



Date: 12th May,2021

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: Outcome of the Board meeting and approval of Audited Financial results for the year ended March 31, 2021 pursuant to Regulations of the SEBI (LODR) Regulations, 2015.

Dear Sir/Madam,

This is to inform you that the Board of Directors at its meeting held today, Wednesday, May 12, 2021, considered and approved the following:

1. Standalone Audited Financial results for the year ended March 31, 2021.
2. Standalone Auditor Report of the Company, on the audited Financial Results for the year ended March 31, 2021.

Further we hereby inform you that M/s Varma & Varma, Statutory Auditors of the Company has issued unmodified opinion on the Audited results for the year ended March 31, 2021.

Please find enclosed the above mentioned financial results and Statutory Auditors Report.

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

Corporate Identity Number: U65910KL1995PLC008910

Registered Office: Federal Towers, Alwaye, Ernakulam, Kerala - 683101, India, Tel: 0484-2634411

Corporate Office: Kanakia Wall Street, A-Wing, 5th Floor, Unit No.501/502/511/512, Andheri-Kurla Road, Chakala, Andheri East, Mumbai, Maharashtra-400093

Tel: +91 22 68520601

Website: www.fedfina.com

FEDBANK
FINANCIAL SERVICES LIMITED

Statement of Audited Standalone Financial Results for the year ended March 31, 2021

Rs. in Lakhs

Sl.No.	Particulars	For the Half year ended March 31, 2021 (Unaudited)	For the Half Year ended March 31, 2020 (Unaudited)	For the Year ended March 31, 2021 (Audited)	For the Year ended March 31, 2020 (Audited)
1	Revenue from Operations				
	(a) Interest Income	35,368	25,720	65,657	42,588
	(b) Dividend Income	-	-	-	-
	(c) Fee and Commission Income	1,526	1,318	2,392	2,390
	(d) Net Gain on fair value changes	146	9	198	9
	Total Revenue from Operations	37,040	27,047	68,247	44,987
2	Other Income	837	1,180	1,525	1,665
3	Total Income (1+2)	37,877	28,227	69,772	46,652
4	Expenses				
	(a) Finance cost	16,455	11,664	31,319	20,110
	(b) Fees and commission expenses	913	649	1,204	1,239
	(c) Employee benefit expense	6,976	6,133	13,159	10,082
	(d) Depreciation and amortisation expense	1,513	1,189	2,727	1,921
	(e) Impairment on financial instruments & other receivable	3,122	2,132	7,137	2,188
	(f) Other expenses	3,576	3,403	6,533	5,512
	Total Expenses	32,555	25,170	62,079	41,052
5	Profit / (Loss) before tax (3-4)	5,322	3,057	7,693	5,600
6	Tax expense	1,369	876	1,525	1,686
	Current tax	1,167	1,124	2,924	1,849
	Deferred tax	201	(201)	(899)	(116)
	Tax expense - Prior Period	-	(47)	(500)	(47)
7	Net Profit / (Loss) for the period (5-6)	3,955	2,181	6,168	3,914
8	Other Comprehensive Income	40	(20)	33	(15)
	(A) (i) Items that shall not be reclassified to profit and loss	54	(26)	44	(20)
	(ii) Income tax related to Items that shall not be reclassified to profit and loss	(14)	6	(11)	5
9	Total Comprehensive Income (7+8)	3,994	2,161	6,201	3,900
10	Earnings Per Share (Face Value of Rs. 10/- each)				
	- Basic (Rs.)	1.40	0.89	2.19	1.61
	- Diluted (Rs.)	1.40	0.89	2.18	1.60

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

Anil
Kothuri

Anil Kothuri
Managing Director & CEO
DIN:00177945

Place : Mumbai
Date : 12th May, 2021

Corporate Identity Number: U65910KL1995PLC008910

Registered Office: Federal Towers, Alwaye, Ernakulam, Kerala - 683101, India, Tel: 0484-2634411

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FEDBANK
FINANCIAL SERVICES LIMITED

Audited Standalone Statement of Assets and Liabilities as at March 31, 2021

Particulars	Rs. in Lakhs	
	As at March 31, 2021 (Audited)	As at March 31, 2020 (Audited)
I ASSETS		
Financial Assets	5,28,332	3,95,718
(a) Cash and cash equivalents	52,603	14,229
(b) Bank balances other than cash and cash equivalents	15,476	7,502
(c) Derivative financial instruments	-	-
(d) Stock in trade	-	-
(e) Receivables		
(i) Trade Receivables	117	231
(ii) Other Receivables	320	140
(f) Loans	4,55,214	3,68,652
(g) Investments	3,249	4,136
(h) Other financial assets	1,353	828
Non-Financial Assets	18,298	12,901
(a) Current tax assets (net)	986	839
(b) Deferred tax assets (net)	2,038	650
(c) Property, Plant & Equipment	13,071	10,466
(d) Capital work in progress	96	42
(e) Intangible assets under development	-	-
(f) Other Intangible assets	231	198
(g) Other non-financial assets	1,876	705
TOTAL	5,46,630	4,08,619
II LIABILITIES AND EQUITY		
Financial Liabilities	4,61,515	3,36,079
(a) Derivative financial instruments	-	-
(b) Payables		
(i) Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	0	10
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	90	399
(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	907	485
(c) Debt securities	59,370	12,178
(d) Borrowing (other than debt securities)	3,47,593	3,09,581
(e) Subordinated liabilities	25,846	-
(f) Other financial liabilities	27,709	13,426
Non-Financial Liabilities	1,642	3,424
(a) Current tax liabilities (net)	-	-
(b) Provisions	303	192
(c) Deferred tax liabilities (net)	-	-
(d) Other non-financial liabilities	1,339	3,232
Equity	83,473	69,116
(a) Equity share capital	28,992	27,342
(b) Other equity	54,481	41,774
TOTAL LIABILITIES AND EQUITY	5,46,630	4,08,619

Notes:

- 1 The Company is a Non Banking Finance Company registered with Reserve Bank of India.
- 2 The above financial results have been approved by the Board of Directors at its meeting held on 12th May, 2021 after review by the Audit Committee. The statutory auditors have issued an unmodified opinion on the financial results for FY 2021.
- 3 Amounts for the six month ended March 31, 2021 and March 31, 2020, represents the difference between the audited amounts in respect of financial year and the published unaudited amounts of six month ended September 30, 2020 and September 30, 2019 respectively.
- 4 Fedbank Financial services Limited (the 'Company') has prepared audited financial results (the 'Statement') for the year ended March 31, 2021 in accordance with Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations, 2015') and the Accounting Standards specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and the relevant provision of the Companies Act, 2013, as applicable.
- 5 The second wave of COVID-19 and resultant infections have been more significant than in the first wave. Some of our staff or their family members have been affected. With many of the states going in for curtailed activity / shut-downs – currently we expect the business risk to remain elevated at least for Q1, 22. With strong liquidity in the balance sheet and with alarge amount of term facilities availed from banks which remain un-utilised, with our ability to retain collections at high levels in-spite of the impact on customers in the affected state, with increased realisation of benefits on the digital processes we began instituting, adequate impairment provisions against anticipated credit losses and a comparatively higher capital adequacy – we are in significantly better position than last year to face any adverse events – as they present themselves. The management continues to closely monitor for any material changes in the macroeconomic factors impacting the operations of the Company. Taking into consideration the impact arising from the COVID-19 pandemic on the economic environment, the Company has, during the year, continued to undertake a risk assessment of its credit exposures and in addition to the provision required as per the IRAC norms of RBI, it has recorded a total additional provision overlay of **INR 4,558 lakhs** as on March 31, 2021 (as on 31 March 2020: **INR. 830 lakhs**) in the Balance sheet, to reflect deterioration in the macroeconomic outlook. The final impact of this pandemic is very uncertain and the actual impact may be different than that estimated based on the conditions prevailing as at the date of approval of these financial results.
- 6 Disclosure pursuant to Reserve Bank of India Circular DOR.No.BP.BC.63/21.04.048/2019-20 dated 17 April 2020 pertaining to Asset Classification and Provisioning in terms of COVID19 Regulatory Package

Particulars	Rs. In Lakhs
	March 31, 2021
(i) Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended	2,272
(ii) Respective amount where asset classification benefits is extended.**	-
(iii) General Provision made*	-
(iv) General Provision adjusted during the period against slippages and the residual provisions	-

*The Company being NBFC has complied with Ind AS and guidelines duly approved by the Board for recognition of the impairment

**As on September 30, 2020 respective amounts where asset classification benefits was extended was INR 1,90,117 Lakhs.

- 7 Hon'ble Supreme Court vide order dated March 23, 2021. In the matter of Small Scale Small-Scale Industrial Manufacturers Associations vs UOI & Others has stated that interim relief granted vide an interim order dated September 03, 2020 stands vacated, Accordingly the Company has classified non-performing assets as per extant RBI guidelines.
- 8 During the year ended March 31, 2021, the company has executed two Direct Assignment and one Securitisation transactions. The de-recognition criteria as per Ind AS 109 has been met in respect of all the direct assignment transactions, however, same has not been met in respect of the Securitisation transaction and accordingly the Securitisation transaction is continued to be recognised. The management has evaluated the impact of all the Direct Assignment transactions de-recognised based on the future business plan, which is to hold these assets for collecting contractual cash flows.
- 9 In terms of the requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 on Implementation of Indian Accounting Standards, NBFCs are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and IRAC norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Corporation exceeds the total provision required under IRAC as at March 31, 2021 and accordingly, no amount is required to be transferred to impairment reserve.

Notes: Continued

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

(INR in Lakhs)

No. of accounts restructured	Amount outstanding as at 31st March 2021
130	6,168

11 Disclosure in compliance with RBI circular 2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21

(INR in Lakhs)

Type of borrower	(A)	(B)	(C)	(D)	(E)
	Number of accounts where resolution plan has been implemented under this window	exposure to accounts mentioned at (A) before implementation of the plan	Of (B), aggregate amount of debt that was converted into other securities	Additional funding sanctioned, if any, including between invocation of the plan and implementation	Increase in provisions on account of the implementation of the resolution plan
Personal Loans	9,484	3,063	-	-	310
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	9,484	3,063	-	-	310

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

12 In accordance with the instructions of RBI circular no. DOR.SFR.REC.4/21.04.048/2021-22 dated April 07, 2021, all lending institutions shall refund / adjust 'interest on interest' to all borrowers including those who had availed of working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed. Pursuant to these instructions, the Indian Bank Association (IBA) published the methodology for calculation of the amount of such 'interest on interest'. Accordingly the Company has estimated the said amount and made provision for refund/adjustment.

13 The Company has during the financial year 20-21, based on assessment and approval of the Board has written off the loans and advances amounting to INR 2,904 Lakhs.

14 Secured Non Convertible Debentures issued by the Company during the year are fully secured by first pari passu charge on book debt receivable, current assets and investment of the Company.

15 The Previous period/year amounts have been regrouped/reclassified wherever necessary to conform to the current year's presentation.

Annexure 1

- During the period ended March 31, 2021 the Company has not received any complaint from its Non-convertible Debentures (NCD) investors and there is no investor complaint pending for redressal at the beginning and at the end of the above period. The shares of the Company are not listed at the stock exchange.
- Credit rating and change in credit rating at the March 31, 2021:
All the instrument wise credit ratings by the leading rating agencies are as follows:

Instrument	CRISIL	CARE*	India Rating*	Acuite	ICRA*
Commercial Paper*	Crisil A1+			Acuite A1+	ICRA A1+
Amount in Cr.	<i>1000</i>			<i>1000</i>	<i>1000</i>
Non-Convertible Debenture (NCD)		CARE AA- Stable	India rating AA- Stable		
Amount in Cr.		<i>200</i>	<i>1100</i>		
Long Term Bank Facilities	-		India rating AA- Stable	-	
Amount in Cr.			<i>4000</i>		

There is no change in credit rating during year ended March 31, 2021. During the Half year ended March 31, 2021, fresh Long Term Bank Facilities Rating of AA- Stable was assigned by India Ratings and Research Pvt. Ltd. (IND AA- Stable). During the same period, Long Term Bank Facilities Rating was withdrawn by CARE Ratings Ltd. (CARE AA-). Also, during the same period, the rated limit of Commercial Paper was enhanced from Rs 500 Crs to Rs 1000 Crs by CRISIL Ratings Ltd. (CRISIL A1+) and ACUIITE Ratings and Research Ltd. (Acuite A1+) and fresh Commercial Paper Rating of A1+ was assigned by ICRA Limited (ICRA A1+) for Rs 1,000 Crs.

- Asset cover available: The Company has secured NCDs of Rs 187.5 Crs and Rs 100 Crs (face value) outstanding at March 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.
- Key ratios:

Particulars	At March 31, 2021	At March 31, 2020
Debt-equity ratio	5.19	4.66
Net worth (INR in Cr.)	834.73	691.16

5. Details of due dates of payment of interest and repayment of principal/maturity of NCDs due and made between April 1, 2020 to March 31, 2021 are given below:

Sr.No.	NCD Series	ISIN	Due Dates	Nature
1	9% Fedbank Financial Services Limited Tranche 1 NCDs 2023	INE007N07017	NA	NA
2	8.10% Fedbank Financial Services Limited NCDs 2022	INE007N07025	NA	NA
3	9.90% Fedbank Financial Services Limited Unsecured Subordinated NCD 2027	INE007N08015	NA	NA

Details of due dates of payment of interest and repayment of principal/maturity of NCDs due and to be made from April 1, 2021 to September 30, 2021 are given below:

Sr.No.	NCD Series	ISIN	Due Dates	Nature
1	9% Fedbank Financial Services Limited Tranche 1 NCDs 2023	INE007N07017	18.06.2021	Interest
2	8.10% Fedbank Financial Services Limited NCDs 2022	INE007N07025	19.08.2021	Interest
3	9.90% Fedbank Financial Services Limited Unsecured Subordinated NCD 2027	INE007N08015	30.09.2021	Interest

6. Pursuant to notification issued by Ministry of Corporate Affairs on Companies (Share Capital and Debentures) Rules, 2014 dated August 16, 2019, as amended, the Issuer being registered as Non-Banking Finance Company with RBI under section 45-IA of the Reserve Bank of India Act, 1934 Debenture Redemption Reserve is not required in case of privately placed debentures. Therefore, the issuer will not be maintaining DRR in respect of the NCDs issued herein. Creating of Capital Redemption Reserve (CRR) is not applicable to the Company.

Place: Mumbai

Date: 12th May 2021

For FedBank Financial Services Limited

Anil
Kothuri
Anil Kothuri

Managing Director & CEO

DIN: 00177945

Independent Auditor's Report

To,
The Board Of Directors,
Fedbank Financial Services Limited,

Report on the audit of the Standalone Financial Results

Opinion

We have audited the accompanying statement of year-to-date Standalone Financial Results of **Fedbank Financial Services Limited** ("the Company"), for the Quarter ended March 31, 2021 and year ended March 31, 2021 ("the statement"), attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 and 52 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information of the Company for the Quarter ended March 31, 2021 and for the year ended March 31, 2021.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 47.28 to the Statement, which describes the extent to which the COVID-19 pandemic will impact the Company's operations and its financial metrics including the expected credit loss on financial assets which are dependent on uncertain future developments. Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Standalone Financial Results

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The Statement includes the results for the quarter ended March 31, 2021 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2021 and the published unaudited year- to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For VARMA & VARMA
Chartered Accountants
FRN 004532S

Georgy
Mathew

Digitally signed by
Georgy Mathew
Date: 2021.05.12
23:19:47 +05'30'

GEORGY MATHEW
Partner

M. No.209645

UDIN: 21209645AAAAEW2336

Place: Bengaluru
Date: May 12, 2021