt for which this certificate is issued & other debt with paripassu charge) | Other assets on which there is pari-Passu charge (excluding items covered in column F) | debt amount considered more than once (due to exclusive plus pari passu charge) | Market Value for Assets charged on Exclusive basis | Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable) | Market Value for Pari passu charge Assets | Carrying value /book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable) | Relating to Column F | | | |
| | | Book Value | Book Value | Yes/ No | Book Value | Book Value | | | | | | | | | |
| ASSETS | | | | | | | | | | | | | | | |
| Property, Plant and Equipment | | | | No | NA | - | 28.95 | - | 28.95 | | | | | | |
| Capital Work-in-Progress | | | | No | NA | - | 0.27 | - | 0.27 | | | | | | |
| Right of Use Assets | | | | No | NA | - | 112.49 | - | 112.49 | | | | | | |
| Goodwill | | | | No | NA | - | - | - | - | | | | | | |
| Intangible Assets | | | | No | NA | - | 4.12 | - | 4.12 | | | | | | |
| Intangible Assets under Development | | | | No | NA | - | - | - | - | | | | | | |
| Investments | Mutual Funds | | | Yes | 450.34 | - | 300.94 | - | 751.28 | | | | 450.34 | 450.34 | |
| Loans | Loan Portfolio | | | Yes | 8,241.50 | - | 1,580.95 | - | 9,822.45 | | | | 8,241.50 | 8,241.50 | |
| Inventories | | | | No | NA | - | - | - | - | | | | - | - | |
| Trade Receivables | | | | No | NA | - | 29.77 | - | 29.77 | | | | - | - | |
| Cash and Cash Equivalents | | | | No | NA | - | 185.53 | - | 185.53 | | | | - | - | |
| Bank Balances other than Cash and Cash Equivalents | | | | No | - | - | - | - | - | | | | - | - | |
| Others | | | 63.53 | No | - | - | 139.47 | - | 203.00 | | | | - | - | |
| Total | | | 63.53 | | 8,691.84 | - | 2,382.48 | - | 11,137.85 | | | | 8,691.84 | 8,691.84 | |
| LIABILITIES | | | | | | | | | | | | | | | |
| Debt securities to which this certificate pertains | Non - Convertible Debentures | | | Yes | 301.92 | - | - | - | 301.92 | | | | | | |
| Other debt sharing pari-passu charge with above debt | | | | No | NA | - | - | - | - | | | | | | |
| Other Debt | | | | No | NA | - | - | - | - | | | | | | |
| Subordinated debt | | | | No | NA | - | 475.59 | - | 475.59 | | | | | | |
| Borrowings | | | | | | | | | | | | | | | |
| Bank | | | | No | 6,785.71 | - | - | - | 6,785.71 | | | | | | |
| Debt Securities | | | | No | NA | - | - | - | - | | | | | | |
| Others | | | 50.00 | No | 575.18 | - | 26.21 | - | 601.39 | | | | | | |
| Trade payables | | | | No | NA | - | 12.15 | - | 12.15 | | | | | | |
| Lease Liabilities | | | | No | NA | - | 125.58 | - | 125.58 | | | | | | |
| Provisions | | | | No | NA | - | 9.49 | - | 9.49 | | | | | | |
| Others | | | | No | NA | - | 515.19 | - | 515.19 | | | | | | |
| Total | | | 50.00 | | 7,662.80 | - | 1,164.20 | - | 8,827.01 | | | | | | |
| Cover on Book Value | | | | | 1.10 | | | | | | | | | | |
| Cover on Market Value | | | | | | | | | | | | | | | |
| | | Exclusive Security cover ratio | | | Pari-passu security cover ratio | | | | | | | | | | |

Notes:

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



For Fedbank Financial Services Limited.

Authorised Signatory

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

Part A- Financial Covenant

Secured Non-Convertible Debentures
 ISIN: INE007N07041
 Date of Trustdeed: 23 June 2023

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

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

Secured Non-Convertible Debentures -Market Linked Debentures
 ISIN: INE007N07033
 Date of Trustdeed: 04 January 2023

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

Unsecured Non-Convertible Debentures
 ISIN: INE007N08015
 Date of Trustdeed: 24 December 2020

Unsecured Non-Convertible Debentures
 ISIN: INE007N08023
 Date of Trustdeed: 26 May 2023

There are no financial covenant

Part B - Other Covenants

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

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

For Fedbank Financial Services Limited.

V. Ganesh
 Authorised Signatory



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