

Strengthening the Core. Building with Purpose.





Across the

PAGES

COMPANY OVERVIEW 01

- 02 Strengthening the Core. Building with Purpose.
- 03 Measuring Our Progress
- 04 30 Years of Strength. Built with Purpose.
- 08 Celebrating a Legacy. Creating Tomorrow.
- 12 Steady in Purpose. Strong in Execution.
- 16 Leadership in Action
- 18 Momentum in Metrics
- 22 Lending that Leverages Trust
- 26 What Sets Us Apart
- 28 Customer First Always
- 30 Navigating Complexity. Unlocking Opportunity.
- 32 Navigating Growth with Precision
- 34 Digital by Design. Marketing with Meaning.
- 36 Delivering Impact. Driving Responsibility.
- 40 Corporate Information

STATUTORY REPORTS 02

- 46 Management Discussion and Analysis
- 64 Director's Report
- 86 Report on Corporate Governance
- 115 Business Responsibility & Sustainability Report

FINANCIAL STATEMENTS 03

- 156 Financial Statements

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<https://www.fedfina.com/investors-relations/overviews/financial-results/?page=financial-results>

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Disclaimer:

This document contains statements about expected future events and financials of Fedbank Financial Services Limited (The Company), which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.



Strengthening the Core. Building with Purpose.

FY 2024-25 was a year of deliberate rebuilding for Fedfina, anchored in the goal of creating a stronger, more resilient business model. We took decisive steps to address headwinds in the Small-Ticket LAP business (ST-LAP), streamlined manpower in both ST-LAP and collections, discontinued new originations from unsecured business loans from December 2024 and proactively aligned with evolving regulatory guidelines in the gold segment. The focus was on strengthening our secured construct, optimising the portfolio towards high RoA and RoE segments, and instilling operating discipline that can deliver predictable outcomes across market cycles.

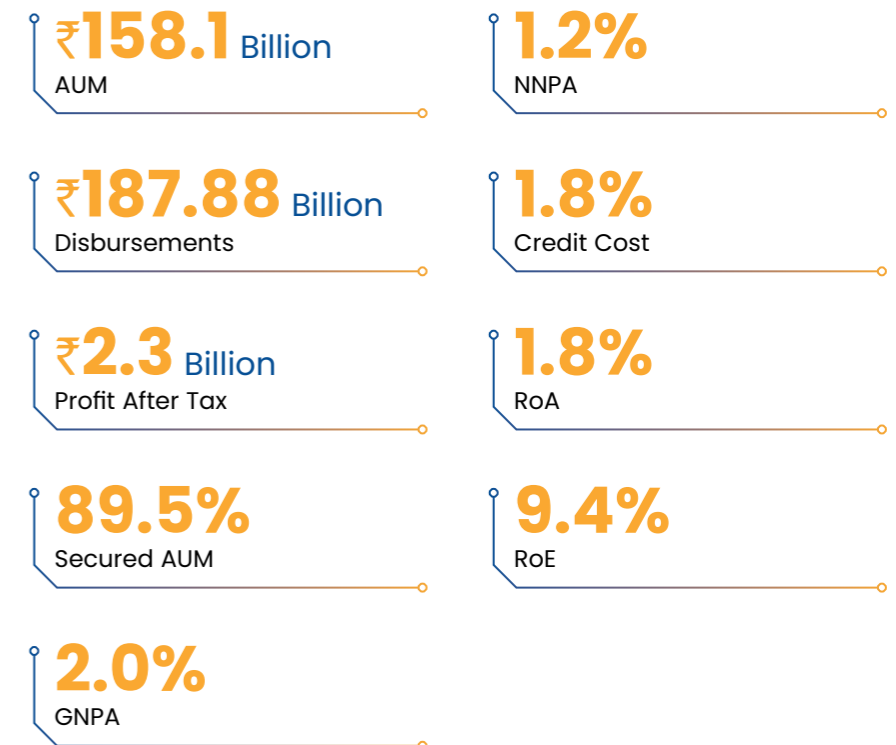
Our twin-engine strategy - centred on Gold Loans and Mortgages - operated in unison, leveraging shared infrastructure, technology integration, and strengthened controls. This helped us enhance scalability without compromising prudence. Process efficiencies were embedded, portfolio quality was reinforced, and capital was deployed with sharper discipline, ensuring that each rupee invested worked harder for sustainable returns.

By the close of FY 2024-25, we had rebuilt our foundation and aligned our engines to drive balanced, quality-led growth. Looking ahead, we are pursuing a three-year strategic direction focused on scaling capital-efficient businesses, simplifying through technology, embedding process-led collections, and fostering a frugal, ownership-driven culture. These steps position us to move from rebuilding to thriving - delivering consistent, sustainable growth with clarity of purpose.



Measuring Our Progress

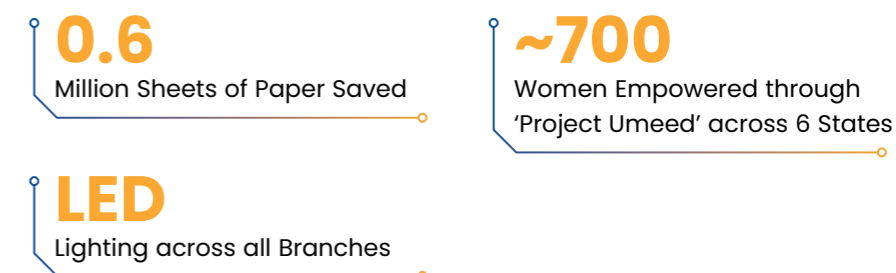
Financial



Operational



ESG



30 Years of Strength. Built with Purpose.

Established in 1995, Fedbank Financial Services Limited ('Fedfina' or 'We') is now in its third decade as a trusted financial institution serving India's emerging credit landscape. As a subsidiary of The Federal Bank, we carry forward a legacy of financial prudence and integrity, combining the reach and reliability of a banking heritage with the agility of a Non-Banking Financial Company (NBFC).

With a growing national footprint and a clear focus on asset quality, technology enablement, and customer-centricity, we continue to evolve as a well-governed, future-ready institution. Our goal is not only to grow in size but also to create meaningful financial impact across communities in India.



We are among the select few bank-promoted NBFCs in the country, uniquely positioned to bridge the gap between formal credit and underserved segments.

Fedfina offers a diverse suite of financial solutions that serve the financial aspirations of India. Our product portfolio spans Mortgage Loans, Gold Loans, and Business Loans, each designed to provide accessible, transparent, and timely credit across urban, semi-urban and rural markets.



Our GUIDING PRINCIPLES

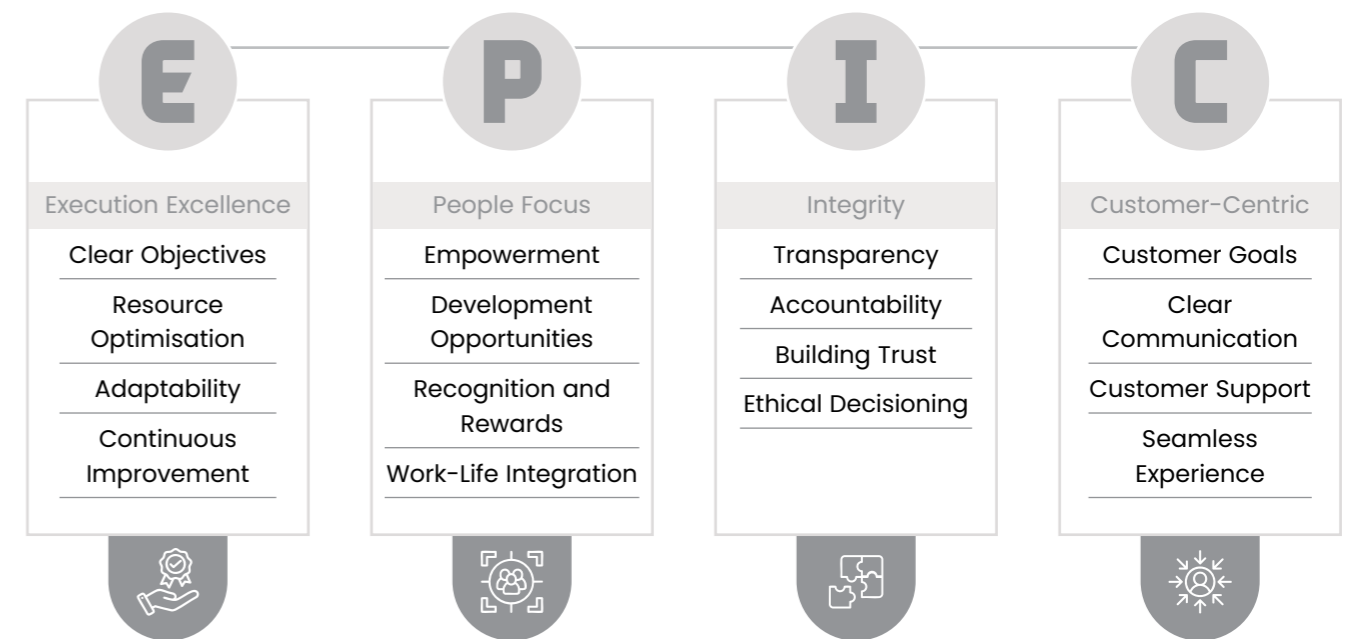
With 694 branches across 18 states and union territories, we bring tailored credit solutions to underserved segments, often enabling first-time access to formal finance. Our focussed, risk-aware approach bridges financial gaps while fostering inclusive growth.

Our VISION

Empower Emerging India with Easy Access to Loans



Our VALUES

Our Operational Roadmap

Guided by a strong value system and a clear strategic direction, our operational priorities in FY 2024–25 continued to be shaped by our ‘EPIC’ philosophy. We sharpened our focus on secured lending, rebalanced our portfolio mix, and strengthened the infrastructure needed to scale with resilience and control.

- Sharpened Product Focus:** We deepened our concentration in Gold Loans and Mortgage Loans, which now form the core of our secured lending strategy. New disbursements in unsecured business loans were consciously discontinued while granular, high-yield secured assets were prioritised.
- Market Reach and Penetration:** With 694 branches across 18 states and union territories, we continued to expand into underpenetrated markets, enhancing access to credit for small self-employed borrowers.
- Disciplined Risk Framework:** Our lending model remains grounded in strong underwriting, data-backed decisioning, and product-specific collection structures to navigate evolving credit risks.
- Leadership and Execution:** A seasoned leadership team, along with new appointments in key segments, ensured continued agility and alignment across operations.
- Balanced Funding Profile:** A diversified borrowing base, supported by upgraded AA+ credit ratings, helped us optimise funding costs and maintain capital efficiency through co-lending and direct assignment.
- Digital Integration:** With Salesforce fully deployed across the mortgage franchise, we strengthened decision-making at scale while automating workflows to improve speed, objectivity and customer experience.

Product Portfolio

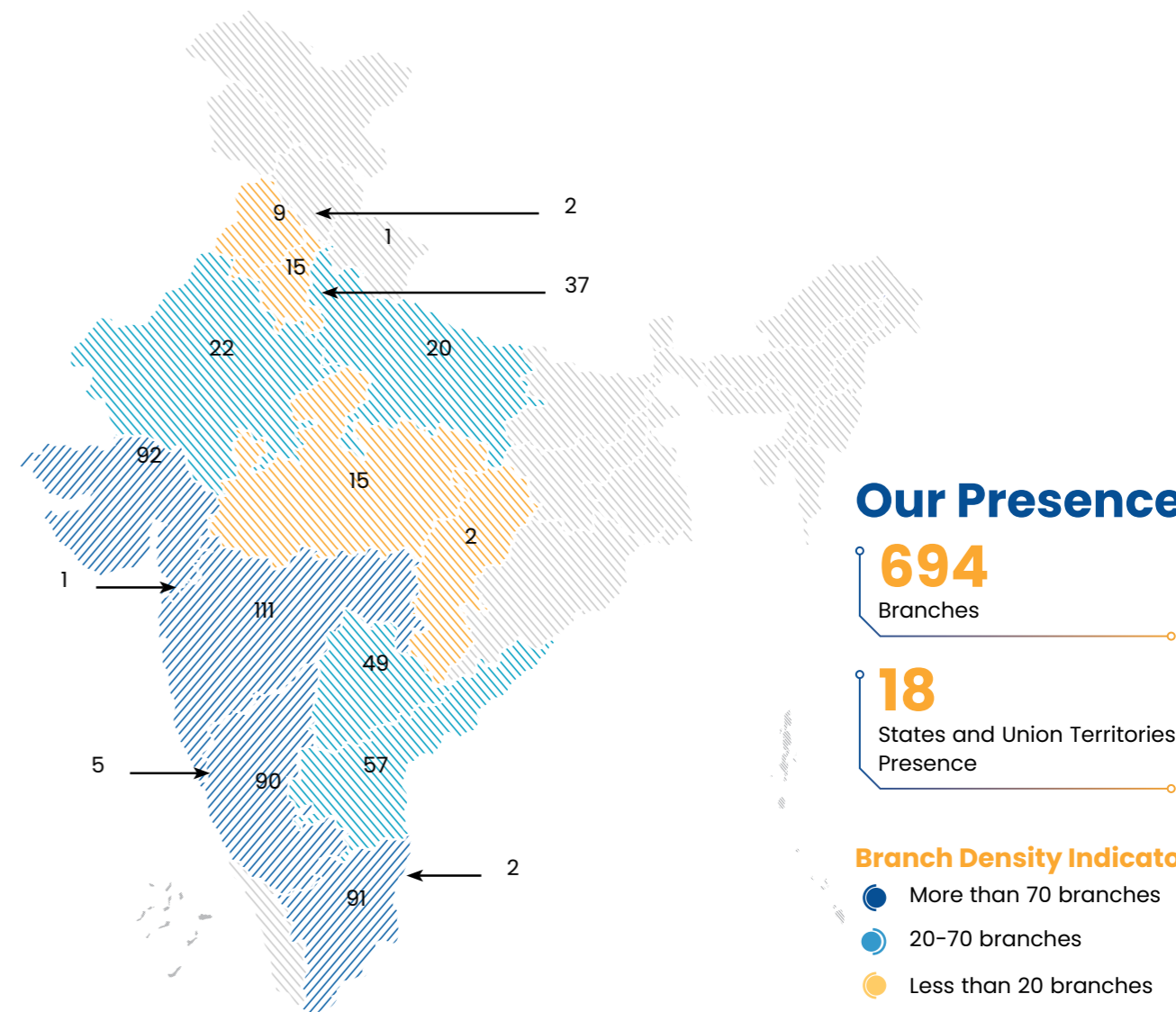
At Fedfina, our lending portfolio is designed around the credit needs of India’s emerging self-employed segment. Our focus remains firmly on secured products that are scalable, capital-efficient, and resilient across market cycles.



Gold Loans



Mortgage Loans



Our Presence

694
Branches

18
States and Union Territories Presence

Branch Density Indicator

- More than 70 branches
- 20-70 branches
- Less than 20 branches

Disclaimer: This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees, cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind of connection with its accuracy or completeness.

% of AUM	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Top 5 States	85.1%	80.3%	78.7%	77.9%	76.0%

Our CORE STRENGTHS

<p>Pedigree Access to diversified and low cost of funds</p>	<p>Phygital Model Branches coupled with digital distribution</p>	<p>People Great Place to Work certified 6 times in a row</p>	<p>Risk Management Well-established risk mitigation process</p>
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BRANCH EXPANSION					
Branch Type	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Gold Loan	301	407	437	438	484
MSME Hubs	58	109	138	183	210
Total	359	516	575	621	694

Celebrating a Legacy. Creating Tomorrow.



Over these years, we have expanded in scale and capabilities, yet our core commitment to enabling access and empowerment through responsible credit remains unchanged.



Dear Stakeholders,

It is a privilege to address you for the first time as Chairman through our Annual Report.

I begin by acknowledging my predecessor, Mr. Balakrishnan Krishnamurthy, whose leadership helped shape the strong foundation on which we stand. I also warmly welcome our Managing Director & CEO, Mr. Parvez Mulla. With his rich experience and foresight, Parvez and his leadership team are steering Fedfina into its next chapter under Fedfina 2.0. I remain deeply grateful to our Board, whose expertise across banking, risk, governance, finance, and technology underpins our confidence and our ambition.

Navigating a Shifting Landscape

Despite global uncertainty, India demonstrated resilience in FY 2024-25. GDP grew 6.5%, reinforcing the country's status among the fastest-growing large economies, supported by deepening demand across Tier 2 and Tier 3 markets. Inflation averaged 4.6%, the lowest in six years, and monetary easing — including a 50 bps reduction in the repo rate — supported credit appetite.

NBFCs continued to outpace the banking system, with growth led by secured retail segments such as gold loans. As the credit

cycle matures, industry growth is expected to moderate towards 13-15% over FY 2026-27 to FY 2027-28, necessitating sharper risk selection, disciplined origination, and calibrated expansion.

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Built on Strong Sponsorship

Our progress is anchored in the trust and governance culture of our parent, The Federal Bank, and strengthened by our long-standing partnership with True North. Their conviction and long-term support have been pivotal in shaping Fedfina's progress and resilience.

Fedfina 2.0: Sharper, Stronger, More Focused

Over the past year, we took decisive steps to enhance portfolio quality and strengthen our operating model. Guided by Fedfina 2.0, we are prioritising businesses where we can compound value with discipline and focus.

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Our strategic priorities are clear:

- Scale gold loans through disciplined branch-led expansion, productivity uplift, and tight risk management.
- Rebuild mortgage loans (LAP) with sharper underwriting, strengthened collections, and a renewed focus on small-ticket LAP, while scaling mid-ticket LAP in a capital-efficient manner.
- Embed technology and data in decisioning to simplify customer experience, speed up turnaround, and improve operating efficiency.

This strategy aligns our portfolio to higher ROA/ROE segments, secured exposures, and predictable outcomes. Our twin-engine model — gold loans and LAP — addresses the diverse credit needs of emerging Bharat, supported by cross-leveraged networks, productivity gains, and technology-enabled origination.

Inclusion Amid a Maturing Cycle

NBFCs continue to play a defining role in widening financial inclusion. According to a study by the Boston Consulting Group, NBFC credit expanded by about 20% in FY 2024-25, compared with 12% for banks, with secured segments such as gold lending contributing meaningfully. Gold-focused NBFCs accounted for a significant share of the sector's outstanding credit of approximately ₹24.5 Trillion.

As the cycle matures, our response is clear: refined underwriting, sharper risk filters, and strengthened collections. Under Fedfina 2.0, we are focusing on fewer but stronger businesses, rebuilding our small-ticket mortgage franchise with precision, and scaling gold loans in a measured manner to maintain a balanced secured mix.

Digital Acceleration at Scale

We have advanced our digital transformation to create a simpler, faster, and more scalable operating model:

- Migrated fully to a digital loan origination platform (Salesforce) to enable faster onboarding, sharper credit analytics, and improved turnaround time.

- Integrated a system-based Business Rules Engine (BRE) to standardise and strengthen credit decisioning across markets.
- Deployed chatbots and mobile applications for customers and employees, resulting in over 75% of registrations and 64% of payments being completed digitally.

These initiatives have improved customer experience, reduced turnaround time, and enhanced control. Looking ahead, we will apply AI and machine learning to improve underwriting precision, enhance collections, and scale digital partnerships.

Embedding Purpose in Growth

Growth at Fedfina is about building a high-quality, capital-efficient institution that expands meaningful credit access to underserved markets. Our ESG priorities are integral to this approach – from energy-efficient infrastructure and digitisation-led paper savings to programmes that strengthen financial literacy and women's entrepreneurship. These are not parallel initiatives; they are embedded in how we operate and create value.

A Portfolio Built on Security and Strength

FY 2024-25 was a year of rebuilding on stronger footing. We acted early to address stress in specific segments, notably in small-ticket LAP, by tightening underwriting, augmenting frontline and collections workforce, and strengthening processes. In parallel, we have discontinued new disbursements in the business loans segment. In gold loans, we navigated regulatory developments with process adjustments to protect margins and asset quality.

These steps reinforced portfolio resilience, improved return quality, and ensured that growth is tied to predictable outcomes. By tackling issues decisively and aligning capital to higher ROA/ROE segments, we have laid the groundwork for sustainable, quality-led growth.

Stewardship for Enduring Value

At Fedfina, our commitment is to create an institution that delivers value consistently, not just for today but over decades to come. The guiding principle is simple – focus clearly on our strengths, deploy capital prudently, and remain deeply aligned with customer needs.

As custodians of this journey, the Board and leadership team are aligned on building a model that prioritises capital efficiency, portfolio resilience, and disciplined growth. Our intent is not growth for its own sake, but growth that endures across cycles.

Our commitment is to create an institution that delivers value consistently, not just for today but over decades to come.



This requires us to be selective in the businesses we scale, cautious in the risks we underwrite, and deliberate in the way we expand our footprint. We will continue to build with an emphasis on securitisation, governance, and risk processes that safeguard sustainability.

None of this is possible without an ownership-driven workforce that reflects our values of frugality, accountability, and customer focus. What gives me confidence is not just the strategy we have articulated, but the culture that underpins it – one that balances efficiency with service quality and execution discipline with long-term vision.

By remaining anchored in these principles, Fedfina is poised to scale responsibly, deliver superior returns, and create lasting value for all stakeholders who have placed their trust in us.

Looking Ahead with Confidence

As we step into our fourth decade, Fedfina stands at an inflection point – grounded in legacy, energised by focus, and confident in the future. With Fedfina 2.0, we have chosen the path of disciplined growth and responsible innovation. Our purpose is clear: to serve emerging India with secure, accessible, and meaningful financial solutions.

I am confident that we will continue to strengthen our franchise, deepen financial inclusion, and deliver sustainable value for customers, employees, investors, and communities – for many years to come.

With gratitude for your trust and partnership,

Shyam Srinivasan

Non-Executive Chairman

Fedbank Financial Services Limited



Steady in Purpose. Strong in Execution.



We are in the business of enabling possibilities that create lasting change.



Dear Stakeholders,

It is an honour and privilege to address you through this Annual Report. When I joined Fedbank Financial Services in CY 2024, I stepped into a legacy built on trust and a deep understanding of Bharat's financial needs. Over three decades, Fedfina has grown with resilience and a singular purpose: finance should be simple, transparent, and empowering. We are in the business of enabling possibilities that create lasting change. This belief is reflected in the small shop owner expanding inventory, the self-employed woman securing her family's future, and the farmer investing in better equipment – real stories that define our true balance sheet.

Macroeconomic Context and Market Opportunity

The Indian retail credit landscape continues to demonstrate structural strength. Retail credit stood at ₹82 Trillion as of FY 2024-25, having expanded at a CAGR of 15.1% between FY 2018-19 and FY 2024-25. Looking ahead, the market is projected to grow at a CAGR of 14-16% until FY 2027-28, driven by sustained demand in housing, personal loans, vehicle financing, and gold loans.

While policy rates remained firm for most of the year, cost of funds for the sector stayed elevated. Our cost of borrowings too – rose 40 bps over this period driven to a large extent by the increased risk-weights by RBI on bank lending to non-banking finance companies

towards the latter part of last fiscal. At the same time, evolving regulations from the Reserve Bank, such as the discontinuation of cash loans against gold exceeding ₹ 20,000 in a year, prescription of LTV through the tenor of gold loans, revised guidelines on rollovers of gold loans, requirements affecting the maintenance of debt service reserve accounts as a safety net against customer EMI defaults, and charging of interest from the loan-sanction date, called for proactive alignment but put pressure on business volumes, revenues, and credit costs. While these RBI guidelines require a recalibration in the way of doing business, we believe they will contribute to deepening credit penetration in the longer term.

The MSME sector – contributing close to 30% of GDP and employing over 250 million people – remains significantly underfinanced, with an addressable credit demand of Trillion. This segment represents one of the largest structural opportunities for financial services, and for Fedfina, it aligns directly with our ability to serve Bharat through secured, relationship-driven lending.

Strengthening the Core

FY 2024-25 was a year of re-calibration and laying the foundation for a more disciplined, predictable operating model.

On the Small Mortgages business side, we faced a few short-term challenges that required our immediate attention. Our small mortgages business experienced an elevated level of delinquencies with a delay and drop in realisation for deeper-

bucket NPA pools. Much of this problem was attributable to our collection infrastructure having not kept pace with business growth. This required a shoring up of provisions on the mortgage portfolio.

We identified the areas to focus on and took the following proactive steps to address them.

- Appointed a seasoned leader as the new Chief Business Officer for the small mortgage business
- Review and refinement of our credit and risk policies,
- Tightened lending norms
- Migrated to a robust new business rule engines supported by Salesforce to provide objectivity in decision-making at scale and minimising judgement
- Strengthened our sales and collections team from grounds up.
- Revamped collections by verticalizing the function, strengthening litigation and call-centre teams, and deploying leadership focus on secured segments
- Implemented product-specific collection structures
- Shored up our provisions on NPAs in the Mortgage portfolio; these conservative measures, we believe, will strengthen our balance sheet.

On the unsecured business loan side we evaluated the business on strategic fit and after looking at the sourcing cost, operational cost, changing environment and strategic fit of the business, we consciously decided to slow down disbursements in this segment.

The near-term focus in the second half of FY 2024-25 was on addressing the above critical issues - while keeping long-term priorities firmly in sight and fortifying our operational and risk framework.

In FY 2025-26, this rebuild will continue. The priority is to fully stabilise ST LAP, restructure collections with the right workforce, and expand in a calibrated manner with gold loans forming a larger share of the portfolio. Branch expansion will be strategic, with a mix of new and co-located formats to optimise costs. We believe that the above decisive initiatives while affecting our profitability in the near-term, will not only help resolve the immediate challenges but also position us for long-term growth, sustainability and value creation for all our stakeholders.

Our twin-engine model continues to deliver on both growth and quality. Within gold loans, our Direct Sales Gold Loan (DSGL) channel has become a high-growth contributor, now accounting for just under 15% of our Gold AUM. In FY 2024-25, we doubled DSGL AUM and onboarded over 13,000 new customers through a dedicated field sales force, offering doorstep service and deepening penetration in underserved markets.

Our AA+ rating from CRISIL, India Ratings, and CARE reflects not only our financial stability but also the governance embedded in our operating model.

Performance Highlights

FY 2024-25 was a year of strong operational momentum and balance sheet growth.

- ▶ Assets Under Management (AUM) increased by 29.7% to ₹158.1 Billion, from ₹121.9 Billion in FY 2023-24.
 - Mortgage Loans: ₹80.6 Billion (51.0% of AUM)
 - Gold Loans: ₹58.8 Billion (37.2% of AUM)
 - Business Loans: ₹16.6 Billion (10.5% of AUM)
- ▶ Total Income rose by 28.1% to ₹20.8 Billion from ₹16.2 Billion in FY 2023-24.

Our pre-provisioning operating profit for the year grew 32% year-on-year to ₹ 5.2 Billion.

However, Credit costs for the full year came to ₹ 2.16 Billion at 1.8% of average total assets compared to 0.7% in the previous year.

- ▶ Consequently, Profit After Tax (PAT) stood lower at ₹2.25

Billion versus ₹2.45 Billion in FY 2023-24, reflecting a 8% dip driven by strategic provisioning, technology investments, and the pivot away from unsecured loans - all decisions taken to protect asset quality and enhance long-term earnings resilience.

Technology and Operational Excellence

Customer centricity and risk management remain at the core of our technology strategy. We invested in scalable, secure platforms—including a successful migration to Salesforce—that strengthen acquisition, underwriting, and servicing, enabling both efficiency and quality. In FY 2024-25, we rolled out digital dashboards for disbursements and collections, early-warning analytics for delinquency tracking, and mobile-based lead management tools. Aadhaar-enabled processes and the India Stack have made customer journeys seamless, while e-signatures and face matching have reduced fraud risk and improved turnaround times.

We automated refund processes through RPA, enhanced our CRM with machine learning for faster query resolution, and deployed voice bots alongside an upgraded call centre for deeper engagement. The Account Aggregator framework now enables accurate, real-time financial data for stronger credit decisions. In FY 2025-26, we will extend these initiatives with AI-driven risk flags, fully digital DSGL onboarding, and end-to-end digital journeys for all secured products.

Governance, Compliance, and Risk Management

Our long-term value creation is anchored on strong governance, uncompromising compliance, and disciplined risk management. Robust internal control frameworks, proactive regulatory alignment, and rigorous audit processes safeguard our operations. We benchmark governance practices to the highest standards, maintain Board independence, and foster a culture where integrity and accountability are non-negotiable. This foundation enables us to respond with agility, and uphold the trust of regulators, investors, and customers alike.

Responsible Growth and ESG Integration

As we grow, we remain conscious of our role in driving inclusive and sustainable impact. We relocated our corporate office to a certified green building and upgraded branches with LED lighting, reducing power consumption by 20-40%. Digitisation saved over 6,00,000 sheets of paper, while targeted employee campaigns reinforced conservation practices. These actions lowered our Scope 1 and Scope 2 emission intensity from 3.93 to 2.96 metric tonnes of CO₂ equivalent per ₹ crore of turnover.

Through programmes like 'Umeed' we supported over 700 women entrepreneurs, strengthening financial literacy, and deepened digital inclusion.

These efforts are embedded into our operating approach, ensuring that ESG principles are aligned with business outcomes.

Long Run: Building with Purpose

Our long-term vision is anchored on building a focused, capital-efficient, and customer-first institution with deep expertise in our chosen businesses. Over the next three years, we will allocate capital to high RoA and RoE segments, concentrating on areas where we can build a competitive edge. Gold loans will continue to serve as a key growth engine, scaled through strategic branch expansion and leveraged opportunistically to capture market share. At the same time, we will methodically rebuild the ST LAP business brick by brick, while scaling MT LAP in a way that preserves capital efficiency and balance sheet strength.

As we reshape our portfolio, we have discontinued new disbursements in unsecured business loans and moving towards a secured construct that delivers greater predictability. Collections will be anchored on process discipline to ensure credit costs remain stable across cycles, while technology and data-driven insights will simplify customer journeys and strengthen decision-making. These efforts will be complemented by ecosystem partnerships that expand our reach and deepen our relevance in the lives of customers.

All of the above is a longer journey positioning us on the road to building a more robust business model with more predictable and sustainable

outcomes, and the coming year FY 2025-26 will be a year of transition and re-build.

This journey will be powered by an execution-driven, ownership-focused workforce that operates with a frugal DNA. Efficiency will go hand-in-hand with service quality, enabling us to scale responsibly without losing sight of our purpose. By combining disciplined execution, sharp capital allocation, and a customer-first mindset, we are laying the foundation for an institution that thrives over the long run and creates enduring value for all stakeholders.

As we look ahead, we know that our progress will only be possible with the unwavering trust of our stakeholders. Your confidence in Fedfina gives us the strength to navigate challenges and the conviction to pursue new opportunities. With the support of our customers, shareholders, employees, regulators, and partners, we are committed to building a Fedfina that not only grows stronger year after year but also stands as a trusted partner in enabling financial inclusion and prosperity across Bharat.

Warm regards,

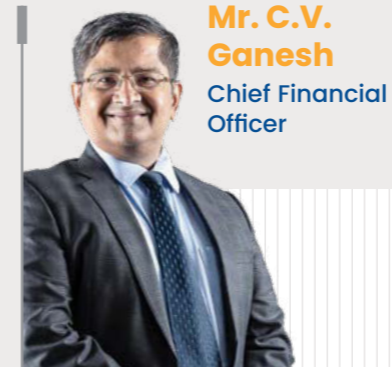
Parvez Mulla
Managing Director & CEO

Leadership in Action

At the heart of Fedfina's momentum lies a leadership team that blends deep domain expertise with strategic foresight. Together, they shape the organisation's direction, drive execution, and uphold a strong governance culture. Each leader brings rich experience from across the financial services ecosystem, ensuring Fedfina remains responsive, resilient, and rooted in purpose.



Mr. Parvez Mulla
MD & CEO



Mr. C.V. Ganesh
Chief Financial Officer



Mr. Shardul Kadam
CBO - Mortgage (Small Ticket)



Mr. K Sureshkumar
CBO - Mortgage (Medium Ticket) & Business Loans



Mr. Jagadeesh Rao
CBO - Gold Loan & Chief Marketing Officer



Ms. Anila Rajneesh
Chief Human Resources Officer



Mr. Vikram Rathi
Chief Risk Officer



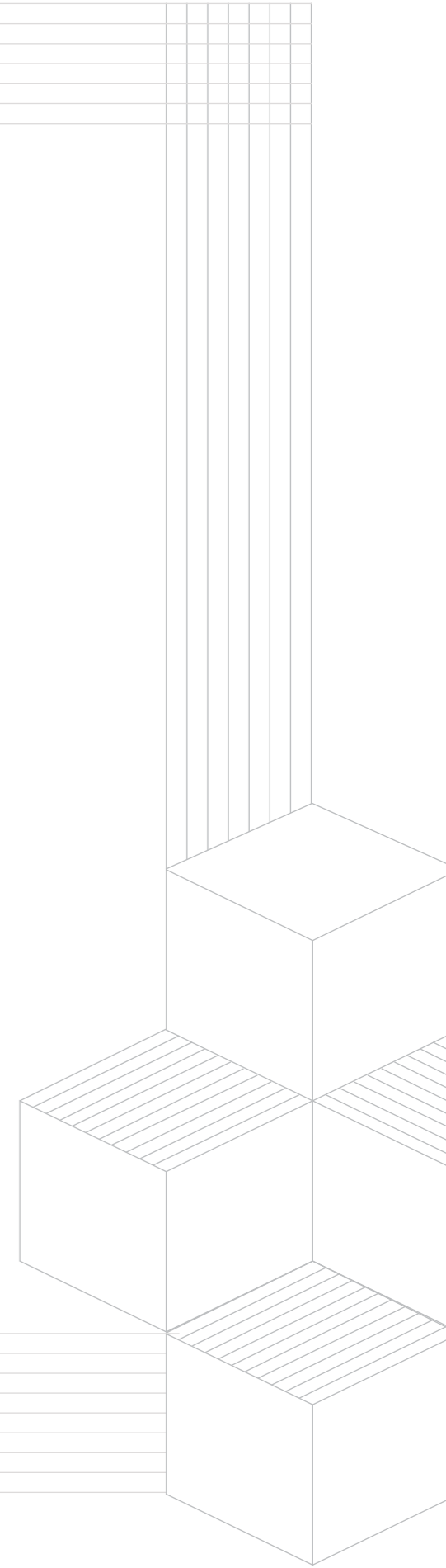
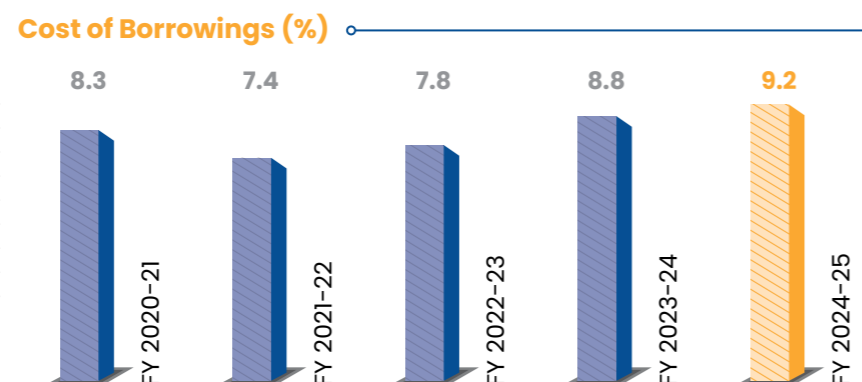
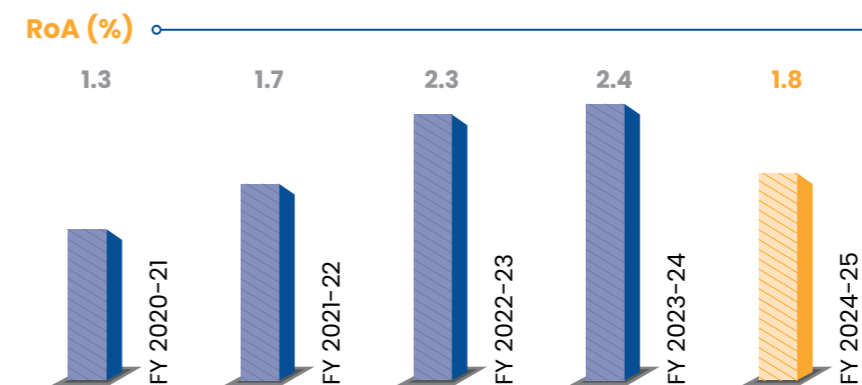
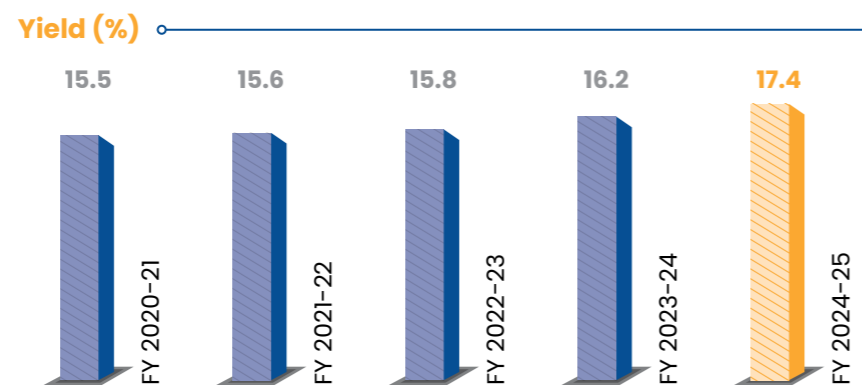
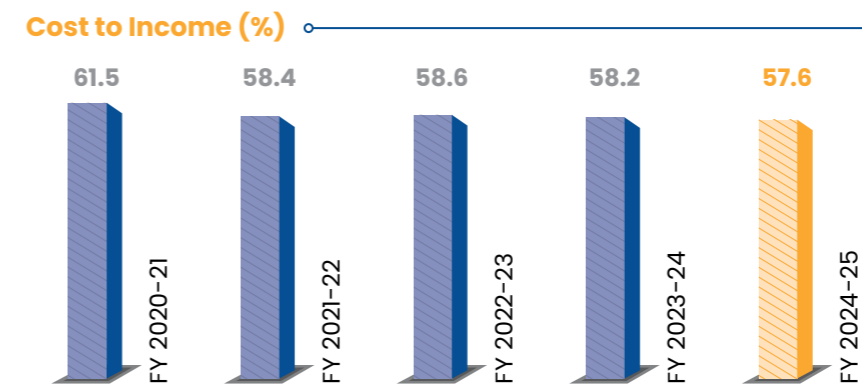
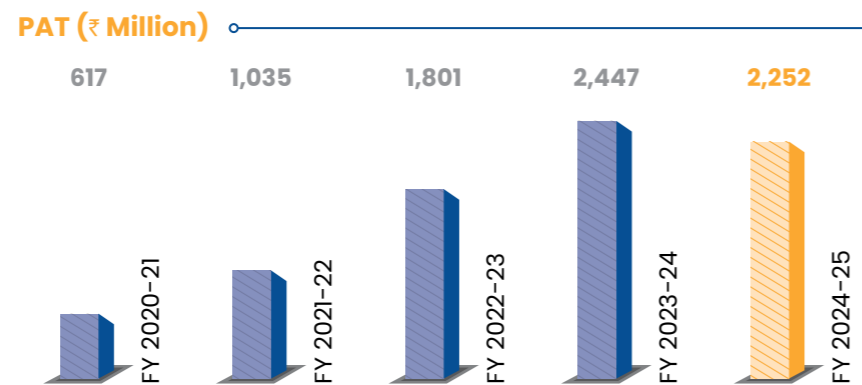
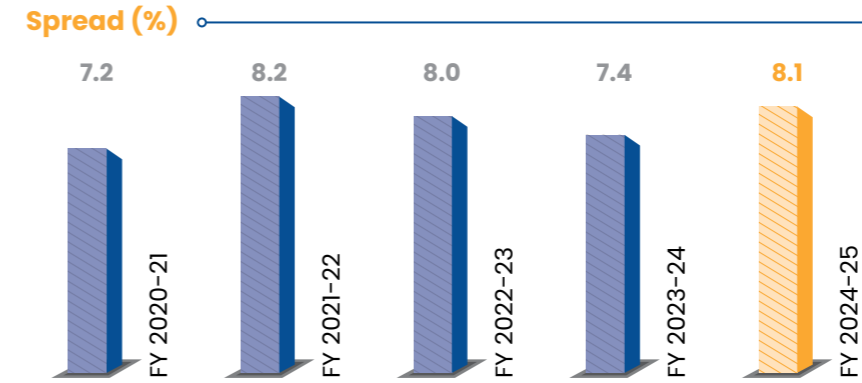
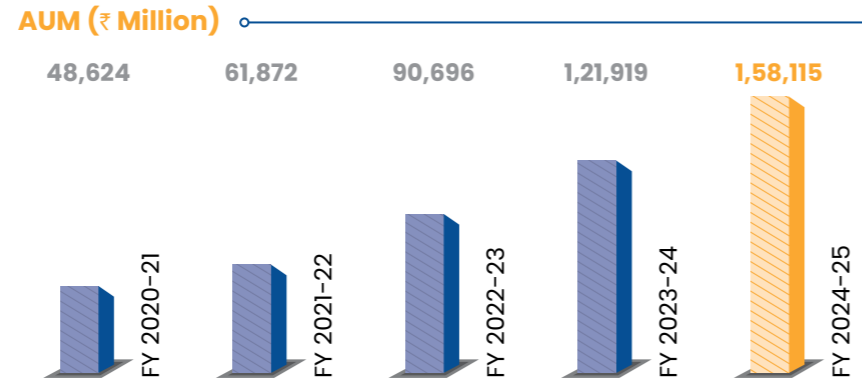
Mr. Siddharth K
Chief Operating Officer (till 25th August, 2025)

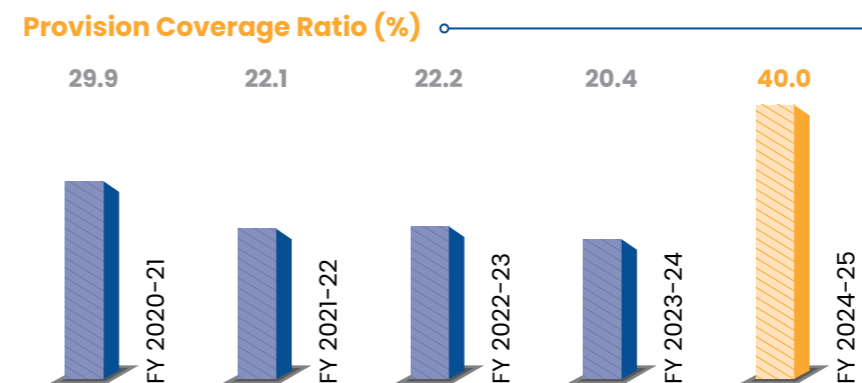
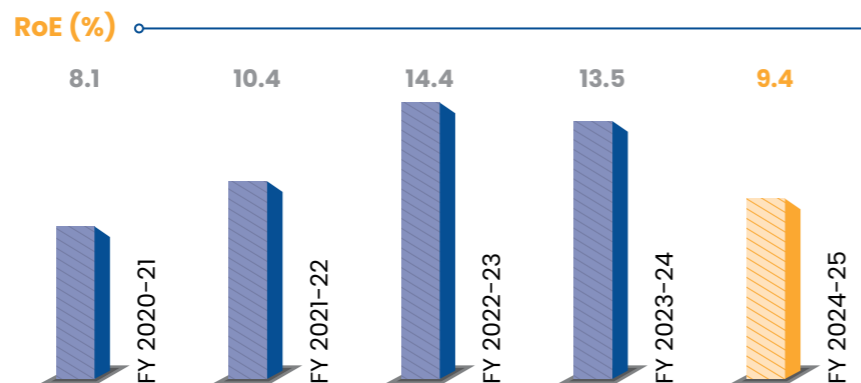


Momentum in Metrics

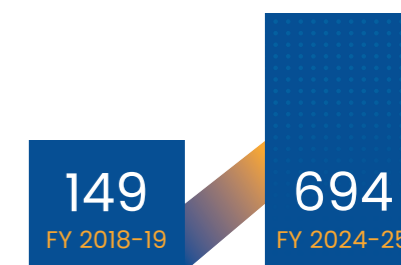
FY 2024-25 marked an important milestone as we completed three decades of operations. This year was one of rebuilding, particularly in the second half, as we laid the foundation for long-term, sustainable growth. Our approach balanced immediate priorities with a clear focus on the future - addressing issues systematically while keeping quality, profitability, and growth in sight.

The numbers reflect how far we have come, capturing gains in scale, efficiency, and portfolio quality, and signal the capacity we have built for the next phase of sustainable expansion.

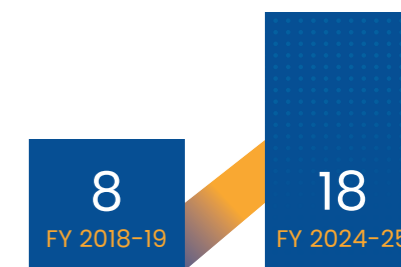
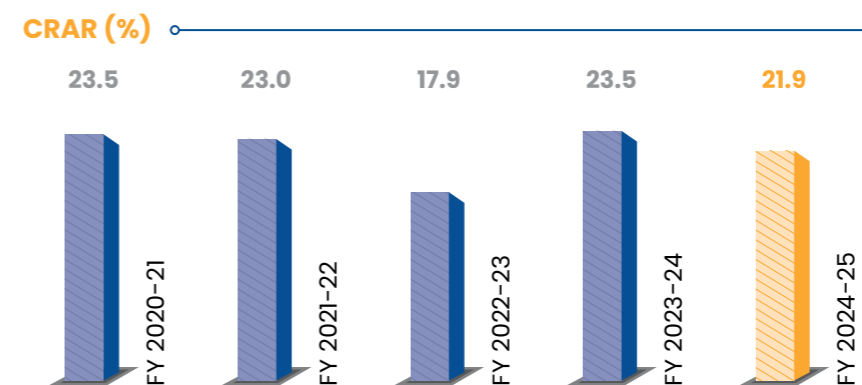
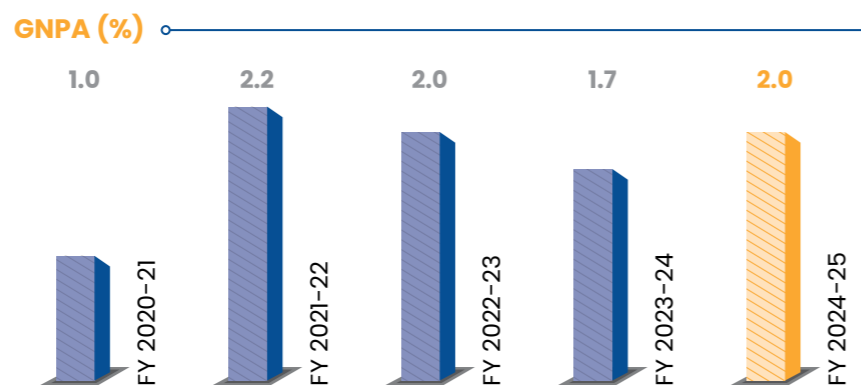




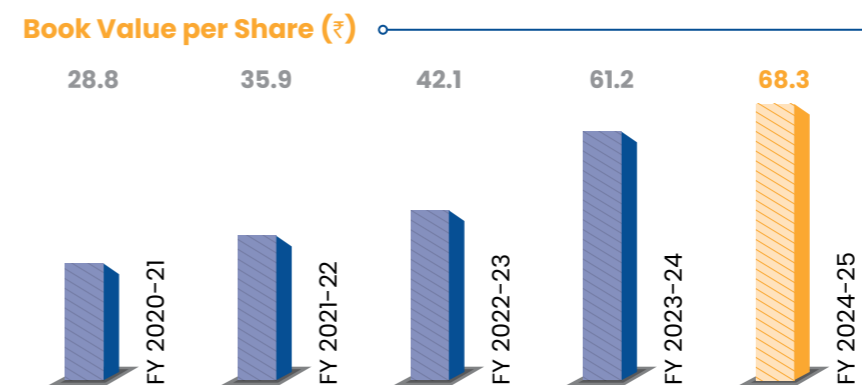
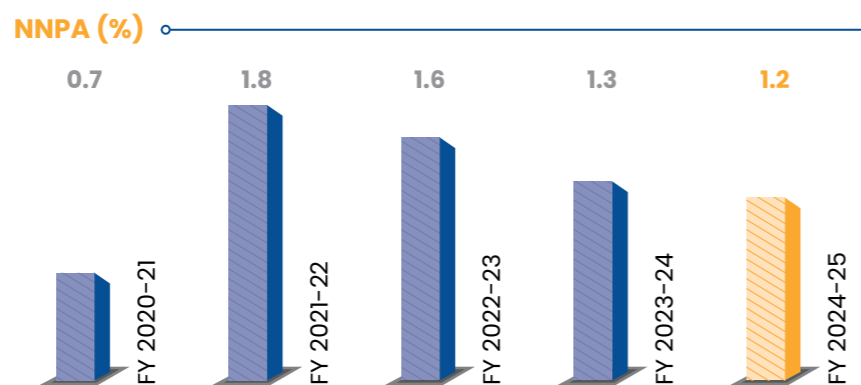
Branches



Branches



States & UTs



Lending that Leverages Trust

At Fedfina, our lending philosophy is simple yet strategic – secure the promise of capital with the confidence of collateral. By staying deeply rooted in asset-backed credit, we serve India’s growing appetite for credit across micro, small, and middle-income households and businesses. Our portfolio structure balances granularity and security, ensuring risk-calibrated growth even in volatile macro conditions.

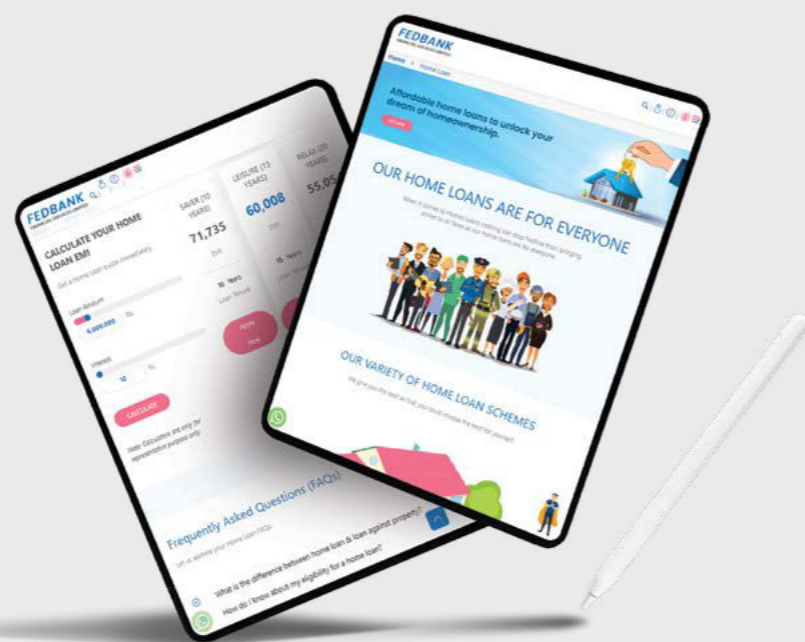
As a result, our secured lending suite comprising Mortgage Loans and Gold Loans does not just fulfill financial needs but enables long-term aspirations, entrepreneurial ambition, and economic upliftment. Each product is finely tuned to the realities of India’s dynamic credit landscape.

Mortgage Loans

India’s mortgage-backed lending market is undergoing a structural shift. Despite being underpenetrated, Loan Against Property (LAP) demand is rising sharply, particularly among MSMEs with limited access to unsecured credit. Over the past few years, the LAP segment in India has recorded strong momentum.

In the current environment, Tier 2 and Tier 3 cities are seeing a real estate-led wealth effect, which is translating into sustained demand for small and mid-ticket LAP. Regulatory developments, including GST-linked income assessments and a broader formalisation of the economy, are further strengthening underwriting capabilities in the informal sector.

Our mortgage product portfolio continues to cater to two key categories – small-ticket LAP and home loans, and medium-ticket LAP offerings. These products are tailored to the needs of traders, wholesalers, distributors, retailers, self-employed professionals, and small manufacturing enterprises, supporting diverse requirements such as business expansion, working capital, asset acquisition, and capital expenditure.



Small Ticket LAP & Home Loans (HL)

Designed for the underserved segment, this category provides loans with an average ticket size of ₹1.32 Million.

₹36,684 Million
AUM in Small Ticket LAP and HL, forming 23.2% of Total AUM.

₹1.32 Million
Average Ticket Size

₹10,084 Million
Disbursements

51.2%
Disbursement LTV



Medium Ticket LAP

This caters to slightly larger requirements with an average ticket size of ₹6.31 Million, forming 27.8% of AUM.

₹43,935 Million
AUM in Medium Ticket LAP, forming 27.8% of Total AUM.

₹6.31 Million
Average Ticket Size

₹23,001 Million
Disbursements

52.6%
Disbursement LTV



Growth Drivers

01 Granular LAP Demand in Tier 2 & 3 Cities

The real estate-led wealth effect and formalisation of income flows are expanding access to secured credit. Fedfina’s presence in these catchments allows us to capitalise on the growing need for small and mid-ticket loans, especially among MSMEs and self-employed individuals.

02 Digital-First, Branch-Light Expansion

Technology-led onboarding, integrated CRM, and API-based income checks support faster processing, while leaner branch operations drive cost efficiency across growing geographies.

03 Underpenetrated Market with Structural Tailwinds

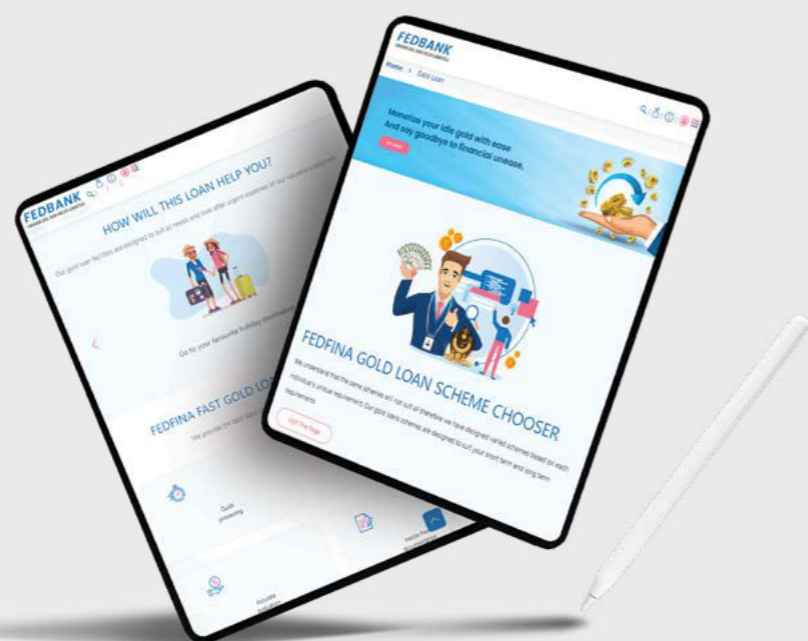
Low mortgage penetration, growing financial formalisation, and GST-linked cash flow analysis are enabling deeper credit delivery in the informal sector – a key focus area for us.

Gold Loans

Analysts estimate that Indian households own over 25,000 tonnes of gold (CY 2024E) – One of the largest private reserves of wealth globally. Yet only a fraction of this immense holding is leveraged through formal credit, leaving a vast opportunity for organised lenders. In FY 2024–25, gold loans recorded the highest growth among retail lending products, with outstanding volumes in India doubling from just over ₹1 lakh crore in March 2024 to nearly ₹2.1 lakh crore in March 2025.

Amid this backdrop, gold loans have cemented their place as one of Fedfina's most agile and resilient products, trusted by customers for speed, transparency, and security. By winning market share from informal channels, Fedfina is unlocking the potential of a product that is deeply rooted in Indian households – where gold is not just an asset but a legacy.

E - Estimate



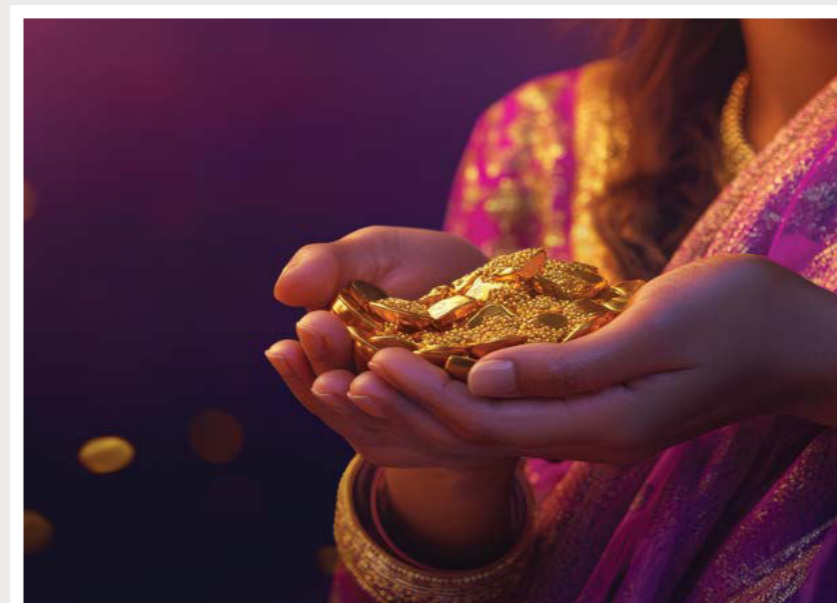
Gold Loans Remain One Of Fedfina's Most Agile And Accessible Products

₹58,805 Million
AUM (37.2% of Total AUM)

₹0.15 Million
Average Ticket Size

₹1,46,025 Million
Disbursement

65.7%
Portfolio LTV



01 02

Growth Drivers

01 Legacy Asset, Modern Experience

India's household gold reserves present a large underleveraged credit opportunity. Fedfina's digitised processing, doorstep convenience, and transparent valuation are driving a clear customer shift from informal to formal lenders.

02 Deep Semi-Urban Penetration

Our branch strategy focuses on Tier 3 & 4 markets, where gold acts as both a savings vehicle and a source of collateral. With efficient appraisal systems and a trusted service model, Fedfina continues to strengthen its competitive edge in these catchments.

03 Resilience Across Economic Cycles

Gold loans function as a countercyclical credit buffer. During times of liquidity stress or income volatility, they provide customers with instant access to capital, reinforcing Fedfina's resilience and ability to navigate macroeconomic headwinds.

What Sets Us Apart

At Fedfina, we do not just lend - we build bridges to financial empowerment for emerging India. Our ability to grow in a dynamic market is rooted in a set of core strengths that give us clarity, resilience, and a distinct edge. These are not just internal capabilities, but anchors of the way we operate, compete, and create long-term value.

01

Strong Pedigree

We are proud to be a retail-focused non-banking finance company (NBFC) promoted by The Federal Bank Limited, which continues to hold over 51% ownership in Fedfina. This trusted partnership gives us stable access to capital and significantly strengthens stakeholder confidence. Our strong parentage is not just a legacy, but a living advantage that underpins everything we do.

61.03%

Holding of the Federal Bank Limited in Fedfina

Additionally, we are:

AA+

Credit Rated from CRISIL, India Ratings, and CARE

&

Among

A Select Few NBFCs in India with AA+ Rating

02

Phygital Model

Our growth model is rooted in a unique blend of physical reach and digital capability. With a network of 694 branches across 18 states and UTs, we have built a deep regional presence, especially in the South and West. This physical presence is reinforced by our digital platform - including our mobile application on the Google Play Store and Apple App Store. Whether it's co-locating our gold and mortgage loan offerings or enhancing customer journeys through technology, we believe in maximising impact through a phygital model that combines accessibility with efficiency.

694

Branches across 18 Indian States and UTs

03

Twin Engine Model

We run our business with a dual-engine strategy that focuses on gold loans and mortgage loans. This approach allows us to address the financing needs of self-employed, underserved segments while maintaining balance across growth and profitability. Gold loans deliver high velocity and solid returns, while our medium ticket LAP business offers long-term scalability and stability. During phases when origination in one engine slows down - such as in ST LAP - the other engine keeps us moving forward.

04

Customer-Centric Focus

Our mission is clear - to empower emerging India with easy access to credit. Our focus lies in reaching MSMEs and self-employed individuals who are often overlooked by traditional lenders. We design our products to be nimble, relevant, and inclusive. Whether it's quick turnaround times, personalised underwriting, or a deep understanding of our customer's business cashflows, we go the extra mile to serve.

05

Experienced and Skilled Leadership

We are led by a seasoned, cycle-tested team with deep expertise in financial services. Our MD & CEO, Mr. Parvez Mulla, brings over 30 years of BFSI experience since joining in November 2024. Key business leaders include Mr. Shardul Kadam (Small Ticket), Mr. Jagadeesh Rao (Gold Loans), and Mr. Sureshkumar (Medium Ticket LAP & Business Loans). Their combined leadership is instrumental in navigating market cycles and driving our strategic direction.

06

Strong Governance and Compliance

We follow a robust business model rooted in regulatory discipline. Our practices are regularly benchmarked against evolving norms, and we maintain full compliance with all regulatory requirements. Our Board-approved Risk Management Policy, supported by key committees like RMC, Credit Committee, and ALCO, ensures we stay focused on sustainable and prudent growth.

07

Commitment to Continuous Improvement

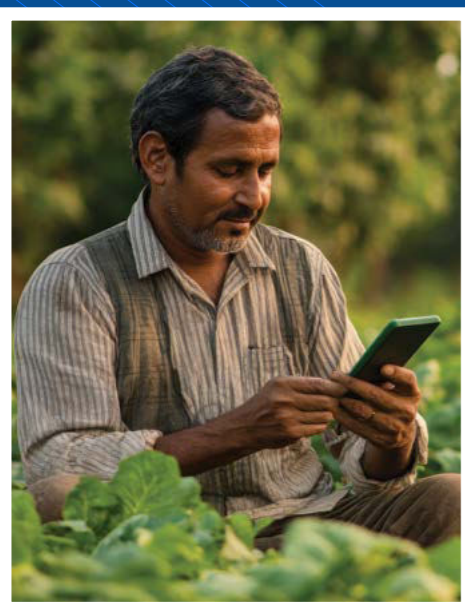
We believe in growing better, not just bigger. A great example of this is our ongoing transformation in the Small Ticket LAP business, which is in a rebuilding phase. We have brought in new leadership, strengthened underwriting and collections, tightened norms, and migrated to a new Salesforce-powered loan origination system. We have also invested in a product-specific collection strategy and enhanced digital controls. Our eyes are set on improving portfolio quality, bringing down NPAs, and further lowering our cost of borrowing.



Customer First Always

Our customers are not just at the centre of our business; they are the reason we exist. Every product, process, and interaction is designed with one clear mission: to deliver a seamless and empowering borrowing experience.

We serve a diverse customer base, from self-employed individuals to micro and small businesses, with humility, clarity and purpose. From the first interaction to the final EMI, we strive to make every touchpoint meaningful and effortless.



Omni-Channel, Always Accessible

We have reimagined the customer journey to be phygital - blending the human warmth of physical branches with the speed and scale of digital technology. Whether our customers prefer face-to-face interactions or the convenience of mobile apps, Fedfina is always within reach.

- Branch Network + Digital Reach:** Our 694 branches across 18 states and UTs are complemented by robust digital assets - website, portals, and mobile applications ensuring wide accessibility.
- Self-Service Portal:** Gold loan customers enjoy full control through a 24/7 portal where they can access loan details, make payments, check account status, or even re-pledge all from the comfort of their phone or desktop.
- Fedfina Loans App:** This all-in-one app lets customers apply for loans, download required statements, calculate EMIs, pay dues, and locate branches - anytime, anywhere. With nearly 1.2 Million downloads and counting, it's become a powerful digital gateway for financial empowerment.

Tech that Speaks their Language

We embed smart technology at every stage of the customer journey making processes smoother, faster, and more intuitive.

- Digital KYC & Paperless Onboarding:** Customers can complete verification without stepping out.
- Real-Time Loan Tracking & Automation:** From application to disbursement, the entire lifecycle is transparent and trackable.
- Intelligent Underwriting:** Our rule engines ensure decisions are data-driven and bias-free.
- E-Signatures & Instant Notifications:** Less paperwork, fewer delays, more convenience.

Faster Turnaround, Better Experience

In lending, speed and transparency matter. Our systems are designed to enable quick approvals and disbursements, with significantly reduced turnaround times, especially in our gold loan and small mortgage verticals. Automation, intelligent underwriting tools, and streamlined credit engines ensure that customers get decisions faster and disbursements smoother often within 24-48 hours.

"Voices that Inspire"

Mrs. Anitha Krishnamurthy, Bengaluru

I am Anitha Krishnamurthy from Bengaluru and earn a rental income of around ₹30 lakhs per month. In 2020, I approached Fedbank for a loan against property of ₹2.5 crore. Since then, I have taken multiple loans from Fedbank, as I consistently receive excellent service. Recently, I purchased a new property that will soon be constructed and rented out.

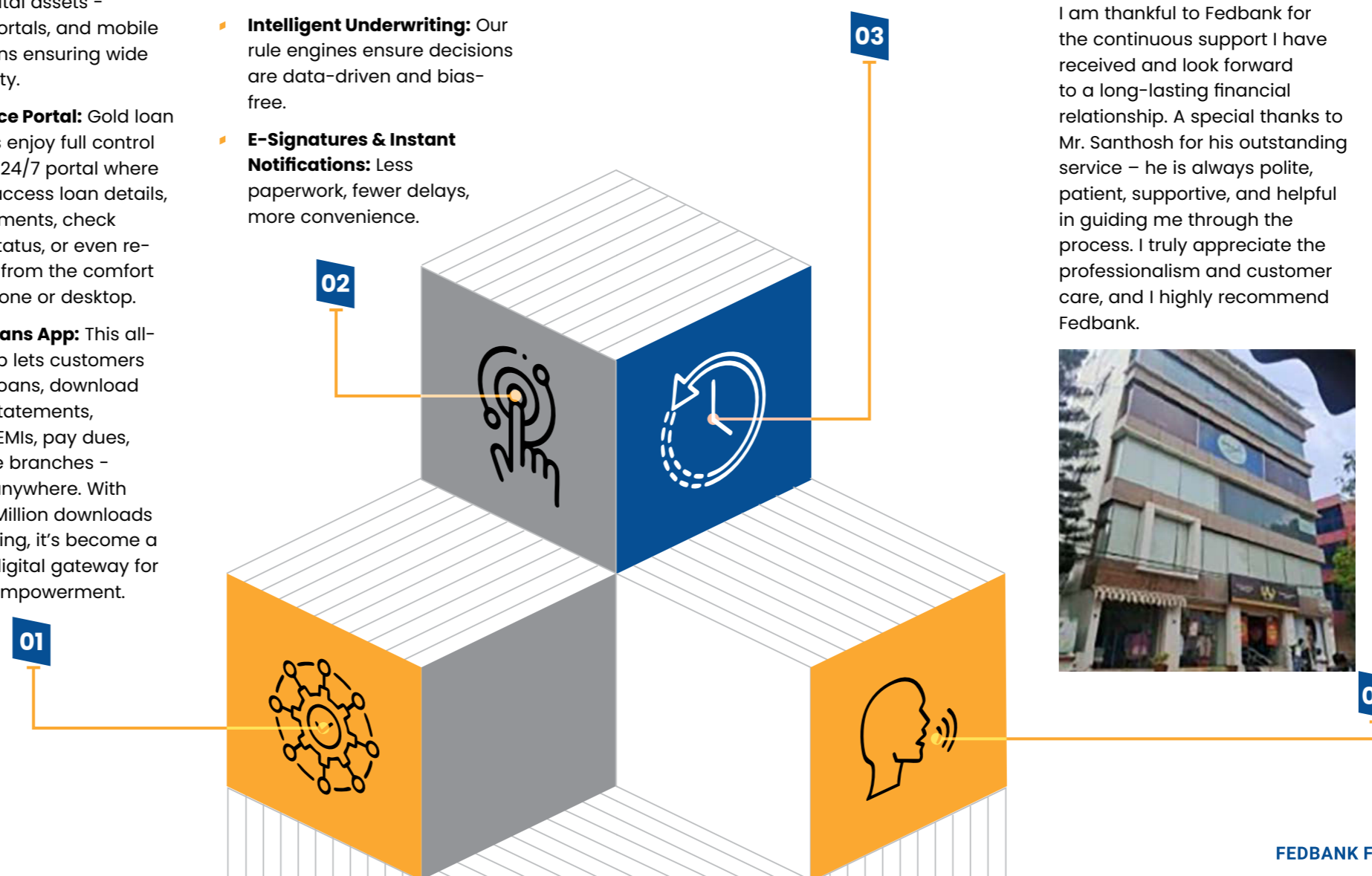
I am thankful to Fedbank for the continuous support I have received and look forward to a long-lasting financial relationship. A special thanks to Mr. Santhosh for his outstanding service - he is always polite, patient, supportive, and helpful in guiding me through the process. I truly appreciate the professionalism and customer care, and I highly recommend Fedbank.



Mrs. Lakshmi V, Bengaluru

I am Lakshmi V from Bengaluru and run an insurance business covering life, general, health, motor, and other segments, along with more than 20 emission testing centres across the city. Earlier, I had a loan with Bajaj and was looking for a top-up when I approached Fedbank. In 2021, I availed a loan of ₹1.5 crore and a subsequent top-up, which I invested in expanding my emission testing centres. The investment is active and growing successfully.

My experience with Fedbank has been very positive. The loan procedure was smooth, and the team supported me during my financial needs. I would especially like to thank my relationship manager, Mr. Santhosh, and senior manager, Mr. Sudhakar, for their cooperation and service over the past five years. I am highly satisfied and will confidently recommend Fedbank to my friends and customers for their transparency and reliability.



Navigating Complexity. Unlocking Opportunity.

We operate at the intersection of regulatory evolution, technology transformation, financial inclusion, and a persistent credit gap. These four forces define the contours of India's financial services ecosystem - complex, fast-moving, and full of potential. For us, this is fertile ground. With a focus on underserved MSMEs and emerging self-employed individuals, we are building solutions that match the scale of the opportunity with the specificity of local needs.

Regulatory Evolution

The NBFC sector is undergoing structural reform. RBI's Scale-Based Regulation (SBR), electronic disbursement mandates, and evolving norms around fair lending practices are all designed to increase sectoral stability and customer protection. As a NBFC, we respond to these changes swiftly and in full compliance.

Our Approach

- When the RBI mandated electronic gold loan disbursements beyond ₹20,000, we transitioned to 100% electronic disbursements overnight, effectively becoming a cashless, paperless gold loan business.
- Our Capital to Risk Weighted Assets Ratio (CRAR) stands at 21.9%, comfortably above the regulatory minimum.
- We actively track and align our practices with RBI's evolving directives - from interest calculation norms to LTV guidelines and auction protocols.
- We are also closely watching regulatory developments around entity structures and niche lending activities, ready to adapt based on guidance and the strength of our business model.

Technology Advancement

Across onboarding, underwriting, disbursement, servicing, and collections, the adoption of advanced tech is helping NBFCs deliver faster, frictionless, and more inclusive financial service.

Our Approach

- We have made consistent and significant investments in IT systems and digital platforms to strengthen both customer experience and internal processes.
- Our 'Fedfina Loans' app has been downloaded over 1.2 Million times, enabling our customers to manage their loans seamlessly for all their needs.
 - Over 65% of our transactions in gold payments happen digitally.
 - Our Doorstep Gold Loan service enables customers to avail gold loans at the comfort of their home, ensures confidentiality and complete safety of the Gold Ornaments - now contributing to 15% of our gold AUM.
 - Salesforce is live across our mortgage branches. We also use 'Prosper' for gold loans, 'Fedbank Lite' for employees, 'Fed-Collect' for field collections, and 'Fedfina Business Connect' app for connectors.

Financial Inclusion

India's financial story is still being written in its small towns, rural belts, and informal business corridors. We exist to unlock credit for those who are often overlooked - emerging self-employed individuals and MSMEs operating without the comfort of formal income proof or documentation.

Our Approach

- Even as financial literacy remains low across vast regions, our model leans into this gap educating, enabling, and empowering underserved borrowers.
- We tailor loan products that match the real conditions of our customers' lives and work.
 - Our 'phygital' footprint - 694 branches across 18 states and UTs allows us to deliver last-mile service at scale.
 - In areas where the banking system sees higher risk, we see potential and design credit evaluation models accordingly.
 - Our doorstep model helps us overcome stigma and access barriers for gold loans, making formal credit more approachable and dignified.

Credit Gap in India

Despite rapid growth, India's credit penetration remains low. Retail credit accounts for just 26% of GDP, and for MSMEs, the formal credit supply only meets one-fifth of total demand.

Our Approach

- The MSME credit gap is estimated at ₹104 Trillion - a massive opportunity we are purpose-built to address.
- We focus on lower-ticket loans that serve first-generation entrepreneurs and small business owners.
- The complexity of this segment requires deep market intelligence and operational rigor. From localised underwriting models to robust collection infrastructure, we have built the systems needed to serve this space efficiently.
- We also benefit from government push through schemes like ECLGS, Mudra loans, and UDYAM registrations, which aim to bring more businesses into the formal credit ecosystem.



Navigating Growth with Precision

Our business is built on insight, discipline, and agility. We pursue scalable growth not by stretching in every direction, but by doubling down on what we do best: building a secure, tech-powered, customer-centric lending institution that knows its markets intimately. FY 2024-25 has been a year of rebuilding, laying the foundation for a long-term 'thrive' phase. Our short-term priority has been to address a few critical issues at a time, without losing sight of the longer-term goal - predictable, consistent outcomes with a sharp focus on quality, profitability, and growth.



Focus on Secured Lending

Our core strength lies in secured, asset-backed lending. We follow a 'twin-engine strategy' focused on gold loans and mortgages, both of which have demonstrated strong traction.

We are consciously pivoting to a more secured construct, with around 90% of our loan book now secured. This transition involves rebuilding the Small Ticket LAP (ST LAP) business brick by brick, addressing workforce gaps, and tackling growth challenges in the segment, while scaling Medium Ticket LAP (MT LAP) in a capital-efficient manner. This shift includes discontinuing disbursements in the unsecured business loans segment and minimising new originations. Instead, our focus is on scaling both Medium Ticket LAP and Small Ticket LAP, along with expanding our high-margin gold loan business. In gold loans, we are also responding to the impact of recent regulatory guidelines while pursuing expansion through new branches, co-location, and a targeted increase in gold's share to around 45% of the portfolio.



Deeper Reach, Stronger Relationships

We operate through a phygital model - a seamless combination of digital capability and physical branch presence. Our contiguous expansion strategy focuses on deepening presence in markets where we already operate, ensuring cost efficiency and faster time-to-market. By adding production staff in existing regions and leveraging current area leadership, we ensure swift ramp-up and greater control. Our rebuild phase also emphasises optimising our branch footprint for cost efficiency and capital allocation to high ROA/ROE businesses.

A standout initiative is our doorstep gold loan service, offering full underwriting and disbursement at the customer's location within 30 minutes - an offering that combines convenience with speed, and strengthens customer engagement in the gold loan segment.



Digital as a Scalable Backbone

We see technology not as a support function but as a strategic differentiator. Our digital-first infrastructure supports the entire lending lifecycle, from origination and onboarding to credit evaluation and collections. Salesforce powers our mortgage vertical, enabling a seamless flow from login to disbursement, while Prosper drives our cashless, paperless gold loan business. Our technology stack integrates electronic data with physical information to enable real-time, risk-calibrated decision-making. Additionally, our mobile apps and digital portals empower customers and employees with faster turnaround times and a simplified, friction-free experience. In line with our three-year strategic thought, we are using data and ecosystem insights to drive process-oriented collections for predictable credit costs, and deploying tech-led simplification to keep the customer at the core of every interaction.



Rigorous and Responsive Underwriting

Our customer base often includes self-employed individuals and MSME borrowers with informal income profiles. To responsibly serve them, we have developed a flexible yet risk-calibrated underwriting framework. Rule-based scorecards and structured templates allow us to assess true economic potential even in the absence of formal documentation. Early warning systems and portfolio analytics enable us to monitor asset quality proactively, while our hub-and-spoke model ensures on-ground validation and efficient loan processing. Larger exposures are evaluated by centralised credit committees, ensuring consistency and control in decision-making.



Empowering People to Power Growth

People are at the heart of our execution strategy. Every new hire undergoes extensive training on products, processes, regulations, credit evaluation, and systems to ensure they are equipped to deliver both compliance and customer excellence. In addition, continuous learning modules keep our workforce agile and aligned with evolving business needs, enabling them to contribute to a high-performance and customer-focused culture. Execution and ownership remain central to our people strategy, and we are working towards a frugal, cost-conscious DNA that supports sustainable scalability.

Digital by Design. Marketing with Meaning.

Marketing and Digital innovation serve as the twin engines driving growth, visibility, and customer experience for Fedfina. We combine data-backed digital campaigns, seamless technology platforms, and customer-first design to serve India's diverse and evolving financial needs. With an expanding phygital footprint, we are creating consistent experiences across platforms and touchpoints.



Marketing in the Digital Universe

We have built a modern marketing engine powered by data, content, and customer centricity. Digital campaigns are run across Google, Facebook, Instagram, and other social media platforms, creating awareness and generating leads for our gold, home and LAP offerings.

For every new branch, we adopt an aggressive launch strategy with targeted campaigns on social media three days before and after launch, supported by below-the-line (BTL) activities such as auto announcements, banner installations, and newspaper insertions. Limited-period schemes further strengthen our reach and conversions in high-potential markets.

Offline Initiatives Taken

Complementing these efforts, we have initiated impactful rural brand visibility programmes. Activities such as wall painting, auto announcements, and leaflet distribution have enhanced our presence in semi-urban and rural areas. While quantifying their direct impact on leads is challenging, walk-in data indicates clear traction and positive conversion trends.

- Marketing initiatives to improve financial literacy and for priority sector lending
- Traders meet catering to the MSME sector
- Activity for women entrepreneurs
- Tailor-made schemes for farmers
- Brochure of PSL scheme with our co-lending partner



Our Digital Ecosystem: Built for Scale and Simplicity

Customer Acquisition & Servicing

Our flagship mobile app, Fedfina Loans, enables customers to apply for and manage gold loans, home loans and LAP with just a few taps. Features such as quick pay, quote requests, and branch locators make for an intuitive and empowering user experience. As a result, we have achieved over 1.2 Million downloads, 75% digital registration, and 65% digital payments, underscoring strong customer acceptance.

Employee Productivity

Fedbank Lite, our internal app, empowers our teams with modules for lead generation, MSE credit, lead management systems (LMS), e-NACH setup, Cheque Handover Module, Reimbursement Module, and Securitisation. Employees can also generate and manage cross-sell leads, boosting productivity and ensuring timely follow-up. In addition, our tele-calling vertical – currently comprising 14 tele-callers across regions – supports lead calling, doorstep gold loan transactions, and STR calling, further strengthening our outreach and conversion.

Collection Management

With Fedfina Collect, our branch teams have real-time access to dashboards that display collections performance, planned PTPs, overdue cases, and pending follow-ups. This app enhances recovery effectiveness while maintaining complete visibility at the backend.

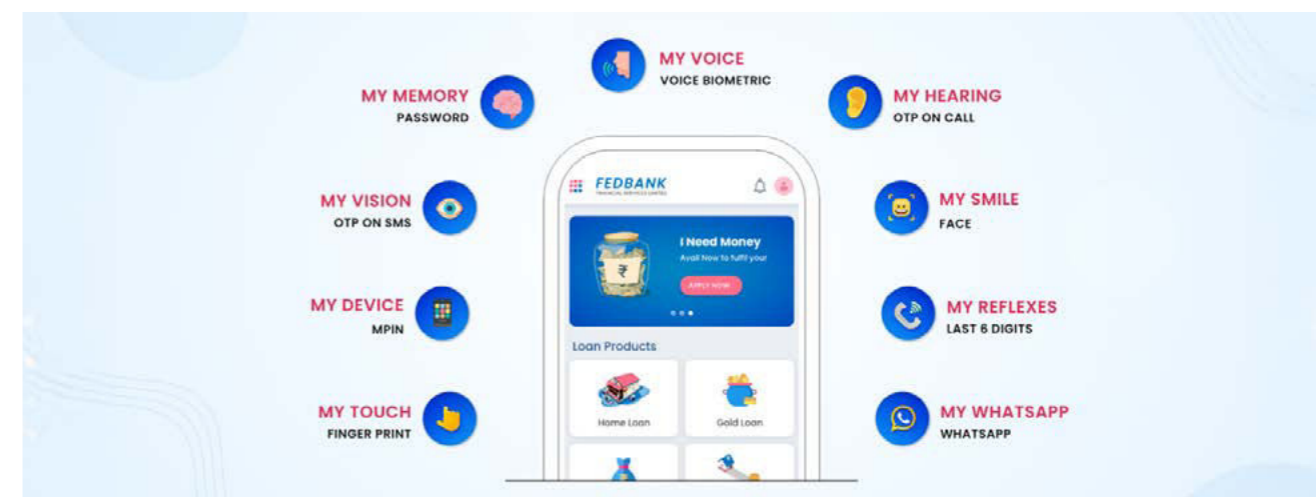
Customer-Centric Communication & Service

Our marketing does not end with lead generation – it extends to after-sales service and support. We maintain an omnipresent digital footprint through web, phone, apps, WhatsApp, and social media. A Hindi conversational chatbot and AI/ML-powered cloud telephony solutions allow us to respond intelligently and promptly.

Digital Partner Enablement

To ensure agility and scale, we have built a dedicated online interface for DSAs, financial institutions, and legal and technical agents, reducing turnaround times and improving transparency. Additionally, we offer nine different digital login options, enabling secure and convenient customer access anytime, anywhere.

9 Ways to Login



Delivering Impact. Driving Responsibility.

Our ESG purpose is grounded in the belief that meaningful change starts from within and radiates outward. From responsible lending practices that empower underserved borrowers, to fostering an inclusive and caring workplace, our approach is both people-centric and planet-conscious. Our efforts extend to building sustainable communities and actively mitigating environmental risks, guided by a clear purpose and a strong sense of shared responsibility.

ESG: Purpose

- 01 Responsible Lending
- 02 Empowering & Harmonious Workplace
- 03 Maximising Development Impact Around Communities
- 04 Minimising Environmental Risk

Environment 01

We view sustainability as a series of deliberate choices that create lasting impact. Every step from digitising our processes to rethinking how we use energy reflects our commitment to operating responsibly while building a greener future.

Metric	Unit	FY 2024-25	FY 2023-24	Change
Total Scope 1 and Scope 2 emission intensity per rupee of turnover	Metric Tonnes of CO ₂ equivalent / ₹ Billion of turnover	2.96	3.93	▲ 24.7%

In FY 2024-25, we made meaningful progress. We shifted our office to a Green Building, designed to optimise natural light and reduce energy consumption. Across our branches, we installed LED lighting, cutting power usage by nearly 20-40%, and introduced simple yet effective measures such as minimising air conditioning usage and switching off lights when not in use.

Our digital-first approach also played a pivotal role in conservation. By replacing paper-heavy workflows with electronic processes, we saved over 0.6 Million sheets of paper in FY 2024-25, while also educating employees through digital awareness modules on energy conservation and responsible resource usage.

These actions have translated into measurable results. Our Scope 1 and Scope 2 emission intensity declined from 3.93 to 2.96 metric tonnes of CO₂ equivalent per ₹ crore of turnover, demonstrating how operational efficiency and environmental stewardship go hand in hand.



Social 02

CSR

Our social initiatives are guided by a structured CSR policy but go far beyond compliance, touching lives, creating opportunities, and uplifting entire communities. Every action we take is rooted in the belief that finance can be a force for good.

We focus on three core areas: healthcare access, education and skill development, and community empowerment.

₹43 Million
Total Community Investment in FY 2024-25

Our Nutrition Outreach Programme addresses malnutrition in vulnerable communities, while our Women Entrepreneurship Programme empowers women with the resources, skills, and mentoring they need to build sustainable livelihoods.

Education and vocational training continue to be powerful tools in our social strategy, equipping young people with knowledge and employable skills. We also honour India's cultural legacy by supporting initiatives that preserve traditional arts and promote sports at the grassroots level.



Human Resources

Learning and Development

Our structured learning ecosystem equips employees with the knowledge and skills required to succeed in an evolving financial services landscape.

Our digital-first approach is anchored by the I-Learn platform, which provides employees with access to product information, regulatory guidance, process workflows, and customer service tools from day one, enabling seamless onboarding and quick productivity ramp-up.

42
Online Learning Modules Completed in FY 2024-25

Budget of ₹78 Lakh
Investment in L&D

Integrated with our HR Management System, our Learning Management System (LMS) now features a growing library of modules that cover functional skills, leadership development, and behavioural competencies. In FY 2024-25, employees completed 42 online learning modules, with 56% of employees participating in at least one targeted training session. On average, this translated into 12.5 hours of training per employee, reflecting our continued investment towards employee training.

To address high attrition in sales roles, we implemented revised policies and enhanced employee engagement initiatives. Additionally, through the National Apprenticeship Promotion Scheme (NAPS), we onboarded apprentices who received on-the-job training and structured career pathways. By expanding hiring to Tier 2 and Tier 3 cities, we not only improved hiring quality through standardised assessments but also created meaningful employment opportunities in emerging regions.



Social

Employee Engagement and Workplace Culture

In FY 2024-25, we were certified as a Great Place to Work® for the sixth consecutive year. With 3,486 employees participating and an 83% survey completion rate, we achieved an overall Trust Index® score of 84, driven by strong results across key dimensions.

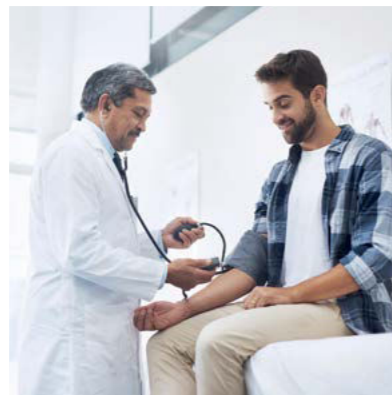
In FY 2024-25, we were certified as a Great Place to Work® for the sixth consecutive year.

Beyond external certifications, we actively listen to our employees through Fed Voice, our internal survey capturing real-time feedback on trust, leadership, values, and collaboration. Initiatives like MAD SAD GLAD have encouraged open conversations about what's working and what needs to improve, while Filter Kaapi, a direct forum between employees and leaders has strengthened transparency and collaborative problem-solving.

Health, Well-being, and Inclusion

Employee health and well-being are central to our HR strategy. We provide:

- Annual health check-ups in collaboration with healthcare partners, including comprehensive diagnostics such as Vitamin D screening.
- Health engagement activities to keep our workforce active and motivated.
- A flexible working model that allows employees to choose between working from home or office based on their needs.
- Family Friday, which allows employees to finish work early on the second Friday of every month to spend more time with their loved ones.



Diversity

Diversity and inclusion also remain core priorities. Women currently make up 16% of our workforce, including 13.51% in senior management roles. Through targeted hiring, development programmes, and initiatives like 'Sakhi' - our internal women's support group - we are empowering women to thrive and take on leadership roles.

16%
Female Employees

13.51%
Women in Senior Management



Awards and Recognition

We believe in celebrating contributions that drive impact. Our ICON (Impeccable Contributions) programme honours individuals and teams who go above and beyond.

To further strengthen trust and ethical conduct, we have established a robust whistleblower policy that offers secure, confidential channels for reporting unethical behaviour, protecting employees from retaliation, and ensuring transparent investigations.



Governance

As a subsidiary of a bank, governance is at the core of everything we do. From the outset, our priority has been to build a scalable and well-regulated organisation, backed by strong systems and sound oversight. Our early investments have focused on creating a robust governance framework, with a larger-than-peers team of senior professionals in audit, risk, and credit operations.

Our governance philosophy is anchored in transparency, accountability, and ethical conduct. All internal policies, whether related to risk management, whistleblower protection, or labour practices are developed with precision and enforced with rigour.

We follow a structured approach to compliance, supported by independent audit processes and strong internal controls. Our leadership team, with deep expertise in financial services, ensures adherence to regulatory requirements while also fostering a culture of integrity across all levels.



Corporate Information

Board of Directors



Mr. Shyam Srinivasan
Non-Executive Chairman and Non-Executive Director

Mr. Shyam Srinivasan joined Fedbank Financial Services Limited (Fedfina) as a Non-Executive Director in March 2011 and became its Non-Executive Chairman in September 2024. He served as MD & CEO of Federal Bank from September 2010 to September 2024, bringing extensive experience in retail lending, wealth management, and SME banking across India, the Middle East, and Southeast Asia. He is also associated with TVS Capital Funds, a private equity firm, where he serves as Senior Advisor and Operating Partner, bringing his rich banking expertise in private equity space.

Prior to Federal Bank, Mr. Shyam held leadership roles at Standard Chartered Bank, including Head of Consumer Banking in India and Country Head in Malaysia, where he drove strategic growth and profitability. At Federal Bank, he spearheaded a transformation from a regional entity to a nationally recognised private sector bank. His vision, encapsulated in the mantra 'Digital at the fore, human at the core,' guided the bank's modernisation and expansion.

Under his leadership, Federal Bank's branch network grew from 670 to over 1,500 across 26 states and

5 Union Territories. The customer base expanded from 40 lakhs to 1.8 crores, and digital transactions surged from 46% to 94%. Market capitalisation rose fivefold to ₹50,000 crore, net worth increased sixfold to ₹30,000 crore, and profits and total business grew sevenfold. The bank maintained a low Net NPA through enhanced underwriting systems and achieved a 15% CAGR over 14 years.

Mr. Shyam championed diversity and youth, reducing the average employee age to the early 30s and achieving a 43% female workforce - the highest in the industry - with an attrition rate of just 3%. His tenure emphasised ESG, stakeholder value, and attracted investment from IFC (World Bank Group).

An alumnus of IIM Calcutta and Regional Engineering College, Tiruchirappalli, he also completed leadership training at London Business School and served on Standard Chartered's Global Executive Forum. Post-retirement, he continues as Fedfina's Non-Executive Chairman and Director.



Mr. Krishnan Venkat Subramanian
Non-Executive Nominee Director

Mr. Krishnan Venkat Subramanian, commonly known as Mr. KVS Manian, has had a distinguished career in finance spanning four decades. He began his professional journey at NELCO, a Tata Company, and spent three decades with the Kotak Mahindra Group, being Joint Managing Director in his last stint there, before becoming the MD & CEO of Federal Bank in September 2024. Starting in 1984, Mr. Manian's early career focused on mastering corporate finance and accounting functions. Over the next three decades he worked in various areas of financial services and in 2003 transitioned to a full-time banking role, creating one of the most successful and profitable banking franchises built during that period. He has handled various portfolios, including Commercial Banking, Consumer Banking, Corporate Banking, Private Banking, Investment Banking, Treasury, Institutional Equities, Retail Equities, and Asset reconstruction, among others. He has earned a strong reputation as an inspiring leader, a team builder with a strong connection to people, and a strategic thinker with a vision.

At Federal Bank, he brings his deep banking expertise aiming to script

the next chapter in the long history of the bank. As a leader who champions collective intelligence, he aims to lead the team at Federal Bank to new heights, by modernising and enriching the franchise and making the brand more national in character.

Mr. Manian is an electrical engineer from IIT (BHU) - Varanasi, holds a Postgraduate degree in Financial Management from Jamnalal Bajaj Institute of Management Studies, Mumbai, and is a qualified Cost and Works Accountant. He is not only a domain expert in financial services and banking but also a sought-after management thinker and speaker at various forums.

On a personal note, he is a fitness enthusiast who enjoys marathon running and has maintained a fitness regime for over a decade. He has a deep Philanthropic side to him and has been one of the largest fund raisers for the cause of cancer in the Mumbai Marathons.



Mr. Harsh Duggar
Non-Executive Nominee Director

Mr. Harsh Dugar has been associated with The Federal Bank Ltd since October 2016. He had joined the Bank as the Country Head for Corporate and Institutional Banking (October 2016 - March 2021) and served as the Group President and Country Head - Wholesale banking (April 2021 and June 2023). He is the Executive Director of the Federal Bank Limited since June 2023.

Mr. Harsh is handling the following functions at the Federal Bank:

- Corporate & Institutional Banking
- Commercial Banking
- Government Business
- CV & CE
- Microfinance
- Agriculture & Rural Finance
- Gold Loans
- Treasury

Mr. Harsh was Nominee Director on the Board of Equirus Capital (March 2019 - August 2023). Previously Mr. Harsh was associated with HDFC Bank for 20 years (October 1996 - October 2016) and worked in various positions.

Mr. Harsh is a qualified Cost Accountant and positioned all India 6th rank holder and also qualified ICFAI (Chartered Financial Analyst) and positioned all India 1st Rank holder.

Chairperson
COD Operations
Nomination & Remuneration Committee
Wilful Default Review Committee

Corporate Social Responsibility Committee
Business Development Committee
Audit Committee

Risk Management Committee
Stakeholders' Relationship Committee
IT Strategy Committee

Chairperson
COD Operations
Nomination & Remuneration Committee
Wilful Default Review Committee

Corporate Social Responsibility Committee
Business Development Committee
Audit Committee

Risk Management Committee
Stakeholders' Relationship Committee
IT Strategy Committee



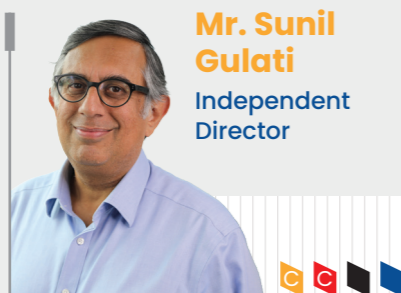
Mr. Maninder Singh Juneja
Non-Executive
Nominee Director

Maninder Singh Juneja brings over three decades of leadership experience in banking and financial services. He is currently a Partner at True North, where he has been instrumental in building and scaling businesses across the financial sector since 2016.

Previously, Maninder was the Group Head – Retail Banking at ICICI Bank, where he led strategy, analytics, retail and SME products, branch banking, small business loans, and distribution channels, contributing significantly to the bank's growth. He began his career with the Godrej Group and later worked with GE Appliances and GE Transportation Financial Services.

He has served on the Boards of CIBIL, NPCI, Pine Labs, HFFC, Niva Bupa and Fedfina, bringing governance, transformation, and strategic oversight to leading institutions.

Maninder holds a Postgraduate Diploma in Management from IIM Lucknow (1991) and a Bachelor's in Engineering from Maharaja Sayaji Rao University (1987). Beyond work, he is passionate about running and trekking.



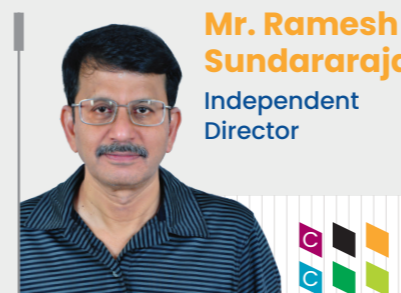
Mr. Sunil Gulati
Independent
Director

Sunil Gulati is a B.Tech degree holder from the Indian Institute of Technology, Delhi and a Gold Medalist from the Indian Institute of Management, Ahmedabad. He serves as an Independent Director on the Boards of SBI Mutual Fund Trustee Company, Arthan Finance, Perfios Account Aggregation Services, Tapstart, Revgro Capital, KMC Speciality Hospitals and Sri Kauvery Medical Care and as a Non-executive Director on the Boards of Merisis Advisors and Carefin Money. Mr. Sunil is also a Senior Advisor to Ambit Finvest, Iswarya Health and WEH Ventures. He has previously served as an Independent Director of PNB MetLife India Insurance Ltd and Fincare Small Finance Bank, among others. He is a member of the Mutual Fund Advisory Committee constituted by SEBI and has chaired Working Groups for the development of passive funds and framing regulations for Mutual Funds dealing with passive funds.

He has experience in various sectors, including wholesale and investment banking, retail banking, capital markets, and agricultural/financial inclusion. He was the Chief Risk Officer at RBL Bank from 2010 till 2016, during its transformation from a small regional bank to a national

player. He was previously with Bank of America both in India and overseas and been part of the management teams at GE Capital, ING and Yes Bank in his banking career.

Mr. Gulati was an early-stage investor and Board Member at Aztec Technologies, helping it grow and go public in 2000. He worked on merging Aztec into Mindtree in 2009 and served on the Board of Trustees for ING Investment Management in India from 2010 to 2014. He has attended governance certification programmes organised by The Wharton School for Independent Directors and been part of CERG Advisory Group's Independent Directors Forum.



Mr. Ramesh Sundararajan
Independent
Director

Mr. Ramesh is a graduate in Engineering from IIT Madras and a postgraduate MBA from IIM Calcutta. Mr. Ramesh comes from a Banking Technology background having worked in Technology and Operations functions with large multinational banks for over three decades. He has been in CIO/COO level positions for more than 15 years. Mr. Ramesh started his career with Standard Chartered Bank in India and then moved to Singapore followed by stints in Philippines, Korea, Indonesia and CIMB Bank, Malaysia over the next 25 years. Upon returning to India in 2021 he took on the role of Country Head, Zan Compute, India, a US based Internet of Things (IoT) startup, where he directly manages the software development and engineering teams based in Coimbatore and client relationships outside the US.



Ms. Sonal Dave
Independent
Director

Ms. Sonal Dave is a Chartered Accountant (CA) and a finance professional with about 4 decades of finance and operations experience in Banking, Shipping, Logistics and Consulting. She retired from the HSBC Group in April 2024 after about 28 years in various roles, including Head of Financial Planning and Analysis and Business Finance for HSBC India and MD & COO of Institutional Equities and Investment Banking. At her last organisation, she worked and led teams effectively in matrixed, multi-stakeholder, multicultural organisations across multiple geographies. She also developed and led professional, high performance teams, including coaching/mentoring. She chaired HSBC's D&I Committee and HSBC India's Internal Complaints Committee under the POSH Act.

She is currently a senior Advisor with Cedar Management Consultancy Pvt Ltd and Co-Founder and Director of Anibha Arts Foundation supporting Myna Academy of Performing Arts.



Ms. Mona Bhide
Independent
Director

Ms. Mona Bhide is a lawyer based in Mumbai, India and heads the litigation, banking and corporate law divisions of Dave & Girish, a multi service law firm. Ms. Bhide has been in legal practice since the year 1989 and has graduated with an LLM Degree from Northwestern Pritzker University, School of law at Chicago, USA. Dave & Girish law firm is a multi-service law firm and is known for its practice in corporate law, securities and banking transactions, capital markets, structured finance, securitisation, swaps, derivatives, mergers & acquisitions, and restructuring. Ms. Bhide's practice revolves around structured finance, derivatives and securities law. She advises banks, financial institutions MNCs, and has served as a Director of the National Stock Exchange and other listed companies of repute which include GIC Housing Finance Ltd, Vinati Organics Ltd, and Datamatics Global Solutions Ltd, among others.

Ms. Bhide worked with an international law firm in Chicago, USA, called Sedgwick, Detert, Moran & Arnold. She also conducted research at the American Bar Foundation in Chicago, USA, on the following topics:

- i) SEC regulations
- ii) Conflict of interest
- iii) Globalisation of the legal profession

- Chairperson
- COD Operations
- Nomination & Remuneration Committee
- Wilful Default Review Committee
- Corporate Social Responsibility Committee
- Business Development Committee
- Audit Committee
- Risk Management Committee
- Stakeholders' Relationship Committee
- IT Strategy Committee

- Chairperson
- COD Operations
- Nomination & Remuneration Committee
- Wilful Default Review Committee
- Corporate Social Responsibility Committee
- Business Development Committee
- Audit Committee
- Risk Management Committee
- Stakeholders' Relationship Committee
- IT Strategy Committee



Mr. Muralidharan Rajamani
Independent Director

Mr. Muralidharan Rajamani's (Murali) professional career of over 40 years has been largely spent in the Banking Financial Services and Insurance (BFSI) Sector. For over a decade, he held CEO/COO / Top Leadership positions across institutions such as ICICI Bank, Dhanlaxmi Bank, L&T Financial Services, Edelweiss Tokio Life Insurance Company Limited and the BRICS Group. Besides Fedfina, he is an Independent Director in PGIM India Mutual Fund, Non-Executive Director in Utkarsh Small Finance Bank.

Murali also invested in and mentors start-ups in India and its founders. He is involved in leadership development and coaching through his association with Kautilya Leadership Centre. He does pro-bono work with organizations that provide opportunities and better environment for People with Disabilities. His long tenures have been with the country's largest Public and Private Sector Banks - State Bank of India (9 years) and ICICI Bank (13 years).

His wide experience spans Corporate Banking, Retail Banking, Branch and Digital Channels, Strategy, Technology, Operations and Transformational Projects in Customer Experience some of

which were industry-first initiatives. At ICICI Bank, he was a part of the team that set up the Bank in 1994 and went on to become General Manager - Global Operations Group. His transformational work in Dhanlaxmi Bank where he was the President and Chief Operating Officer won him The Asian Banker Award in 2012. He is a member of The Advertising Standards Council of India and is an Advisory Board member to Vindhya e-infomedia Pvt Ltd. He served as CEO online Business and Group COO of Brics Securities Ltd.

Murali holds a bachelor's degree in science (Mathematics) from the University of Madras and a Master's degree in Arts (Economics) from the University of Madras. He has completed the management of manager's program from Stephen M. Ross School of Business, University of Michigan, Executive Education Program from the Stanford Graduate School of Business and is a Certified Associate of the Indian Institute of Bankers. He is an industry reference point in BFSI and is a regular faculty and speaker across industry for a and institutions.



Mr. Parvez Mulla
Managing Director & Chief Executive Officer

Mr. Parvez Mulla comes with 29 years of deep experience across lending, retail banking, and insurance domains. He has held several leadership roles throughout his career, including COO at HDFC Life, MD at True North, Chief Executive - Retail at L&T Finance and General Manager at ICICI Bank. He has been a fintech advisor with Blume Ventures, and has served on the Boards of HDFC Pension, and North East Small Finance Bank. He is a transformational leader who has built and led large, high-performing teams across sales, distribution, underwriting, collections, operations and technology.

Bankers/Lenders

Federal Bank
Australia & New Zealand Banking Group Limited (ANZ Bank)
Axis Bank
Bajaj Finance Limited
Bandhan Bank
Bank of Baroda
Bank of India
Bank of Maharashtra
Canara Bank
Central Bank of India
Citibank N.A.
City Union Bank
DBS Bank, India
DCB Bank
Dhanlaxmi Bank
HDFC Bank
HSBC, India
ICICI Bank
IDBI Bank
Indian Bank
IndusInd bank
Karnataka Bank
Kotak Mahindra Bank
Punjab & Sind Bank
Punjab National Bank
SIDBI
South Indian Bank
State Bank of India
Ujjivan Small Finance Bank
Union Bank of India

Registered Office & Corporate Office

Unit No. 1101, 11th Floor, Cignus, Plot No. 71A, Powai, Paspoli, Mumbai - 400 087, Maharashtra, India

Corporate Identification Number

L65910MH1995PLC364635

Statutory Auditors

M/s. KKC & Associates, LLP, Chartered Accountants (Firm Registration No. 105146W /W100621)

Sunshine Tower, Level 19, Senapati Bapat Marg, Elphinstone Road, Mumbai - 400 013, Maharashtra, India

Tel: +91 22 6143 7333

Email: info@kkcllp.in

Website: <https://www.kkcllp.in/>

Registrar & Share Transfer Agent

MUFG INTIME INDIA PRIVATE LTD. (formerly Link Intime India Private Limited).

C-101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai -400 083, Maharashtra, India

Tel: +912249186000 (Board Line)

810 811 6767 (Investor Helpdesk)

Fax: +91 22 49186060

Email: rnt.helpdesk@in.mpms.mufig.com

Website: www.in.mpms.mufig.com

SEBI Registration No.: INR000004058











Chief Financial Officer

Mr. C.V. Ganesh

Company Secretary

Mr. Rajaraman Sundaresan (till July 31, 2025)

Mr. Parthasarathy Iyengar (w.e.f. August 1, 2025)

-  Chairperson
-  COD Operations
-  Nomination & Remuneration Committee
-  Wilful Default Review Committee
-  Corporate Social Responsibility Committee
-  Business Development Committee
-  Audit Committee
-  Risk Management Committee
-  Stakeholders' Relationship Committee
-  IT Strategy Committee

Management Discussion and Analysis

Global Economy

The International Monetary Fund (IMF), in its July 2025 edition of the World Economic Outlook, presented a slightly more confident view of global economic prospects compared to its April 2025 update showing resilience amid uncertainty. Global GDP growth has been revised upward to 3.0% for calendar year (CY) 2025 and 3.1% for CY 2026, from the earlier April 2025 estimate of 2.8% for CY 2025 and 3.0% for CY 2026, though muted projection compared to January 2025 view of 3.3% in both years. The upward revision from April 2025 update reflects front loading ahead of tariffs with a strong surge in exports to the US in the 1st quarter of the year and better financial conditions. This indicates that several economies rushed shipments and trade orders before the US tariff measures could potentially raise costs, artificially boosting short-term growth figures. However, muted growth compared to

the January 2025 update primarily reflects the dampening effects of rising trade frictions and increasing policy uncertainty across major economies: factors that have eroded investor sentiment and moderated the pace of global trade. Inflationary pressures are projected to persist, with global inflation expected to remain elevated at 4.2% in CY 2025 before easing to 3.6% in CY 2026. The persistence of inflation reflects not only cyclical demand and supply imbalances but also the structural risk that tariffs may trigger cost-push inflation across multiple economies. However, risks to the inflation outlook remain considerable, particularly in the aftermath of the imposition of near-universal import tariffs by the US on 2nd April, 2025. Although implementation is currently on hold (as of July 2025), the potential impact of these tariffs on global supply chains and input costs is likely to be significant, prolonging pricing pressures in several international markets.

(Source: <https://www.imf.org/en/Publications/WEO/Issues/2025/04/22/world-economic-outlook-april-2025>)

(Source: <https://www.imf.org/en/Publications/WEO/Issues/2025/07/29/world-economic-outlook-update-july-2025>)

Indian Economy

Macroeconomic Environment

India's economy grew by 9.2% in FY 2023-24, but growth is expected to moderate to 6.5% in FY 2024-25, according to estimates from the National Statistics Office (NSO). This moderation follows a year of sharp recovery. However, the economy continues to demonstrate resilience, supported by steady rural demand, rising urban consumption, and a pickup in capital investment. Government infrastructure spending and the sound financial position of corporates and banks are also helping sustain growth momentum.

Despite headwinds affecting merchandise trade, India's services exports are maintaining momentum. On the supply side, agriculture has remained stable, industrial activity is recovering gradually, and the services sector continues to play a significant role in supporting overall growth. Based on these trends, GDP growth for FY 2025-26 is also projected at 6.5%, indicating that the Indian economy remains on a steady and positive trajectory.

(Source: <https://www.fdicindia.org.in/wp-content/uploads/2025/04/RBI-MONETARY-POLICY-PRESS-RELEASE-09-04-251.pdf>)

However, the imposition of steep new tariffs by the United States effective from 27th August, 2025, poses a significant downside risk to this outlook. With additional duties raising effective tariffs on many Indian goods to as high as 50%, several sectors including textiles, gems and jewellery, footwear, furniture, chemicals, and sporting goods are likely to face sharp export headwinds. Thousands of small exporters and manufacturers could come under pressure, particularly in labour-intensive industries that depend heavily on the US market. Looking ahead, India's global economic standing appears set for further advancement. India emerged as the fourth-largest global economy in CY2025 (by Nominal GDP), driven by domestic reforms and its evolving global role under the Aatmanirbhar Bharat initiative. India's progress is underpinned by robust domestic consumption, a young and expanding workforce, sustained policy reforms, and a strong push in infrastructure and manufacturing initiatives. As the country continues to strengthen its position on the global stage, there is growing confidence that this economic growth will increasingly contribute to improved living standards and opportunities for its vast and diverse population.

(Sources: <https://www.livemint.com/economy/india-to-become-worlds-third-largest-economy-by-2028-gdp-growth-projected-to-hit-5-7-trillion-morgan-stanley-11741874834090.html>)

<https://www.pib.gov.in/PressNoteDetails.aspx?NotelId=154660&ModuleId=3>)

Inflation and Monetary Policy

Retail inflation, measured by the Consumer Price Index (CPI), averaged 4.6% in FY 2024-25; its lowest annual average since FY 2018-19. This decline was driven by effective monetary policy measures by the RBI and the Government's focus on easing supply-side constraints, reflecting success in maintaining a fine balance between growth and price stability.

(Source: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2122148>)

With inflation remaining within the target band, the Monetary Policy Committee (MPC) reduced the policy repo rate by

50 basis points to 5.50% in June 2025 and adopted a neutral stance. This policy decision reflects growing confidence that inflation will remain within the RBI's target range of 4% (±2%). It is also aimed at stimulating credit growth, strengthening financial stability, and encouraging capital investment amid a complex global environment. Additionally, the rate cut is expected to promote increased lending activity, thereby supporting sustained and broad-based economic growth.

(Source: <https://www.financialexpress.com/policy/economy-rbi-mpc-meeting-june-2025-live-updates-governor-sanjay-malhotra-monetary-policy-big-announcement-repo-rate-gdp-inflation-loan-interest-rate-3870281/>)



Gold Market

India's demand for gold imports remained strong in FY 2024-25 despite record-high international gold prices. During this period, India's gold imports rose by US\$12.5 Billion year-on-year, reaching a total of US\$58 Billion, reflecting robust underlying demand even though import volumes recorded a marginal decline. This surge was supported by strong investment sentiment, festive and wedding season purchases, and a reduction in import duties from 15% to 6% in July 2024, which significantly boosted buying activity in the following months.

Since October 2022, gold prices have been on a steady rise, with a sharp acceleration following the US elections in November 2024. Amid global financial market volatility and geopolitical uncertainty, gold has reasserted its position as a preferred safe haven asset. With prices hovering near the ₹1,00,000 per 10 grams mark in the second half of 2025, volatility is expected to continue through the year, driven by fears of a US recession, a weaker dollar, rising ETF inflows, and central bank gold purchases.

(Source: <https://www.financialexpress.com/market/gold-pulse/gold-imports-jump-by-12-5-billion-in-fy25-as-price-skyrockets/3814215/>)

MSME Sector

The **Micro, Small, and Medium Enterprises (MSME)** sector contributes approximately **30% to India's GDP** and employs over **260 Million people** across 7.34 Crores enterprises. As a foundational pillar of the Indian economy, MSMEs play a vital role in fostering entrepreneurship, increasing manufacturing output, enhancing export competitiveness, and driving regional development.

MSMEs' Contribution to India's Economic Growth

>90% of India's Enterprises (FY 2024-25E)	~60% of India's workforce (FY 2023-24)	30% share in India's GDP (FY 2022-23)	44% share in India's exports (FY 2023-24)	41% share in manufacturing gross value added or GVA (FY 2021-22)
~7.34 Crores Estimated MSMEs	>25 Crores people estimated to be employed	~28% exports share from registered MSMEs	Contributes 35% to all-India manufacturing output/production	

(Source: https://www.sidbi.in/uploads/Understanding_Indian_MSME_sector_Progress_and_Challenges_13_05_25_Final.pdf)

The sector is being actively supported through targeted government interventions such as the Udyam Registration Portal, PM Vishwakarma, PMEGP, SFURTI, and the Public Procurement Policy for MSEs. These initiatives aim to formalise the sector, expand access to finance, and boost market linkages.

With continued policy focus and increasing digitalisation, MSMEs are expected to play an even more critical role in India's growth story over the next decade, serving as key drivers of innovation, employment generation, and broad-based economic development.

Non-Banking Financial Company (NBFC) Sector

India's NBFCs are entering a phase of more measured growth. After two years of strong expansion, credit growth is projected to moderate to 13-15% in FY 2024-25 and FY 2025-26, down from 17% in the previous two fiscals (FY 2022-23 and FY 2023-24). This reflects a more cautious lending approach as the sector responds to a maturing credit cycle and emerging concerns around asset quality.

Yet, the sector continues to expand in absolute terms. As of December 2024, NBFC credit stood at ₹52 Trillion, with projections indicating a rise beyond ₹60 Trillion by FY 2026. Growth has been largely fuelled by retail lending, which accounted for 58% of the NBFC

portfolio by the end of 2024 (including HFCs). Retail credit expanded by 23% between FY 2022-23 and FY 2023-24, supported by robust demand, digital adoption, and favourable consumption trends.

This momentum, however, is expected to soften, with retail credit growth slowing to 16-18% between FY 2024-25 and FY 2025-26. The moderation stems from a high base post-pandemic and rising borrower leverage. Segments such as microfinance, personal loans, credit cards, and unsecured business loans are already under stress. By December 2024, unsecured business loans made up 28% of retail NBFC credit, contributing to elevated levels of delinquencies and write-offs.

(Source: <https://economictimes.indiatimes.com/industry/banking/finance/banking/nbfc-credit-growth-to-moderate-to-13-15-in-fy25-and-fy26-from-17-witnessed-in-last-two-fiscals-icra/articleshow/120578816.cms?from=mdr>)

Asset quality pressures have become more apparent in the unsecured loan segments. In a tighter credit environment, repayment risks could also arise in secured loan categories such as vehicle finance and micro-mortgages. These exposures are typically higher among borrowers with lower financial resilience.

Regulatory frameworks for the sector have been refined over time, with some guidelines revisited and additional measures introduced to address sector-specific vulnerabilities. While these may result in some moderation in near-term growth, they are designed to enhance structural resilience over the long term. A significant number of NBFCs continue to demonstrate reasonable capital adequacy and stable profitability, positioning them to adapt to the evolving regulatory landscape and steadily improve lending practices.

According to ICRA, profitability (excluding housing finance companies) is likely to face pressure, with return on average managed assets declining by 30-50 basis points in both FY 2024-25 and FY 2025-26. While housing finance companies have shown more stability, credit cost pressures may surface as their portfolios mature. Despite challenges, bank credit growth is expected to rise to 12-13% in FY 2025-26, driven by supportive interest rates, stronger consumption, and regulatory relief.

(Source: <https://economictimes.indiatimes.com/industry/banking/finance/banking/crisil-sees-bank-credit-growth-inching-up-to-13-in-fy26/articleshow/120308913.cms>)

To navigate these shifts, NBFCs are expected to focus on rebalancing their portfolios by improving asset quality, diversifying exposures, and enhancing operational efficiency. With disciplined growth and sound risk management, the sector remains well-placed to support credit inclusion while adapting to a more sustainable and quality-led growth cycle.



NBFC Growth Engines

MSME Credit Gap



India's MSME sector contributes nearly 30% to the GDP and employs over 25 Crore people, yet it continues to face significant credit challenges. The MSME Credit Addressable Market stands at ₹92 Trillion which presents a huge credit gap in the economy.

(Source: IFC report on Financing India's MSMEs, CRISIL MI&A, https://www.sidbi.in/uploads/Understanding_Indian_MSME_sector_Progress_and_Challenges_13_05_25_Final.pdf)

Despite increased credit flow from NBFCs and fintechs, access remains uneven particularly for rural MSMEs, women-led businesses and new enterprises. This large unmet demand presents a scalable lending opportunity. With their reach, digital capabilities, and agile models, NBFCs are uniquely positioned to serve this segment. Government-backed credit guarantee schemes and digital lending platforms further enable NBFC participation. Bridging this gap is not only critical for economic inclusion but also offers a compelling long-term growth opportunity for the sector.

Increased Data Availability and Transparency



The increasing adoption of digital tools and the shift towards greater formalisation among businesses have created a rich stream of data for lenders. This broader data availability can significantly improve the accuracy of credit assessments and enable wider credit access for previously underserved customer segments.



Segment- Wise Growth Opportunities

Gold Loans

In FY 2024-25, gold loans recorded the highest growth among retail lending products, with outstanding amounts rising sharply from just over ₹1 Lakh Crore in March 2024 to nearly ₹2.1 Lakh Crores in March 2025. This growth was driven by several key developments: a 2023 RBI directive that reclassified certain agricultural loans as gold loans, restrictions on NBFC gold lending which redirected borrowers towards banks, and rising gold prices that enhanced the realised value of collateral. Additionally, regulatory restrictions on larger NBFCs pushed more borrowers to banks, which offered more competitive terms and wider access to gold-backed credit.

(Sources: <https://economictimes.indiatimes.com/industry/banking/finance/banking/gold-loans-double-in-fy25-despite-slowdown-in-bank-credit-growth/articleshow/120824479.cms?from=mdr>, <https://www.livemint.com/market/commodities/gold-price-hits-1-lakh-mark-here-are-5-key-reasons-behind-the-rally-in-yellow-metal-11745306604354.html>)

Rising gold prices have enabled borrowers to secure larger loans against the same amount of collateral, within existing LTV limits (which remain capped at 75%). More recently, for smaller gold loans under ₹2.5 Lakhs, the RBI has raised the LTV cap to 85%, enhancing borrowing capacity for these ticket sizes. Concurrently, regulatory updates now require that accrued interest be included when calculating LTV for bullet repayment loans, ensuring that disbursed amounts more accurately reflect total repayment obligations. Together, these developments support improved liquidity access for households and small businesses, positioning gold loans as a fast, asset-backed credit option for previously underserved customer segments.

(Sources: <https://economictimes.indiatimes.com/industry/banking/finance/banking/gold-loans-double-in-fy25-despite-slowdown-in-bank-credit-growth/articleshow/120824479.cms?from=mdr>, https://economictimes.indiatimes.com/industry/banking/finance/banking/rbis-loan-to-value-limit-hike-for-gold-loans-to-support-nbfc/articleshow/121825349.cms?utm_source=chatgpt.com&from=mdr)



Growth Drivers for Gold Loan

- 01 **Quick and Convenient Access to Credit:** Gold loans require minimal documentation and offer flexible repayment options, making them fast and borrower-friendly. Multiple tenure choices cater to diverse financial needs.
- 02 **Low Credit Barrier:** These loans do not require a high credit score, enabling wider financial inclusion for individuals with limited or no formal credit history.
- 03 **India's Massive Private Gold Holdings:** Indian households are estimated to hold approximately 24,000 tonnes of gold, nearly equivalent to the combined gold reserves of all the world's central banks. This substantial gold stock positions India as the largest private holder of gold globally, providing a widely accessible collateral base for borrowers.
(Source: <https://www.financialexpress.com/market/gold-pulse/who-are-the-worlds-biggest-hoarders-of-gold-the-names-will-surprise-you/3814241/>)
- 04 **Growing Awareness and Accessibility:** Increased awareness through financial literacy campaigns, digital initiatives, partnerships with jewellers, and multilingual outreach has driven the rising adoption of gold loans.
- 05 **Strategic Branch Expansion:** The growth in branch networks by gold loan NBFCs has played a key role in AUM expansion, enhancing customer access across both urban and rural regions.



Mortgage Loans

India's housing finance sector continues to grow steadily, with the individual housing loan portfolio reaching ₹33 Trillion as of March 2024. This marks a compound annual growth rate (CAGR) of around 13% over the past six years, with housing loans accounting for 14% of total systemic credit. The market is projected to grow at 15–16% CAGR between FY 2024–25 and FY 2029–30, supported by rising urbanisation, increasing preference for premium housing, improved affordability, and government initiatives such as 'Housing for All.'

Public sector banks hold the largest share of the housing loan market, followed by private banks and housing finance companies (HFCs). While banks cater to salaried borrowers in urban areas, HFCs typically focus on smaller-ticket loans to self-employed individuals in Tier 2 and 3 cities. As of 31st March, 2024, HFCs reported a loan book of ₹9.6 Trillion, with strong momentum across both retail and wholesale segments. Despite some pressures from tighter liquidity and rising competition, the housing finance segment continues to be a core growth engine for NBFCs.

(Source: https://www.careratings.com/uploads/newsfiles/1743423679_Housing%20Finance%20-%20CareEdge%20Report.pdf)

The India Loan Against Property (LAP) market was valued at **US\$ 756.34 Billion in 2024** and is projected to reach **US\$1,598.23 Billion by 2030**, registering a **CAGR of 13.28%** during the forecast period.

This robust growth is underpinned by several structural and demographic factors, including:

- Rising property ownership across urban and semi-urban regions
- Increasing demand for secured financial products among individuals and SMEs
- Expansion of the middle-income segment, driving credit consumption

Loan Against Property has emerged as a preferred financing option, offering borrowers access to substantial funds by leveraging residential or commercial assets as collateral. Its popularity stems from:

- Competitive interest rates
- Flexible repayment structures
- Streamlined documentation processes

The market's momentum has been further accelerated by the **digitalisation of lending platforms**, enabling faster approvals and enhanced customer experience. Additionally, the proliferation of **NBFCs** and traditional banks offering **customised LAP solutions** has broadened access and improved product diversity, catering to a wide range of borrower profiles.

(Source: <https://www.techsciresearch.com/report/india-loan-against-property-market/4964.html>)



Growth Drivers for Mortgage Loans

01 Expanding Middle-Class: The rapid expansion of India's middle class, which is projected to comprise nearly 60% of the population by 2047, is reshaping the country's consumer landscape and driving demand for financial products that support aspirations such as homeownership, entrepreneurship, and long-term financial security. LAP has emerged as a preferred option for this segment, enabling individuals to monetise existing property assets to meet diverse needs, including business growth, higher education, medical expenses, or debt consolidation.

02 Faster, Tech-Led Solutions: With the adoption of digital platforms, the LAP segment is becoming more efficient. Digital processing ensures quicker approvals and disbursements, allowing borrowers to access funds with minimal delays. This tech-led approach not only enhances customer convenience but also enables lenders to scale offerings with greater speed and operational efficiency.

Opportunities

With government efforts to promote financial inclusion gaining traction, and digital connectivity improving across rural India, the delivery of credit services in these regions is expected to grow significantly. Additionally, the use of alternative data in customer underwriting is emerging as an effective tool to assess and serve informal borrower segments in rural areas.

Digital adoption continues to reshape the NBFC sector, enabling faster and more efficient processes while enhancing the overall customer experience. Its impact is expected to intensify, particularly in areas such as credit underwriting, collections, fraud detection, and data and cyber security.

Co-lending partnerships, which involve sharing risk and risk-adjusted returns between banks and NBFCs/HFCs, are gaining increasing traction. Under this model, all parties participate in the loan lifecycle based on pre-defined arrangements. This structure enhances operational efficiency, allowing lenders to scale their activities using existing distribution and technology infrastructure. It also enables institutions to leverage complementary strengths in customer sourcing, credit assessment, and servicing, while optimising capital use and broadening market reach.

Expanding into underserved markets and participating in government-led initiatives offer NBFCs additional growth opportunities. Building capacity and providing support systems for MSMEs can enhance credit access and promote broader financial inclusion. The presence of a sizeable share of unpledged household gold also represents a viable opportunity for portfolio diversification. Offering products with competitive rates, flexible repayment options, and streamlined processing can help address the financing needs of individuals looking to utilise these assets.

Furthermore, green and sustainable finance is emerging as a high-potential growth segment. NBFCs are expected to play a pivotal role in financing projects that advance environmental sustainability and support responsible development.

Threats and Challenges

Competitive Market

The NBFC sector is navigating rising competitive pressures, particularly as banks increasingly target similar customer segments. As banks continue to expand their lending portfolios, competitive intensity is expected to escalate. In response, NBFCs are adopting alternative models such as securitisation, co-origination, and co-lending to diversify funding sources and broaden credit delivery. These collaborative and innovative approaches can improve capital efficiency, strengthen market presence, and support sustained growth within an evolving financial ecosystem.

Cyber Threats

Cyberattacks are a substantial threat facing businesses today, consistently ranking among the top risks worldwide. In 2024, the BFSI witnessed a surge in the scale, sophistication, and variety of attacks, underscoring a rapidly evolving threat landscape that poses serious implications for financial stability at a national level. With the average cost of a data breach reaching an all-time high of US\$4.88 Million globally, a 10% increase from 2023, and US\$ 2.18 Million in India, the financial stakes have never been higher. Although regulators have introduced comprehensive frameworks to address these growing challenges, regulated entities continue to bear primary responsibility for ensuring robust compliance and the effective implementation of cybersecurity measures.

(Source: <https://www.csk.gov.in/documents/digital-threat-report-2024.pdf>)

Data Security

Across financial markets, regulators place strong emphasis on accountability in handling large volumes of customer data. Embedding privacy-focused measures into core operations is critical not only for regulatory adherence but also for building and maintaining customer trust.



Industry Outlook

The outlook for the NBFC sector indicates a phase of steady growth, with credit expected to expand from ₹52 Trillion as of December 2024 to around ₹60 Trillion by FY 2025-26.

This growth is being shaped by a gradual shift in lending patterns and an increasing focus on credit quality. Retail asset growth is expected to remain strong, supported by continued demand across secured lending products such as loan against property, gold loans, and vehicle finance.

However, stress in unsecured loan segments is likely to persist, potentially affecting refinancing prospects for certain borrowers and impacting the performance of their secured exposures. This trend is expected to result in higher credit costs and exert pressure on overall asset quality and profitability, particularly for NBFCs operating outside the housing finance segment.

Despite these headwinds, the long-term view for the sector remains positive. Most NBFCs are expected to weather near-term challenges supported by healthy balance sheets and sufficient liquidity buffers. While

competitive intensity and evolving regulatory frameworks will shape short-term performance, ongoing policy measures are aimed at reinforcing long-term sectoral resilience. Continued emphasis on secured lending, disciplined underwriting, and robust risk management will be essential to maintaining growth momentum and ensuring financial stability.

The introduction of the ULI platform by RBI is expected to streamline credit delivery and enhance operational efficiency. In parallel, government initiatives such as the Pradhan Mantri MUDRA Yojana (PMMY), Credit Guarantee Fund Scheme for Micro and Small Enterprises (CGTMSE), and Prime Minister's Employment Generation Programme (PMEGP) reflect the sustained policy focus on employment generation, credit access for small borrowers, and the empowerment of micro-enterprises.



Fedbank Financial Services Limited

Company Overview

Fedbank Financial Services Limited (also referred to as 'Fedfina,' 'The Company' or 'We') is a publicly listed company (NSE: FEDFINA; BSE: 544027), established on 17th April, 1995 and headquartered in Mumbai. We operate as a majority-owned subsidiary of Federal Bank Limited, benefitting from strong parentage and reliable access to both debt and equity capital. Our shares were listed on the NSE and BSE in November 2023, marking a significant milestone in our growth journey.

With a vision to 'Empower Emerging India with Easy Access to Loans', we focus on delivering inclusive financial solutions to underserved and emerging segments, particularly MSMEs. Our diversified lending portfolio spans Gold Loans and Mortgage Loans, each with the potential to scale in the coming years.

We have established a wide operational footprint across 18 states and union territories, enabling us to meet the varied credit needs of customers across urban and semi-urban

markets. Our tailored approach and deep local insight allow us to serve MSMEs with speed, flexibility, and contextual relevance.

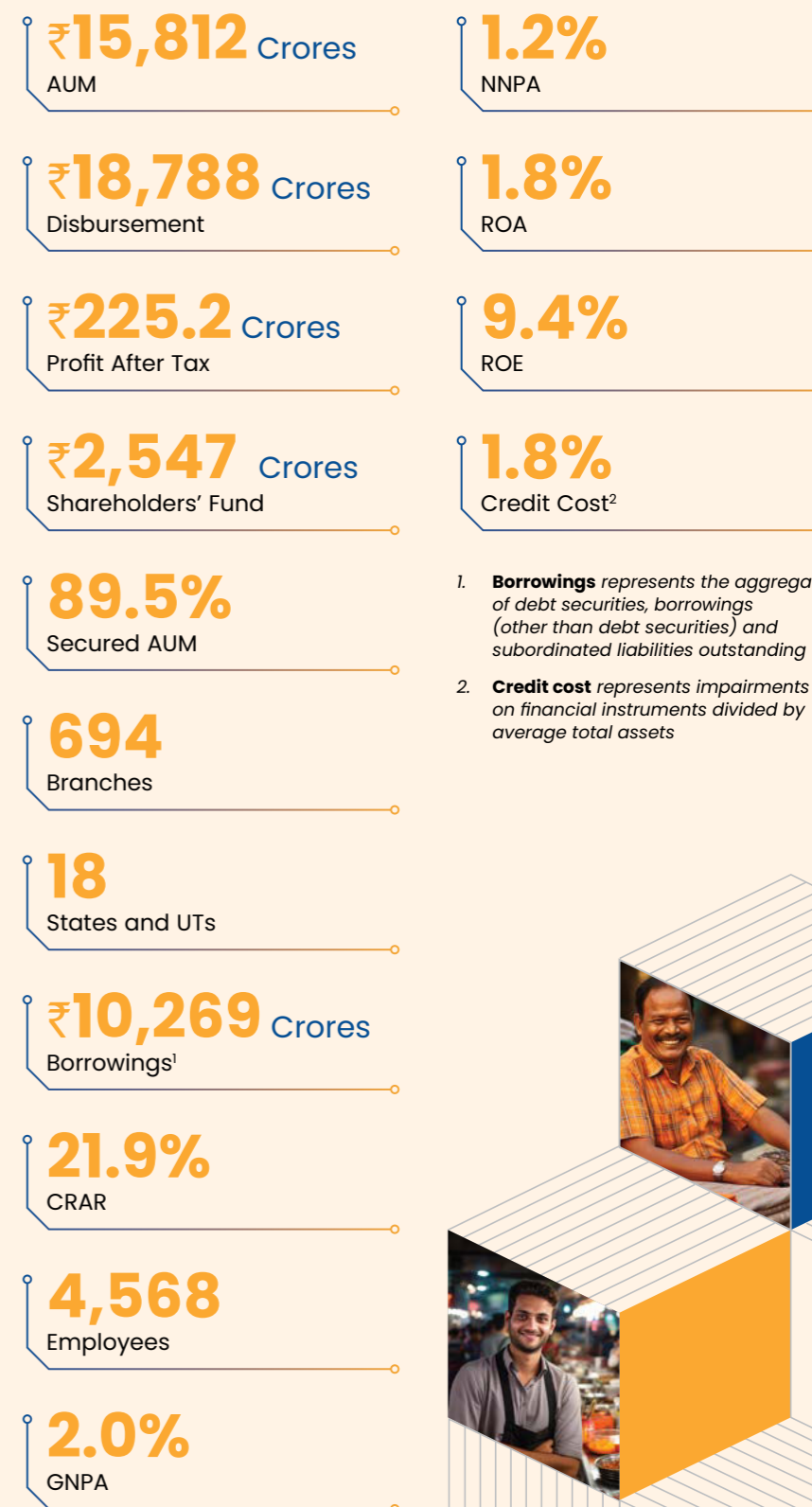
Backed by prudent risk management and operational strength, our creditworthiness is reflected in our strong AA+ (Stable) ratings from CARE Ratings, India Ratings, and CRISIL, reaffirming our position as a trusted and resilient financial services provider.

Company Performance

Continuing our journey of consistent financial growth, we remained focussed on strengthening our branch productivity and deepening customer engagement through tailored lending solutions. As of 31st March, 2025, our AUM grew by 29.7% year-on-year to ₹15,812 Crores, while disbursements rose by 38.4% to ₹18,788 Crores - reflecting the momentum across our core segments.

This growth was driven by operational efficiencies, particularly in our Gold and LAP businesses, where productivity enhancements have begun to deliver measurable results. While we are taking calibrated steps to strengthen collections, especially in our Small-Ticket LAP portfolio, we remain confident in our ability to navigate near-term challenges and expect credit performance to normalise as the year progresses. Our deep understanding of customers continues to be central to our approach, enabling us to deliver targeted, high-impact lending solutions across segments.

FY 2024-25 Results Summary



- Borrowings** represents the aggregate of debt securities, borrowings (other than debt securities) and subordinated liabilities outstanding
- Credit cost** represents impairments on financial instruments divided by average total assets



Products

We offer a carefully designed portfolio of lending solutions, tailored to meet the diverse financial needs of our customers. Our product suite includes Mortgage Loans and Gold Loans.

Mortgage Loans

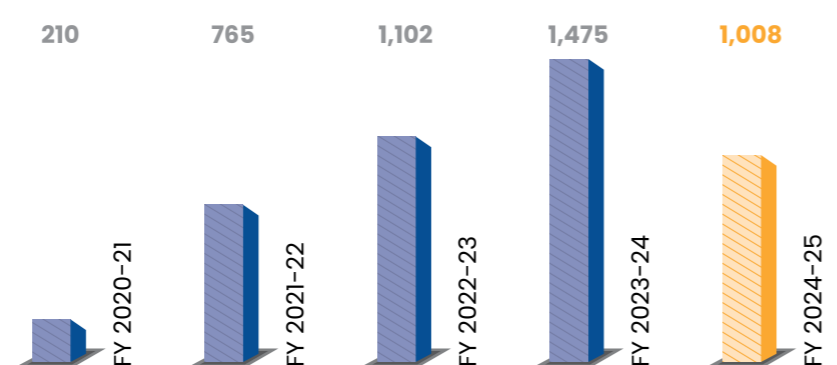
Our mortgage loan offerings are structured to address the changing credit needs of the MSME sector. Each product is available in multiple variants, enabling us to deliver customised financing solutions tailored to individual borrower profiles and documentation availability. These loans are primarily designed to support working capital requirements, empowering businesses to scale with greater flexibility and speed.

In FY 2024-25, we expanded our outreach by establishing 27 new MSME hubs, taking our total branch network for this segment to 210 across India. Our mortgage loan ticket sizes range from ₹10 Lakhs to ₹3 Crores, with an average ticket size of ₹30.7 Lakhs. As of 31st March, 2025, the Mortgage Loan portfolio contributed ₹8,062 Crores to our total AUM, accounting for 51% of the overall book, reflecting the strength and relevance of this vertical. Disbursement figures for the year stood at ₹4,186 Crores.

Small-Ticket LAP and Housing Loans

There is a large underserved segment of self-employed borrowers across states, who have minimal access to formal banking channels owing to their primarily cash-driven business models and inadequate documentation. These borrowers, therefore, remain constrained to meet their growth needs through informal lending sources. We recognise this gap and our tailored Small-Ticket LAP and Affordable Home Loan products enable us to bridge it. Tailored lending programmes on the back of rigorous underwriting methods and multiple verification tools help us assess the businesses and household income of these borrowers and extend credit to meet their working capital and expansion needs. These are customers typically based out of Tier I, Tier II and Tier III towns of India, possessing unencumbered properties, which can be mortgaged. Our branch reach across states enables us to have a deep connect with this segment, helping us to service them better.

Growing Disbursements (₹ Crores)

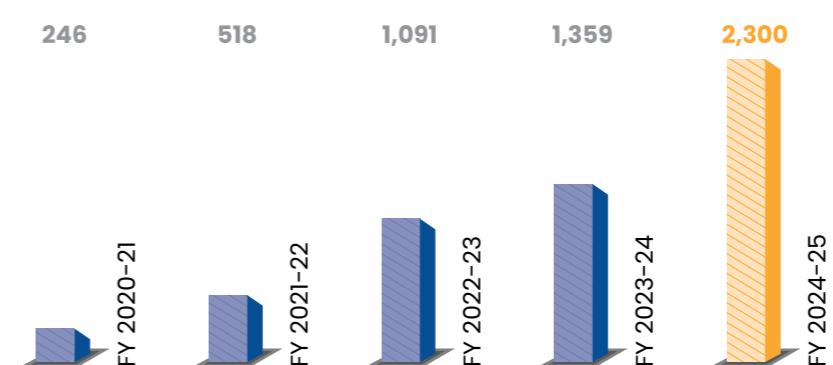


Medium-Ticket LAP

This offering is customised to meet the financing needs of MSMEs, including traders, wholesalers, distributors, retailers, self-employed professionals, and small manufacturing units, giving them the right solutions. The customers catered to by the Medium-Ticket LAP have declared incomes and the turnovers range between ₹1-10 Cr on an average. Loan eligibility is assessed based on cash flow and other methods. These loans are currently disbursed through a network of 23 branches across key cities and towns in India, facilitating deeper access to MSME clusters and expanding availability of secured credit.

We provide funding for a range of business requirements such as capital infusion, business expansion, working capital, asset acquisition, and capital expenditure. The target customer segment generally comprises borrowers with stable income profiles and an established track record of business operations.

Growing Disbursements (₹ Crores)



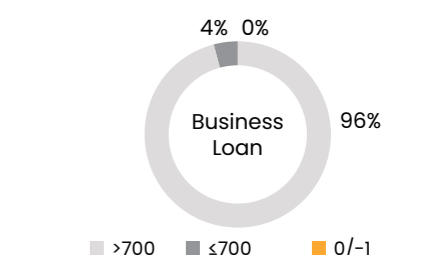
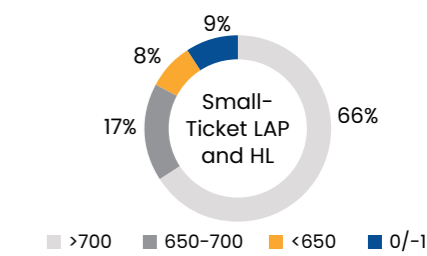
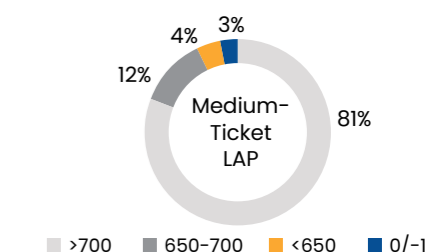
82.3%

Mortgage AUM Secured by Self - Occupied Property

We continue to maintain a carefully managed loan portfolio with a strong focus on high-quality borrowers. Across our key segments, including Medium-Ticket LAP, Small-Ticket LAP and Home Loans, we have consciously built a portfolio concentrated towards customers with robust credit profiles, typically reflected in CIBIL scores of 700 and above. This approach, supported by high-quality collateral, strengthens our ability to manage credit risk and preserve stability across lending cycles.

Quality of the Book

~78% AUM from Customers with CIBIL >700'



Granular Loan Book with High-Quality Collateral



Gold Loan

Household saving patterns in India are distinctly shaped by a strong preference for physical assets, with gold, silver, and real estate being the most favoured, unlike the financial asset-focused approach seen in many other countries. This cultural preference forms a strong foundation for our gold loan offerings. Our customer base typically includes salaried individuals, housewives, traders, proprietors of service and manufacturing units, and their employees. These segments often seek quick and convenient access to funds.

To further support these customer segments and improve credit access, we have established co-lending partnerships with banks. The majority of lending under the Co-Lending Model (CLM) is directed towards priority sectors, in full compliance with RBI guidelines. Our gold loan product is specifically designed to meet short-term working capital needs, offering a fast, dependable financing solution backed by a high-liquidity asset.

Our gold loan business delivered a standout performance during FY 2024-25. This growth was driven by a healthy mix of tonnage increase (18% YoY) and favourable price dynamics. Our AUM for Gold Loan stood at ₹5,880 Crores, which is 37.2% of the total AUM. The average ticket size is ₹1.8 Lakhs, with disbursements of ₹14,602 Crores with an average monthly disbursement of ₹1,217 Crores, majority of disbursement being done digitally.

As on 31st March, 2025 our Average LTV stood at 71.7%. We follow the karatization (purity) of gold to decide on the LTV of the loans extended.

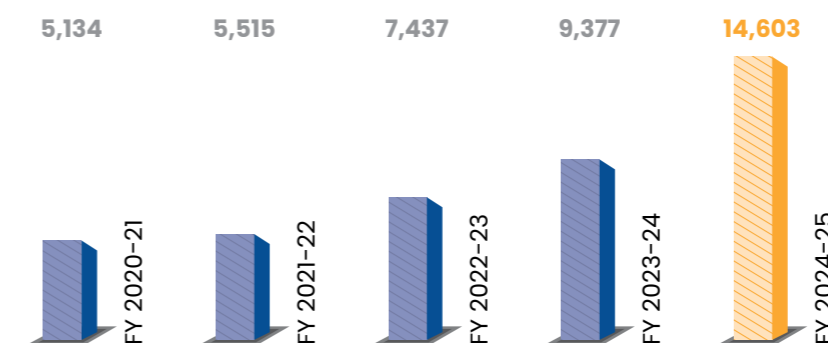
We offer doorstep gold loan services, enabling customers to access credit from the comfort of their homes. The entire process, from loan underwriting to disbursement, is completed in most cases within 30 minutes, delivering the same efficiency as in-branch transactions. In this model, gold ornament verification and collection are carried out at the customer's residence, ensuring both convenience and security.

Our doorstep gold loan offering has been a key contributor, with AUM from this channel more than doubling and now accounting for 15% of our total gold loan book. We continue to uphold rigorous risk standards even as we scale this channel. With rising customer demand for doorstep and online gold loans, and increasing institutional interest in this segment, the addressable market is well-positioned for sustained expansion. We remain committed to our twin-engine growth strategy, anchored in Gold Loans and LAP. This approach enables us to build a well-balanced, secured portfolio, leveraging the high-yield, short-tenure nature of gold loans alongside the longer-tenure, asset-backed stability of LAP. By strengthening both product lines, we are able to meet diverse customer needs, manage risk effectively, and unlock cross-selling opportunities across our franchise.

Loan Disbursal Process

	Branch Walk-In Model	Doorstep Model
Loan Application	Branch walk-in	Phone call, mobile or app-based request
Gold Valuation	Valuation by an employee or a loan officer at the branch	Valuation by loan officer
Loan Processing	Manual entry of customer data and paper-based KYC	Tab-based data entry and KYC
Gold Storage	Vaults in branch	Vaults in branch, barcodes and RFID for tracking and retrieval
Disbursement Time	Disbursal in 10-20 minutes	Disbursal in 10-20 minutes

Growing Disbursements (₹ Crores)



Business Loans

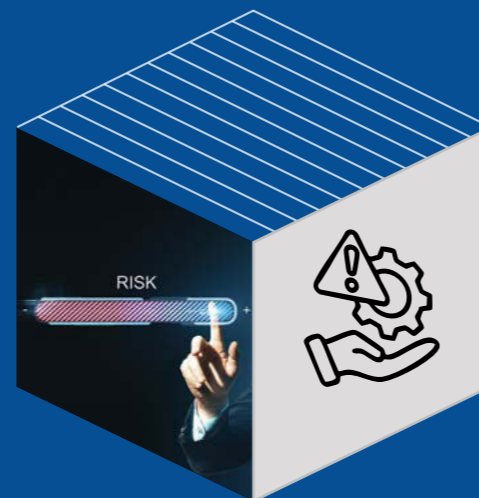
During Q1 FY 2025-26, 100% direct assignment of the business loan portfolio of ₹770 Crores was executed and de-recognised from AUM.



Risk Management

Risk management is a core component of our business strategy by identifying, assessing, mitigating, and monitoring various risks. We continually strengthen our internal policies and ensure their effective implementation to support the smooth functioning of our operations. As a lending institution, we are exposed to both financial and non-financial risks. To address this, we have established a comprehensive risk management and audit framework designed to identify, evaluate, monitor, and mitigate a wide range of risks. As part of the Risk Management process, the Company has defined the Risk Appetite covering various critical aspects and ensures that there is no gap or tolerance breach for that.

We place strong emphasis on capacity building, conducting regular training sessions for our employees on risk-related matters. In parallel, we continue to invest in people, processes, and technology to further enhance our ability to manage risk effectively and respond proactively to emerging challenges.



Revised Risk Management Framework

Risk Type	Risk Description	Management's Approach
Credit Risk	Credit risk denotes the potential financial loss from customers failing to honour repayment commitments.	As part of the Portfolio Monitoring process, the Senior Management undertakes monthly in-depth Portfolio performance reviews across multiple metrics including EWS triggers etc. Additionally, the Risk Management Committee is presented with detailed portfolio health on a quarterly basis, and it shares its views and recommendations for necessary action in addition to management initiated actions for risk control. Additionally RMC evaluates and sanctions our loan product frameworks, establishing lending criteria for the credit products we provide. Within these structures, credit policies govern sourcing proposals, business acquisition channels, underwriting procedures, information systems, verification documentation, disbursement protocols, portfolio quality indicators, and recovery mechanisms, including NPA management. Our 89.5% AUM is secured by collateral, either with customer property or gold. Also, 82.3% of mortgage AUM is secured by self-occupied residential or commercial property. The majority of our AUM is from customers with CIBIL >700.
Liquidity Risk	Liquidity risk pertains to the potential challenges in fulfilling financial commitments due to timing discrepancies in cash flows.	We sustain adequate liquidity reserves, encompassing cash, equivalents, callable deposits, liquid investments, and unutilised credit facilities, to satisfy all near-term commitments. The Asset Liability Committee oversees this risk through our asset liability management framework. It ensures sufficient liquidity and examines how requirements may develop under varying scenarios. The committee additionally evaluates the structural liquidity position in accordance with RBI guidelines.

Risk Type	Risk Description	Management's Approach
Market Risk	Market risk encompasses the possibility that fair value or future cash flows of financial instruments may fluctuate due to movements in market factors, and is of relevance for lending against the gold price, current interest rates, and foreign currency variations.	<p>Gold Price Fluctuation: Risk team monitors gold prices daily and recalculates the loan-to-value (LTV) for our entire gold loan portfolio. We subject the portfolio to stress tests based on historical volatility and hypothetical sharp price declines (e.g., 10-20%) to quantify potential losses and ensure collateral adequacy. Margin calls are triggered and actioned promptly to mitigate risk.</p> <p>Interest Rate Fluctuation: We actively manage interest rate risk using tools like ALM gap analysis and duration matching. We monitor RBI policies and macroeconomic indicators to adjust our product pricing strategies accordingly.</p> <p>Foreign Currency Fluctuation: Foreign currency risk stems from our exposure against External Commercial Borrowing (ECB), and this risk is mitigated through upfront hedging strategies executed by the Management.</p>
Operational Risk	Operational risks encompass the potential for loss arising from deficiencies or failed internal procedures, personnel, systems, or external events.	Our approach is structured around the 'Three Lines of Defense' model. The first line (business operations) owns and manages risk daily. The second line (risk and compliance) provides oversight. The third line (internal audit) offers independent assurance. Key controls include robust segregation of duties, access and authorisation protocol, reconciliation procedures, and comprehensive staff training. All internal audit findings and management's corrective actions are rigorously reviewed by the Audit Committee.
Fraud Risk	Risk of loss resulting from a dishonest act by internal or external parties, where deception is used.	We employ a multi-layered fraud defence across origination and post-acquisition: an independent Fraud Control Unit verifies application authenticity and runs central-repository de-duplication; transaction and behavioral monitoring flag anomalies for rapid intervention; and every incident undergoes root-cause analysis with corrective actions tracked to closure. Mandatory, recurring training builds employee vigilance to identify and escalate red flags promptly, reducing residual risk and recurrence.
Regulatory and Compliance Risk	Risk of legal sanctions, financial loss, or reputational damage from failure to comply with laws, regulations, and RBI directives.	A dedicated compliance department continuously monitors the regulatory landscape to ensure adherence to all applicable laws. We have implemented a robust compliance management framework that is regularly audited. All employees receive training on regulatory requirements to foster a strong culture of compliance throughout the organisation.
Reputational Risk	Risk of damage to the company's brand and public image, potentially leading to loss of business and customer trust.	We safeguard reputation through a conduct-first culture, clear product terms, and transparent, plain-language communications across the customer journey—from onboarding and pricing to servicing, collections, and grievance redressal—with consistent disclosures that are timely and accurate. Compliance is embedded via a dedicated function that tracks regulatory change, ensures adherence to applicable RBI and statutory requirements, and certifies customer-facing materials and disclosures prior to release.
Cybersecurity Risk	Risk of financial loss, business disruption, or reputational damage arising from failures, breaches, or attacks on our information technology systems.	We operate a layered cybersecurity framework with advanced perimeter and endpoint defences, SOC-based continuous monitoring, and defined incident response with roles, escalation, and lessons-learned closeout. Regular VA/PT is performed, with findings tracked to closure under SLA and independently validated where appropriate. An IT Steering Committee governs tech and cyber risk—reviewing policies, KRIs, VA/PT and audit observations, third-party risk, incidents, and BCP/DR readiness—ensuring alignment with applicable RBI guidelines and reporting to senior management and Board-level committees for oversight and accountability.

Credit Ratings (as of 31st March, 2025)

Rating Agency	Instruments	Credit Ratings
CARE	NCDs	CARE AA+/Stable
CARE	LT/ST Bank Facilities	CARE AA+/Stable; CARE A1+
CARE	LT Instruments-Subordinated Debt	CARE AA+/Stable
India Ratings and Research Private Limited	Bank Loans	IND AA+/Stable
India Rating & Research Private Limited	NCDs	IND AA+/Stable
India Rating & Research Private Limited	NCDs - Subordinated Debt	IND AA+/Stable
CRISIL	NCDs	CRISIL AA+/Stable
CRISIL	Commercial Papers	CRISIL A1+
ICRA Limited	Commercial Papers	ICRA A1+

Credit ratings play a key role in determining both the cost and accessibility of capital. These ratings reflect our financial strength, operational efficiency, and ability to meet obligations. As a subsidiary of Federal Bank, we benefit from easier access to funding, reinforcing our stability and credibility. Together, these factors directly influence our borrowing costs, funding capacity, and overall financial performance.

Human Resource

What truly powers our progress is our people. Behind every milestone and every customer experience is a team of dedicated professionals who bring skill, intent, and integrity to their roles. Recognising this, we have built a workplace that not only attracts talent but enables it to thrive.

Nearly 93% of our workforce comes with over four years of experience in established financial services firms, bringing valuable perspective and domain depth. Through regular training, leadership development programmes, and a clearly defined performance management framework, we invest in helping our people grow alongside the business. Our professional development policy ensures that upskilling and career progression remain integral to the employee experience.

Over the past six years, we have consistently earned the Great Place to Work® certification. This recognition reflects our commitment to fostering a high-trust, performance-oriented culture. At the core of this culture are our E.P.I.C. values: Execution Excellence, People Centricity, Integrity, and Customer Centricity. These principles guide the way we work, lead, and serve our customers.

We also place strong emphasis on employee well-being. We actively promote work-life balance and conduct regular health check-ups to

ensure that both physical and mental health are monitored and supported.

By creating an environment where people feel valued, motivated, and equipped to succeed, we are not only enhancing individual potential but also strengthening the foundation for sustained organisational growth.



Technology

We continue to strengthen our digital infrastructure to enhance efficiency, scale operations, and deliver a seamless customer experience. By leveraging technology across key functions such as loan origination, credit underwriting, risk management, collections, customer service, and retention, we are able to increase productivity and shorten turnaround times.

In line with our 'Customer First' philosophy, our digital initiatives focus on ease of use, accessibility, and environmental responsibility. We are transitioning to a fully digital Loan Origination System that enables faster, paperless onboarding through automation and seamless API integrations. Our mobile app and digital portal, which have surpassed 10 Lakh downloads, provide round-the-clock access, enhancing convenience and reducing the need for manual intervention.

To expand outreach and improve accessibility, we continue to invest in digital microsites and listings, while also scaling our footprint through a network of 694 branches across India. Our 'Phygital' doorstep model integrates digital convenience with physical presence, ensuring

consistent engagement and personalised support for customers.

We utilise technology-driven tools for customer KYC, data collection, lead management, and seamless loan disbursal directly into customer bank accounts via integrated banking platforms. Public digital infrastructure such as IndiaStack, Aadhaar-based eKYC, and the widespread adoption of UPI have also accelerated our digitisation journey.

Data privacy and system security are central to our technology strategy. We have implemented next-generation firewalls, automated security tools, and a 24x7 Security Operations Centre to safeguard our digital infrastructure. Additionally, sensor-based branch surveillance and dual-link connectivity help prevent fraud and ensure operational continuity at the branch level.

Our IT Steering and Strategy Committee plays a key part in the technology initiatives to ensure they align with our corporate goals. The Board provides oversight on cybersecurity and IT governance, reinforcing the resilience and reliability of our systems.



Internal Control Systems

The Board of Directors of Fedbank holds ultimate responsibility for overseeing the Company's internal control systems, with support from the Audit Committee. These controls are designed to identify, assess, and address potential risks, providing reasonable assurance against material misstatements and losses. Our assurance framework is built on a combination of inputs from internal assurance providers and the management team, underpinned by a strong ethical foundation and robust compliance mechanisms. Guided by the Board, the management team actively identifies key risks and ensures that appropriate internal controls are implemented to mitigate them effectively.

Cautionary Statement

The statements made in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, and expectations may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand, supply, and price conditions in the domestic and overseas markets in which the Company operates, changes in government regulations, tax laws and other statutes, and other incidental factors.

Directors' Report

To the Members,

The Board of Directors are pleased to present the 30th Annual Report on the business and operations of the Fedbank Financial Services Limited ("Fedfina") together with the Audited Financial Statements for the Financial Year ended 31st March, 2025 ("year under review").

FINANCIAL HIGHLIGHTS

The key highlights of the Audited Financial Statements are presented in the table below

	(₹ in Lakhs)	
Financial Highlights	31 st March, 2025	31 st March, 2024
Total Revenue	2,07,982	1,62,300
Net Interest Income (NII)	1,07,080	81,212
Fees and Other Income	15,524	13,132
Operating Expenses & Loan Loss Provisions	92,229	61,536
Profit Before exceptional items and tax	30,375	32,808
Profit Before Tax	30,375	32,808
Net Profit	22,518	24,470
Appropriations:		
Transfer to Reserve Fund	4,504	4,894
Balance Carried Over to Balance Sheet	18,014	19,576
Total Advances	11,64,637	9,82,245
Total Borrowings	10,26,866	8,21,460
Total Assets (Balance Sheet Size)	13,24,970	11,13,784
Net Worth	2,54,736	2,26,083
Ratios:		
Return on Average Assets (%)	1.85	2.42
Return on Equity (%)	9.37	13.54
Earnings per share (₹) - Basic	6.06	7.22
- Diluted	6.04	7.12
Book Value per share (₹)	68.35	61.20
Cost to Income ratio (%)	57.58	58.24
Capital Adequacy Ratio (%)	21.92	23.46

Highlights of Performance

The Total revenue of the Company for the financial year ended 31st March, 2025 has increased to ₹ 2,07,982 Lakhs as against ₹ 1,62,300 Lakhs for the previous year ended 31st March, 2024. Similarly, Net Interest Income (NII) grew by 32% from ₹ 81,212 Lakhs in FY 2023-24 to ₹ 1,07,080 Lakhs in FY 2024-25. The revenue increased by 28% on the back of growth of 19% in loan book during the year. The net profit of the Company decreased by 8% to 22,518 Lakhs for the financial year ended 31st March, 2025, as against ₹ 24,470 Lakhs for the financial year ended 31st March, 2024. The Net worth of Company at the beginning of the financial year, i.e. 1st April, 2024, was ₹ 2,26,083 Lakhs and closing Net worth as on 31st March, 2025, was ₹ 2,54,736 Lakhs.

Growth in Business

As of 31st March, 2025, the AUM increased by 30% compared to FY 2023-24, reaching ₹ 15,81,154 Lakhs while disbursements improved by 38% to ₹ 18,78,732 Lakhs.

Over the past year, ₹ 1,13,089 Lakhs of the gold loan AUM was through co-lending, and the Company conducted portfolio sell-down transactions totaling ₹ 2,12,960 Lakhs. At the end of the year, 25.1% of the AUM was off the books.

Directors' Report (Contd.)

CREDIT RATING:

The Company has obtained credit ratings from India Ratings & Research Private Limited, CARE Ratings Limited, CRISIL Limited and ICRA Limited.

During the financial year 2024-25, there has been upgrade in rating of the Company. The details of all the credit ratings obtained are given below:

Rating Agency	Instrument	Credit Rating
India Ratings & Research Private Limited	Bank Loans	AA+/Stable
India Ratings & Research Private Limited	Non-Convertible Debentures	AA+/Stable
India Ratings & Research Private Limited	Subordinated Debt	AA+/Stable
CARE Ratings Limited	Non-Convertible Debentures	AA+;Stable
CARE Ratings Limited	Subordinated Debt	AA+;Stable
CARE Ratings Limited	Long Term/Short Term Bank Facilities	AA+;Stable/CARE A1+
CRISIL Limited	Commercial Paper Program	A1+
CRISIL Limited	Non-Convertible Debentures	AA+; Stable (upgraded from AA+ on 4/10/2024)
ICRA Limited	Commercial Paper Program	A1+

EXPANSION OF NETWORK

The Company has broadened its geographical presence by establishing new branches in different locations, thereby enhancing accessibility for its customers. With the opening of 75 branches, the branch network stands at 694 branches as on 31st March, 2025 across 18 states for different products and the break-up is as follows:

State/Union Territories	MSME Hubs	Gold Loan	Grand Total
Andhra Pradesh	16	42	58
Chandigarh	2	-	2
Delhi NCR	2	39	41
Goa	-	5	5
Gujarat	26	73	99
Haryana	7	18	25
Karnataka	18	77	95
Madhya Pradesh	13	9	22
Maharashtra	43	85	128
Pondicherry	2	1	3
Punjab	1	9	10
Rajasthan	15	15	30
Tamilnadu	33	61	94
Telangana	14	36	50
Uttar Pradesh	13	13	26
Uttarakhand	3	-	3
Chattisgarh	2	-	2
U/T- Dadra & Nagar Haveli	-	1	1
Grand Total	210	484	694

Directors' Report (Contd.)

BUSINESS OVERVIEW

The Company is well positioned to achieve steady growth, enhance credit quality and deliver higher returns. Company's strong parentage and credit rating enables it to raise equity and debt on competitive terms. The Company offers a range of products that have significant potential for growth in underpenetrated market segments. The Company has a dedicated workforce of 4,568 employees spread across 18 states and union territories.

There is no change in the nature of business of the Company for the year under review. Further information on the business overview and outlook and state of the affairs of the Company is discussed in detail in the Management Discussion & Analysis Report.

DIVIDEND

In view of the planned business growth, the Board deems it proper to preserve the resources of the Company for its activities and therefore, do not propose any dividend for the financial year ended 31st March, 2025.

DIVIDEND DISTRIBUTION POLICY

Since the Company is one of the top 1000 listed Companies as per market capitalization as on 31st March, 2025 and in accordance with the Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Dividend Distribution Policy is available on the website of the Company at <https://www.fedfina.com/corporate-governance/>

AMOUNT PROPOSED TO BE TRANSFERRED TO STATUTORY RESERVES:

The Board of Directors have proposed a transfer of ₹ 4,504 Lakhs to the Statutory Reserves maintained under Section 45IC of the RBI Act, 1934.

ASSET-LIABILITY MANAGEMENT:

The Company follows a well-defined Asset Liability Management (ALM) system, driven by Asset Liability Committee (ALCO), to monitor efficiently and pursue appropriate policy initiatives.

Liquidity positions are examined regularly across the specified time buckets to assess and manage mismatches. The ALM policy and practices of the Company are in line with the regulatory guidelines, designed to protect against liquidity as well as interest rate risk challenges and to optimize cost of funds at all times to fund growth requirements.

The Company maintains a robust Asset Liability Management (ALM) framework, overseen by the Asset Liability Committee (ALCO), to ensure prudent monitoring and strategic decision-

making. This system enables the Company to effectively manage liquidity and interest rate risks while aligning with business growth objectives.

Liquidity positions are reviewed regularly across defined time buckets to identify and address any potential mismatches. The Company's ALM policies and practices are fully compliant with regulatory guidelines and are structured to mitigate liquidity and interest rate risks. In doing so, the Company aims to optimize the cost of funds and support sustained growth.

CHANGES IN CAPITAL STRUCTURE

Authorized Share Capital of the Company:

The Authorized Share Capital of the Company is ₹ 10,00,00,00,000/- (Rupees One Thousand Crores only) consisting of 99,00,00,000 (Ninety nine Crores) equity shares of ₹ 10/- (Rupees Ten) each and 1,00,00,000 (One Crore) 0.01% non-cumulative redeemable preference shares of face value ₹ 10 (Rupees Ten) each.

Issued, Subscribed and Paid-up Share Capital of the Company:

The Issued, Subscribed and Paid up share capital of the Company changed from ₹ 3,69,38,68,990/- comprising of 36,93,86,899 Equity shares of face value of ₹ 10 each to ₹ 3,72,71,68,540/- comprising of 37,27,16,854 Equity shares of face value of ₹ 10 each.

The issued, subscribed and paid up share capital increased due to allotment of equity shares under the Employee Stock Option Plan (ESOP) to eligible employees upon exercise of vested options. During the year under review, 33,29,955 equity shares of face value of ₹ 10/- each were allotted pursuant to exercise of stock options by the employees of the Company under The Fedbank Financial Services Limited - Employees Stock Option Plan 2018, as amended and The Fedbank Financial Services Limited- Employees Stock Options Scheme, 2024, as amended.

ISSUE OF DEBENTURES

During the period under review, the Board of Directors at their meeting held on 19th July, 2024, approved the issue of 12,000 (Twelve Thousand) Rated, Listed, Senior, Secured, Redeemable, Non-Convertible Debentures having a face value of ₹ 1,00,000/- (Rupees One Lakh only) each, of the aggregate nominal value of up to ₹ 1,20,00,00,000/- (Rupees One Hundred and Twenty Crores only), in a single series, with the green shoe option of 8,000 (Eight Thousand) Rated, Listed, Senior, Secured, Redeemable, Non-Convertible Debentures of face value of ₹ 1,00,000/- (Rupees One Lakh only) each, aggregating up to ₹ 80,00,00,000/- (Rupees Eighty Crores only) on private placement basis (ISIN INE007N07058).

Directors' Report (Contd.)

All the Non-Convertible Debentures issued by the Company are listed on BSE. The details of all the outstanding Non-convertible Debentures as on 31st March, 2025 are mentioned below:

NCD Series/Security name	Date of Allotment	Date of redemption	Amount Outstanding (in ₹)
8.50% Fedbank Financial Services Limited secured NCD 2028	14 th August, 2024	14 th August, 2028	1,05,00,00,000
8.35% Fedbank Financial Services Limited Secured NCDs 2027	26 th June, 2023	25 th June, 2027	56,25,00,000
9% Fedbank Financial Services Limited Subordinated NCDs 2030	26 th May, 2023	26 th May, 2030	2,00,00,00,000
8.30% Fedbank Financial Services Limited Secured MLDs 2026	4 th January, 2023	4 th April, 2026	2,00,00,00,000
9.90% Fedbank Financial Services Limited Unsecured Subordinated NCD 2027	30 th September, 2020	30 th September, 2027	2,50,00,00,000

MANAGEMENT DISCUSSION AND ANALYSIS ("MDA")

In compliance with the Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on Management Discussion and Analysis which includes details on the state of affairs of the Company forms part of this Annual Report.

CORPORATE GOVERNANCE

Corporate Governance has been an integral part of the way the Company has been doing business since inception. The Company believes that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics.

The Company seeks to embed and sustain a culture that will enable us to achieve our objectives through effective corporate governance and enhance transparent engagement with key stakeholders.

A separate report on Corporate Governance setting out the governance structure, principal activities of the Board and its Committees and the policies and practices that enable the Board to fulfil its stewardship responsibilities together with a Certificate from the Secretarial Auditor of the Company confirming the compliances with the Corporate Governance requirements as stipulated under Listing Regulations forms part of this Annual report.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING ("BRSR"):

In compliance with Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,

as applicable, the Business Responsibility and Sustainability Report (BRSR) of the Company for the financial year ended 31st March, 2025, forming part of this Annual Report as a separate report.

The BRSR provides a comprehensive overview of the Company's Environmental, Social, and Governance (ESG) initiatives, disclosures, and performance. It reflects the Company's commitment to responsible and sustainable business practices, aligned with the expectations of its stakeholders and regulatory requirements.

EMPLOYEES STOCK OPTION SCHEMES:

The Company had formulated the Employees Stock Option Scheme, 2018 ("ESOS, 2018"), duly approved by the shareholders of the Company to enable its employees to participate in the future growth and financial success of the Company. The Company also intends to use this ESOS, 2018 to attract and retain talent in the organization. The Employee Stock Option Scheme was formulated in accordance with the SEBI guidelines, as amended from time to time. The eligibility and number of options to be granted to an employee is determined on the basis of various parameters such as scale, designation, performance, grades, period of service, Company's performance and such other parameters as may be decided by the Nomination & Remuneration Committee of the Board from time to time in its sole discretion.

Further, a new scheme titled 'Fedbank Financial Services Limited- Employees Stock Option Scheme, 2024' ("ESOS 2024") in accordance with the SEBI regulations for the benefit of employees was approved by the Shareholders at the AGM held on September 19, 2024.

Directors' Report (Contd.)

During the year under review, 33,29,955 equity shares of face value of ₹ 10/- each were allotted on employees pursuant to exercise of stock options by the employees of the Company under ESOS 2018 and ESOS 2024.

Other statutory disclosures as required under Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 on ESOS are given in website of the Company at <https://fedfina.com/investors-relations/overviews/annual-report/?page=other-disclosures-reports>

NOMINATION AND REMUNERATION POLICY

The Company has formulated Nomination and Remuneration Policy under the provisions of section 178 of the Act and SEBI Listing Regulations and the same is uploaded on the website of the Company at <https://www.fedfina.com/corporate-governance/>.

The Company has also formulated Compensation Policy in accordance with the RBI circular dated 29th April, 2022.

ALTERATION OF MEMORANDUM AND ARTICLES OF ASSOCIATION

During the year under review, there were no changes in the Memorandum of Association of the Company.

The shareholders approved alteration to the Articles of Association of the Company through Postal Ballot via remote e-voting conducted on 26th November, 2024. The amendment pertained to Article 80, which was modified to increase the maximum number of Directors on the Board to twelve.

The existing Memorandum and Articles of Association of the Company are in compliance with the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The composition of the Board is in accordance with section 149 of the Companies Act, 2013 and Regulation 17 of the SEBI LODR with an optimum combination of Executive, Non-executive and Independent Directors including two women director.

As on 31st March, 2025, the Board of Directors of the Company comprised of five (5) Independent Directors, one (1) Non- executive Director, three (3) Nominee Directors and one (1) executive Director. The Independent Directors, Nominee Directors are not liable to retire by rotation.

The Company has a Non-executive Chairman who is not related to the MD & CEO.

Changes in the Directorship

During the year under review, the following changes took place in the composition of the Board of Directors of the Company:

- Mr. Ashutosh Khajuria ceased to be a Nominee Director with effect from 30th April, 2024, pursuant to a letter received from The Federal Bank Limited dated 28th March, 2024.
- Further, Mr. Harsh Dugar was appointed as Nominee Director with effect from 5th May, 2024 who was nominated by The Federal Bank Limited.
- Based on the recommendation of Nomination and Remuneration Committee("NRC") and Board, the shareholders of the Company have approved the appointment of Mr. Sunil Satyapal Gulati (DIN: 00016990) and Mr. Ramesh Sundararajan (DIN: 10500779) as Independent Directors by means of a special resolution passed through Postal Ballot on 6th June, 2024. Additionally, the continuation of Mr. Maninder Singh Juneja (DIN: 02680016) as Nominee Director nominated by True North Fund VI LLP and the appointment of Mr. Harsh Dugar (DIN: 00832748) as Nominee Director nominated by The Federal Bank Limited were also approved.
- On the recommendation of the Nomination and Remuneration Committee, the Board of Directors appointed Mrs. Sonal Dave (DIN:00017710), Mrs. Mona Bhide (DIN: 05203026) and Mr. Muralidharan Rajamani (Din: 01690363) as an Additional Director in capacity of Independent Director effective from 24th September, 2024, 29th November, 2024 and 24th January, 2025 respectively. Subsequently, the shareholders of the Company approved the appointment of Mrs. Sonal Dave (DIN:00017710), Mrs. Mona Bhide (DIN:05203026) and Mr. Muralidharan Rajamani as Independent Director by passing special resolutions vide Postal Ballots through remote e-voting on 26th November, 2024, 27th January, 2025 and 16th April, 2025 respectively. In the opinion of the Board, each of the Independent Directors are person of integrity and possesses expertise and competent experience and proficiency to serve the Company as an Independent director. Hence they were considered for appointment/ reappointment.
- Mr. Balakrishnan ceased to hold office as an Independent Director with effect from 27th September, 2024, upon completion of his term. He also ceased to be the Chairman of the Board effective 24th September, 2024. Mr. Shyam Srinivasan was appointed as a Chairman of the Board effective 25th September, 2024 for a term of 3 years.

Directors' Report (Contd.)

- Mr. Anil Kothuri resigned from the position of Managing Director and CEO of the Company with effect from 8th November, 2024 for pursuing other opportunities. The Director has confirmed that there are no material reasons apart from the reasons given in his resignation letter.
- Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors have appointed Mr. Parvez Mulla (DIN: 08026994) as Managing Director & CEO for a term of three years with effect from 11th November, 2024 till 10th November, 2027. The shareholders have approved the same on 27th January, 2025 vide Postal Ballot through remote e-voting.
- Further, Mr. Krishnan Venkat Subramanian was appointed as Nominee Director with effect from 30th November, 2024 who was nominated by The Federal Bank Limited.
- Mrs. Gauri Rushabh Shah ceased to serve as an Independent Director effective 12th February, 2025, upon completion of her term.
- Mr. Shyam Srinivasan (DIN: 02274773), is liable to retire by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting. Being eligible, Mr. Shyam Srinivasan have offered himself for re-appointment as Director. Brief particulars of Mr. Shyam Srinivasan have been provided in the notice of the 30th AGM of the Company.

Apart from the aforesaid, there were no other changes in the composition of the Board of Directors and Key Managerial Personnel(KMP) of the Company during the year under review.

Changes in Key Managerial Personnel (KMP)

- Mr. Rajaraman Sundaresan ceased to be the Company Secretary & Compliance Officer and KMP effective 31st July, 2025 due to completion of his term.
- Upon recommendation of Nomination and Remuneration Committee, the Board at its meeting held on 28th July, 2025 appointed Mr. Parthasarathy Iyengar as Company Secretary & Compliance Officer and KMP with effect from 1st August, 2025.

BOARD MEETINGS HELD DURING THE YEAR

During the year under review, your Board of Directors met 14 times and the gap between any two meetings did not exceed one hundred and twenty days.

The dates on which the meetings were held are 25th April, 2024, 29th April, 2024, 8th May, 2024, 18th June, 2024, 16th July, 2024, 19th July 2024, 9th August, 2024, 24th September, 2024, 27th September, 2024, 22nd October, 2024, 23rd October, 2024, 29th November, 2024, 24th January, 2025 and 27th March, 2025.

Details of the meetings and attendance thereat forms part of the Report on Corporate Governance.

DECLARATION FROM INDEPENDENT DIRECTORS

There are five (5) Independent Directors on the Board of the Company as on 31st March, 2025. The Independent Directors have submitted declarations that they continue to fulfil the criteria of independence laid down under Section 149 of the Companies Act, 2013, regulation 16 of SEBI LODR and complied with the Code for Independent Directors prescribed in Schedule IV to the Act.

The Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

In the opinion of the Board, the Independent Directors are eminent persons and possess requisite qualifications, integrity, expertise and experience in the relevant functional areas.

All the Independent Directors have a valid registration in the Independent Director's databank of the Indian Institute of Corporate Affairs as required under Rule 6(1) of the Companies (Appointment and Qualification of Director) Fifth Amendment Rules, 2019.

BOARD EVALUATION

The Company has defined a manner of evaluation as per the provisions of the Act and SEBI LODR and formulated a method for the evaluation of the performance of the Board, its Committees and individual Directors. The annual evaluation of the performance of the individual Directors (including the Chairman of the Board) were conducted on parameters such as level of engagement and contribution and independence of judgment - thereby safeguarding the interests of the Company.

The performance evaluation of the Independent Directors were carried out by the entire Board, excluding the director being evaluated. The performance evaluation of the Chairman, the Non-Independent Directors and Board as a

Directors' Report (Contd.)

whole were carried out by the Independent Directors. The Board also carried out annual performance evaluation of the working of each of its Board constituted Committees.

All the Directors have confirmed that they satisfy the 'fit and proper' criteria in terms of the provisions of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and that they are not disqualified from being appointed/re-appointed/continuing as Director in terms of Section 164(1) and (2) of the Act. None of the Directors of the Company are disqualified and/or debarred as per the applicable provisions of the Act and the Securities and Exchange Board of India.

The Directors have expressed their satisfaction with the evaluation process. The Board opined that the Board Committees' composition, structure, processes and working procedures are well laid down and that the Board Committees members have adequate expertise drawn from diverse functions, industries and business and bring specific competencies relevant to the Company's business and operations.

All Board members and senior management personnel have affirmed compliance with the Company's code of conduct for the FY 2024-25.

COMMITTEES

Details on composition of various Committees of the Board, terms of reference and number of meetings of the Committees held are given in the Corporate Governance Report which forms part of the Annual Report.

COMPLIANCE WITH THE SECRETARIAL STANDARDS

During the year under review, the Company has complied with the applicable mandatory secretarial standards issued by the Institute of Company Secretaries of India.

THE CHANGE IN THE NATURE OF BUSINESS, IF ANY

There was no change in the nature of business of the Company during the financial year ended 31st March, 2025.

During the year under review, the Company has received the Corporate Agent (Composite) license dated 10th June, 2024 issued by Insurance Regulatory and Development Authority of India ("IRDAI") for soliciting life, general and health insurance ("Composite") as Corporate Agent under Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015.

HUMAN RESOURCE – TALENT POOL – PERFORMANCE MANAGEMENT:

The Company has been always prided itself in being a people first organization. Our evolved digitized onboarding

assisted us in seamless joining for new joiners in different geographies where we have expanded our presence. Our employee strength has grown by 4.8% as compared to the previous year in line with our expansion plans. Our concentration revolves around continuous growth, culture and a learning experience. To nurture this talent, the Company have implemented practices focused on skill enhancement through regular training sessions, leadership development programmes, and a transparent performance management system. Additionally, it is given priority on healthy work-life balance for our employees, believing it enhances their productivity and motivation.

In continuation to our endeavor to promote Gender Diversity at workplace, the Company continue the **Restart with Fedfina** initiative to help women with career breaks to restart their career.

Women Leadership Program was launched where the women leaders participating in the program were from different industries, providing them an additional dimension towards their learning. The objective of the program is to equip our women employees in Manager and above grades to grow further as leaders. They went through a 3 months long transformational journey focused towards developing leadership mindset, strategic thinking and building an executive presence.

Further, Professional development policy is designed to empower our workforce with the skills and knowledge necessary for career advancement. Additionally, the well-being of our employees through regular health checkups is prioritized, ensuring their physical and mental health is diligently monitored.

Online recruitment module and in-house BGV.

This year we initiated in-house recruitment module with sole purpose to automate the recruitment process, making it more efficient and structured for the organization. It aims to enhance to minimize the TAT and enhance recruitment experience for both interviewer and interviewee by providing a centralized platform.

We have also initiated an internal BGV to ensure that an applicant's background is thoroughly evaluated, that there is no criminal history, and that the individual is the best fit for the Company. This process decreases BGV's costs, lessens the Company's dependency on outside vendors, lowers risks, prevents fraud, and ensures that the business complies with legal requirements.

Onboarding Apprentice Program.

This year we have on boarded 300 plus apprentice under National Apprenticeship Promotion Scheme (NAPS) by the

Directors' Report (Contd.)

Government with objective develop a skilled workforce, enhance employability, and foster a pipeline of talent for industries. They focus on providing practical, on-the-job training alongside theoretical learning, leading to nationally recognized qualifications and increased career opportunities for apprentices.

PARTICULARS OF EMPLOYEES

Disclosures relating to remuneration and other details as required in terms of the provisions of Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in **Annexure I** which forms part of this Report.

Further, in accordance with the provisions of Sections 197(12) & 136(1) of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the list pertaining to the names and other particulars of employees drawing remuneration in excess of the limits set out in the aforesaid Rules, is kept open for inspection during working hours at the Registered Office of the Company and the Report & Accounts as set out therein are being sent to all the Members of the Company. Any Member, who is interested in obtaining these, may write to the Company Secretary at the Registered Office of the Company.

CAPITAL ADEQUACY

The Company's capital adequacy ratio stood at 21.92% as on 31st March, 2025 which is well above the threshold limit of 15% prescribed by the Reserve Bank of India. Tier-I Capital ratio alone stood at a healthy 18.92%.

PUBLIC DEPOSITS

The Company is a Non- Deposit taking Systematically Important NBFC and has not accepted public deposits falling under purview of provisions of section 73 of the Act during the year. Hence the requirement of furnishing the details in terms of Chapter V of the Companies Act, 2013 is not applicable.

RISK MANAGEMENT POLICY

Risk management forms an integral part of our business. The Company has a Board approved Risk Management Policy that lays down the overall framework for identifying, assessing, measuring and monitoring various elements of risk involved in the businesses and for formulation of procedures and systems for mitigating such risks. The main objective of this policy is to ensure sustainable and prudent business growth.

The Risk Management Committee, a dedicated board-level committee, plays a pivotal role in continuously reviewing, approving, and refining our risk management policies and

procedures and governing framework for each type of risk on a regular periodicity. The Committee monitors the compliance of risk parameters and aggregate exposures within the defined limits.

Directors have basis recommendation of Risk Management Committee adopted ICAAP Policy and Framework with the objective of ensuring availability of adequate capital to support all risks in business as also enable effective risk management system in the Company.

The Company continues to invest in people, processes, training and technology; so as to strengthen its overall Risk Management Framework.

AUDITORS:

1. STATUTORY AUDITORS & THEIR REPORT

M/s KKC & Associates LLP, Chartered Accountants (Firm Registration No. 105146W/W- W100621) were appointed as Statutory Auditors of the Company at the Twenty ninth Annual General Meeting (AGM) held on 19th September, 2024 for a tenure of three years till the conclusion of the Thirty second Annual General Meeting to be held for the year 2027. The Audit Report submitted by M/s KKC & Associates LLP, Chartered Accountants, for the financial year 2024-25 does not contain any qualification, reservation or adverse remark.

2. SECRETARIAL AUDITORS & THEIR REPORT

M/s. DKJ & Associates Company Secretaries LLP were appointed as the Secretarial Auditors to conduct the Secretarial Audit for the financial year ended 31st March, 2025. The Report of the secretarial auditors in the prescribed Form MR-3 is set out in **Annexure II** to this Report. The Secretarial Audit Report does not contain any qualifications, reservation or adverse remark except to the extent stated below:

BSE Limited (BSE) vide their email dated 1st July, 2024 imposed a fine of ₹ 10,000/- (excluding GST) for delayed compliance with Regulation 60 (2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for delay of one day in giving notice of Record Date for the payment of principal and interest of Debentures. Further, the Company has made waiver application in this behalf with BSE Limited and order in this behalf is awaited.

Management Response

The Company intimated the record date with a delay of one day to BSE which was due to the technical glitch on the BSE portal. The Company has applied for waiver letter to BSE for the same and response from BSE is awaited.

Directors' Report (Contd.)

The observations made in the Secretarial Auditors report are self-explanatory and therefore do not call for any further comments.

FRAUD REPORTING

Pursuant to the Board approved 'Fraud Risk Management and Fraud Investigation Policy' of the Company, information relating to all frauds are reported to the Board on quarterly basis.

During the year under review, the frauds detected and the same has been timely reported to the Audit Committee/ Board as well as to the Reserve Bank of India (RBI) amounting to ₹ 509.47 Lakhs.

Pursuant to the section 143(2) of the Companies Act, 2013, no frauds were reported by the Auditors of the Company to the Audit Committee during the year under review.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company believes that strong internal control system and processes play a critical role in the health of the Company. The Company has instituted adequate internal control systems commensurate with the nature of its business & size of operations. The Company's well-defined organizational structure, documented policy guidelines, defined authority matrix and internal controls ensure efficiency of operations, compliance with internal policies and applicable laws and regulations as well as protection of resources. The internal control system is supplemented by internal audits, regular reviews by the management and standard policies and guidelines which ensure reliability of financial and all other records. The Company's Internal Audit department performed regular reviews of business processes to assess the effectiveness & adequacy of the internal control systems, compliance with policies and procedures. The Company upholds strong governance with a risk-based internal audit framework to identify and mitigate operational risks efficiently

All significant audit observations of the internal auditors and follow up actions were duly reported to the Audit Committee.

INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

Internal Financial Controls laid down by the Company is a systematic set of controls and procedures to ensure orderly and efficient conduct of its business including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and

timely preparation of reliable financial information. Internal financial controls not only require the system to be designed effectively but also to be tested for operating effectiveness periodically.

During the year under review, the Company had engaged a firm of Chartered Accountants to evaluate the internal financial control framework and to test its operating effectiveness. Based on the testing conducted by the aforesaid firm, the Board is of the view that the Company has laid down adequate internal financial controls commensurate with the nature and size of its business operations and these controls are adequate and operating effectively and no material weaknesses have been observed.

RELATED PARTY TRANSACTIONS

All the related party transactions that were entered into during the financial year were on arm's length basis and in the ordinary course of business.

The related party transactions were placed before the Audit Committee on quarterly basis. Transactions with related parties, as per the requirements of Accounting Standards, are disclosed in the notes to accounts annexed to the financial statements.

Particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 in the prescribed form are provided in the form AOC-2 in accordance with the rule 8 (2) of the Companies (Accounts), 2014 Rules. Form AOC-2 is set out in **Annexure III** to this report.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY THAT OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENT RELATE TILL THE DATE OF THIS REPORT:

No material changes and commitments affecting the financial position of the Company have occurred between the Financial year ended 31st March, 2025 till the date of this report.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The Company, being a NBFC registered with RBI, is exempted from complying with the provisions of section 186 of the Act related to loans made, guarantees given and securities provided. However, the details of investments made by the Company pursuant to the provisions of Section 186 (4) of the Act are given in Note 9 to the Financial Statements.

Directors' Report (Contd.)

DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT 2013

The Company has Prevention of sexual harassment (POSH) policy which is in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company is in compliance with the constitution of Internal Complaints Committee (ICC) to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and dealt with during the year 2024-2025:

- No. of complaints received: 1
- No. of complaints disposed of: 1
- No of cases pending for more than ninety 90 days: 0

DISCLOSURES UNDER MATERNITY BENEFITS ACT 1961

The Company affirms its compliance with the provisions of the Maternity Benefit Act, 1961, as amended. We remain committed to supporting our women employees and ensuring a workplace environment that upholds their rights and well-being. The Company has extended all applicable benefits under the Act, including paid maternity leave,

DETAILS OF GOLD LOAN AUCTIONS:

Details of auctions pertaining to gold loans conducted during the year under review are set out below:

Year	No. of Loan Accounts	Principal Amount outstanding at the dates of auctions (₹) (A)	Interest Amount outstanding at the dates of auctions (₹) (B)	Total (A+B) (₹)	Total amount received out of Auctions (₹)
2024-25	10906	50,79,98,743.00	10,26,30,727.67	61,06,29,470.67	83,48,49,862.00

Note: No entity within the Company's group including any holding or associate Company had participated in any of the above auctions.

VIGIL MECHANISM:

As per the provisions of Section 177(9) of the Companies Act, 2013, the Company is required to establish an effective Vigil Mechanism for Directors and employees to report genuine concerns. The Company has in place a Board approved Whistle Blower Policy to deal with the instances of fraud and mismanagement, if any. The said policy is available on the website of the Company at <https://fedfina.com/corporate-governance/>

This Vigil mechanism of the Company is overseen by the Audit Committee and provides adequate safeguard against victimisation of employees and also provide direct access to the Chairperson of the Audit Committee.

Out of 11 complains received, 3 complaints were pertaining to vigil mechanism framework/policy. All the said complaints received were resolved.

The Company affirms that no personnel has been denied access to the Audit Committee.

medical bonuses, nursing breaks, and, where required, crèche facilities

CORPORATE SOCIAL RESPONSIBILITY

The Company has a Corporate Social Responsibility (CSR) Committee in place in accordance with section 135 of the Act. The CSR Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy ("CSR Policy") indicating the activities to be undertaken by the Company, which has been approved by the Board. The CSR Policy is available on the Company's website at <https://www.fedfina.com/csr/>. The Company has spent ₹ 4,73,11,428/- on CSR activities during the year under review.

The required disclosure as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules 2014 is attached as **Annexure IV** to this report.

RBI GUIDELINES:

The Reserve Bank of India (RBI) granted the Certificate of Registration to the Company in August 2010 vide Registration No. N-16.00187, to commence the business of a non-banking financial institution without accepting public deposits. The Company is categorized as NBFC in Middle layer pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and has complied with and continues to comply with all the applicable regulations and directions of the RBI.

Directors' Report (Contd.)

ANNUAL RETURN:

Pursuant to section 92 (1) of the Companies Act 2013, the Annual Return for the year 2024-25 is placed on the website of the Company (<https://www.fedfina.com>)

PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE INFLOW/OUTFLOW, ETC.

The requirements of disclosure with regard to Conservation of Energy and technology absorption in terms of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules 2014, are not applicable to the Company as it does not engage in any manufacturing facility.

The Company continues to invest in cutting edge technology, which has resulted in automation of the loan lifecycle process along with building a scalable and modular application architecture. Customer centricity is a key focus area in the Company's digital initiatives. Our customers also benefit from the doorstep model of loan disbursal. These investments along with leveraged national digital enablers like IndiaStack, Aadhaar eKYC, along policy momentum from RBI and the Government of India helps us to drive growth

We continue to focus on data protection, infrastructure upgradation and also ensure complete adherence to RBI policies. Investments have also been made in next generation security and network monitoring tools.

The Company had availed total External Commercial Borrowing (ECBs) of US\$ 30 Mn for financing prospective borrower as per the ECB guidelines issued by Reserve Bank of India ("RBI") from time to time. The borrowing has a maturity of three years. In terms of the RBI guidelines, borrowings have been swapped into rupees and fully hedged for the entire maturity by way of cross currency swaps. The Company has not borrowed any Foreign Currency (USD) denominated Term Loan other than rollover of existing foreign currency borrowing facility (March 31 2024, ₹ Nil). Such borrowings are currently carried at ₹ 11,250 Lakhs as at 31st March, 2025 (March 31 2024: ₹ 16,257 Lakhs).

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Companies Act, 2013, the Directors confirm that:

- I. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- II. such accounting policies have been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the

Company as at 31st March, 2025 and the profits of the Company for the financial year ended on that date;

- III. proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- IV. the annual accounts have been prepared on going concern basis; and
- V. proper systems had been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- VI. internal financial controls to be followed by the company had been laid down and that such internal financial controls were adequate and operating effectively.

OTHER DISCLOSURES

In terms of applicable provisions of the Act, the Company discloses that during the year under review:

- i. The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.
- ii. The Company has not issued any sweat equity shares and hence disclosure as per provisions of Section 54(1) (d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is not provided.
- iii. There were no instances of non exercising of voting rights in respect of shares purchased directly by employees under a scheme hence no information pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 is furnished.
- iv. There are no significant and material orders passed by the regulators or courts or tribunals that would impact the going concern status of the Company and its future operations.
- v. The Company has not made any application nor any proceedings are pending under the Insolvency and Bankruptcy Code, 2016.
- vi. There were no instances of one-time settlement for any loans taken from the Banks or Financial Institutions.
- vii. There were no amounts required to be transferred to Investor Education and Protection Fund (IEPF) pursuant to section 124 and 125 of the Companies Act, 2013 read with Rules made thereunder.

Directors' Report (Contd.)

- ix. The Company being, a Non-Banking Financial Company is not required to maintain cost records as prescribed under section 148(1) of the Act.
- x. The Company does not have any subsidiary, joint venture or associate Company.
- xi. The Company has shifted its registered office from one locality to another within the same city i.e. from 'Kanakia Wall Street, A Wing, 5th Floor, Unit 511, Andheri Kurla Road, Chakala, Andheri East, Mumbai- 400093, Maharashtra' to 'Unit no.: 1101, 11th Floor, Cignus, Plot No. 71A, Powai, Paspoli, Mumbai – 400 087, Maharashtra' effective from 25th April, 2024.

CAUTIONARY NOTE

Certain statements in this Report may be forward-looking and are stated as may be required by applicable laws and

regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government policies and other incidental/related factors.

ACKNOWLEDGEMENT

The Board of Directors place on record sincere gratitude to all employees for their unwavering dedication, resilience, and collaborative spirit. With such a strong foundation and shared vision, we are confident in our ability to drive continued success in the years ahead.

The Directors would also like to place on record, their gratitude for the cooperation and guidance received from all the statutory bodies, especially the RBI. The Directors also thank the shareholders, clients, vendors, investors, banks and other stakeholders in placing their faith in the Company and contributing to its growth.

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

Sd/-

Shyam Srinivasan

Chairman of the Board

DIN: 02274773

Place: Mumbai

Date: 25th August, 2025

Annexure I

Statement of Disclosure of Remuneration under section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	Particulars	Details																										
1.	The ratio of the remuneration of each director to the median remuneration of the employees of the Company as on 31 st March 2025	<table border="1"> <thead> <tr> <th>Name</th> <th>Ratio</th> </tr> </thead> <tbody> <tr> <td>Shyam Srinivasan</td> <td>1.5:1</td> </tr> <tr> <td>Ramesh Sundararajan</td> <td>2.4:1</td> </tr> <tr> <td>Sunil Satyapal Gulati</td> <td>4:1</td> </tr> <tr> <td>Sonal Dave (effective from 24th September, 2024)</td> <td>1.5:1</td> </tr> <tr> <td>Mona Bhide (effective from 29th November, 2024)</td> <td>0.17:1</td> </tr> <tr> <td>Parvez Mulla (effective from 11th November, 2024)</td> <td>31:1</td> </tr> <tr> <td>Muralidharan Rajamani (effective from 24th January, 2025)</td> <td>0.13:1</td> </tr> <tr> <td>Balakrishnan Krishnamurthy (till 27th Septemebr, 2024)</td> <td>1.85:1</td> </tr> <tr> <td>Anil Kothuri (till 11th November, 2024)</td> <td>42:1</td> </tr> <tr> <td>Gauri Rushabh Shah (till 12th February, 2025)</td> <td>4.6:1</td> </tr> </tbody> </table>	Name	Ratio	Shyam Srinivasan	1.5:1	Ramesh Sundararajan	2.4:1	Sunil Satyapal Gulati	4:1	Sonal Dave (effective from 24 th September, 2024)	1.5:1	Mona Bhide (effective from 29 th November, 2024)	0.17:1	Parvez Mulla (effective from 11 th November, 2024)	31:1	Muralidharan Rajamani (effective from 24 th January, 2025)	0.13:1	Balakrishnan Krishnamurthy (till 27 th Septemebr, 2024)	1.85:1	Anil Kothuri (till 11 th November, 2024)	42:1	Gauri Rushabh Shah (till 12 th February, 2025)	4.6:1				
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2.	The percentage increase/ (decrease) in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the F.Y 2024-25	<table border="1"> <thead> <tr> <th>Name</th> <th>Percentage Increase/ (decrease)</th> </tr> </thead> <tbody> <tr> <td>C.V. Ganesh</td> <td>7.80%</td> </tr> <tr> <td>Rajaraman Sundaresan</td> <td>7.00%</td> </tr> <tr> <td>Shyam Srinivasan</td> <td>refer note 1</td> </tr> <tr> <td>Ramesh Sundararajan</td> <td>refer note 1</td> </tr> <tr> <td>Sunil Satyapal Gulati</td> <td>refer note 1</td> </tr> <tr> <td>Sonal Dave (effective from 24th September, 2024)</td> <td>refer note 1</td> </tr> <tr> <td>Mona Bhide (effective from 29th November, 2024)</td> <td>refer note 1</td> </tr> <tr> <td>Parvez Mulla (effective from 11th November, 2024)</td> <td>refer note 1</td> </tr> <tr> <td>Muralidharan Rajamani (effective from 24th January, 2025)</td> <td>refer note 1</td> </tr> <tr> <td>Balakrishnan Krishnamurthy (till 27th September, 2024)</td> <td>refer note 1</td> </tr> <tr> <td>Anil Kothuri (till 11th November, 2024)</td> <td>refer note 1</td> </tr> <tr> <td>Gauri Rushabh Shah (till 12th February, 2025)</td> <td>refer note 1</td> </tr> </tbody> </table>	Name	Percentage Increase/ (decrease)	C.V. Ganesh	7.80%	Rajaraman Sundaresan	7.00%	Shyam Srinivasan	refer note 1	Ramesh Sundararajan	refer note 1	Sunil Satyapal Gulati	refer note 1	Sonal Dave (effective from 24 th September, 2024)	refer note 1	Mona Bhide (effective from 29 th November, 2024)	refer note 1	Parvez Mulla (effective from 11 th November, 2024)	refer note 1	Muralidharan Rajamani (effective from 24 th January, 2025)	refer note 1	Balakrishnan Krishnamurthy (till 27 th September, 2024)	refer note 1	Anil Kothuri (till 11 th November, 2024)	refer note 1	Gauri Rushabh Shah (till 12 th February, 2025)	refer note 1
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3.	The percentage increase in the median remuneration of employees in the financial year;	1.33%																										
4.	The number of permanent employees on the rolls of company;	4,568 as on 31 st March, 2025																										

Annexure I (Contd.)

Sr. No.	Particulars	Details
5.	Average percentile increase/ decrease already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	7.3% vs refer note 1
6.	affirmation that the remuneration is as per the remuneration policy of the company.	The remuneration is as per the Compensation Policy and the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and Other Employees of the Company, formulated pursuant to the provisions of Section 178 of the Companies Act, 2013.

Note 1: The percentage increase/decrease in remuneration of each Directors and managerial remuneration are not reported as they were holding directorship for part of the financial years 2023-24 & 2024-25 and/or they were appointed during the financial years 2023-24 & 2024-25.

Note 2: For the purpose of fair interpretations, the remuneration amount considered is fixed remuneration, and does not include perquisite or variable income. The sitting fees paid to the Independent Directors and Non- Executive Directors is considered and the profit linked bonus amount is not considered in directors remuneration.

Annexure II

Form No. MR-3

Secretarial Audit Report

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

For the Financial Year Ended 31st March, 2025

To,
The Members,
FEDBANK FINANCIAL SERVICES LIMITED
Unit No. 1101, 11th Floor, Cignus,
Plot No. 71A, Powai,
Passpoli, NITIE,
Mumbai – 400087.
Dear Members,

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **FEDBANK FINANCIAL SERVICES LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March, 2025, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2025 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;

4. The provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of External Commercial borrowings. The provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment **were not applicable** to the Company during the financial year;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2018; - **Not Applicable**
 - b. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - c. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - e. The SEBI (Prohibition of Insider Trading) Regulations, 2015;
 - f. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

Annexure II (Contd.)

6. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI') were not applicable to the Company under the financial year under report: -
 - a. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - b. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;

We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test check basis, the Company has complied with the following laws applicable specifically to the Company:

1. The Reserve Bank of India Act, 1934;
2. Master Direction – Reserve Bank of India (Non-Banking Financial Company–Scale Based Regulation) Directions, 2023;
3. Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016;
4. Master Direction on Reserve Bank of India (Filing of Supervisory Returns) Directions – 2024;
5. Master Direction on Outsourcing of Information Technology Services;
6. Reserve Bank of India (Know Your Customer-KYC) Directions, 2016;
7. Master Directions on Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016 and as amended time to time;
8. The Prevention of Money Laundering Act, 2002 and the Rules made there under;
9. Master Direction - Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions, 2023;
10. Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016;
11. Master Direction - Information Technology Governance, Risk, Controls and Assurance Practices.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. *BSE Limited (BSE) vide their email dated July 1, 2024 imposed a fine of ₹ 10,000/- (excluding GST) for delayed compliance with Regulation 60 (2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for delay of one day in giving notice of Record Date for repayment of Debentures. The Company has made waiver application in this behalf with BSE Limited and order in this behalf is awaited.*

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and for meeting convened under shorter notice were in compliance with section 173(3) of the Companies Act, 2013 and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes. None of the members of the Board have expressed dissenting views on any of the agenda items during the Audit period.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Annexure II (Contd.)

We further report that during the audit period the following specific events took place:

1. Issue of Debentures:

- a. The Members at their Annual General Meeting held on 19th September, 2024 vide special resolution approved the offer and issue of Non-Convertible Debentures not exceeding ₹ 2,500 Crores.
- b. The Committee of Directors at their meeting held on 14th August, 2024, approved the allotment of 12,000 (Twelve Thousand) Rated, Listed, Senior, Secured, Redeemable, fully paid-up, non-convertible debentures of ₹ 1,00,000/- (Rupees One Lakh Only) Each, Aggregating To ₹ 1,20,00,00,000/- (Rupees One Hundred and Twenty Crores Only) on Private Placement Basis.

2. Alteration in Articles of Association (AOA):

The Members through Postal Ballot concluded on 26th November, 2024 vide special resolution approved the alteration of clause 80 w.r.t. the total number of Directors on the Board of the Company.

3. Approval of ESOP scheme:

The Members at their Annual General Meeting held on 19th September, 2024 vide special resolution approved the FEDBANK FINANCIAL SERVICES LIMITED-EMPLOYEES STOCK OPTION SCHEME, 2024.

4. Registration with Insurance Regulatory and Development Authority of India ("IRDAI"):

The Company was granted the Corporate Agent (Composite) license dated 10th June, 2024 for soliciting life insurance, general insurance and health insurance ("Composite") as Corporate Agent under Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015 by IRDAI.

5. Change of Registered Office:

The Registered Office of the Company was shifted from "Kanakia Wall Street, A Wing, 5th Floor, Unit No.511, Andheri Kurla Road, Andheri (East) Mumbai -400093" to "Unit no.: 1101, 11th Floor, Cignus, Plot No. 71A, Powai, Paspoli, Mumbai – 400 087" with effect from 25th April, 2024.

6. Powers Exercised by members under Section 180 of the Act:

The Members at their Annual General Meeting held on 19th September, 2024 vide special resolution increased limits towards selling, assignment, securitisation of receivables/book debts of the Company and co-lending akin-to-direct assignment transactions upto ₹ 10,000 Crores.

For DKJ & Associates
Company Secretaries

Savyasachi Sushil Joshi

Partner

FCS NO 12752

C P NO 15666

UDIN: F012752G000734759

Place: Mumbai

Date: 8th July, 2025

Note: This report is to be read with our letter of even date that is annexed as Annexure - I and forms an integral part of this report.

Annexure II (Contd.)

To
The Members,
FEDBANK FINANCIAL SERVICES LIMITED

Unit No. 1101, 11th Floor, Cignus,
Plot No. 71A, Powai,
Paspoli, NITIE,
Mumbai – 400087.

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules and regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For DKJ & Associates
Company Secretaries

Savyasachi Sushil Joshi

Partner

FCS NO 12752

C P NO 15666

UDIN: F012752G000734759

Place: Mumbai

Date: 8th July, 2025

Annexure III

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: **NIL**
 - (a) Name(s) of the related party and nature of relationship: N.A.
 - (b) Nature of contracts/arrangements/transactions: N.A.
 - (c) Duration of the contracts/arrangements/transactions: N.A.
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: N.A.
 - (e) Justification for entering into such contracts or arrangements or transactions: N.A.
 - (f) Date(s) of approval by the Board: N.A.
 - (g) Amount paid as advances, if any: N.A.
 - (h) Date on which the special resolution was passed in general meeting as required under the first proviso to section 188: N.A.
2. Details of material contracts or arrangement or transactions at arm's length basis:
 - (a) Name(s) of the related party and nature of relationship: Refer "Note 1"
 - (b) Nature of contracts/arrangements/transactions: Refer "Note 1"
 - (c) Duration of the contracts/arrangements/transactions: Refer "Note 1"
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Refer "Note 1"
 - (e) Justification for entering into such contracts or arrangements or transactions: Competitive pricing and value of services rendered.
 - (f) Date(s) of approval by the Board: The Audit Committee granted Omnibus approval on 15th January, 2024. The transactions occurred were in accordance with the Omnibus approval and the Committee reviewed the same in its meetings held on 29th April, 2024, 19th July, 2024, 23rd October, 2024 and 24th January, 2025.
 - (g) Amount paid as advances, if any: Nil

Note 1:

Name of the related party	Nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/Transactions	Salient terms of the contracts or arrangements or transactions *	Value (INR In Lakhs)
The Federal Bank Ltd	Holding Company	Income from Distribution business	1 year	Recovery of expenses incurred on behalf of Bank for sourcing distribution verticals products	3,307
The Federal Bank Ltd	Holding Company	Brand Usage Charges	NA	Brand usage expenses paid to Holding Company	244
The Federal Bank Ltd	Holding Company	Servicing Fee Income	NA	Servicing Fee Income on Securitisation	30
The Federal Bank Ltd	Holding Company	Service Charges for CSG L Transactions	NA	Service Charges for CSG L Transactions	1

Annexure III (Contd.)

Name of the related party	Nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/Transactions	Salient terms of the contracts or arrangements or transactions *	Value (INR In Lakhs)
The Federal Bank Ltd	Holding Company	Interest paid - cash Credit and term loan	1 year	Interest paid at contractual interest rate.	8,482
The Federal Bank Ltd	Holding Company	Processing Fees	NA	Processing Fees	143
The Federal Bank Ltd	Holding Company	Interest on Non Convertible Debentures	As per sanction letter of Federal Bank	Interest on Non convertible debentures	2,320
The Federal Bank Ltd	Holding Company	Term Loan Repaid	NA	Principal repayment of Term Loan	25,578
The Federal Bank Ltd	Holding Company	Term Loan availed	NA	Term Loan availed	55,000

* Maintained at arm's length similar to third party contracts and the transactions are in ordinary course of business.

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

Sd/-

Shyam Srinivasan

Chairman of the Board

DIN: 02274773

Date: 25th August, 2025

Place: Mumbai

Annexure IV

Annual report on Corporate Social Responsibility (CSR) for the financial year 2024- 25

1. Brief outline on CSR Policy of the Company:

The Company through its CSR programme aims to be a champion of authentic self-expression and one that inspires positive change. The main objective of CSR policy is to make CSR a key business process for the sustainable development of society.

The Company acts as a good corporate citizen and aim to supplement the role of the government in enhancing the welfare measures of society. The Company had undertaken the CSR activities as listed in Schedule VII and Section 135 of the Act and the Rules framed thereunder and as per its CSR policy.

Kindly refer the Corporate Social Responsibility policy as stated herein below at the Company's website at <https://fedfina.com/csr/>

2. Composition of CSR Committee:

SI No.	Name of the Director	Capacity	Number of Meetings of CSR Committee held during the year	Number of Meetings of CSR Committee attended during the year
1	Mrs. Mona Bhide ¹	Chairperson	-	-
2	Mr. Shyam Srinivasan	Member	2	2
3	Mr. Parvez Mulla ²	Member	-	-
4	Mrs. Gauri Rushabh Shah ³	Chairperson	2	2
5	Mr. Anil Kothuri ⁴	Member	2	2

¹ Mona Bhide was inducted as the Chairperson of Committee w.e.f 3rd February, 2025 pursuant to reconstitution of the Committee

² Parvez Mulla was inducted as member w.e.f 29th November, 2024 pursuant to the reconstitution of the Committee

³ Gauri R Shah ceased to be member w.e.f 3rd February, 2025 pursuant to reconstitution of the Committee

⁴ Anil Kothuri ceased to be member w.e.f 8th November 2025

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:

The details are hosted on the website and the weblink is: <https://fedfina.com/csr/>

4. Provide the executive summary along with web- links of Impact Assessment of CSR projects carried out in in pursuance of sub-rule (3) of rule 8, if applicable: Not Applicable

5. a. Average net profit of the Company as per sub section(5) of section 135 : ₹ 2,36,55,71,401/-
- b. Two percent of average net profit of the Company as per sub section(5) of section 135: ₹ 4,73,11,428/-
- c. Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
- d. Amount required to be set off for the financial year, if any: Not Applicable
- e. Total CSR obligation for the financial year (b+c-d)- ₹ 4,73,11,428/-
6. (a) Amount spent on CSR amount (both ongoing projects and other than ongoing projects): ₹ 4,73,11,428/-
- b) Amount spent in administrative overheads: Nil
- c) Amount spent on Impact Assessment, if applicable: Not Applicable
- d) Total amount spent for the Financial Year (a+b+c): INR 4,73,11,428/-

Annexure IV (Contd.)

e) CSR amount spent/unspent in the Financial year:

Total amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of Transfer
4,73,11,428/-	Nil	Not applicable	Not applicable	Nil	Not applicable

f) Excess amount for set off, if any: Not Applicable

SI No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per section 135(5)	-
(ii)	Total amount spent for the Financial Year	-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

7. Details of Unspent CSR amount for the preceding three financial years:

SI No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Balance amount in unspent CSR account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)	Deficiency, if any
					Name of the Fund	Amount (in ₹).	Date of transfer		
1.	2023-24	Nil	Nil	3,10,17,228	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
2.	2022- 23	Nil	Nil	3,10,06,228	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
3.	2021-22	46,98,542	Nil	68,03,844	Not applicable	Not applicable	Not applicable	46,98,542	Not applicable

8. Whether any capital assets have been created or acquired through CSR amount spent in the Financial year: No

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135: Not applicable

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

sd/-
Parvez Mulla
MD & CEO
Date: 25th August, 2025
Place: Mumbai

sd/-
Mona Bhide
Chairperson- CSR Committee

Report on Corporate Governance

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company believes in strong governance and adheres to good corporate practices and is constantly striving to improve them and adopt best practices. The Company's philosophy on corporate governance guides business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors.

The vision of the Company is PRIDE viz. Profits through Respect Integrity and Disciplined Execution.

With focus on the core values, your Company's approach is meticulously aligned with E.P.I.C values viz. Execution Excellence, People Focus, Integrity, and Customer Centric. Corporate Governance anchors operations of the Company embodying principles of transparency, integrity, and accountability.

a) Composition and Category of Board of Directors

The composition of the Board is in accordance with section 149 of the Companies Act, 2013 and Regulation 17 of the SEBI LODR with an optimum combination of Executive, Non- executive and Independent Directors including one woman independent director.

As on 31st March, 2025, the Company has 10 directors comprising of 1 Non-Executive Chairman & Non-Executive Director, 5 Independent Directors that includes 2 woman independent directors, 3 Nominee Directors and 1 executive Director and has following composition:

Sr. No.	Name of the Directors	DIN	Category of Director	Number of Directorships in other Public Companies (listed and unlisted) Including our Company	Committee positions held in listed and unlisted public limited companies [®]	
					As a member	As a chairperson
1.	Shyam Srinivasan	02274773	Non-Executive Chairman & Non-Executive Director	1	0	0
2.	Sunil Satyapal Gulati	00016990	Independent Director, Non-executive	3	3	2
3.	Ramesh Sundararajan	10500779	Independent Director, Non-executive	1	2	1
4.	Sonal Dave	00017710	Independent Woman Director, Non-executive	1	2	1
5.	Mona Bhide	05203026	Independent Woman Director, Non-executive	6	7	1
6.	Muralidharan Rajamani	01690363	Independent Director, Non-executive	2	3	1

Your Company's corporate governance framework is designed with a focus on establishing a robust system of checks and balances among key participants such as the Board, Board committees, management, auditors and various stakeholders.

2. BOARD OF DIRECTORS

The Board of Directors ("Board") is at the core of the corporate governance system of the Company. The Board is committed towards compliance of sound principles of corporate governance and plays a crucial role in overseeing how the management serves the short and long term interests of the members and other stakeholders. This belief is reflected in the governance practices of the Company, under which it strives to maintain an effective, informed and independent Board.

The Company strives to maintain an appropriate balance of skills and experience within the organisation and the Board in an endeavor to introduce new perspectives while maintaining experience and continuity.

Report on Corporate Governance (Contd.)

Sr. No.	Name of the Directors	DIN	Category of Director	Number of Directorships in other Public Companies (listed and unlisted) Including our Company	Committee positions held in listed and unlisted public limited companies [®]	
					As a member	As a chairperson
7.	Maninder Singh Juneja	02680016	Nominee Director (representing equity investor - True North Fund VI LLP)	3	3	0
8.	Harsh Dugar	00832748	Nominee Director (representing equity investor - The Federal Bank Limited)	2	1	0
9.	Krishnan Venkat Subramanian	00031794	Nominee Director (representing equity investor - The Federal Bank Limited)	2	1	0
10.	Parvez Mulla	08026994	Managing Director & CEO	1	1	0

[®]In terms of Regulation 26(1)(b) of the SEBI Listing Regulations, for the purpose of considering the Committee Memberships and Chairpersonship's for a Director, the Audit Committee and Stakeholders' Relationship Committee in other Indian Public companies (listed and unlisted) including our Company are counted.

b) The Company has a Non- Executive Director as a Chairman. The role of the Chairman and the MD & CEO are distinct and separate in nature. The MD & CEO of the Company does not serve as an Independent Director in any listed company.

c) Details of the Directorships in other Listed Entities:

Name of the Director	Name of the Listed Entity (Other than Fedbank Financial Services Limited)	Category of Directorship
Shyam Srinivasan	-	-
Sunil Satyapal Gulati	1. KMC Speciality Hospitals (India) Limited	Independent Director
Ramesh Sundararajan	-	-
Sonal Dave	-	-
Mona Bhide	1. PCS Technology Limited 2. Datamatics Global Services Limited 3. Vinati Organics Limited 4. Benchmark Computer Solutions Limited	Independent Director
Muralidharan Rajamani	1. Utkarsh Small Finance Bank Limited	Non – Executive Director
Maninder Singh Juneja	1. Home First Finance Company India Limited 2. Niva Bupa Health Insurance Company Limited	Nominee Director
Harsh Dugar	1. The Federal Bank Ltd	Executive Director
Krishnan Venkat Subramanian	1. The Federal Bank Ltd	Managing Director & CEO
Parvez Mulla	-	-

d) In terms of Regulation 17A and Regulation 26 of SEBI Listing Regulations, none of the Directors of the Company held directorship in more than 10 Public companies and none of the directors served as a director in more than seven listed companies, across the directorships held including that in the Company. Further, neither of the Directors of the Company is a member of more than ten committees or chairperson of more than five committees across all the public companies in which he/she is a director. Necessary disclosures regarding Committee positions in other public companies as on 31st March, 2025 have been made by the Directors.

Report on Corporate Governance (Contd.)

e) None of the Directors are inter-se related to each other. All the directors of the Company have confirmed that they comply the fit and proper criteria as prescribed under the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023. The Company has also formulated and adopted a Policy on Fit & Proper Criteria for the Directors as per the provisions of the RBI Directions.

f) **Details of change in composition of the Board**

The change in the composition of Board for FY 2024-25 under review as under:

Sr. No.	Name of the Director	Designation	Nature of change	Effective Date
1.	Ashutosh Khajuria	Nominee Director	Cessation	30 th April, 2024
2.	Harsh Dugar	Nominee Director	Appointment	1 st May, 2024
3.	Sonal Dave	Independent Director	Appointment	24 th September, 2024
4.	Balakrishnan Krishnamurthy	Chairman & Independent Director	Cessation	27 th September, 2024
6.	Anil Kothuri	Managing Director & CEO	Resignation	8 th November, 2024
7.	Parvez Mulla	Managing Director & CEO	Appointment	11 th November, 2024
8.	Mona Bhide	Independent Director	Appointment	29 th November, 2024
9.	Krishnan Venkat Subramanian	Nominee Director	Appointment	30 th November, 2024
10.	Muralidharan Rajamani	Independent Director	Appointment	24 th January, 2025
11.	Gauri R Shah	Independent Director	Cessation	12 th February, 2025.

g) **Chart or a matrix setting out the Skills/Expertise/Competence of the Board**

The Board comprises qualified members who bring in the required skills, competence and expertise to enable them to effectively contribute in deliberations at Board and Committee meetings. As required under Schedule V of the SEBI Listing Regulations, the below matrix summarises a mix of skills, expertise and competencies possessed by our individual Directors, which are key to corporate governance and Board effectiveness:

Parameters	Shyam Srinivasan	Sunil Satyapal Gulati	Ramesh Sundararajan	Sonal Dave	Mona Bhide	Muralidharan Rajamani	Maninder Singh Juneja	Harsh Dugar	Krishnan Venkat Subramanian	Parvez Mulla
Financial Services	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Business Transformation, Strategy & Planning	✓	-	✓	✓	✓	✓	✓	✓	✓	✓
Consumer Behaviour, Sales, Marketing and Customer Experience	✓	-	-	✓	✓	-	✓	✓	✓	✓
Understanding of Accounting and Financial Statements	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Information Technology, Innovation and Cyber security	-	✓	✓	✓	-	✓	-	✓	✓	✓
Compliance and Governance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Risk, Assurance and Internal Controls	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Report on Corporate Governance (Contd.)

3. **BOARD MEETINGS**

The Board meets at regular intervals and reviews Company's overall performance. The Board has schedule of matters for its consideration and decision apart from the regulatory matters. The Board meetings are pre-scheduled, and a notice of the Board meeting is circulated to the Directors well in advance to facilitate them to plan their schedules accordingly. A video conferencing facility is provided to facilitate Directors to participate in the meetings. In case of business exigencies, the Board's approval is taken through circular resolutions. The circular resolutions are noted at the subsequent Board meeting.

The notice and detailed agenda along with the relevant notes and other material information are sent in

advance to each Director. This ensures timely and informed decisions by the Board. The Board reviews the performance of the Company vis-à-vis the budgets/ targets.

During the year under review, Board met 14 times on 25th April, 2024, 29th April, 2024, 8th May, 2024, 16th July, 2024, 19th July, 2024, 9th August, 2024, 22nd August, 2024, 24th September, 2024, 27th September, 2024, 22nd October, 2024, 23rd October, 2024, 29th November, 2024, 24th January, 2025 and 27th March, 2025. All the meetings were held in a manner that not more than 120 days lapsed between two consecutive meetings.

The required quorum was present at all times in the above meetings.

The attendance of the directors at the above mentioned Board meetings during the financial year ended 31st March, 2025 and attendance at the last Annual General Meeting (AGM) held on 19th September, 2024, are listed below:

Name of the Director	Category	Relationship with other directors	No. of Board meetings held	No. of Board meetings attended	Attendance at the Last AGM held on 19 th September, 2024	No. of shares/ and convertible instruments held in the Company
Shyam Srinivasan	Non-Executive Chairman & Non-Executive Director	-	14	12	No	200 Shares held Jointly with The Federal Bank Ltd (Nominee of The Federal Bank Ltd)
Sunil Satyapal Gulati	Independent Director, Non-executive	-	14	13	Yes	-
Ramesh Sundararajan	Independent Director, Non-executive	-	14	14	Yes	-
Sonal Dave (effective from 24 th September, 2024)	Independent Woman Director, Non-executive	-	6	6	NA	-
Mona Bhide (effective from 29 th November, 2024)	Independent Woman Director, Non-executive	-	2	2	NA	-
Muralidharan Rajamani (effective from 24 th January, 2025)	Independent Director, Non-executive	-	1	1	NA	-
Maninder Singh Juneja	Non-executive Nominee Director	-	14	12	No	-
Harsh Dugar (effective from 1 st May, 2024)	Non-executive Nominee Director	-	12	11	Yes	-
Krishnan Venkat Subramanian (effective from 30 th November, 2024)	Non-executive Nominee Director	-	2	2	NA	-

Report on Corporate Governance (Contd.)

Name of the Director	Category	Relationship with other directors	No. of Board meetings held	No. of Board meetings attended	Attendance at the Last AGM held on 19 th September, 2024	No. of shares/ and convertible instruments held in the Company
Parvez Mulla (effective from 11 th November, 2024)	Managing Director & CEO	-	3	3	NA	-
Ashutosh Khajuria (till 30 th April, 2024)	Nominee Director	-	2	2	NA	1 share held Jointly with The Federal Bank Ltd (Nominee of The Federal Bank Ltd)
Balakrishnan Krishnamurthy (till 27 th September, 2024)	Independent Director	-	9	8	Yes	-
Anil Kothuri (till 8 th November, 2024)	Managing Director & CEO	-	11	11	Yes	-
Gauri R Shah (till 12 th February, 2025)	Independent Director	-	13	13	Yes	-

4. REMUNERATION TO DIRECTORS

The remuneration paid to the Directors of the Company is in accordance with the applicable provisions of the Act and the SEBI Listing Regulations

a) Pecuniary relationship and/or transactions of the Non- Executive Directors with the listed entity:

During the year under review, there were no pecuniary relationships or transactions of the Non-Executive Directors with the Company, apart from Profit-linked Commission and remuneration paid by way of sitting fees to the Independent Directors and Non-Executive Directors.

b) Criteria for making payments to non- executive directors

The Independent Directors play crucial role in the functioning of the Board. The Independent Directors and Non Executive Chairman are paid Profit-linked Commission and the sitting fees for attending the Board and Committee meetings. Based on the recommendation of the Board of Directors, the shareholders have approved the ceiling limit of profit linked bonus of ₹ 22.50 Lakhs to Non Executive Chairman and ₹ 18 Lakhs to Independent Director each year effective October 9, 2024. The Nominee Directors are not paid any remuneration. The amounts paid to the Directors during the year under review are mentioned below:

Sr. No.	Names of Directors	Sitting fees	Profit Linked commission commencing from 9 th October 2024
Independent Directors			
1.	Sunil Satyapal Gulati	₹ 17,80,000	₹ 6,95,046
2.	Ramesh Sundararajan	₹ 10,30,000	₹ 6,95,046
3.	Sonal Dave (w.e.f 24 th September, 2024)	₹ 6,70,000	₹ 6,95,046
4.	Mona Bhide (w.e.f 29 th November, 2024)	₹ 80,000	₹ 4,91,326
5.	Muralidharan Rajamani (w.e.f 24 th January, 2025)	₹ 60,000	₹ 2,67,633
6.	Balakrishnan Krishnamurthy (till 27 th September, 2024)	₹ 8,10,000	Nil
7.	Gauri R Shah (till 12 th February, 2025)	₹ 20,70,000	₹ 5,07,304

Report on Corporate Governance (Contd.)

Sr. No.	Names of Directors	Sitting fees	Profit Linked commission commencing from 9 th October 2024
Non- Executive/Nominee Directors			
8.	Shyam Srinivasan	₹ 7,20,000	₹ 8,68,808
9.	Maninder Singh Juneja	Not applicable	Not applicable
10.	Ashutosh Khajuria	Not applicable	Not applicable
11.	Harsh Dugar	Not applicable	Not applicable
12.	Krishnan Venkat Subramanian	Not applicable	Not applicable

c) Remuneration to Managing Director & CEO (MD & CEO)

The remuneration paid to Mr. Parvez Mulla, MD & CEO and Mr. Anil Kothuri, EX-MD & CEO are in accordance with the Compensation Policy and Nomination and Remuneration Policy of the Company.

The remuneration of MD & CEO is governed by the recommendation of Nomination and Remuneration Committee and approval of the Board of Directors of the Company.

The details of the remuneration paid during the financial year 2024-25 is given below:

Name of Director	Components	Amount in ₹
Anil Kothuri, EX-MD & CEO	Salary (till 8 th November, 2024)	1,93,41,370
	Performance bonus paid for F.Y 2024-25	Not applicable
	Additional Bonus	2,01,80,000
	ESOP details	Out of the total equity shares granted on 25 th April, 2022, 6,66,667 shares vested in FY 2024-25 as per the ESOP Policy 2018. The Stock options exercised by Mr. Anil Kothuri during the F.Y 2024-25 are 6,66,667 shares. The employee stock options have not been issued at discount and the same have been granted at the fair market value of the Company as certified by Independent Chartered Accountant.
Parvez Mulla, MD & CEO	Salary (From 11 th November, 2024)	1,41,77,260
	Performance bonus paid for F.Y 2024- 25	Not applicable
	Additional Bonus	32,06,301
	ESOP details	37,25,000 options were granted by Nomination and Remuneration Committee on 24 th January, 2025. The employee stock options have not been issued at discount and the same have been granted at the fair market value of the equity shares of the Company calculated as per Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

5. INDEPENDENT DIRECTORS
a) Declaration of Independence

All the Independent Directors have submitted declaration of independence, as required pursuant to provisions of Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) and Regulation 25 of the SEBI Listing Regulations stating that they meet the criteria of independence. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation that exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

In the opinion of the Board of Directors, the Independent Directors meet the criteria of independence as mentioned under Regulation 16 of the SEBI Listing Regulations and Section 149 of the Act and that they are independent of the management. The Independent Directors are eminent persons and possess requisite qualifications, integrity, expertise and experience in the relevant functional areas.

Report on Corporate Governance (Contd.)

b) Meetings of Independent Directors

In compliance with Regulation 25(3) of the SEBI Listing Regulations and Schedule IV of the Act, separate meetings of Independent Directors were held on 25th April, 2024 and 21st March, 2025 for FY 2024-25, without the presence of Non-Independent Directors and members of the management to discuss all such issues as they may consider relevant.

The details of the separate meetings of Independent Directors held during FY 2024-25 and attendance of the members at the meeting is given below:

Name of the Member	No. of meetings held	No. of meetings attended	% of attendance
Sunil Satyapal Gulati	2	2	100%
Ramesh Sundararajan	2	2	100%
Sonal Dave	1	1	100%
Mona Bhide	1	1	100%
Muralidharan Rajamani	1	1	100%
Balakrishnan Krishnamurthy (till 27 th September, 2024)	1	1	100%
Gauri R Shah (till 12 th February, 2025)	1	1	100%

c) Directors and Officers (D&O) Insurance Policy for Directors

The Company has taken Directors and Officers (D&O) Insurance Policy for all its Directors and Key Managerial Personnel of the Company for insurance coverage against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be treated as guilty in relation to the Company.

d) Familiarisation Programme for Independent Directors

Your Company, on an ongoing basis updates and presents the Board, specifically the Independent Directors the matters related to business performance, operations, financial parameters, our business model, risk matrices, mitigation and management, change in senior management, major litigations, compliances and regulatory scenarios and such other areas as may arise from time to time.

Your Company has conducted familiarisation programme for the Independent Directors during the year under review. All the new Independent Directors were taken through the familiarisation programme and the details of such familiarisation programme have been uploaded on the website of the Company at <https://fedfina.com/investors-relations/overviews/disclosures-intimations-to-stock-exchanges/?page=other-disclosures-reports>

6. CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

The Company has adopted Code of conduct for the Board of Directors and Senior management personnel ("the Code") which is applicable to the Board of Directors and senior management of the Company. The Board of Directors and the members of senior management team of the Company are required to affirm compliance of this Code on an annual basis. A declaration signed by the Managing Director and Chief Executive Officer of the Company to this effect is placed at the end of this Report. The Code requires the Directors and senior management to demonstrate highest standards of integrity, business ethics and corporate governance. They shall provide expertise and experience in their areas of specialisation and share learnings at the meetings of the Board with best interests of the Company and its stakeholders in mind. The Code is displayed on the Company's website: <https://fedfina.com/corporate-governance/>

7. SENIOR MANAGEMENT

Given below is the list of senior management personnel:

Sr. No.	Names of Senior management personnel	Designation
1.	Shardul Kadam [#]	Chief Risk Officer (till November 29, 2024) Chief Business Officer (CBO), Small Ticket Mortgage, MSE LAP (effective from December 01, 2024).
2.	C.V. Ganesh	Chief Financial Officer
3.	Jagadeesh Rao Janardanan	Chief Business Officer - Gold Loan

Report on Corporate Governance (Contd.)

Sr. No.	Names of Senior management personnel	Designation
4.	Sureshkumar K	Chief Business Officer - LAP & Distribution
5.	Anila Rajneesh	Chief Human Resources Officer
6.	Ramchandar Ragavendran	Chief Business Officer - Unsecured Loan (till February 28, 2025)
7.	Vikas Srivastava	Chief Business Officer - Small Ticket Mortgage (till November 30, 2024)
8.	Vikram Rathi [#]	Chief Risk Officer (effective May 02, 2025)
9.	Rajaraman Sundaresan	Company Secretary & Compliance Officer (till July 31, 2025)
10.	Parthasarathy Iyengar	Company Secretary & Compliance Officer (effective August 1, 2025)
11.	Krishnaswamy Siddharth	Chief Operating Officer (till August 25, 2025)

[#] Mr. Vikram Rathi was appointed as CRO effective May 02, 2025. Consequently, Mr. Awadhesh Jaiswal ceased to be the Interim CRO on May 2, 2025. Mr. Shardul Kadam who was CRO was re-designated as CBO- Small Ticket Mortgage MSE LAP effective December 1, 2024.

Code of conduct for Prohibition of Insider Trading

The Company has also formulated 'Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders of Fedbank Financial Services Limited' and 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information of Fedbank Financial Services Limited' is in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended ("PIT Regulations")

The said Codes are hosted on the website of the Company at <https://fedfina.com/corporate-governance/>

8. BOARD COMMITTEES AND ITS TERMS OF REFERENCE

a) Audit Committee

Composition:

The Composition of the Audit Committee along with their attendance during the Financial year ended March 31, 2025 is as under:

Sr. No.	Name of the Director	Capacity	No. of Meetings of the committee	
			Held during the year and during their tenure	Attended
1.	Sonal Dave ¹	Chairperson	4	4
2.	Sunil Satyapal Gulati	Member	10	10
3.	Ramesh Sundararajan ²	Member	0	0
4.	Muralidharan Rajamani ³	Member	0	0
5.	Gauri Rushabh Shah ⁴	Chairperson	10	10
6.	Balakrishnan Krishnamurthy ⁵	Member	6	5
7.	Ashutosh Khajuria ⁶	Member	2	2

¹ Sonal Dave was inducted as member w.e.f 27th September, 2024 pursuant to reconstitution and was designated as Chairperson of the Committee w.e.f 3rd February, 2025 pursuant to the reconstitution of the Committee

^{2,3} Ramesh Sundararajan and Muralidharan Rajamani were inducted as members of the Committee w.e.f 3rd February, 2025 pursuant to the reconstitution of the Committee

⁴ Gauri R Shah ceased to be a member and Chairperson w.e.f 3rd February, 2025 pursuant to the reconstitution of the Committee

⁵ Balakrishnan Krishnamurthy ceased to be a member of the Committee w.e.f 27th September, 2024

⁶ Ashutosh Khajuria ceased to be a member of the Committee w.e.f 30th April, 2024

The constitution of the Committee is in compliance with the regulatory requirements.

The Committee members are financially literate and have the necessary accounting and relevant financial technical management experience. During the year, all the recommendations of the Audit Committee were accepted by the Board.

Report on Corporate Governance (Contd.)

Brief Description of Terms of Reference:

1. to oversee the financial reporting process;
2. to review financial results and related information and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible
3. to approve or modify any related party transactions, to review internal financial controls and risk management system,
4. to review and evaluate with the management performance of statutory and internal auditors, effectiveness of audit process and adequacy of the internal control systems;
5. to review and monitor the statutory auditor's independence and performance and effectiveness of audit process;
6. approval of payment to statutory auditors for any other services rendered by the statutory auditors of the Company
7. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval with particular reference to:
 - i. matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act as amended from time to time;
 - ii. changes, if any, in accounting policies and practices and reasons for the same;
 - iii. major accounting entries involving estimates based on the exercise of judgment by management;
 - iv. significant adjustments made in the financial statements arising out of audit findings;
 - v. compliance with listing and other legal requirements relating to financial statements;
 - vi. disclosure of any related party transactions; and
 - vii. modified opinion(s) in the draft audit report.
8. reviewing, with the management, the quarterly, half-yearly financial results before submission to the Board for approval;
9. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the proposed initial public offer by the Company;
10. approval or any subsequent modifications of transactions of the Company with related parties and omnibus approval for subject to the conditions as may be prescribed by the independent directors who are members of the Audit Committee;
11. scrutinising of inter-corporate loans and investments;
12. valuation of undertakings or assets of the Company, wherever it is necessary;
13. evaluation of internal financial controls and risk management systems;
14. establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances
15. reviewing the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
16. discussing with internal auditors on any significant findings and follow up thereon;
17. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
18. discussing with statutory auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
19. looking into the reasons for substantial defaults in the payment to the depositors, debenture holders,

Report on Corporate Governance (Contd.)

- shareholders (in case of non payment of declared dividends) and creditors;
20. reviewing the functioning of the whistle blower mechanism;
21. approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate; and
22. carrying out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act, the Listing Regulations, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or by any other regulatory authority reviewing the utilisation of loans and/or advances from/investment by the holding company in any subsidiary exceeding rupees 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing as per applicable law.
23. considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.
24. to ensure that an Information System Audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced by the Company

Powers of the Audit Committee

The powers of the Audit Committee shall include the following:

1. To investigate any activity within its terms of reference;
2. To seek information from any employee;

3. To obtain outside legal or other professional advice; and
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

Reviewing Powers

The Audit Committee shall mandatorily review the following information:

1. management's discussion and analysis of financial condition and results of operations;
2. Related party transactions approved by the Directors
3. management letters/letters of internal control weaknesses issued by the statutory auditors;
4. internal audit reports relating to internal control weaknesses;
5. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee;
6. examination of the financial statements and the auditors' report thereon; and
7. statement of deviations:
 - (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of the Listing Regulations; and
 - (ii) annual statement of funds utilised for purposes other than those stated in the document/prospectus/notice in terms of the Listing Regulations.

Meetings held during the year:

During the FY 2024-2025, the Audit Committee of the Board met 10 times i.e on 25th April, 2024, 29th April, 2024, 31st May, 2024, 16th July, 2024, 19th July, 2024, 22nd August, 2024, 22nd October, 2024, 23rd October, 2024, 23rd January, 2025, and 24th January 2025.

Report on Corporate Governance (Contd.)

(b) **Nomination & Remuneration Committee:**

Composition:

The Composition of the Nomination & Remuneration Committee ("NRC") during the Financial Year ended March 31, 2025 is as under:

Sr. No.	Name of the Director	Capacity	No. of Meetings of the committee	
			Held	Attended
1.	Sunil Gulati ¹	Chairman	6	6
2.	Ramesh Sundararajan ²	Member	0	0
3.	Shyam Srinivasan	Member	12	12
4.	Gauri Rushabh Shah ³	Chairperson	12	12
5.	Balakrishnan Krishnamurthy ⁴	Member	6	5

¹ Sunil Gulati was inducted as member w.e.f 27th September, 2024 pursuant to the reconstitution of the Committee and designated as Chairman w.e.f 3rd February, 2025 pursuant to the reconstitution of the Committee

² Ramesh Sundararajan was inducted as member of the Committee w.e.f 3rd February, 2025 pursuant to the reconstitution of the Committee

³ Gauri R Shah ceased to be a member and Chairperson of the Committee w.e.f. 3rd February, 2025

⁴ Balakrishnan Krishnamurthy, ceased to be the member of the Committee w.e.f 27th September, 2024

The constitution of the Committee is in compliance with the regulatory requirements.

Terms of reference of the Nomination & Remuneration Committee includes the matters specified under the Companies Act 2013 and SEBI Listing Regulations.

Broad terms of reference includes the following:

- To formulate the Nomination and Remuneration policy.
- Identifying persons who qualify to become directors and ensure their fit and proper status, scrutinize the fit and proper declarations made and who may be appointed in senior management in accordance with the criteria laid down, and recommending to the Board their appointment and removal.
- Carrying out evaluations of every director's performance and ensuring the fit and proper status of proposed and existing directors and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel, senior management and other employee as may deem fit;
- To set criteria for determining qualifications, positive attributes and independence of a director.
- To formulate criteria for evaluation of performance of the independent directors and the Board.
- To evaluate for every appointment of an independent director, the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description

of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- use the services of an external agencies, if required;
 - consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - consider the time commitments of the candidates.
- Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
 - Devising a policy on Board diversity;
 - Analysing, monitoring and reviewing various human resource and compensation matters;
 - Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended;
 - Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
 - Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; or

Report on Corporate Governance (Contd.)

- Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended.
- Performing such other activities as may be delegated by the Board and/or specified/provided under the Companies Act, the SEBI Listing Regulations or by any other regulatory authority; and
 - Recommend to the Board, all remuneration, in whatever form, payable to senior management

Meetings held during the year:

During the FY 2024-2025, the Nomination & Remuneration Committee of the Board met 12 times i.e on 24th April, 2024; 8th May, 2024; 15th July, 2024; 12th August, 2024; 22nd August, 2024; 24th September, 2024; 9th October, 2024; 22nd October, 2024; 4th November, 2024; 8th November, 2024; 29th November, 2024 and 24th January 2025.

Performance evaluation criteria for Independent Directors

The Company has defined a manner of evaluation as per the provisions of the Act and SEBI Listing

Regulations and formulated a method for the evaluation of the performance of the Board, its Committees and individual Directors. The annual evaluation of the performance of the individual Directors (including the Chairman of the Board) were conducted on parameters such as level of engagement and contribution and independence of judgment - thereby safeguarding the interests of the Company.

The performance evaluation of the Independent Directors were carried out by the entire Board, excluding the director being evaluated. The performance evaluation of the Chairman, the Non-Independent Directors and Board as a whole were carried out by the Independent Directors. The Board also carried out annual performance evaluation of the working of each of its Board constituted Committees.

The Directors have expressed their satisfaction with the evaluation process. The Board opined that the Board Committees' composition, structure, processes and working procedures are well laid down and that the Board Committees members have adequate expertise drawn from diverse functions, industries and business and bring specific competencies relevant to the Company's business and operations.

(c) **Stakeholders Relationship Committee:**

Composition:

The Composition of the Stakeholders Relationship Committee ("SRC") during the Financial Year ended March 31, 2025 is as under:

Sr. No.	Name of the Director	Capacity	No. of Meetings of the committee	
			Held	Attended
1.	Ramesh Sundararajan	Chairman	1	1
2.	Sonal Dave ¹	Member	0	0
3.	Mona Bhide ²	Member	0	0
4.	Parvez Mulla ³	Member	0	0
5.	Gauri Rushabh Shah ⁴	Member	1	1
6.	Anil Kothuri ⁵	Member	1	1
7.	Balakrishnan Krishnamurthy ⁶	Member	1	1

¹ Sonal Dave was inducted as the member w.e.f 27th September, 2024 pursuant to the reconstitution of the Committee

² Mona Bhide was inducted as the member w.e.f 3rd February, 2025 pursuant to the reconstitution of the Committee

³ Parvez Mulla was inducted as the member w.e.f 29th November, 2024 pursuant to the reconstitution of the Committee

⁴ Gauri R Shah ceased to be a member w.e.f 3rd February, 2025 pursuant to the reconstitution of the Committee

⁵ Anil Kothuri ceased to be a member of the Committee w.e.f 8th November, 2024

⁶ Balakrishnan Krishnamurthy ceased to be a member of the Committee w.e.f 27th September 2024

The re-constitution of the Committee is in compliance with the regulatory requirements.

Broad terms of reference of the Committee includes:

- To consider and resolve the grievances of the security holders of the Company including complaints related to transfer/transmission of shares/securities, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints;

Report on Corporate Governance (Contd.)

2. To review measures taken for effective exercise of voting rights by shareholders;
3. Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;
4. To review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
5. To review the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company: and
6. Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act, 2013 or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, each as amended or by any other regulatory authority.

Meetings held during the year:

During the FY 2024-2025, the Committee of the Board met once on 24th April, 2024.

(d) Risk Management Committee:

Composition:

The Composition of the Risk Management Committee ("RMC") during the Financial Year ended March 31, 2025 is as under:

Sr. No.	Name of the Director	Capacity	No. of Meetings of the committee	
			Held	Attended
1.	Sunil Satyapal Gulati	Chairman	4	4
2.	Maninder Singh Juneja	Member	4	4
3.	Harsh Dugar ¹	Member	1	0
4.	Sonal Dave ²	Member	1	1
5.	Gauri Rushabh Shah ³	Member	3	3
6.	Anil Kothuri ⁴	Member	2	2
7.	Ashutosh Khajuria ⁵	Member	0	0
8.	Krishnaswamy Siddharth ⁶	Member	3	3
9.	CV Ganesh ⁷	Member	3	2

¹Harsh Dugar was inducted as member w.e.f 29th November, 2024 pursuant to the reconstitution of the Committee

²Sonal Dave was inducted as member w.e.f 3rd February, 2025 pursuant to the reconstitution of the Committee

³Gauri R Shah ceased to be member w.e.f 3rd February, 2025 pursuant to the reconstitution of the Committee

⁴Anil Kothuri ceased to be member of the Committee w.e.f 8th November, 2024

Details of Compliance Officer

Mr. Parthasarathy Iyengar,
Company Secretary and Compliance Officer (effective August 1, 2025)
Fedbank Financial Services Limited
Unit no. 1101, 11th Floor,
Cignus, Plot No 71 A,
Powai, Paspoli, Mumbai- 400087
Email: secretarial@fedfina.com

Mr. Rajaraman Sundaresan,
Company Secretary and Compliance officer (till July 31, 2025)
Fedbank Financial Services Limited
Unit no. 1101, 11th Floor,
Cignus, Plot No 71 A,
Powai, Paspoli, Mumbai- 400087
Email: secretarial@fedfina.com

Number of shareholders complaints received during the year

Nil

Number of complaints not solved to the satisfaction of shareholders

Nil

Number of pending complaints

Nil

Report on Corporate Governance (Contd.)

⁵Ashutosh Khajuria ceased to be member of the Committee w.e.f 30th April, 2024

^{6,7}Krishnaswamy Siddharth and CV Ganesh ceased to be member of the Committee w.e.f 29th November, 2024 pursuant to the reconstitution of the Committee

The constitution of the Committee is in compliance with the regulatory requirements.

Broad terms of reference of the Committee includes the following:

1. To formulate and approve Company's Risk Management Policy and procedures which shall include:
 - a) a framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - b) measures for risk mitigation including systems and processes for internal control of identified risks.
 - c) business continuity plan.
2. To ensure and monitor appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To review portfolio and its delinquency at a product level and NPA Management
6. To evaluate the overall risks faced by the Company.
7. To monitor and evaluate liquidity risk faced by the Company.
8. To ensure adherence to liquidity risk management policies and procedure
9. To consider and review the Liquidity Risk Analysis and Monitoring measures.
10. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
11. To recommend to the Board for the appointment of the Chief Risk Officer on such terms as may be approved by the Board.
12. To carry out such other functions as may be specified by the Board from time to time or specified/provided the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, each as amended and/or by any other regulatory authority.

Meetings held during the year:

During the FY 2024-2025, the Risk Management Committee of the Board met 4 times on 31st May, 2024, 20th August, 2024, 28th November, 2024 and 5th March 2025.

(e) Corporate Social Responsibility (CSR) Committee:

In accordance with the provisions of Section 135 of the Companies Act, 2013 (the Act), the Board of Directors of the Company have constituted the Corporate Social Responsibility (CSR) Committee.

Composition:

The Composition of the CSR Committee during the Financial Year ended March 31, 2025 is as under:

Sr. No.	Name of the Director	Capacity	No. of Meetings of the committee	
			Held	Attended
1.	Mona Bhide ¹	Chairperson	0	0
2.	Shyam Srinivasan	Member	2	2
3.	Parvez Mulla ²	Member	0	0
4.	Gauri Rushabh Shah ³	Chairperson	2	2
5.	Anil Kothuri ⁴	Member	2	2

¹Mona Bhide was inducted as Chairperson w.e.f 3rd February, 2025 pursuant to the reconstitution of the Committee

²Parvez Mulla was inducted as member w.e.f 29th November, 2024 pursuant to the reconstitution of the Committee

Report on Corporate Governance (Contd.)

³ Gauri R Shah ceased to be member and Chairperson w.e.f 3rd February, 2025 pursuant to the reconstitution of the Committee

⁴ Anil Kothuri ceased to be member w.e.f 8th November, 2024

The re-constitution of the Committee is in compliance with the regulatory requirements.

Terms of reference of the CSR Committee includes the matters specified under the Companies Act 2013. Broad terms of reference includes:

1. to formulate and recommend to the Board a Corporate Social Responsibility ("CSR") Policy which shall indicate the activities to be undertaken by the Company in areas or subject specified in Schedule VII of the Companies Act 2013;
2. to recommend the amount of expenditure to be incurred on the CSR Activities in line with the Schedule VII of the Companies Act, 2013;

3. to monitor CSR policy of the Company from time to time;
4. to institute a transparent monitoring mechanism for implementation of the CSR activities or projects or programs of the Company;
5. To perform such other duties and functions as the Board may require the CSR committee to undertake to promote the CSR activities of the Company or as may be required under applicable laws

Meetings held during the year:

During the FY 2024-25, the CSR Committee of the Board met twice on 24th April, 2024 and 16th July, 2024.

(f) **IT Strategy Committee:**

Composition:

The Composition of the IT Strategy Committee during the Financial Year ended March 31, 2025 is as under:

Sr. No.	Name of the Director	Capacity	No. of Meetings of the committee	
			Held	Attended
1.	Ramesh Sundararajan	Chairperson	4	4
2.	Maninder Singh Juneja	Member	4	3
3.	Parvez Mulla ¹	Member	1	1
4.	Muralidharan Rajamani ²	Member	1	1
5.	Gauri Rushabh Shah ³	Member	3	3
6.	Anil Kothuri ⁴	Member	2	2
7.	Krishnaswamy Siddharth ⁵	Member	3	3
8.	Kunal Dikshit ⁶	Member	3	3

¹ Parvez Mulla was inducted as member w.e.f 29th November, 2024 pursuant to the reconstitution of the Committee

² Muralidharan Rajamani was inducted as member w.e.f 3rd February, 2025 pursuant to the reconstitution of the Committee

³ Gauri R Shah ceased to be member w.e.f 3rd February, 2025 pursuant to the reconstitution of the Committee

⁴ Anil Kothuri ceased to be member of the Committee w.e.f 8th November, 2024

^{5,6} Krishnaswamy Siddharth and Kunal Dikshit ceased to be member of the Committee w.e.f 29th November, 2024

The re-constitution of the Committee is in compliance with the regulatory requirements.

Broad terms of reference of the Committee includes:

1. Ensuring effective IT strategy plan and approving IT policy documents.
2. Ensuring IT Strategy alignment with the overall business strategy and objectives.
3. Ensuring proper IT and Information Security Governance which is accountable, effective, efficient and has adequate skilled resources and clear defined roles and responsibilities.
4. Ensuring proper process to assess and manage IT & cybersecurity risks.

Report on Corporate Governance (Contd.)

5. Ensuring adequate IT Investments inclusive of IT Security, Cybersecurity, IT maturity, threat environment and industry standards and are utilised for meeting stated objectives.
6. Ensuring annual review, adequacy and effectiveness of Business Continuity Planning and Disaster Recovery Management.
7. Establishing a framework for IT outsourcing activities depending on risks and materiality.
8. Evaluating the risks and materiality of all prospective outsourcing based on the framework developed. Approving IT outsourcing policy, and ensuring that it effectively covers, identify, measure, monitor and control risks associated with outsourcing in an end to end manner;

9. Establishing an administrative framework of Senior Management for the purpose of these directions.
10. Any other matter as may be mandated/referred by any Authority/Board.

Meetings held during the year:

During the FY 2024-2025, the IT Strategy Committee of the Board met 4 times on 24th April, 2024, 20th August, 2024, 28th November, 2024 and 5th March, 2025.

In addition to the mentioned above, the Company has constituted various other committees, such as Asset Liability Committee, Business Development Committee, Committee of Executives, Capital Raising Committee and Committee of Directors (Operations).

9. GENERAL BODY MEETINGS

Following is the information on General Body meetings held and details of special resolution(s) passed.

a) Annual General Meeting:

Details of last three Annual General Meetings held and special resolutions passed:

Details of AGM	Date and Time	Venue	Special Resolutions passed
29 th AGM	19 th September, 2024 at 12 noon IST	Registered and Corporate office through Video conferencing ("VC") /Other Audio Visual Means ("OAVM")	To approve the Offer and Issue of Non-Convertible Debentures not exceeding ₹2500 Crores To approve the increase in limits of Selling, Assignment, Securitisation or Receivables/Book debts of the Company upto ₹ 10,000 crs To approve adoption of The Fedbank Financial Services Limited- Employees Stock Option Scheme, 2024
28 th AGM	27 th September, 2023 at 11:00 A.M.	Held through Video Conferencing ("VC") /Other Audio Visual Means ("OAVM")	Re-appointment of Mr. Anil Kothuri as Managing Director & CEO for a term of five years. Alteration of existing Articles of Association of the Company. Increase in the borrowing limits of the Company from ₹ 15,000 Crores to ₹18,000 Crores. Creation of charge on assets of the Company to secure borrowings made/to be made. Offer and Issue of non convertible debentures not exceeding ₹ 2,500 Crores. Increase in limits of selling, assignment, securitisation of receivables/book debts of the Company and co-lending akin-to-direct assignment transactions upto ₹ 5,000 crs.

Report on Corporate Governance (Contd.)

Details of AGM	Date and Time	Venue	Special Resolutions passed
27 th AGM	5 th August, 2022 at 03:30 P.M.	Registered and Corporate office through Video conferencing ("VC") /Other Audio Visual Means ("OAVM")	Increase in the borrowing limits of the Company from ₹ 10,000 Crores to ₹15,000 Crores. Offer and issue of Non convertible debentures not exceeding ₹. 2500 Crores.

b) Extra-Ordinary General Meeting during the FY 2024-25:

During the year under review, there were no Extra-Ordinary General Meeting (EGM) held.

c) Postal Ballot

During the year under review, there were following ordinary as well as special resolutions passed through the postal ballot:

Postal Ballot Date/Date of Passing Resolutions	Type of Resolutions	Description of Resolutions passed	VOTES FOR		VOTES AGAINST	
			No. of Votes	% of Votes	No. of Votes	% of Votes
6 th June, 2024	Special Resolution	Appointment of Mr. Sunil Satyapal Gulati (DIN: 00016990) as an Independent Director	31,94,74,078	99.99	27,352	0.01
	Special Resolution	Appointment of Mr. Ramesh Sundararajan (DIN: 10500779) as an Independent Director	31,94,74,115	99.99	26,712	0.01
	Special Resolution	Continuation of Mr. Maninder Singh Juneja (DIN : 02680016) as a Nominee Director	30,84,10,310	98.34	52,04,875	1.66
	Special Resolution	Appointment of Mr. Harsh Dugar (DIN : 00832748) as a Nominee Director	30,97,93,716	98.77	38,43,361	1.23
26 th November, 2024	Special Resolution	Appointment of Mrs. Sonal Dave (DIN:00017710) as an Independent Director for a term of five years with effect from September 24, 2024	30,89,56,808	99.98	38,971	0.02
	Special Resolution	Alteration of existing Articles of Association of the Company	30,89,56,390	99.98	39,947	0.02
	Special Resolution	Payment of Profit-linked Commission to the Independent Directors and Non-executive Director	30,89,36,077	99.98	60,463	0.02

Report on Corporate Governance (Contd.)

Postal Ballot Date/Date of Passing Resolutions	Type of Resolutions	Description of Resolutions passed	VOTES FOR		VOTES AGAINST	
			No. of Votes	% of Votes	No. of Votes	% of Votes
27 th January, 2025	Ordinary Resolution	Appointment of Mr. Parvez Mulla (DIN: 08026994) as the Director and Managing Director & CEO (KMP) of the Company and payment of remuneration.	29,46,01,965	99.55	13,15,229	0.45
	Special Resolution	Appointment of Mrs. Mona Bhide (DIN: 05203026) as an Independent Director of the Company for a period of five years effective from November 29, 2024	29,58,89,268	99.99	27,565	0.01
	Ordinary Resolution	Appointment of Mr. Krishnan Venkat Subramanian (widely known as "Mr. K.V.S. Manian") (DIN: 00031794) as a Non-executive Nominee Director of the Company effective from November 30, 2024	29,58,90,778	99.99	26,055	0.08

9.1 Person who conducted the postal ballot exercise; -

In compliance with the provisions of Sections 108 and 110 of the Act read with Rule 20 and 22 of the Management Rules, Regulation 44 of the LODR Regulations, and SS-2, the Company had provided e-voting facility to its members to cast their votes electronically.

The Company had engaged the National Securities Depository Limited ("NSDL") for facilitating e-voting.

The Board had appointed Mr. Dinesh Kumar Deora, (CoP No. 4119), Practicing Company Secretary or failing him Mr. Tribhawneshwar Kaushik, (CoP No. 16207), partners of DKJ & Associates, Company Secretaries LLP as the scrutinizer (the 'Scrutinizer') for conducting the Postal Ballot/e-voting process in a fair and transparent manner.

9.2 Procedure for postal ballot.

The detailed procedure with respect to e-voting were mentioned in the Notices sent to the shareholders.

10. MEANS OF COMMUNICATION TO SHAREHOLDERS

The Company publishes financial results on quarterly, half yearly and annual frequency on both the stock exchanges where the securities of the Company are listed.

The quarterly, half-yearly and annual financial results of the Company are displayed on the Company's website at <https://fedfina.com/investors-relations/overviews/financial-results/?page=financial-results> Statutory notices are generally published in Business Standard (English) and Pratahkal or Mumbai Lakshadeep (Marathi). All financial and other vital official news releases and documents under the SEBI Listing Regulations including any presentations made to the institutional investors or/and analysts are also communicated to the concerned stock exchanges, besides being placed on the Company's website where a separate dedicated section under investor relations is provided. The channels of communication include informative Annual Report containing Directors' Report, Report on Corporate Governance, Management's Discussion and Analysis Report, Business Responsibility and Sustainability report and the audited Financial Statements.

Report on Corporate Governance (Contd.)

11. GENERAL SHAREHOLDERS INFORMATION

Sr No.	Particulars	Particulars
a	Annual general meeting – date, time and venue;	Monday, 29 th September, 2025 at 12 noon via video conferencing/other audio-visual means. The deemed venue of the Annual general Meeting shall be the registered office of the Company.
b	financial year;	1 st April, 2024 to 31 st March, 2025
c	dividend payment date;	Not Applicable
d	the name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s);	<ol style="list-style-type: none"> BSE Limited (BSE) - Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 National Stock Exchange of India Limited (NSE) - Exchange Plaza, Bandra - Kurla Complex, Bandra (East), Mumbai 400 051 For the financial year 2024-25, the Company has paid annual listing fees to both the stock exchanges and annual custody/issuer fees to both the depositories.
F	in case the securities are suspended from trading, the directors report shall explain there as on thereof;	Not Applicable
g	registrar to an issue and share transfer agents;	MUFG INTIME INDIA PRIVATE LIMITED (Formerly Link Intime India Private Limited) C-101, 1 st Floor, 247 Park L.B.S. Marg, Vikhroli West Mumbai 400 083 Maharashtra, India Tel: +91 22 4918 6000 E-mail: spg@linkintime.co.in Website: www.linkintime.co.in SEBI Registration No.: INR000004058
h	share transfer system;	<p>(i) Share Transfer System -</p> <p>In light of the provisions of Regulation 40 of the SEBI Listing Regulations read with a SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022, as issued by the Securities and Exchange Board of India, Members may please note that issuance of securities in the following cases shall only be done in dematerialised form:</p> <ol style="list-style-type: none"> Transfer of shares Issue of duplicate securities certificate Claim from Unclaimed Suspense Account Renewal/Exchange of securities certificate Endorsement Sub-division/Splitting of securities certificate Consolidation of securities certificates/folios Transmission Transposition <p>In view of the above, the shareholders holding shares in physical form are requested to get their shares dematerialised at the earliest to avoid any inconvenience in future.</p>

Report on Corporate Governance (Contd.)

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		<p>(ii) Nomination facility for shareholding -</p> <p>In terms of the provisions of Section 72 of the Act, facility for making nomination is available for the Members in respect of shares held by them. Members holding shares in physical form may obtain a nomination form (Form SH-13), from the Company's Registrar and Share Transfer Agents ("RTA") or download the same from the Company's website. Members holding shares in dematerialised form should contact their Depository Participants in this regard.</p> <p>(iv) Dividend/Unclaimed Dividend/Unclaimed Shares –</p> <p>The Company has not declared any dividend and hence IEPF Rules are not applicable. The Company does not have any Unpaid Dividends / Unclaimed Dividends/Shares Transferred to IEPF under sections 124 and 125 of the Companies Act, 2013.</p> <p>As on March 31, 2025, there were no shares of any shareholder lying unclaimed with the Company or lying in the suspense account. The disclosures required to be given under Regulation 34(3) read with Para F of Schedule V of the SEBI Listing.</p>																																																																																									
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i	Distribution of shareholding;	<table border="1"> <thead> <tr> <th rowspan="2">Categories</th> <th colspan="2">31st March, 2025</th> <th colspan="2">31st March, 2024</th> </tr> <tr> <th>Total_Shares</th> <th>%</th> <th>Total_Shares</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Promoter and Promoter Group</td> <td>22,74,74,791</td> <td>61.03</td> <td>22,74,71,046</td> <td>61.58</td> </tr> <tr> <td>Clearing Members</td> <td>3,538</td> <td>0.00</td> <td>293</td> <td>0.00</td> </tr> <tr> <td>Other Bodies Corporate</td> <td>68,80,940</td> <td>1.84</td> <td>63,60,151</td> <td>1.72</td> </tr> <tr> <td>Hindu Undivided Family</td> <td>16,00,267</td> <td>0.42</td> <td>13,78,893</td> <td>0.37</td> </tr> <tr> <td>Mutual Funds</td> <td>88,97,474</td> <td>2.38</td> <td>95,59,083</td> <td>2.59</td> </tr> <tr> <td>Non Resident Indians</td> <td>15,80,775</td> <td>0.42</td> <td>7,62,172</td> <td>0.21</td> </tr> <tr> <td>Non Resident (Non Repatriable)</td> <td>12,10,479</td> <td>0.32</td> <td>6,04,289</td> <td>0.16</td> </tr> <tr> <td>Public</td> <td>5,34,54,106</td> <td>14.34</td> <td>3,80,19,819</td> <td>10.29</td> </tr> <tr> <td>Trusts</td> <td>1,05,542</td> <td>0.02</td> <td>1,78,309</td> <td>0.05</td> </tr> <tr> <td>Insurance Companies</td> <td>1,50,67,670</td> <td>4.04</td> <td>2,42,95,079</td> <td>6.58</td> </tr> <tr> <td>Body Corporate - Ltd Liability Partnership</td> <td>3,03,616</td> <td>0.08</td> <td>3,42,765</td> <td>0.09</td> </tr> <tr> <td>FPIs</td> <td>18,22,403</td> <td>0.48</td> <td>38,93,173</td> <td>1.05</td> </tr> <tr> <td>Alternate Investment Funds</td> <td>5,35,88,508</td> <td>14.37</td> <td>5,17,32,019</td> <td>14.00</td> </tr> <tr> <td>Directors and their relatives (excluding independent Directors and nominee Directors)</td> <td>0</td> <td>0.00</td> <td>40,63,063</td> <td>1.10</td> </tr> <tr> <td>Key Managerial Personnel</td> <td>7,26,745</td> <td>0.19</td> <td>7,26,745</td> <td>0.20</td> </tr> <tr> <td>TOTAL :</td> <td>37,27,16,854</td> <td>100</td> <td>36,93,86,899</td> <td>100</td> </tr> </tbody> </table>	Categories	31 st March, 2025		31 st March, 2024		Total_Shares	%	Total_Shares	%	Promoter and Promoter Group	22,74,74,791	61.03	22,74,71,046	61.58	Clearing Members	3,538	0.00	293	0.00	Other Bodies Corporate	68,80,940	1.84	63,60,151	1.72	Hindu Undivided Family	16,00,267	0.42	13,78,893	0.37	Mutual Funds	88,97,474	2.38	95,59,083	2.59	Non Resident Indians	15,80,775	0.42	7,62,172	0.21	Non Resident (Non Repatriable)	12,10,479	0.32	6,04,289	0.16	Public	5,34,54,106	14.34	3,80,19,819	10.29	Trusts	1,05,542	0.02	1,78,309	0.05	Insurance Companies	1,50,67,670	4.04	2,42,95,079	6.58	Body Corporate - Ltd Liability Partnership	3,03,616	0.08	3,42,765	0.09	FPIs	18,22,403	0.48	38,93,173	1.05	Alternate Investment Funds	5,35,88,508	14.37	5,17,32,019	14.00	Directors and their relatives (excluding independent Directors and nominee Directors)	0	0.00	40,63,063	1.10	Key Managerial Personnel	7,26,745	0.19	7,26,745	0.20	TOTAL :	37,27,16,854	100	36,93,86,899	100
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Report on Corporate Governance (Contd.)

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j	dematerialisation of shares and liquidity;	<p>As on March 31, 2025, 37,27,16,849 (99.99%) equity shares of the Company were held in dematerialised form.</p> <p>Shares held in physical and electronic mode as on 31st March, 2025 are given herein below:</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Position as on 31st March, 2025</th> </tr> <tr> <th>No. of shares</th> <th>% of total shareholding</th> </tr> </thead> <tbody> <tr> <td>Physical (A)</td> <td>5</td> <td>0</td> </tr> <tr> <td>Demat</td> <td></td> <td></td> </tr> <tr> <td>NSDL</td> <td>32,75,58,432</td> <td>87.88</td> </tr> <tr> <td>CDSL</td> <td>4,51,58,417</td> <td>12.12</td> </tr> <tr> <td>Total Demat (B)</td> <td>37,27,16,849</td> <td>100</td> </tr> <tr> <td>Total (A) + (B)</td> <td>37,27,16,854</td> <td>100</td> </tr> </tbody> </table>		Position as on 31 st March, 2025		No. of shares	% of total shareholding	Physical (A)	5	0	Demat			NSDL	32,75,58,432	87.88	CDSL	4,51,58,417	12.12	Total Demat (B)	37,27,16,849	100	Total (A) + (B)	37,27,16,854	100																						
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k	outstanding global depository receipts or american depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity;	Not Applicable																																													
l	commodity price risk or foreign exchange risk and hedging activities;	The Company does not have material exposure in any particular commodity. Accordingly, there is no disclosure to offer in terms of SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated 15 th November, 2018.																																													
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Report on Corporate Governance (Contd.)

Sr No.	Particulars	Particulars																														
n	address for correspondence	<p>All Shareholders' correspondence should be forwarded to MUFG INTIME INDIA PRIVATE LIMITED (Formerly Link Intime India Private Limited), Registrar & Share Transfer Agents of the Company or to the Compliance Officer at their following respective addresses should be forwarded to Link Intime India Private Limited, Registrar & Share Transfer Agents of the Company or to Compliance Officer at their following respective addresses:</p> <table border="1"> <thead> <tr> <th>Registrar & Share Transfer Agent</th> <th>Company Secretary and Compliance officer</th> </tr> </thead> <tbody> <tr> <td> MUFG INTIME INDIA PRIVATE LIMITED (Formerly Link Intime India Private Limited) C-101, 1st Floor, 247 Park L.B.S. Marg, Vikhroli West Mumbai 400 083 Maharashtra, India Tel: +91 22 4918 6000 E-mail: aog@in.mpms.mufg.com Website: www.linkintime.co.in </td> <td> Mr. Parthasarathy Iyengar Company Secretary and Compliance officer (w.e.f 1st August 2025) Fedbank Financial Services Limited Unit no. 1101, 11th Floor, Cignus, Plot No 71 A, Powai, Paspoli, Mumbai- 400087 </td> </tr> </tbody> </table>	Registrar & Share Transfer Agent	Company Secretary and Compliance officer	MUFG INTIME INDIA PRIVATE LIMITED (Formerly Link Intime India Private Limited) C-101, 1 st Floor, 247 Park L.B.S. Marg, Vikhroli West Mumbai 400 083 Maharashtra, India Tel: +91 22 4918 6000 E-mail: aog@in.mpms.mufg.com Website: www.linkintime.co.in	Mr. Parthasarathy Iyengar Company Secretary and Compliance officer (w.e.f 1 st August 2025) Fedbank Financial Services Limited Unit no. 1101, 11 th Floor, Cignus, Plot No 71 A, Powai, Paspoli, Mumbai- 400087																										
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o	list of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilisation of funds, whether in India or abroad	<p>The Company has obtained credit ratings from India Ratings & Research Private Limited, CARE Ratings Limited, CRISIL Limited and ICRA Limited. During the financial year 2024-25, there has been upgrade in rating of the Company. The details of all the credit ratings obtained are given below:</p> <table border="1"> <thead> <tr> <th>Rating Agency</th> <th>Instrument</th> <th>Credit Rating*</th> </tr> </thead> <tbody> <tr> <td>India Ratings & Research Private Limited</td> <td>Bank Loans</td> <td>AA+/Stable</td> </tr> <tr> <td>India Ratings & Research Private Limited</td> <td>Non-Convertible Debenture</td> <td>AA+/Stable</td> </tr> <tr> <td>India Ratings & Research Private Limited</td> <td>Subordinated Debt</td> <td>AA+/Stable</td> </tr> <tr> <td>CARE Ratings Limited</td> <td>Non-Convertible Debenture</td> <td>AA+/Stable</td> </tr> <tr> <td>CARE Ratings Limited</td> <td>Subordinated Debt</td> <td>AA+/Stable</td> </tr> <tr> <td>CARE Ratings Limited</td> <td>Long Term/Short Term Bank Facilities</td> <td>AA+/Stable</td> </tr> <tr> <td>CRISIL Limited</td> <td>Commercial Paper Program</td> <td>A1+</td> </tr> <tr> <td>CRISIL Limited</td> <td>Non-Convertible Debenture</td> <td>AA+/Stable (upgraded from AA+ on 4/10/2024)</td> </tr> <tr> <td>ICRA Limited</td> <td>Commercial Paper Program</td> <td>A1+</td> </tr> </tbody> </table>	Rating Agency	Instrument	Credit Rating*	India Ratings & Research Private Limited	Bank Loans	AA+/Stable	India Ratings & Research Private Limited	Non-Convertible Debenture	AA+/Stable	India Ratings & Research Private Limited	Subordinated Debt	AA+/Stable	CARE Ratings Limited	Non-Convertible Debenture	AA+/Stable	CARE Ratings Limited	Subordinated Debt	AA+/Stable	CARE Ratings Limited	Long Term/Short Term Bank Facilities	AA+/Stable	CRISIL Limited	Commercial Paper Program	A1+	CRISIL Limited	Non-Convertible Debenture	AA+/Stable (upgraded from AA+ on 4/10/2024)	ICRA Limited	Commercial Paper Program	A1+
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Report on Corporate Governance (Contd.)

AFFIRMATIONS AND DISCLOSURES

a. Related Party Transactions

All the transactions entered into with the related parties during the financial year were on arm's length basis and in the ordinary course of business. There were no materially significant related party transactions entered by the Company with the related parties which shall have potential conflict with the interest of the Company.

All related party transactions were placed before the Audit Committee on quarterly basis. Transactions with related parties, as per the requirements of Accounting Standards, are disclosed in the notes to accounts annexed to the financial statements. The Company has formulated policy on related party transactions and uploaded on the website of the Company <https://fedfina.com/corporate-governance/>

b. Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during last three financial years

The Bombay Stock Exchange Limited (BSE) vide their email dated 1st July, 2024 imposed a fine of ₹ 10,000/- (excluding GST) under Reg 60(2) of the SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015 for delay in submission of notice of record date for payment of principal and interest for debenture bearing ISIN INE007N08023. Further, the Company has submitted a waiver application to BSE in this regard which is currently under consideration by BSE.

BSE vide their email dated 15th December, 2023 imposed a fine of ₹ 1,53,400/- under Regulation 52(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 applicable for debt listed companies for delayed submission of Unaudited Financial results for the quarter and half year ended 30th September, 2023 beyond the prescribed timelines. The Company has paid the fine on 19th December, 2023.

BSE vide their email dated 30th October, 2023 imposed a fine of ₹ 11,800/- under Reg 60(2) of the SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015 for delay in submission of notice of record date for repayment of debentures for ISIN INE007N07041. Further, the Company has submitted a waiver application to BSE in this regard which is currently under consideration by BSE.

BSE vide their emails dated 31st October, 2022 imposed a fine of ₹ 2,00,600/- under Regulation 53(2) for delay

in submission of annual report within the period prescribed. The Company paid the fine on January 3, 2023.

c. Vigil Mechanism/Whistle Blower Policy

As per the provisions of Section 177(9) of the Companies Act, 2013, the Company has established an effective Whistle Blower Mechanism for Directors and employees to report genuine concerns. The Company has put in place a Board approved Whistle Blower Policy to deal with the instances of fraud and mismanagement, if any. The said policy is available on the website of your Company at <https://fedfina.com/corporate-governance/>

This Whistle blower policy of the Company is overseen by the Audit Committee and provides adequate safeguard against victimisation of employees and also provide direct access to the Chairperson of the Audit Committee.

Your Company affirms that during the year under review, no personnel has been denied access to the Audit Committee.

d. Disclosure on compliance with Corporate Governance Requirements specified in SEBI Listing Regulations

The Company has complied with and disclosed all the mandatory corporate governance requirements under Regulations 17 to 27 and sub-regulation (2) of Regulation 46 of SEBI Listing Regulations (relating to disclosure on the website of the Company).

The Company has also adopted certain voluntary compliance requirements as outlined in the Act, SEBI Listing Regulations and other applicable acts, rules, regulations & guidelines. As per the discretionary requirements specified in Schedule II, Part E of the SEBI Listing Regulations, the Company has appointed separate persons to the post of Chairman and Managing Director & Chief Executive Officer.

e. Weblink where policy on determination of material subsidiaries

The Company does not have any subsidiaries hence this requirement is not Applicable

f. Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A).

During the year under review, your Company has not raised any funds through preferential allotment or qualified institutional placement as specified in Regulation 32 (7A) of the SEBI Listing Regulations.

Report on Corporate Governance (Contd.)

There is no variation or deviation in the use of proceeds from the objects stated in the offer document for Initial Public Offering.

g. A certificate from a Company Secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority

As required under Clause 10 (i) of Part C under Schedule V of the SEBI Listing Regulations, the Company has received a certificate from M/s. DKJ & Associates Company Secretaries LLP certifying that none of our Directors have been debarred or disqualified from being appointed or continuing as Directors of the Company by SEBI/Ministry of Corporate Affairs or any such statutory authority is annexed to this report.

h. Where the Board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant financial year.

During the year under review, there were no such recommendations made by any Committee of the Board that were mandatorily required and not accepted by the Board.

i. Total fees for all services paid by the listed entity to the statutory auditor

The tenure of the Statutory Auditors M/s. BSR & Co., LLP expired at the conclusion of the Annual General Meeting held for the year on September 19, 2024. Based on the recommendation of the Audit Committee, the Board of Directors of the Company in their meeting held on 16th July 2024, had approved the appointment of M/s. KKC & Associates LLP, Chartered Accountants (Formerly known as Khimji Kunverji & Co., LLP) having Firm Registration No: 105146W/W100621 as a Statutory Auditors of the Company to hold office for a period of three consecutive years from the conclusion of the forthcoming 29th Annual General Meeting for the year 2024 till the conclusion of 32nd Annual General Meeting for the year 2027.

The particulars of payment of Statutory auditors' fees, on Standalone basis for the financial year under review is given below:

Services provided	Amount in ₹ Lakhs
For Statutory Audit	34
For Limited Review	42
For Other Matters	8
For Out of pocket expenses	4
Total	88 #

#Amount paid for the Auditors' remuneration also includes remuneration paid to previous Auditors (i.e. M/s. BSR & Co., LLP) upto their term of appointment as Statutory Auditors of the Company.

j. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company has Prevention of Sexual Harassment ("POSH") policy which is in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. Your Company is in compliance with the constitution of Internal Complaints Committee (ICC) to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and dealt with during the year 2024-2025:

- No. of complaints received: 1
- No. of complaints disposed of: 1
- No. of complaints pending: 0

k. Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount:

There are no loans and advances in the nature of loans to firms/companies in which directors are interested.

Report on Corporate Governance (Contd.)

l. Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) above, with reasons thereof shall be disclosed.

Nil

m. Disclosures with respect to demat suspense account/unclaimed suspense account

The Company does not have any shares/unclaimed amounts in demat suspense account/unclaimed suspense account.

n. Disclosures of Agreements binding the listed entity

The Company has not been informed of any agreement under Regulation 30A(1) read with clause 5A of paragraph A of Part A of Schedule III of the Listing Regulations. Accordingly, there was no requirement for disclosing the same.

o. CEO and CFO Certification

Parvez Mulla, Managing Director & Chief Executive Officer and C.V. Ganesh, Chief Financial Officer of the Company have issued a certificate pursuant to the provisions of Regulation 17(8) of the SEBI Listing Regulations, 2015 for the financial year under review and the said certificate is annexed to this Report.

p. Compliance Certificate of the Auditors of the Company

The Certificate from the Secretarial Auditors of the Company namely, DKJ & Associates Company Secretaries LLP certifying the compliance with conditions of Corporate Governance as stipulated under Clause E of Schedule V of the SEBI Listing Regulations, is attached to this Report.

q. Certificate of Non-Disqualification of Directors from the Auditors of the Company

The Certificate from the Secretarial Auditors of the Company namely, DKJ & Associates Company Secretaries LLP certifying the Non-Disqualification of Directors is annexed to this Report.

Report on Corporate Governance (Contd.)

DECLARATION ON COMPLIANCE WITH THE COMPANY'S CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

I, Parvez Mulla (Managing Director & CEO), hereby confirm and declare that in terms of Regulation 26(3) read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for Board of Directors and Senior Management Personnel for the FY 2024-25.

For **Fedbank Financial Services Limited**

Sd/-

Parvez Mulla

Managing Director & CEO

Din: 08026994

Date: 25th August, 2025

Place: Mumbai

Report on Corporate Governance (Contd.)

CEO AND CFO CERTIFICATION

(Under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Board of Directors,
Fedbank Financial Services Ltd

Dear Sir/Madam,

We, the undersigned, in our respective capacities as Managing Director & CEO and Chief Financial Officer of Fedbank Financial Services Limited ("the Company"), to the best of our knowledge and belief certify that:

- A. We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2025 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee that:
- (1) significant changes in the Internal control over financial reporting during the period;
 - (2) significant changes in the accounting policies during the period and that the same have been disclosed in the notes to the financial statements; and
 - (3) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **Fedbank Financial Services Limited**

Sd/-
Parvez Mulla
Managing Director & CEO

For **Fedbank Financial Services Limited**

Sd/-
C.V. Ganesh
CFO

Report on Corporate Governance (Contd.)

**CERTIFICATE OF COMPLIANCE WITH
THE CORPORATE GOVERNANCE REQUIREMENTS**

To,
The Members of
Fedbank Financial Services Limited

We have examined the compliance of conditions of corporate governance by **Fedbank Financial Services Limited ("the Company")** for the year ended 31st March, 2025, as prescribed in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and Para C, D and E of Schedule V to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

Management's Responsibility:

The Compliance of the conditions of Corporate Governance is the responsibility of the Management.

Auditors' Responsibility:

Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Conclusion:

In our opinion and to the best of our information and according to the examination of relevant records and the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the aforesaid provisions of SEBI Listing Regulations.

We further state that such compliance is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For DKJ & Associates
Company Secretaries**

Savyasachi Sushil Joshi
Partner
FCS NO 12752
CP NO 15666
UDIN: F012752G001079675

Report on Corporate Governance (Contd.)

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
FEDBANK FINANCIAL SERVICES LIMITED
Unit No. 1101, 11th Floor, Cignus,
Plot No. 71A, Powai,
Passpoli, NITIE,
Mumbai – 400087.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of FEDBANK FINANCIAL SERVICES LIMITED having CIN L65910MH1995PLC364635 and having its Registered Office at Unit No. 1101, 11th Floor, Cignus, Plot No. 71A, Powai, Passpoli, NITIE, Mumbai – 400087, Maharashtra, India (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Director's Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

SR NO	NAME OF DIRECTOR	DIN	DATE OF APPOINTMENT
1.	MR. MANINDER SINGH JUNEJA	02680016	20/12/2018
2.	MR. SHYAM SRINIVASAN	02274773	18/03/2011
3.	MR. RAMESH SUNDARARAJAN	10500779	15/03/2024
4.	MR. SUNIL SATYAPAL GULATI	00016990	15/03/2024
5.	MR. KRISHNAN VENKAT SUBRAMANIAN	00031794	30/11/2024
6.	MRS. MONA MUKUND BHIDE	05203026	29/11/2024
7.	MR. MURALIDHARAN RAJAMANI	01690363	24/01/2025
8.	MR. PARVEZ KASIM MULLA	08026994	11/11/2024
9.	MRS. SONAL NITIN DAVE	00017710	24/09/2024
10.	MR. HARSH DUGAR	00832748	01/05/2024

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

sd/-

Name: Savyasachi Joshi- Partner

Firm Name : DKJ & Associates
Firm Registration Number: P2020MH083300
Membership No.: FCS 12752
CP No.: 15666
UDIN: F012752G001079653

Place: Mumbai
Date : 25th August, 2025

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L65910MH1995PLC364635
2.	Name of the Listed Entity	Fedbank Financial Services Limited
3.	Year of incorporation	1995
4.	Registered office address	Unit no. 1101, 11 th Floor, Cignus, Plot No 71 A, Powai, Paspoli, Mumbai – 400087, Maharashtra.
5.	Corporate address	Unit no. 1101, 11 th Floor, Cignus, Plot No 71 A, Powai, Paspoli, Mumbai – 400087, Maharashtra.
6.	E-mail	customercare@fedfina.com
7.	Telephone	022 68520601
8.	Website	www.fedfina.com
9.	Financial year for which reporting is being done	FY 2024-25
10.	Name of the Stock Exchange(s) where shares are listed	BSE & NSE
11.	Paid-up Capital	₹ 3,72,71,68,540/-
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Anila Rajneesh 02268520638 anila.rajneesh@fedfina.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone basis
14.	Name of assurance or assessment provider	Not Applicable
15.	Type of assurance or assessment obtained	Not Applicable

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of the main activity	Description of business activity	% of the turnover of the entity
1	Other financial services- Lending	Lending Services, Gold Loan, Loan against Property, Housing Loan, Business loan etc.	92.54%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of Total Turnover contributed
1	Gold Loan	64920	38%
2	Mortgaged Loan	64920	50%
3	Unsecured business loan	64920	12%

Business Responsibility & Sustainability Report (Contd.)

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	0	694	694
International	0	0	0

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States & Union Territories)	18
International (No. of Countries)	0

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Not Applicable.

c. A brief on types of customers

Since 2010, Fedfina has expanded its presence across India with 694 branches in 18 states and union territories. In FY 2024-25, we offered a range of financial products, including Small Ticket Loans against Property, Affordable Housing Loans, Gold Loans, and Unsecured Loans. Our Affordable Home Loans cater to individuals with steady income streams but inadequate formal income proofs. We also provide Mid-Size LAP Business Loans to self-employed customers with established credit history. Our Gold Loans and Unsecured Loans serve micro and small business owners, salaried individuals, and professionals. With a strong presence in Southern and Western India, we strive to deliver financial inclusion and empowerment to our customers. Our diverse products and customer-centric approach aim to make a positive impact on the lives of our customers and the communities we serve, providing access to financial assistance and bridging the gap for those underserved by traditional banking channels.

IV. Employees

20. Details as at the end of the Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1.	Permanent (D)	4,568	3,850	84%	718	16%
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total employees (D + E)	4,568	3,850	84%	718	16%
WORKERS						
4.	Permanent (F)	NA				
5.	Other than Permanent (G)					
6.	Total workers (F + G)					

Business Responsibility & Sustainability Report (Contd.)

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	0	0	0	0	0
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total differently abled employees (D + E)	0	0	0	0	0
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	NA				
5.	Other than Permanent (G)					
6.	Total differently abled workers (F + G)					

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	8	2	25%
Key Management Personnel	3	0	0%

22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2024-25			FY 2023-24			FY 2022-23		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	31%	26%	31%	31%	29%	31%	29%	28%	31%
Permanent Workers	-								

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding/subsidiary/associate companies/joint ventures

S. No.	Name of the holding/subsidiary/associate companies/joint ventures (A)	Indicate whether holding/Subsidiary/Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated in column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	The Federal Bank Limited	Holding	61.03%	No

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes
(ii) Turnover (in ₹ Crores): 2,079.82 Crores
(iii) Net worth (in ₹ Crores): 2,547.36 Crores

Business Responsibility & Sustainability Report (Contd.)

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (If yes, then provide web link for grievance redress policy)	FY 2024-25			FY 2023-24		
		Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks
Communities	The Company has a Grievance redressal mechanism in place for capturing and addressing grievances of various stakeholders. The policy can be found on our website, on the below weblink: https://www.fedfina.com/corporate-governance/	0	0	We proactively engage with local communities through regular outreach initiatives, fostering open dialogue and building trust, and our consistent receipt of positive feedback and lack of formal complaints is a testament to the effectiveness of our community engagement efforts.	0	0	No complaints were received.
Investors (other than shareholders)		0	0	For any information or data, Investors can write to the Company Secretary & Compliance Officer. Email: secretarial@fedfina.com Tel: +91 022 68520601 All details are mentioned on the website.	0	0	No complaints were received.
Shareholders		0	0	For any information or data, Investors/ shareholders can write to the Company Secretary & Compliance Officer. Email: secretarial@fedfina.com Tel: +91 022 68520601 All details are mentioned on the website.	0	0	No complaints were received.

Business Responsibility & Sustainability Report (Contd.)

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (If yes, then provide web link for grievance redress policy)	FY 2024-25			FY 2023-24		
		Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks
Employees and workers	The Company has a Grievance redressal mechanism in place for capturing and addressing grievances of various stakeholders. The policy can be found on our website, on the below weblink: https://www.fedfina.com/corporate-governance/	0	0	No complaints were received.	7	7	All 7 complaints raised under the whistle blower policy have been successfully resolved. If an employee or director needs to communicate on any related matter, they can express themselves by sending an email directly to the Audit committee at whistleblower@fedfina.com . Complaints or grievances received concerning a director under the whistle blower policy will, in appropriate or exceptional cases, be forwarded to the Chairperson of the audit committee at chairperson.audit@fedfina.com
Customers		493	493	We have a dedicated 'support' section on our website where consumers can view raise grievances related to any of the offerings and services. We also help customers raise support requests through the NBFC Helpline number 7418128882 & 08069291313 or through their registered email ID, they can mail to customercare@fedfina.com . They can also do a Branch Walk n & register a complaint with branch manager/official. They can also advance up to Nodal officer or Principal Nodal officer for major complaints. 5. All details are mentioned on the Company website.	146	146	All complaints were resolved.

Business Responsibility & Sustainability Report (Contd.)

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (If yes, then provide web link for grievance redress policy)	FY 2024-25			FY 2023-24		
		Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks
Value Chain Partners	The Company has a Grievance redressal mechanism in place for capturing and addressing grievances of various stakeholders. The policy can be found on our website, on the below weblink: https://www.fedfina.com/corporate-governance/	0	0	Our Procurement and Admin teams regularly interacts with our suppliers and other value chain partners and complaints/grievances, if any, are resolved on a case-to-case basis.	0	0	No complaints were received.

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications.

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Financial inclusion	Opportunity	Despite ongoing efforts, financial inclusion remains out of reach for many underprivileged communities. FedFina aims to bridge this gap by providing access to essential financial tools that enable individuals to save, invest, and build a secure future. Through this, the organisation seeks to drive socio-economic development and improve the overall well-being of these underserved populations.	-	Positive: <ul style="list-style-type: none"> - By serving underserved populations, we expand our customer base, unlocking new revenue streams and driving business growth. - Our inclusive financial services foster long-term relationships, yielding sustained customer loyalty, and reducing the costs associated with acquiring new customers. - We prioritise local hiring, providing employment opportunities to young people in the communities surrounding our offices, and investing in the economic development of these regions. - Through our inclusive services, we empower underprivileged populations, contributing to a positive impact on the national economy, and advancing sustainable development and social progress.

Business Responsibility & Sustainability Report (Contd.)

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2.	Customer Satisfaction	Risk/ Opportunity	At Fedfina, customer satisfaction is our top priority. We deliver exceptional experiences through personalised services, high-quality products, and competitive pricing, fostering loyalty and trust.	At Fedfina, our customer-centric approach drives adaptability and innovation, prioritising satisfaction through personalised interactions and proactive feedback. We exceed expectations, foster loyalty, and continuously refine our approach to deliver exceptional experiences.	Negative: <ul style="list-style-type: none"> - Customer dissatisfaction can lead to customers switching to competitors, impacting financial performance of the Company - Customer complaints can lead to imposition of fines and penalties - Loss of customer trust can impact reputation negatively Positive: <ul style="list-style-type: none"> - Satisfied customers develop a sense of loyalty to our brand, leading to long-term relationships and increased customer lifetime value. - Customer Retention, leading to lower new customer acquisition costs - Satisfied customers who experience fair grievance redressal are likely to share positive experiences, resulting in new customer acquisition, contributing to revenue growth.
3.	Responsible lending and Consumer Financial Protection	Risk/ Opportunity	Responsible lending is crucial, considering both the borrower's financial health and the broader economic and social impact. It's a regulatory imperative and strategic necessity to protect customers from unfair practices and align with evolving consumer expectations for ethical business conduct.	Fedfina prioritises responsible lending and consumer protection through a comprehensive strategy that balances risk management, customer education, and technology integration. We adhere to regulatory frameworks, support small businesses, and promote environmental sustainability, while maintaining transparency, ethical practices, and a customer-centric approach.	Negative: <ul style="list-style-type: none"> - Monetary loss on account of fines and penalties - Reputational damage Positive: <ul style="list-style-type: none"> - Enhanced customer trust and reduced customer turnover - Lower default rates, translating into fewer non-performing assets and potential losses. - Competitive advantage, being the go-to organisation for all financing needs of customers - Increase in brand reputation

Business Responsibility & Sustainability Report (Contd.)

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4.	Human rights & grievance redressal	Opportunity	Embracing human rights and grievance redressal is not only a social imperative, but also a strategic business decision that fosters a positive reputation, strengthens stakeholder relationships, and enhances long-term sustainability.	-	Positive: <ul style="list-style-type: none"> - Reduced legal costs resulting from proactively managing human rights risks and addressing grievances promptly. - A commitment to human rights can provide a competitive advantage in markets where ethical considerations influence consumer choices.
5.	Human Capital Development	Opportunity	In the financial lending sector, investing in employee development is crucial for building organisational resilience, competitiveness, and sustainability. By aligning human capital strategies with business success, we enhance workforce capabilities, drive innovation, and cultivate a positive workplace culture, ultimately fueling long-term growth and prosperity.	-	Positive: <ul style="list-style-type: none"> - A positive workplace culture can lead to higher employee morale and job satisfaction, which, in the long term, contributes to increased productivity and lower turnover. - Improved employee relations leading to less disruptions, ensuring business continuity. - Reduced long-term costs associated with hiring - Continuous learning fosters innovation and adaptability, leading to long-term efficiency gains. This can result in streamlined processes and cost savings in the operational workflow.
6.	Digital innovation	Opportunity	Thriving in a digital world requires a delicate balance between seizing opportunities and managing risks. By prioritising proactive risk management, cybersecurity, and strategic tech adoption, organisations can unlock the benefits of digital innovation while safeguarding their future.	-	Positive <ul style="list-style-type: none"> - Digital innovations streamline processes, automate tasks, and reduce manual efforts, leading to operational cost efficiencies and improved resource allocation. - New and innovative financial products and services helps in expanding offerings and catering to diverse customer needs. - Improving digital interfaces, customer engagement platforms, and personalised services enhances the overall customer experience, potentially leading to increased customer satisfaction and loyalty. - The data generated through digital interactions can be leveraged for analytics and insights, thereby improving customer experiences.

Business Responsibility & Sustainability Report (Contd.)

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7.	Emissions (GHG) & energy management	Opportunity/ Risk	As a financial services provider, we acknowledge our role in promoting environmental sustainability, even in a non-traditional polluting sector. We prioritise efficient resource use, emissions reduction, and energy efficiency, demonstrating our commitment to a greener future.	The Company has transitioned its office operations to a certified Green Building, reinforcing its commitment to sustainability and environmental responsibility. This strategic move enables significant reductions in energy and water consumption, improved indoor air quality, and enhanced employee well-being. The green infrastructure also supports efficient waste management and use of renewable resources, aligning with our long-term ESG goals.	Positive: <ul style="list-style-type: none"> - Implementing energy-efficient practices leads to reduced energy consumption, translating into significant cost savings for the organization. - Strong emissions and energy management practices may lead to a better access to green financing, with favourable terms and conditions. Negative: Cost of transition to newer technologies in the short term may impact the bottom line.

Business Responsibility & Sustainability Report (Contd.)

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
8.	Climate change	Risk	Climate change poses a significant risk to FedFina by potentially impacting the financial stability of its borrowers and the long-term value of its secured assets. Increased frequency of extreme weather events—such as floods, droughts, and cyclones—can damage properties used as collateral and disrupt the livelihoods of customers, especially those in agriculture, small enterprises, and informal sectors. This may lead to higher default rates and credit losses. Additionally, evolving regulatory requirements and stakeholder expectations around sustainability may necessitate operational changes. Proactively addressing climate-related risks is therefore essential for FedFina's risk management, business continuity, and long-term resilience.	At Fedfina, we are committed to understanding and addressing the multifaceted impacts of climate change across our business operations. Our approach emphasises energy efficiency, reduction of GHG emissions, responsible waste management, and employee engagement through climate awareness initiatives. By integrating climate and broader ESG considerations into our operational strategies, we aim not only to mitigate environmental risks but also to unlock opportunities through sustainable and socially responsible practices—strengthening resilience and creating long-term value for all stakeholders.	Negative: <ul style="list-style-type: none"> Upfront investments in technology, infrastructure, and training, pressurising profitability Business disruption due to extreme weather events, such as cyclones, hurricanes, heat or cold waves, or floods and resultant revenue impact Failure to comply with evolving climate-related regulations can result in financial penalties and reputational damage.
9.	Community development	Opportunity	It is important for companies to invest to enhance quality of life in the communities where they have a business presence.	-	Positive: <ul style="list-style-type: none"> Enhanced Brand Value Community development efforts can build trust and loyalty among stakeholders, including customers, investors, and employees, which in turn created a positive reputation.

Business Responsibility & Sustainability Report (Contd.)

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	https://www.fedfina.com/corporate-governance/								
2. Whether the entity has translated the policy into procedures. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/certifications/labels/standards adopted by your entity and mapped to each principle.	NGRBC principles	NGRBC principles	NGRBC principles	NGRBC principles	NGRBC principles	NGRBC principles	NGRBC principles	NGRBC principles	ISO 27001:2013
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	<p>At Fedfina, we understand that setting clear goals is essential to driving meaningful change and measuring progress. While we are currently tracking our environmental practices, we are actively working towards establishing specific, measurable targets that align with our core principles. Our overarching objectives are centred around three key pillars: Environment, Social, and Governance.</p> <ul style="list-style-type: none"> Environment: We aim to reduce our carbon footprint by implementing efficient energy management practices, reducing waste, and promoting responsible water usage. Social: We are committed to enhancing employee well-being through comprehensive wellness programs and fostering a culture of diversity, equity, and inclusion across all levels of the organisation. Governance: We strive to maintain the highest standards of governance by increasing Board diversity and independence, implementing robust cybersecurity and data privacy measures, and upholding ethical business conduct. <p>By establishing these ambitious goals, we are committed to driving progress, promoting transparency, and holding ourselves accountable for our actions, as we work towards creating a more sustainable, equitable, and responsible business model that benefits our stakeholders and the environment.</p>								
6. Performance of the entity against the specific commitments, goals, and targets along with reasons in case the same are not met.	<p>At Fedfina, we are committed to aligning with all nine principles of the BRSR framework, ensuring responsible and transparent business practices. We are undertaking the measurement of our GHG emissions and are developing strategies for reduction in the coming years. Efforts are also underway to continue tracking water consumption, waste generation and strategies to reduce the same. We uphold fair labour practices, protect human rights, and foster a culture of diversity and inclusion across all levels. Customer satisfaction remains a top priority, and we actively support communities through partnerships with NGOs. Our governance framework includes robust policies on anti-corruption, anti-bribery, and data privacy. We ensure transparency through accurate disclosures on our website.</p>								

Business Responsibility & Sustainability Report (Contd.)

Governance, leadership, and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG -related challenges, targets, and achievements

Over the last 13+ years, Fedfina has played a pivotal role in extending affordable financial access across India through a rapidly expanding network of branches. As we continue to scale our impact, we acknowledge the growing responsibility to embed sustainability across every facet of our operations and ecosystem.

In FY 2023–24, we advanced our Environmental, Social, and Governance (ESG) journey with renewed intent and continued the efforts in FY 2024-25. Recognising the complexities of climate-related risks and operational emissions, we undertook a baseline assessment of our greenhouse gas (GHG) emissions, waste footprint, and energy use. In tandem, we also conducted a detailed ESG materiality assessment last year to understand stakeholder priorities and sectoral relevance. These inputs are shaping a structured ESG roadmap—with internal targets, timelines, and actions—to help us transition into a more sustainable future.

As part of our environmental initiatives, we also relocated one of our key office premises to a certified Green Building, underscoring our commitment to energy efficiency, reduced emissions, and sustainable infrastructure.

Our Board-approved ESG Policy anchors this transformation, and we have constituted a dedicated internal Climate Change Committee to steer focused action. On the social front, our efforts remain grounded in responsible lending, financial inclusion, and community development. We continue to uphold a strong people-first culture—validated by being certified a “Great Place to Work” for six consecutive years and recognised among the Top 50 Best Workplaces in India’s BFSI sector in 2023.

As we move forward, Fedfina reaffirms its commitment to building a resilient, ethical, and inclusive institution. With ESG principles at the core of our strategy, we are determined to drive value not just for our stakeholders but for society and the planet at large.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Anila Rajneesh CHRO 02268520638 anila.rajneesh@fedfina.com
9. Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability-related issues? If yes, provide details	Although we don't have a dedicated sustainability committee or director, ESG considerations are deeply ingrained in our daily operations and decision-making processes across the organisation. This integrated approach enables us to prioritise sustainability and responsible business practices, driving continuous improvement and positive impact.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee	Frequency (Annually/Half yearly/Quarterly/Any other – please specify)																	
		P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Any other Committee	Any other-Periodic review and compliance with all statutory requirements, being first year of reporting																	
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Company complies with all the statutory requirements as applicable																		

Business Responsibility & Sustainability Report (Contd.)

11. Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No)	P1	P2	P3	P4	P5	P6	P7	P8	P9
No	No	No	No	No	No	No	No	No	No
If yes, provide name of the agency.	-	-	-	-	-	-	-	-	-

12. If answer to question (1) above is “No” i.e., not all Principles are covered by a policy, reasons to be stated:

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	NA								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.



Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors (BOD)	10	Our Board of Directors imbibe the best code of conduct, governing themselves with integrity and ensure ethical, transparent and accountable operations as per the Code of Conduct and NGRBC principles.	100%
Key Managerial Personnel (KMP)	3	KYC, AML, POSH, Risk Management, Performance Management	100%
Employees other than BoD and KMPs	4,565	KYC, AML, POSH, Risk Management, Performance Management	100%
Workers	-	-	-

Business Responsibility & Sustainability Report (Contd.)

2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	During the year under review, there were no cases where monetary action has been initiated or settled by any regulator/enforcement agencies/judicial institutions.				
Settlement					
Compounding fee					
Non-Monetary					
	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)	
Imprisonment	During the year under review, there were no cases where non-monetary action has been initiated or settled by any regulator/enforcement agencies/judicial institutions.				
Punishment					

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed:

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
	NA

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes. The Company has implemented a comprehensive Anti-Bribery and Anti-Corruption Policy, reflecting our unwavering commitment to the highest standards of integrity, ethics, and transparency in all aspects of our operations. We maintain a strict zero-tolerance approach toward any form of bribery or corruption. This principle is fundamental to our corporate values and guides our decision-making and business practices.

Our Anti-Bribery and Anti-Corruption Policy, along with our overarching Code of Conduct, is publicly available on our website: <https://www.fedfina.com/corporate-governance/>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:

	FY 2024-25	FY 2023-24
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

Business Responsibility & Sustainability Report (Contd.)

6. Details of complaints with regard to conflict of interest:

	FY 2024-25		FY 2023-24	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	Since no complaints were received, no corrective actions were taken.	0	Since no complaints were received, no corrective actions were taken.
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0		0	

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.

Since no complaints were received, no corrective actions were taken.

8. Number of days of accounts payables ((Accounts payable *365)/Cost of goods/services procured) in the following format:

	FY 2024-25	FY 2023-24
Number of days of accounts payables	12	23

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2024-25	FY 2023-24
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	NA	NA
	b. Number of trading houses where purchases are made from	NA	NA
	c. Purchases from Top 10 trading houses as % of total purchases from trading houses	NA	NA
Concentration of Sales	a. Sales to dealer/distributers as % of total sales	NA. Our offerings are directly sold to customers.	NA
	b. Number of dealers/distributers to whom sales are made	NA	NA
	c. Sales to top 10 dealer/distributers as % of total sales to dealer/distributers	NA	NA
Share of RPTs in	a. Purchases (Purchases with related parties/Total Purchases)	0	0
	b. Sales (Sales to related parties/Total Sales)	1.64%	2.34%
	c. Loans & advances (Loans & advances given to related parties/Total loans & advances)	0	0
	d. Investments (Investments in related parties/ Total Investments made)	0	0

Business Responsibility & Sustainability Report (Contd.)

► Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics/principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
---	--	--

The Company did not conduct any ESG trainings for value chain partners this year. However, we plan to conduct such trainings to improve the ESG understanding of our value chain partners as feasible from future reporting periods.

2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

Yes.

Each Director of the Company is required to annually disclose any interests or concerns they may have in the Company, its subsidiaries, other companies, bodies corporate, firms, or associations of individuals, along with any changes thereto. This includes disclosing their shareholding, and such declarations are duly placed before the Board for its record.

During Board meetings, Directors abstain from participating in discussions on matters in which they have any direct or indirect interest. Additionally, an annual declaration is obtained from all Directors confirming compliance with the Company's Code of Conduct.

Both Directors and Senior Management also affirm annually that they have not entered into any financial, commercial, or other material transactions that could result in a conflict with the interests of the Company. This rigorous disclosure and affirmation framework reinforces transparency, promotes ethical behaviour, and upholds the highest standards of corporate governance.

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe



► Essential Indicators

1. Percentage of R&D and capital expenditure (CAPEX) investments in specific technologies to improve the environmental and social impacts of products and processes to total R&D and CAPEX investments made by the entity, respectively.

	Amount	Percentage	Details of improvements in environmental and social impacts
R&D (in ₹ Crores)	-	0%	No R&D initiatives on environmental and social aspects were undertaken during the year.
Capex (in ₹ Crores)	4.33	12.43%	We undertook various initiatives towards conservation of energy, protection of environment and ensuring safety as follows: <ol style="list-style-type: none"> Shifted our office premises to a Green Building Installation of LED (Light emitting diode) in branches/offices, saving about 20-40% of the power consumption. Creating environmental education/awareness for employees through electronic/digital form on ways and means conserve electricity and other natural resources. Minimising Air Condition usage Shutting of lights when not in use We have made significant investments in upgrading our architecture aimed at being nimble and support business growth. We are committed to continue investments in Technology to make us future ready and improve operational efficiencies and plan to monitor spends going forward.

Business Responsibility & Sustainability Report (Contd.)

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes.

b. If yes, what percentage of inputs were sourced sustainably?

Although our operations involve limited raw material usage, we've developed a sustainable sourcing policy to ensure responsible procurement practices. This policy outlines our commitment to equitable practices, health and safety, and environmental sustainability, and sets clear expectations for our suppliers to comply with relevant laws and regulations. By promoting sustainable sourcing, we're working towards a more responsible and environmentally conscious supply chain.

3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Type of waste	Mechanism
Plastics (including packaging)	NA
E-waste	
Hazardous waste	
Other waste	

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

No. Extended Producer Responsibility does not apply to us.

► Leadership Indicators

1. Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for the manufacturing industry) or for its services (for the service industry)? If yes, provide details:

NIC Code	Name of Product/Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
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Not Applicable

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product/Service	Description of the risk/concern	Action Taken
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Not Applicable

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2024-25	FY 2023-24
E-waste refurbished	573 KG	7856 Kg

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed:

	FY 2024-25			FY 2023-24		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	0	0	0	0	0	0
E-waste	0	0	0	0	0	0
Hazardous waste	0	0	0	0	0	0
Other waste	0	0	0	0	0	0

Business Responsibility & Sustainability Report (Contd.)

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Not Applicable	

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains



Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	3,850	3,850	100%	0	0%	-	-	3,850	100%	3,850	100%
Female	718	718	100%	0	0%	718	100%	-	-	718	100%
Total	4,568	4,568	100%	0	0%	718	16%	3,850	84%	4,568	100%
Other than Permanent employees											
Male	NA										
Female	NA										
Total	NA										

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	NA										
Female	NA										
Total	NA										
Other than Permanent workers											
Male	NA										
Female	NA										
Total	NA										

Business Responsibility & Sustainability Report (Contd.)

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY 2024-25	FY 2023-24
Cost incurred on well- being measures as a % of total revenue of the Company	0.40%	0.42%

2. Details of retirement benefits.

Benefits	FY 2024-25			FY 2023-24		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
Provident Fund	100%	NA	Yes	100%	NAs	Yes
Gratuity	12.9%		Yes	8%		Yes
ESI	5.9%		Yes	9%		Yes
Others-please specify	-		-	-		-

3. Accessibility of workplaces:

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard

Yes. At Fedfina, we are dedicated to creating an inclusive and accessible work environment that welcomes individuals of all abilities. To ensure seamless navigation of our premises, each of our offices is equipped with elevators, providing convenient and dignified access for everyone, including our employees with mobility impairments. Our commitment to accessibility is a fundamental aspect of our diversity and inclusion strategy, reflecting our passion for fostering a workplace culture that values and empowers all individuals, regardless of their abilities.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes,

<https://www.fedfina.com/corporate-governance/>

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	81%	81%	NA	NA
Female	70%	70%		
Total	67%	67%		

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No	If yes, then give details of the mechanism in brief
Permanent Workers	NA	-
Other than Permanent Workers	NA	-
Permanent Employees	No	We have a whistleblower policy in place, allowing employees to raise grievances, and we follow a proper mechanism to thoroughly understand the facts.
Other than Permanent Employees	NA	-

Business Responsibility & Sustainability Report (Contd.)

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2024-25			FY 2023-24		
	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/workers in respective category (C)	No. of employees/workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees						
Male						
Female			NA			
Total						
Total Permanent Workers						
Male						
Female			NA			
Total						

8. Details of training given to employees and workers:

Category	FY 2024-25				FY 2023-24					
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	3,850	3,850	100%	3,559	92.44%	3,602	3,602	100%	2,187	60.72%
Female	718	718	100%	681	94.84%	660	660	100%	348	52.73%
Total	4,568	4,568	100%	4,240	92.82%	4,262	4,262	100%	2,535	59.48%
Workers										
Male										
Female										NA
Total										

9. Details of performance and career development reviews of employees and worker:

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	3,850	3,850	100%	3,602	3,602	100%
Female	718	718	100%	660	660	100%
Total	4,568	4,568	100%	4,262	4,262	100%
Workers						
Male						NA
Female						
Total						

Business Responsibility & Sustainability Report (Contd.)

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage such system

Yes.

Our commitment to health and safety is unwavering, and we strive to create a workplace that is not only free from harm but also promotes overall well-being and resilience. To achieve this, we have implemented a robust health and safety management system that integrates across all business functions. Our approach is proactive, with regular risk assessments and hazard identification enabling us to mitigate potential threats and prevent incidents. In the event of an incident, we conduct thorough investigations to determine root causes and implement corrective actions to prevent recurrence. Clear roles and responsibilities are defined at every level of the organisation ensuring a coordinated and effective health and safety management system. Furthermore, we provide all employees with regular training and updates on our health and safety policies and procedures, empowering them to take an active role in maintaining a safe and healthy work environment. By prioritising health and safety, we aim to foster a culture of care, respect and responsibility where everyone can thrive and reach their full potential.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

At Fedfina, employee safety and well-being are our top priority. Our comprehensive health and safety policy outlines strict measures to prevent accidents and minimise risks. We conduct quarterly fire drills to test our emergency procedures and ensure employees are prepared to respond in case of an emergency. These drills are a key part of our proactive approach to safety, empowering our employees to stay safe and secure at work.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)

Yes, we've established a robust reporting system for employees to identify and report work-related hazards, which are documented in our comprehensive Health & Safety Framework. This framework sets clear health and safety standards and SOPs for all offices. We also conduct regular safety training, mock drills, and awareness initiatives to keep employees informed and empowered to respond to emergencies. By prioritising safety and encouraging open reporting, we create a secure and healthy work environment.

d. Do the employees/workers of the entity have access to non-occupational medical and healthcare services? (Yes/No).

Yes, employees have access to non-occupational medical and healthcare services.

11. Details of safety related incidents:

Safety Incident/Number	Category	FY 2024-25	FY 2023-24
Lost Time Injury Frequency Rate (LTIFR) per one Million-person hours worked)	Employees	0	0
	Workers	-	-
Total recordable work-related injuries	Employees	0	0
	Workers	-	-
No. of fatalities	Employees	0	0
	Workers	-	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	-	-

Business Responsibility & Sustainability Report (Contd.)

12. Describe the measures taken by the entity to ensure a safe and healthy workplace

All Fedfina offices are designed keeping in view the health and safety for our employees.

We conduct regular safety training programs for employees, covering topics such as emergency procedures, proper equipment use, and hazard recognition.

- Implement ergonomic assessments to ensure workstations and equipment are designed to prevent injuries and promote good health.
- Conduct routine workplace inspections to identify and address potential safety hazards promptly.
- Provide resources and support for mental health, recognising the importance of overall well-being.
- Offer flexible work arrangements, where applicable, to accommodate individual needs and promote work-life balance.
- Develop and communicate clear and comprehensive safety policies tailored to the organisation's operations.
- Involve employees in safety initiatives, encouraging them to actively participate in identifying and addressing hazards.

13. Number of Complaints on the following made by employees and workers:

	FY 2024-25			FY 2023-24		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	-	0	0	-
Health & Safety	0	0	-	0	0	-

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

No significant risks or concerns were highlighted during the assessment of health & safety practices and working conditions.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

	(Y/N)
Employees	Y
Workers	NA

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Fedfina Agreement ensures the deduction and submission of any relevant government dues. Furthermore, it performs a monthly GST reconciliation and takes necessary corrective actions

Business Responsibility & Sustainability Report (Contd.)

3. Provide the number of employees/workers having suffered high consequence work-related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Employees	Not Applicable			
Workers				

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)

No

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	0%
Working Conditions	0%

During the reporting period, the Company did not undertake assessments for its value chain partners or suppliers. Going forward, we plan to implement such evaluations, focusing on aspects related to the working conditions and health and safety practices of suppliers, wherever feasible.

6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not applicable

PRINCIPLE 4 Businesses should respect the interests of and be responsive to all its stakeholders



Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

At Fedfina, stakeholder mapping is a strategic process that involves a comprehensive assessment to identify and understand individuals, groups, and entities that influence or are influenced by our operations. This includes internal stakeholders such as employees and management, as well as external stakeholders like customers, investors, suppliers, regulators, industry associations, advocacy groups, and local communities.

We place particular emphasis on acknowledging the role of government and regulatory bodies, engaging proactively with advocacy groups, and staying attuned to public sentiment to maintain a strong and positive reputation. Competitor insights and inputs from internal committees are also factored into our approach to ensure a well-rounded perspective.

By recognising the diverse expectations of our stakeholders and actively incorporating their viewpoints, Fedfina is better equipped to design effective engagement, communication, and collaboration strategies. This inclusive approach fosters trust, transparency, and long-term value creation for all parties involved.

For more information, please refer to our Stakeholder Engagement Policy available at: <https://www.fedfina.com/corporate-governance/>

Business Responsibility & Sustainability Report (Contd.)

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	<ul style="list-style-type: none"> Email, SMS, Newspaper, Pamphlets, Website, App Customer satisfaction surveys Marketing and advertising activities 	Others- Need-based	We have transparent processes and documentation for customer engagement & on-boarding. A Welcome Letter carrying detailed T&C are shared with new customers post sanction of loan and all details, T&C of the loan facility are explained to them. We ensure timely and quality response to customer queries/complaints through a robust customer grievance redressal & review framework. Grievances and queries are addressed through the helpline number, instant support, Get Help assistant on the website (FedBuddy) and other support channels. We engage with customers on their upliftment (financial inclusion) & awareness building as well. We also conduct regular customer satisfaction surveys to gauge feedback and improve offerings and support services.
Employees	No	<ul style="list-style-type: none"> Emails and intranet Regular, direct communication between managers, teams and individuals. Engagement surveys and feedback mechanism Monthly newsletters Town halls Training sessions 	Others- Need-based 3 Yearly employee surveys	<p>We regularly connect with our employees through the following activities:</p> <ul style="list-style-type: none"> - Training calendar & Induction – annual and at the time of on-boarding respectively - Talent management and employee development initiatives - Performance appraisal – annual & timely feedback - Diversity and inclusion initiatives - Community initiatives and volunteering - Two external survey - One internal survey

Business Responsibility & Sustainability Report (Contd.)

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Government and regulators	No	<ul style="list-style-type: none"> Email, Meetings, Website Industry and regulatory forums Need-based one-on-one discussions with executive officials 	Others- Need-based	We engage with the government and regulatory bodies to discuss rules, regulations and policies released by Government of India, RBI, & state governments, affecting the economy and sharing our viewpoints on propositions relevant to the financial services/lending sector.
Communities	Yes	<ul style="list-style-type: none"> Surveys Face to face interactions CSR activities 	Annually	<p>Our community engagement initiatives are designed as per the following:</p> <ul style="list-style-type: none"> - Community need identification prior to planning of CSR initiatives/programs - Volunteering activities – as per CSR project requirements <p>Impact assessment studies at the end of CSR program period</p>
Investors and shareholders	No	<ul style="list-style-type: none"> Annual General Meetings Earnings calls Email broadcasts and intimation Individual meetings with financial media, shareholders and analysts 	Others- Need-based/ Quarterly	We present performance review and highlights to our investors, providing updates on various aspects such as growth, profitability, dividends, financial analysis, stability, market risk, and future plans. We also engage to address queries and grievances.
Third Party service providers for Collections, provision of manpower, etc.	No	<ul style="list-style-type: none"> Emails Face to face interactions Surveys and feedback mechanism Training sessions 	Others- Need-based	We conduct ongoing engagements with service providers in the form of performance feedback, payouts & reconciliations, grievance redressal, audits, trainings, compliance with ESG aspects (regulatory/statutory/ Company guidelines), audits and query resolution, etc.

► Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Company has established a comprehensive strategy and roadmap to enhance its stakeholder management framework, with a strong focus on safeguarding minority interests and those of stakeholders who are external to its core business operations.

Business Responsibility & Sustainability Report (Contd.)

Regular and structured engagement with identified stakeholders enables the Company to gather meaningful feedback, which is reported to the Board on a quarterly basis. These updates ensure that stakeholder perspectives are integrated into key decisions and governance processes.

The Board plays an active role by reviewing the feedback received and providing guidance. Any recommendations or suggestions from the Board are appropriately actioned, reinforcing our commitment to inclusive, transparent, and responsive stakeholder management.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

We actively incorporate feedback obtained through ongoing stakeholder engagement into our policies, procedures, and decision-making processes. As we chart our ESG roadmap and advance on our sustainability journey, this continuous dialogue has been instrumental in identifying and prioritising key ESG material issues. Stakeholder insights have played a critical role in shaping our strategic direction and operational priorities, ensuring that our actions align with stakeholder expectations and support long-term value creation.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalised stakeholder groups.

We have identified specific marginalised community segments as key stakeholders and actively engage with them through targeted CSR initiatives. Our efforts are focused on impactful activities such as tree plantation drives, nutritional outreach programs, and child welfare initiatives. These programs not only support community development but also foster employee participation and a sense of shared purpose across the organisation.

PRINCIPLE 5 Businesses should respect and promote human rights



Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity:

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. of employees/workers covered (B)	% (B/A)	Total C	No. of employees/workers covered (D)	% (D/C)
Employees						
Permanent	4,568	4,568	100%	4,262	4,262	100%
Other than permanent	NA					
Total	4,568	4,568	100%	4,262	4,262	100%
Workers						
Permanent	NA					
Other than permanent	NA					
Total	NA					

Business Responsibility & Sustainability Report (Contd.)

2. Details of minimum wages paid to employees and workers:

Category	FY 2024-25				FY 2023-24					
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. C	% (C/A)		No. E	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	3,850	0	0%	3,850	100%	3,602	0	0%	3,602	100%
Female	718	0	0%	718	100%	660	0	0%	660	100%
Other than Permanent										
Male	NA									
Female	NA									
Workers										
Permanent										
Male	NA									
Female	NA									
Other than Permanent										
Male	NA									
Female	NA									

3. Details of remuneration/salary/wages:

a. Median remuneration/wages

	Male		Female	
	Number	Median remuneration/salary/wages of respective category	Number	Median remuneration/salary/wages of respective category
Board of Directors (BoD)	9*	9,20,000	3*	6,70,000
Key Managerial Personnel	3	1,85,44,968	0	-
Employees other than BoD and KMP	3,847	4,60,000	718	3,91,200
Workers	NA			

*Note: The Board of Directors resigned or were appointed during the period under review were considered for the purpose of median calculation.

b. Gross wages paid to females as % of total wages paid by the entity

	FY 2024-25	FY 2023-24
Gross wages paid to females as % of total wages paid by the entity	11.4%	11.4%

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

Yes. All complaints, including those related to human rights, are resolved following the formal process outlined in the Grievance Redressal Policy, which is available on our website

<https://www.fedfina.com/corporate-governance/>

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company is deeply committed to upholding and safeguarding human rights across all aspects of its operations. Human rights considerations are embedded within our Code of Conduct and are reinforced through our broader human resource practices.

Business Responsibility & Sustainability Report (Contd.)

In addition to an established Policy for the Prevention of Sexual Harassment, we have formulated and implemented a dedicated Human Rights Policy. This policy is designed to protect the rights of all stakeholders and provide a clear framework for addressing any grievances.

Our Stakeholder Grievance Redressal Policy outlines transparent and accessible mechanisms for lodging and resolving complaints. Stakeholders can raise concerns through multiple channels, including email, phone, or written communication directed to designated Stakeholder Contact Officers. This approach ensures accountability, responsiveness, and a respectful environment for all.

6. Number of Complaints on the following made by employees and workers:

	FY 2024-25			FY 2023-24		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	-	0	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other Human Rights Issues	0	0	-	0	0	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2024-25	FY 2023-24
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees/workers	0	0
Complaints on POSH upheld	0	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Fedfina is committed to providing equal opportunities to all employees and fostering a safe, inclusive, and supportive work environment free from prejudice, gender bias, and sexual harassment. Our Policy Against Sexual Harassment is designed to ensure that any complaint of discrimination or harassment is addressed promptly, fairly, and with utmost sensitivity. The policy outlines a structured mechanism for thorough investigation and mandates appropriate remedial action to prevent recurrence and uphold the dignity and well-being of every employee.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

No, Fedfina recognises the importance of respecting and promoting human rights in all aspects of our operations. Although we do not currently have a dedicated human rights risk management program in place, we are committed to making incremental progress in this area. To achieve this, we will leverage our existing resources to strengthen our approach to human rights risk management, with a focus on two key areas: employment practices and third-party vendor engagement.

Business Responsibility & Sustainability Report (Contd.)

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	0%
Forced/involuntary labour	0%
Sexual harassment	0%
Discrimination at workplace	0%
Wages	0%
Others – please specify	0%

11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above.

Not Applicable

▶ Leadership Indicators

1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.

Not Applicable

2. Details of the scope and coverage of any Human rights due diligence conducted.

While we did not conduct any due diligence during the current reporting period, Fedfina, recognises and is dedicated to upholding the principles of responsible and sustainable business practices and plans to integrate human rights due diligence into its operations as applicable and feasible.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes. All our offices and branches are accessible to differently abled visitors.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	0%
Discrimination at workplace	0%
Child Labour	0%
Forced Labour/Involuntary Labour	0%
Wages	0%

5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.

Not applicable

Business Responsibility & Sustainability Report (Contd.)

PRINCIPLE 6 Businesses should respect and make efforts to protect and restore the environment



▶ Essential Indicators

1. Details of total energy consumption (GJ) and energy intensity:

Parameter	FY 2024-25	FY 2023-24
From renewable sources		
Total electricity consumption (A)	0	0
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	0	0
From non-renewable sources		
Total electricity consumption (D) (GJ)	29,401.66	31,341.48
Total fuel consumption (E)	109.94	60.248
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	29,511.6	31,401.728
Total energy consumed (A+B+C+D+E+F)	29,511.6	31,401.728
Energy intensity per rupee of turnover (GJ/₹ Crores) (Total energy consumed/Revenue from operations)	14.19	19.34
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity* (PPP) (kJ/\$) (Total energy consumed/Revenue from operations adjusted for PPP)	29.32	44.29
Energy intensity in terms of physical output	-	-
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

*Note: PPP Conversion factor is taken as 20.66 as per IMF PPP 2025 data

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency?

No

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No, none of our sites are covered under PAT scheme.

3. Provide details of the following disclosures related to water:

Parameter	FY 2024-25	FY 2023-24
Water withdrawal by source (in kilolitres)		
(i) Surface water		
(ii) Groundwater		
(iii) Third party water	77,509	33,250
(iv) Seawater/desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	77,509	33,250

Business Responsibility & Sustainability Report (Contd.)

Parameter	FY 2024-25	FY 2023-24
Total volume of water consumption (in kilolitres)*	77,509	33,250
Water intensity per rupee of turnover (KL/₹ Crores) (Total water consumption/Revenue from operations)	37.27	20.49
Water intensity per rupee of turnover adjusted for Purchasing Power Parity* (PPP) (KL/Million \$) (Total water consumption/Revenue from operations adjusted for PPP)	76.99	46.87
Water intensity in terms of physical output	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

*Note: PPP Conversion factor is taken as 20.66 as per IMF PPP 2025 data

Currently we do not monitor our water discharge. Therefore, we have assumed water consumption is equal to water withdrawal

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.

No

4. Provide the following details related to water discharged:

Parameter	FY 2024-25	FY 2023-24
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		We do not monitor our water discharge. Considering the nature of our business, water consumption and discharge are minimal and do not qualify as a significant environmental aspect.
- No treatment		
- With treatment – please specify level of treatment		
(ii) To Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) To Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.

No

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Not Applicable, owing to the nature of operations.

Business Responsibility & Sustainability Report (Contd.)

6. Please provide details of air emissions (other than GHG emissions) by the entity:

Parameter	Please specify unit	FY 2024-25	FY 2023-24
NOx	-	-	-
Sox	-	-	-
Particulate matter (PM)	-	-	-
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – Carbon monoxide (CO)	-	-	-

The Company uses DG sets only during power outages and hence the air emissions of pollutants are not material.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity:

Parameter	Unit	FY 2024-25			FY 2023-24		
		CO ₂	Metric Tonnes of CO ₂	6.70	CO ₂	Metric Tonnes of CO ₂	3.77
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric Tonnes of CO ₂ equivalent	226.4			150		
		CH ₄	Metric Tonnes of CO ₂ equivalent	0.07	CH ₄	Metric Tonnes of CO ₂ equivalent	0.03
		N ₂ O	Metric Tonnes of CO ₂ equivalent	0.06	N ₂ O	Metric Tonnes of CO ₂ equivalent	0.03
		HFCs-R22	Metric Tonnes of CO ₂ equivalent	174	HFCs-R22	Metric Tonnes of CO ₂ equivalent	119.66
		HFCs-R32	Metric Tonnes of CO ₂ equivalent	46	HFCs-R32	Metric Tonnes of CO ₂ equivalent	26.83
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric Tonnes of CO ₂ equivalent	5938			6,233		
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations)	Metric Tonnes of CO ₂ equivalent/₹ Crores of turnover	2.96			3.93		
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations adjusted for PPP)	Metric Tonnes of CO ₂ equivalent/ Million \$	6.12			8.13		

Business Responsibility & Sustainability Report (Contd.)

Parameter	Unit	FY 2024-25	FY 2023-24
Total Scope 1 and Scope 2 emission intensity in terms of physical output		-	-
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

*Note: PPP Conversion factor is taken as 20.66 as per IMF PPP 2025 data

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No.

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Yes. The Company makes various efforts towards conservation of energy and protection of environment as follows:

- 1) Installation of LED (Light emitting diode) in branches/offices.
- 2) Creating environmental education/awareness for employees through electronic/digital form on ways and means conserve electricity and other natural resources.
- 3) Minimising Air Condition usage
- 4) Shutting of lights when not in use.

9. Provide details related to waste management by the entity:

Parameter	FY 2024-25	FY 2023-24
Total Waste generated (in metric Tonnes)		
Plastic waste (A)		
E-waste (B)	0.57	7.86
Bio-medical waste (C)		
Construction and demolition waste (D)		
Battery waste (E)		
Radioactive waste (F)		
Other Hazardous waste. Please specify, if any. (G)		
Non-hazardous waste generated (H):		
Scrap material		3.7
Paper waste	0.46	2.8
Total (A+B + C + D + E + F + G + H)	1.03	14.4
Waste intensity per rupee of turnover (MT/₹ Crores) (Total waste generated/Revenue from operations)	0.0005	0.0089
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity *(PPP) (MT/\$ Million) * (Total waste generated/Revenue from operations adjusted for PPP)	0.001	0.0203
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-

Business Responsibility & Sustainability Report (Contd.)

Parameter	FY 2024-25	FY 2023-24
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric Tonnes)		
Category of waste		
(i) Recycled	0.573	7.86
(ii) Re-used		
(iii) Other recovery operations		
Total	0.573	7.86
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration		
(ii) Landfilling		
(iii) Other disposal operations	0.46	6.5
Total	0.46	6.5

*Note: PPP Conversion factor is taken as 20.66 as per IMF PPP 2025 data

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency?

No.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Due to the inherent nature of our operations, there is no utilisation of hazardous and toxic chemicals. We maintain a comprehensive system for the management of e-waste, collaborating with certified handlers to ensure its proper disposal.

Our commitment to handling e-waste is grounded in environmentally conscious principles. Furthermore, our dedication to digitalisation has resulted in the conservation of paper sheets this year, in line with our ESG policy's emphasis on sustainable waste management.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
	Not Applicable. Fedfina does not have any operations/offices in/around ecologically sensitive areas.		

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
Not Applicable. Fedfina has not undertaken any projects that require an Environmental Impact Assessment (EIA).					

13. Is the entity compliant with the applicable environmental law/regulations/guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder. If not, provide details of all such non-compliances:

S. No.	Specify the law/regulation/guidelines which was not complied with	Provide details of the non-compliance	Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
The Company is compliant with all the environmental rules and regulations.				

Business Responsibility & Sustainability Report (Contd.)

Leadership Indicators

1. Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres):

For each facility/plant located in areas of water stress, provide the following information:

- (i) Name of the area:
- (ii) Nature of operations:
- (iii) Water withdrawal, consumption, and discharge:

Parameter	FY 2024-25	FY 2023-24
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater/desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres)	-	-
Total volume of water consumption (in kilolitres)	-	-
Water intensity per rupee of turnover (Water consumed/turnover)	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) Into Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) Into Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third parties	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	-	-

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

Business Responsibility & Sustainability Report (Contd.)

2. Please provide details of total Scope 3 emissions & its intensity:

Parameter	Unit	FY 2024-25	FY 2023-24
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric Tonnes of CO ₂ equivalent	We do not measure Scope 3 emissions yet	
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

3. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable, since we do not have any operations in ecologically sensitive areas.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
-	-	-	-

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link.

At Fedfina, we prioritise the continuity and resilience of our operations, ensuring that our critical business applications and IT services remain available to our stakeholders even in the face of disruptions. To achieve this, we have developed a comprehensive Business Continuity Plan (BCP) that outlines a strategic framework for responding to and recovering from unforeseen challenges.

Our BCP is designed to enhance the overall operational stability of our company, protect the well-being of our stakeholders, and minimise the impact of disruptions on our services. The plan integrates a thorough risk assessment, preparedness measures, response protocols, recovery strategies, and mitigation techniques to ensure the continuity of our operations.

For more information on our Business Continuity Plan, please visit our website at <https://www.fedfina.com/corporate-governance/>, where you can access the full policy document. By having a robust BCP in place, we are committed to delivering uninterrupted services to our stakeholders and maintaining the trust and confidence they have placed in us.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

At Fedfina, we recognise the significance of environmental sustainability and its potential impact on our entire value chain. As a responsible business, we are committed to understanding and mitigating the environmental risks associated with our operations and those of our value chain partners. While we have not yet conducted a comprehensive assessment of the environmental impacts of our value chain, we acknowledge the importance of doing so and are committed to evaluating and addressing these impacts over time.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

We did not conduct any assessment of our value chain partners for their environmental impacts in the current reporting period.

8. Number of Green Credits generated or procured by the reporting company and its top 10 value chain partners.

None

Business Responsibility & Sustainability Report (Contd.)

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent



Essential Indicators

1. a. Number of affiliations with trade and industry chambers/associations.

We are not affiliated with any trade and industry chambers/associations yet, but plan to explore as and when relevant opportunity/requirement arises.

b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to.

S. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/National)
		NA

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities

Company has not received any adverse order from the regulatory authority.

Name of authority	Brief of the case	Corrective action taken
		Not Applicable

Leadership Indicators

1. Details of public policy positions advocated by the entity

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/Half yearly/Quarterly/ Others – please specify)	Web Link, if available
-	-	-	-	-	-

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development



Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

We recognise the importance of assessing the social impact of our business activities. Currently, the Company has not conducted any Social Impact Assessments (SIA) as required by regulations like the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
					Not Applicable

Business Responsibility & Sustainability Report (Contd.)

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:

Our operations and expansion projects have not led to the displacement of any population or their livelihoods. Consequently, we have not engaged in any Rehabilitation and Resettlement (R&R) activities.

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
Not Applicable						

3. Describe the mechanisms to receive and redress grievances of the community.

At Fedfina, we value the trust and confidence of our stakeholders and recognise the importance of maintaining open and transparent communication channels. Our Stakeholder Grievance Redressal Policy is designed to provide a fair, accessible, and responsive mechanism for individuals and communities to raise concerns or complaints regarding our activities. The policy outlines a clear and structured process for receiving, investigating, and resolving grievances in a timely and effective manner.

Our primary objective is to ensure that all grievances are addressed with integrity, transparency, and accountability, and that any adverse impacts on the community are mitigated through fair resolution, restitution, or remediation. We are committed to upholding the highest standards of social responsibility and maintaining positive relationships with the communities in which we operate. For more information on our Stakeholder Grievance Redressal Policy, please visit our website at <https://www.fedfina.com/corporate-governance/>.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Presently we do not have processes in place to measure sourcing from MSMEs/small producers or track locations of our suppliers, however, we plan to capture the required data points going forward.

	FY 2024-25	FY 2023-24
Directly sourced from MSMEs/small producers	-	-
Directly from within India	100%	100%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost

Location	FY 2024-25	FY 2023-24
Rural	2%	1%
Semi-urban	11%	6%
Urban	55%	62%
Metropolitan	32%	31%

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not Applicable	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In ₹)
No CSR projects were undertaken in aspirational districts			

Business Responsibility & Sustainability Report (Contd.)

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/vulnerable groups? (Yes/No)

Yes.

(b) From which marginalised/vulnerable groups do you procure?

While our core business is lending, we are deeply committed to non-discrimination and inclusive growth. We actively support women, persons with disabilities, LGBTQ+ individuals, and SC/ST communities. Our approach balances quality and cost-effectiveness, and whenever feasible, we prioritise local small-scale enterprises and similar initiatives.

(c) What percentage of total procurement (by value) does it constitute?

The Company has not yet formally started tracking the data but plans to do so in the forthcoming years.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge

S. No.	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
Not Applicable				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved

Name of authority	Brief of the Case	Corrective action taken
Not Applicable		

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1	Cuddles Foundation (Nutrition for Children suffering from cancer)	496	100%
2	Samarthanam Trust (Blind Women Cricket)	700+	100%

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner



Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Customers can register complaints through multiple channels, including our call center (08069291313/7418128882), chat, email (customercare@fedfina.com), and our website (<https://www.fedfina.com/about-us/>). For grievance redressal, details of Circle Nodal Officers and their contact emails are available on our website. We also have a dedicated Resolution Desk within our non-voice process team to ensure end-to-end service recovery for all registered complaints.

2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	NA
Safe and responsible usage	100%
Recycling and/or safe disposal	NA

Business Responsibility & Sustainability Report (Contd.)

3. Number of consumer complaints in respect of the following:

	FY 2024-25			FY 2023-24		
	Received during the year	Pending resolution at end of year	Remark	Received during the year	Pending resolution at end of year	Remark
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Other	493	06	06 Complaints pending for resolution at end of financial year 2024-25 were resolved in the subsequent month, i.e., April-2025	146	01	01 Complaint pending for resolution at end of financial year 2023-24 was resolved in the subsequent month, i.e., April-2024

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Not Applicable	
Forced recalls		

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes. Our policy on Cyber security is available on our website

<https://www.fedfina.com/corporate-governance/>

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

All customer complaints were resolved satisfactorily. No complaints were received specific to the mentioned categories and hence no corrective actions were taken.

7. Provide the following information relating to data breaches:

a. Number of instances of data breaches

No instances of data breach were reported or observed during the reporting period.

b. Percentage of data breaches involving personally identifiable information of customers

No instances of data breach were reported or observed for FY 2025.

At Fedfina, we have implemented robust data security measures and protocols to safeguard the confidentiality and integrity of our customers' data. We have a dedicated IT team in place to continuously monitor and evaluate our systems to identify and address any potential vulnerabilities or threats and prevent leakage of any sensitive information.

c. Impact, if any, of the data breaches

None

Business Responsibility & Sustainability Report (Contd.)

▶ Leadership Indicators

1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).

Product details are available on the Company website: <https://www.fedfina.com/>

Fedfina Mobile Application: https://play.google.com/store/apps/details?id=com.fedbank.customerapp&hl=en_IN&gl=US

Further, customers/prospective customers can also reach out to our customer helpdesk on 08069291313 & 7418128882 or connect with our agents using live chat option on the website

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services

We engage with our consumers through one-on-one interactions, emails, newsletters, and our website to share information on safe and responsible financial practices, as well as the benefits and services they may be eligible for.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Our service is NOT notified as an Essential Services. In case of any disruption due to technical faults or software updates are informed beforehand, and the details are made available on the website.

4. Does the entity display product information on the product over and above what is mandated as per local laws? If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

The Company offers detailed information about its services through brochures, leaflets, and its website—going beyond local legal requirements. Product details are readily available at all branches, online, and via our mobile app. To better understand customer needs and enhance satisfaction, we conduct regular market research, including monthly customer assessments and customised studies focused on our website, mobile app, and product offerings.

Independent Auditor's Report

To
The Members of
Fedbank Financial Services Limited

Report on the audit of the Financial Statements

OPINION

- We have audited the accompanying Financial Statements of Fedbank Financial Services Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2025, and the Statement of Profit And Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, and notes to the Financial Statements, including a summary of material accounting policy information and other explanatory information ('the Financial Statements').
- In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian

Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the State of Affairs of the Company as at 31 March 2025, and its Profit and Other Comprehensive Income, Changes in Equity and its Cash Flows for the year ended on that date.

BASIS FOR OPINION

- We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements 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 ('ICAI') 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 we have obtained is sufficient and appropriate to provide a basis for our opinion on the Financial Statements.

KEY AUDIT MATTERS

- Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current year. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1	Provisioning based on Expected Credit Loss model (ECL) under IND AS 109 and testing of Impairment of assets, more particularly the Loan Book of the Company	

Refer to the accounting policies in 'Note 2.5 to the Financial Statements: Expected Credit Loss', 'Note 3.2 to the Financial Statements: Revenue Recognition' and 'Note 3.6(j) to the Financial Statements: Impairment of Financial Assets and 'Note 44 to the Financial Statements: Risk Management'.

Subjective estimates: Under Ind AS 109, "Financial Instruments", allowance for loan losses are determined using expected credit loss ('ECL') estimation model. The Company revised its ECL policy. The revised framework integrates both model-based outcomes and significant management judgement through overlays and exceptions, particularly for those falling under early warning signals. The estimation of ECL on financial instruments involves significant judgement and estimates and therefore increased levels of audit focus in the Company's estimation of ECLs, which are as under:	Our key audit procedures included: Review of Policy/procedures & design/controls ➤ Reviewed the Board-approved ECL policy and documentation supporting provisioning logic, default assessment and staging methodology, with particular focus on judgemental elements introduced. ➤ Testing key controls relating to selection and implementation of material macro-economic variables and the controls over the scenario selection and application of probability weights. Verified consistency with Board-approved macro scenarios and overlay governance.
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Independent Auditor's Report (Contd.)

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
	<ul style="list-style-type: none"> Data inputs - The application of ECL model requires multiple internal and external data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. Model estimations - Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD"). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Company's modelling approach. Management overlays were introduced on certain asset classes where historical data limitations or forward-looking risk indicators warranted deviation from model outputs. Economic scenarios - Ind AS 109 requires the Company to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic indicators. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them. <p>The effect of these matters is that, as part of our risk assessment, we determined that the impairment of loans and advances to customers, involving estimations and judgements, with a potential range of reasonable outcomes greater than our materiality for the Ind AS Financial Statements as a whole.</p>	<ul style="list-style-type: none"> ➤ Assessing the design, implementation and operating effectiveness of key internal financial controls including monitoring process of overdue loans (including those which became overdue after the reporting date), measurement of provision, stage-wise classification of loans, identification of NPA accounts, assessing the reliability of management information. ➤ Understanding management's approach, interpretation, systems and controls implemented in relation to probability of default and stage-wise bifurcation of product-wise portfolios for timely ascertainment of stress and early warning signals. ➤ Testing and review of controls over measurement of provisions and disclosures in the Ind AS Financial Statements. ➤ Involvement of Information system resource to obtain comfort over data integrity and process of report generation through interface of various systems. Walk through the processes which involve manual work to ascertain existence of maker-checker controls <p>Substantive verification</p> <ul style="list-style-type: none"> ➤ Sample testing over key inputs, data and assumptions impacting ECL calculations to assess the completeness, accuracy and relevance of data and reasonableness of economic forecasts, weights, and model assumptions applied. ➤ Model calculations testing through selective re-performance. ➤ Checking data for assessing reasonableness of judgements made in respect of calculation methodologies, segmentation, economic factors, the period of historical loss rates used and the valuation of recovery assets and collateral (including collateral in the form of gold.) ➤ Assessing disclosures - Assessed whether the disclosures on key judgements, assumptions and quantitative data with respect to impairment of loans (including restructuring related disclosures) in the Ind AS Financial Statements are appropriate and sufficient as also aligned to regulatory requirements.

Independent Auditor's Report (Contd.)

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
2	Information Technology	
	<p>IT systems and controls</p> <p>The Company's financial reporting processes are dependent on technology considering significant number of transactions that are processed daily across multiple and discrete Information Technology ('IT') systems. The Financial accounting system of the Company is interfaced with several other IT systems including Loan Management & Originating systems and several other systemic workflows.</p> <p>IT general and application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner. Adequate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to the applications and data. These includes implementation of preventive and detective controls across critical applications and infrastructure.</p> <p>Due to the pervasive nature of role of information technology systems in financial reporting, in our preliminary risk assessment, we planned our audit by assessing the risk of a material misstatement arising from the technology as significant for the audit, hence the Key Audit Matter.</p>	<p>In course of audit, we, inter alia, reviewed user access management, change management, segregation of duties, system reconciliation controls and key financial accounting and reporting systems. We performed a range of audit procedures, which included:</p> <ul style="list-style-type: none"> ➤ Deployed our internal experts to carry out IT general Controls testing and identifying gaps, if any. ➤ Our other processes include: <ul style="list-style-type: none"> • Selectively recomputing interest calculations and maturity dates; • Performed substantive procedures where control deficiencies or system limitations were noted, to compensate for any identified risks. • Evaluated the automated controls embedded within key financial applications that impact significant accounts and disclosures, focusing on the design, implementation, and operating effectiveness of these controls. • Testing of the system generated reports and accounting entries manually for core financial reporting matters (i.e. verification around the computer system) • Evaluating the design, implementation and operating effectiveness of the significant accounts-related IT automated controls which are relevant to the accuracy of system calculation, and the consistency of data transmission.

OTHER INFORMATION

5. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the Financial Statements and our auditors' report thereon. The Other Information is expected to be made available to us after the date of this auditor's report.
6. Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
7. In connection with our audit of the Financial Statements, our responsibility is to read the other information

8. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Independent Auditor's Report (Contd.)

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

9. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these Financial Statements that give a true and fair view of the State of Affairs, profit and Other Comprehensive Income, Changes in Equity and Cash Flows of the Company in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India. 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 of the appropriate accounting software for ensuring compliance with applicable laws and regulations including those related to retention of audit logs; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
10. In preparing the Financial Statements, the Board of Directors is 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.
11. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

12. Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are 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 these Financial Statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 12.1. Identify and assess the risks of material misstatement of the Financial Statements, 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.
- 12.2. 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) 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.
- 12.3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- 12.4. Conclude on the appropriateness of the Management's 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 Statements 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.
- 12.5. Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditor's Report (Contd.)

13. 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.
14. 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.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

16. Attention is drawn to the fact that the audited financial statements of the Company for the corresponding year ended 31 March 2024 were audited by predecessor auditors whose report dated 29 April 2024 expressed an unmodified opinion on those audited financial statements. Our opinion is not modified in respect of these matters.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

17. As required by the Companies (Auditor's Report) Order, 2020 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
18. As required by Section 143(3) of the Act, we report that:
 - 18.1. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - 18.2. In our opinion, proper books of accounts as required by law have been kept by the Company

so far as it appears from our examination of those books except for the matters stated in paragraph 19.8 below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

- 18.3. The balance sheet, the statement of profit and loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- 18.4. In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under Section 133 of the Act read with the relevant rules thereunder.
- 18.5. On the basis of the written representations received from the directors as on 31 March 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.
- 18.6. The modification relating to the maintenance of books of accounts and other matters connected therewith are as stated in the paragraph 18.2 above on reporting under Section 143(3)(b) and paragraph 19.8 below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- 18.7. With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
- 18.8. In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.
19. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - 19.1. The Company has disclosed the impact of pending litigations as at 31 March 2025 on its financial position in its Financial Statements – Refer Note 54 to the Financial Statements.

Independent Auditor's Report (Contd.)

- 19.2. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses- Refer Note XX to the Financial Statements.
- 19.3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- 19.4. The Management has represented, to best of their knowledge and belief, that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 19.5. The Management has represented, to best of their knowledge and belief, that no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 19.6. Based on such audit procedures, that have been considered reasonable and appropriate in the circumstances, performed by us, nothing has come to our notice that has caused us to believe that the representation under para 19.4 and 19.5 contain any material misstatement.

19.7. In our opinion and according to information and explanation given to us, the Company has not declared or paid dividend during the year, accordingly compliance with section 123 of the Act by the Company is not applicable.

19.8. Based on our examination, the company, has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility. Further, the audit trail facility has been operating throughout the year for all relevant transactions recorded in the accounting software except for the instances reported below –

1. The Audit trail feature was enabled at Database level (for changes from backend) from 10 February 2024, from 16 April 2024 and from 24 May 2024 in case of Core Accounting Software, Loan Accounting Software and Gold Loan Accounting Software respectively.
2. For maintenance of Books of Accounts under Ind AS (Accounting Framework applicable to the Company), the feature of maintaining audit trail (edit log) is not enabled.

Further, where audit trail (edit log) facility was enabled and operated throughout thereafter, we did not come across any instance of audit trail feature being tampered with during the course of our audit.

For **KKC & Associates LLP**

Chartered Accountants

(formerly Khimji Kunverji & Co LLP)

Firm Registration Number: 105146W/W100621

Hasmukh B Dedhia

Partner

ICAI Membership No: 033494

UDIN: 25033494BMJKDM2428

Place: Mumbai

Date: 29 April 2025

Annexure 'A' to the Independent Auditor's Report on the Financial Statements of Fedbank Financial Services Limited for the year ended 31st March, 2025

(Referred to in paragraph 17 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment ('PPE').
The Company is maintaining proper records showing full particulars of intangible assets.
- (b) The Company has a regular programme of physical verification of its PPE by which all PPE are verified once a year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, all PPE were physically verified by the Management during the year. In our opinion, and according to the information and explanations given to us, discrepancies noticed, which were not material, have been dealt with in books of accounts properly.
- (c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee).
- (d) In our opinion and according to the information and explanations given to us, the Company has not revalued its PPE (including Right of Use assets) or intangible assets or both during the year.
- (e) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. (a) The Company does not have inventory since its principal business is to give loans, hence physical verification of inventory and reporting under paragraph 3(ii)(a) of the Order is not applicable to the Company.
- (b) In our opinion and according to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of rupees five crore, in aggregate, from banks or financial institutions which are secured on the basis of security of current assets. The quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- iii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company's principal business is to give loans. Accordingly, clause 3(iii)(a) of the Order is not applicable.
- (b) In our opinion, and according to the information and explanations given to us, the investments made and the terms and conditions of the grant of all loans are not prejudicial to the Company's interest. Further, the Company has not provided any guarantee or security to companies, limited liability partnership or other parties during the year.
- (c) & (d) The Company, being a NBFC, registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors repayments of principal and payment of interest by its customers as stipulated. In our opinion and according to the information and explanations given to us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and in cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer notes 8 and 49 to the Financial Statements for summarised details of such loans/advances which are not repaid by borrowers as per stipulations as also details of steps taken by the Company for recovery thereof.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company's principal business is to give loans. Accordingly, clause 3(iii)(e) of the Order is not applicable.
- (f) The Company has not granted any loans or advances in the nature of loans to Promoters/ Related Parties (as defined in section 2(76) of the Act which are either repayable on demand or without specifying any terms or period of repayment.

Annexure 'A' to the Independent Auditor's Report on the Financial Statements of Fedbank Financial Services Limited for the year ended 31st March, 2025 (Contd.)

- iv. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Act. The Company has complied with the provisions of Section 186(1) of the Act; as informed, the other provisions of section 186 of the Act are not applicable to the Company.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public during the year in terms of directives issued by the Reserve Bank of India or the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- vi. The Company is not required to maintain cost records under Section 148(1) of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 and hence reporting under paragraph 3(vi) of the Order is not applicable to the Company.
- vii. (a) In our opinion and according to the information and explanations given to us, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, Goods and Services Tax, duty of customs, cess and other material statutory dues were in arrears as at 31 March 2025 for a period of more than six months from the date they became payable, except as reported as below.

Name of the Statute	Nature of the Dues	Amount	Period to which the amount relates	Due Date	Date of Payment	Remarks, if any
The Income Tax Act, 1961	Professional Tax	4.71 lakhs	October 2022 – March 2024	On various due dates	-	Not paid till date of Audit Report Date.

- (b) In our opinion and according to the information and explanations given to us, we confirm that the following dues of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, have not been deposited to/with the appropriate authority on account of any dispute.

Name of the Statute	Nature of the Dues	Amount (Rs. In Lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Goods and Service Tax (GST) Act, 2017	GST, Interest and Penalty.	7	FY 2017-18	Sales Tax Officer	Net of amount paid under protest
GST Act, 2017	GST, Interest and Penalty.	14	FY 2017-18	Sales Tax Officer	Net of amount paid under protest
GST Act, 2017	GST, Interest and Penalty.	6	FY 2020-21	Sales Tax Officer	Net of amount paid under protest
Income Tax Act, 1961	Income Tax and Interest	32	AY 2011-12	Commissioner of Income Tax (Appeal)	
Income Tax Act, 1961	Income Tax and Interest	9	AY 2017-18	Commissioner of Income Tax (Appeal)	
Income Tax Act, 1961	Income Tax and Interest	62	AY 2022-23	Commissioner of Income Tax (Appeal)	

Annexure 'A' to the Independent Auditor's Report on the Financial Statements of Fedbank Financial Services Limited for the year ended 31st March, 2025 (Contd.)

- viii. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, we confirm that we have not come across any transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. (a) In our opinion, the Company has not defaulted in repayment of loans or other borrowings to financial institutions, banks, and dues to debenture holders or in the payment of interest thereon to any lender. The Company does not have any borrowings from the Government.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority or any other lender.
- (c) In our opinion and according to the information and explanations given to us, the Company has utilized (including temporary parking of surplus funds in liquid assets) the money obtained by way of term loans during the year for the purposes for which they were obtained.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) & (f) The Company does not have any subsidiaries, associates or joint ventures. Accordingly, paragraph 3(ix) (e) and (f) of the Order are not applicable to the company
- x. (a) The Company did not raise money by way of initial public offer or further public offer (including debt instruments) during the year.
- (b) The Company has not made any preferential allotment/private placement of shares/fully/partly/optionally convertible debentures during the year.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the course of our audit, other than the instances of fraud noticed and reported by the management to the regulator. Refer Note No. XX to the Financial Statements.
- (b) Out of the above, the instances of fraud in 11 Loan Account Numbers (LANs) at three branches, aggregate impact where of is more than Rs. One crore have been reported by us vide Form ADT-4 dated 30 December 2024.
- (c) According to the information and explanations given to us and on our review of the whistleblower complaints received during the year by the Company, no case noticed having significant impact.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date, for the period under audit.
- xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and the Company has obtained the required registration.
- (b) The Company has conducted Non-Banking Financial and Housing Finance activities and has obtained a valid Certificate of Registration ('CoR') from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

Annexure 'A' to the Independent Auditor's Report on the Financial Statements of Fedbank Financial Services Limited for the year ended 31st March, 2025 (Contd.)

- (c) The Company is not a Core Investment Company ("CIC") as defined in the regulations made by Reserve Bank of India. Accordingly, clause 3(xvi) (c) of the Order is not applicable
- (d) There is no CIC as a part of group to which the company belongs.
- xvii. The Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly paragraph 3(xviii) of the Order is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, along with the details provided in Note xx to the financial statements which describe the maturity analysis of the assets and liabilities and other information accompanying the financial statements, our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) In respect of other than ongoing projects, there are no unspent amounts in respect of CSR that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act.
- (b) In respect of ongoing projects, there are no unspent amounts in respect of CSR, that are required to be transferred to a special account in compliance with the provision of sub section (6) of section 135 of Companies Act.

For **KKC & Associates LLP**

Chartered Accountants

(formerly Khimji Kunverji & Co LLP)

Firm Registration Number: 105146W/W100621

Hasmukh B Dedhia

Partner

ICAI Membership No: 033494

UDIN: 25033494BMJKDM2428

Place: Mumbai

Date: 29 April 2025

Annexure 'B' to the Independent Auditors' report on the Financial Statements of Fedbank Financial Services Limited for the year ended 31st March, 2025

(Referred to in paragraph '18.7' under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to the aforesaid Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act').

OPINION

1. We have audited the internal financial controls with reference to the Financial Statements of Fedbank Financial Services Limited ('the Company') as at 31 March 2025 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.
2. In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to the Financial Statements and such internal financial controls were operating effectively as at 31 March 2025, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('the Guidance Note').

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

3. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

4. Our responsibility is to express an opinion on the Company's internal financial controls with reference to the Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ('SA'), prescribed under section 143(10) of the Act, to the extent

applicable to an audit of internal financial controls with reference to the Financial Statements. Those SAs and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the Financial Statements were established and maintained and whether such controls operated effectively in all material respects.

5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to the Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Financial Statements included obtaining an understanding of internal financial controls with reference to the Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to the Financial Statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

7. A company's internal financial controls with reference to the Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to the Financial Statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are

Annexure 'B' to the Independent Auditor's Report on the Financial Statements of Fedbank Financial Services Limited for the year ended 31st March, 2025 (Contd.)

being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

to the Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **KKC & Associates LLP**

Chartered Accountants

(formerly Khimji Kunverji & Co LLP)

Firm Registration Number: 105146W/W100621

Hasmukh B Dedhia

Partner

ICAI Membership No: 033494

UDIN: 25033494BMJKDM2428

Place: Mumbai

Date: 29 April 2025

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

8. Because of the inherent limitations of internal financial controls with reference to the Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the Financial Statements to future periods are subject to the risk that the internal financial controls with reference

Balance Sheet

 As on 31st March, 2025

Particulars	Notes	(₹ in Lakhs)	
		As at 31 st March, 2025	As at 31 st March, 2024
I. ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	4	72,460	18,554
(b) Bank balances other than cash and cash equivalents	5	11,009	-
(c) Derivative financial instruments	6	58	-
(d) Receivables			
(i) Trade receivables	7(i)	1,931	2,976
(ii) Other receivables	7(ii)	-	476
(e) Loans	8	11,64,637	9,82,245
(f) Investments	9	40,419	75,128
(g) Other financial assets	10	8,671	14,224
Total Financial assets		12,99,185	10,93,603
(2) Non-financial assets			
(a) Current tax assets (net)	11	-	1,033
(b) Deferred tax assets (net)	12	1,070	219
(c) Property, Plant and Equipment	14 (1)	3,191	2,895
(d) Right of Use Assets	14 (4)	15,395	11,249
(e) Capital work in progress	14 (3)	28	27
(f) Intangible assets under development	14 (5)	64	-
(g) Other Intangible assets	14 (2)	292	412
(h) Other non- financial assets	13	5,745	4,346
Total Non-financial assets		25,785	20,181
TOTAL ASSETS		13,24,970	11,13,784
II. LIABILITIES & EQUITY			
(1) Financial liabilities			
(a) Derivative financial instruments	6	123	112
(b) Payables			
Trade payables	15		
(i) total outstanding dues of micro enterprises and small enterprises		24	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		849	1,215
Other payables	15 (1)		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		157	-
(c) Debt securities	16	50,022	30,192
(d) Borrowings (other than debt securities)	17	9,29,237	7,43,709
(e) Subordinated Liabilities	18	47,607	47,559
(f) Lease Liability	19	16,854	12,558
(g) Other financial liabilities	20	20,229	45,330
Total Financial liabilities		10,65,102	8,80,675
(2) Non-financial liabilities			
(a) Current tax liabilities (net)	21	1,161	-
(b) Provisions	22	1,381	949
(c) Other non-financial liabilities	23	2,590	6,077
Total Non-financial liabilities		5,132	7,026
Equity			
(a) Equity share capital	24	37,272	36,939
(b) Other equity	25	2,17,464	1,89,144
		2,54,736	2,26,083
TOTAL LIABILITIES AND EQUITY		13,24,970	11,13,784
Material accounting policy information and notes to the Financial Statements	3 - 59		

The notes referred to above forms integral part of Financial Statements.
As per our report of even date attached

For **KKC & Associates LLP**
Chartered Accountants
FRN: 105146W/W-100621

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

C. V. Ganesh
Chief Financial Officer

S. Rajaraman
Company Secretary
M.No.F3514

Hasmukh B Dedhia
Partner
Membership No. 033494

Parvez Mulla
MD & CEO
DIN:08026994

Sonal Dave
Independent Director
DIN:00017710

Place: Mumbai
Date: 29th April, 2025

Place: Mumbai
Date: 29th April, 2025

Statement of Profit & Loss

 For the Year Ended 31st March, 2025

Particulars	Notes	(₹ in Lakhs)	
		For the year ended 31 March 2025	For the year ended 31 March 2024
I. Revenue from operations			
(a) Interest income	26	1,92,458	1,49,168
(b) Fee and commission income	27	8,563	6,564
(c) Net gain on fair value changes	28	2,558	1,989
Total Revenue from operations		2,03,579	1,57,721
II. Other income	29	4,403	4,579
III. Total Revenue		2,07,982	1,62,300
IV. Expenses			
(a) Finance costs	30	85,378	67,956
(b) Fees and commission expenses	31	1,850	2,287
(c) Impairment on financial instruments	32	21,636	6,585
(d) Employee benefits expense	33	39,030	31,782
(e) Depreciation, amortisation and impairment	14	4,885	3,735
(f) Other expenses	34	24,828	17,147
Total expenses		1,77,607	1,29,492
V. Profit before exceptional items and tax (III-IV)		30,375	32,808
VI. Exceptional items	60	-	-
VII. Profit before tax (V-VI)		30,375	32,808
VIII. Tax expenses:			
Current tax	35	10,169	7,687
(1) Current tax	35.1	10,122	7,687
(2) Short/(Excess) provision for earlier years	35.1	47	-
Deferred tax	35	(2,312)	651
IX. Profit for the year (VII-VIII)		22,518	24,470
X. Other Comprehensive Income (OCI)			
(a) Items that will not be reclassified to profit or loss			
(i) Remeasurement gain/(loss) on defined benefit plans (OCI)		12	(59)
(ii) Tax effect on remeasurement gain/(loss) on defined benefit plans (OCI)		(3)	15
Total		9	(44)
(b) Items that will be reclassified to profit or loss			
(i) Fair value gain - OCI - Loans		5,609	7,046
(ii) Fair value gain - OCI - Investment in Government Securities		-	(8)
(iii) The effective portion of gain on hedging instruments in a cash flow hedge		(2)	-
(iv) Tax effect on above (i), (ii) and (iii)		(1,457)	(1,788)
Total		4,150	5,250
Other Comprehensive Income		4,159	5,206
XI. Total Comprehensive Income (IX+X)		26,677	29,676
XII. Earnings per equity share			
(1) Basic (₹)	37	6.06	7.22
(2) Diluted (₹)	37	6.04	7.12
Face value per share (in ₹)		10.00	10.00
Material accounting policy information and notes to the Financial Statements	3 - 59		

The notes referred to above forms integral part of Financial Statements.
As per our report of even date attached

For **KKC & Associates LLP**
Chartered Accountants
FRN: 105146W/W-100621

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

C. V. Ganesh
Chief Financial Officer

S. Rajaraman
Company Secretary
M.No.F3514

Hasmukh B Dedhia
Partner
Membership No. 033494

Parvez Mulla
MD & CEO
DIN:08026994

Sonal Dave
Independent Director
DIN:00017710

Place: Mumbai
Date: 29th April, 2025

Place: Mumbai
Date: 29th April, 2025

Statement of Cash Flow

 For the Year Ended 31st March, 2025

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2025	As at 31 st March, 2024
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	30,375	32,808
Adjustments for:		
Finance cost	85,378	67,956
Share based payment to employee	130	456
Depreciation	4,885	3,735
Interest income from Investment	(1,957)	(1,735)
Interest on Fixed Deposit	(1,555)	(1,636)
Loss on sale of tangible assets	34	-
Profit on Sale Of Government Securities (Net) - realised	-	(11)
Profit on Sale Of Mutual Fund units (Net) - realised	(2,596)	(1,930)
Gain/(Loss) on fair valuation of mutual fund - unrealised	38	(48)
Security deposit - Fair Valuation	2	(44)
Effective interest rate (EIR) impact on Loans	(230)	487
Excess interest spread on Direct Assignment Transaction (net)	(6,594)	(3,365)
Impairment on financial instrument	21,636	6,585
Operating profit before working capital changes	1,29,546	1,03,258
Adjustments for working capital:		
- (Increase)/decrease in loans	(1,90,889)	(1,78,790)
- (Increase)/decrease in financial asset and non financial asset	(1,307)	(1,981)
- (Increase)/decrease in trade and other receivables	1,191	(1,553)
- Increase/(decrease) in trade payables	(185)	(1,394)
- Increase/(decrease) in provisions	444	270
- Increase/(decrease) in financial liabilities and non financial liabilities	(28,577)	10,161
Cash generated from/(used in) operating activities	(89,777)	(70,029)
Direct taxes paid (net of refund)	(7,975)	(7,523)
Net cash generated from/(used in) operating activities	(97,752)	(77,552)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of tangible assets	(1,770)	(1,139)
Sale of tangible assets	13	7
Purchase of intangible assets	(61)	(233)
Purchase of Intangible assets under development	(64)	-
Investment in Government securities	(63,696)	(74,494)
Redemption of Government securities	60,543	1,15,091
Investment in Mutual Fund	(20,55,997)	(11,59,842)
Sale of Mutual Fund	20,96,688	11,13,875
Redemption of fixed deposit	5,006	66
Placement in fixed deposit	(10,309)	(6,419)
Interest on fixed deposits	1,251	1,142
Interest income from Investment	1,312	1,937
Net cash generated from/(used in) investing activities	32,916	(10,009)

Statement of Cash Flow

For the Year Ended 31st March, 2025 (Contd.)

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2025	As at 31 st March, 2024
C. CASH FLOW FROM FINANCING ACTIVITIES		
Debt Securities issued	99,500	50,000
Debt Securities repaid	(81,500)	(81,625)
Borrowings availed	6,34,333	5,78,170
Borrowings repaid	(4,49,157)	(4,61,487)
Subordinate borrowing availed	-	20,000
Finance Cost	(81,947)	(64,207)
Lease Payment (principal)	(3,128)	(3,116)
Lease Payment (interest)	(1,204)	(940)
Equity Shares Issued	333	4,748
Share Premium net of Share Issue Expenses	1,512	55,176
Net cash generated from/(used in) financing activities	1,18,742	96,719
Net increase/(decrease) in cash and cash equivalents	53,906	9,158
Cash and cash equivalents as at the beginning of the period	18,554	9,396
Closing balance of cash and cash equivalents (A+B+C)	72,460	18,554
Components of cash and cash equivalents:		
Cash on hand	654	1,555
Balances with banks		
- in current accounts	29,285	14,299
- in fixed deposit with maturity less than 3 months	42,521	2,700
Cash and cash equivalents	72,460	18,554

Note:

The above cash flow statement has been prepared under the indirect method set out in Ind-AS 7 - Statement of Cash Flow.

Refer note 36 for cash flow related disclosure as per Ind AS 7

Material accounting policy information and notes to the Financial Statements 3 - 59

The notes referred to above forms integral part of Financial Statements.
As per our report of even date attached

For **KKC & Associates LLP**
Chartered Accountants
FRN: 105146W/W-100621

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

C. V. Ganesh
Chief Financial Officer

S. Rajaraman
Company Secretary
M.No.F3514

Hasmukh B Dedhia
Partner
Membership No. 033494

Parvez Mulla
MD & CEO
DIN:08026994

Sonal Dave
Independent Director
DIN:00017710

Place: Mumbai
Date: 29th April, 2025

Place: Mumbai
Date: 29th April, 2025

Statement of Change in Equity

 As at 31st March, 2025

EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31 st March, 2025		As at 31 st March, 2024	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the reporting year	36,93,86,899	36,939	32,19,11,605	32,191
Changes in Equity Share Capital due to prior year errors	-	-	-	-
Changes in equity share capital during the current year	33,29,955	333	4,74,75,294	4,748
Balance at the end of the reporting year	37,27,16,854	37,272	36,93,86,899	36,939

OTHER EQUITY

Particulars	Share application money pending allotment	Debt instruments through OCI	Cash Flow Hedges Reserve (OCI)	Reserves and Surplus						Total
				Securities Premium Account	Employee Stock Option Outstanding	Capital Redemption Reserve	Special Reserve under section 45-IC of the Reserve Bank of India Act, 1934	General reserve	Retained earnings	
Balance at 1st April, 2024	-	6,477	-	1,08,823	1,247	200	15,089	10	57,299	1,89,144
Addition	-	-	-	1,512	131	-	-	-	-	1,643
Utilised (share issue expense)	-	-	-	-	-	-	-	-	-	-
Transferred from retained earnings	-	-	-	-	-	-	4,504	-	(4,504)	-
Transferred to securities premium	-	-	-	610	(610)	-	-	-	-	-
Impact of OCPRS due to redemption	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	-	22,518	22,518
Remeasurement gain/(loss) on defined benefit plans	-	-	-	-	-	-	-	-	9	9
Fair value gain/(loss) on financial assets	-	4,152	(2)	-	-	-	-	-	-	4,150
Closing Balance as on 31st March, 2025	-	10,629	(2)	1,10,945	767	200	19,593	10	75,322	2,17,464

Particulars	Share application money pending allotment	Debt instruments through OCI	Cash Flow Hedges Reserve (OCI)	Reserves and Surplus						Total
				Securities Premium Account	Employee Stock Option Outstanding	Capital Redemption Reserve	Special Reserve under section 45-IC of the Reserve Bank of India Act, 1934	General reserve	Retained earnings	
Balance at 1st April, 2023	-	1,227	-	52,497	1,482	200	10,195	10	37,767	1,03,377
Addition	-	-	-	57,656	456	-	-	-	-	58,112
Utilised (share issue expense)	-	-	-	(2,021)	-	-	-	-	-	(2,021)
Transferred from retained earnings	-	-	-	-	-	-	4,894	-	(4,894)	-
Transferred to securities premium	-	-	-	691	(691)	-	-	-	-	-
Impact of OCPRS due to redemption	-	-	-	-	-	-	-	-	-	-

Statement of Change in Equity

 As at 31st March, 2025 (Contd.)

Particulars	Share application money pending allotment	Debt instruments through OCI	Cash Flow Hedges Reserve (OCI)	Reserves and Surplus						Total
				Securities Premium Account	Employee Stock Option Outstanding	Capital Redemption Reserve	Special Reserve under section 45-IC of the Reserve Bank of India Act, 1934	General reserve	Retained earnings	
Profit for the year	-	-	-	-	-	-	-	-	24,470	24,470
Remeasurement gain/(loss) on defined benefit plans	-	-	-	-	-	-	-	-	(44)	(44)
Fair value gain/(loss) on financial assets	-	5,250	-	-	-	-	-	-	-	5,250
Closing Balance as on 31st March, 2024	-	6,477	-	1,08,823	1,247	200	15,089	10	57,299	1,89,144

Material accounting policy information and notes to the Financial Statements

3 - 59

The notes referred to above forms integral part of Financial Statements.
As per our report of even date attached

For **KKC & Associates LLP**
Chartered Accountants
FRN: 105146W/W-100621

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

C. V. Ganesh
Chief Financial Officer

S. Rajaraman
Company Secretary
M.No.F3514

Hasmukh B Dedhia
Partner
Membership No. 033494

Parvez Mulla
MD & CEO
DIN:08026994

Sonal Dave
Independent Director
DIN:00017710

Place: Mumbai
Date: 29th April, 2025

Place: Mumbai
Date: 29th April, 2025

Notes Forming Part of the Financial Statements

For the Year Ended 31st March, 2025

1. CORPORATE INFORMATION

Fedbank Financial Services Limited ('the Company') is a Public Limited Company incorporated on 17th April, 1995 in India and is a subsidiary of The Federal Bank Limited. Its registered office is located in Mumbai. The Company is in the business of lending and has a diversified lending portfolio consisting of Gold Loans, Loan against Property, Home Loans, SME Loans and Wholesale Finance. The Company also extends Micro Loans through tie ups with sourcing and servicing agents. The Company is registered with the Reserve Bank of India as a Non-Banking Finance Company (NBFC) vide Registration N- 16.00187 and is presently categorised as a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI) in accordance with the guidelines of Reserve Bank of India. The equity shares of the Company got listed on the National Stock Exchange ("NSE") and Bombay Stock Exchange ("BSE") on 30th November, 2023.

2. BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standard, prescribed under section 133 of the Companies Act, 2013 (the 'Act'), read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, other relevant provisions of the Act and the other accounting principles generally accepted in India. Any application guidance/clarifications/directions issued by the Reserve Bank of India or other regulators are implemented as and when they are issued/applicable.

The preparation of financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity, or areas where assumptions are material to the Company are discussed in Note 3 - Critical accounting estimates and judgements.

The financial statements have been approved by the Board of Directors on 29th April, 2025.

2.2 Presentation of Financial Statements

The financial statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of

Corporate Affairs (MCA). The Statement of Cash Flows has been presented using indirect method as per the requirements of Ind AS 7 Statement of Cash Flows.

2.3 Functional and presentation currency

These financial statements are presented in Indian Rupees ('₹' or INR or Rs.) which is also the Company's functional currency. All amounts are rounded-off to the nearest Lakhs, unless otherwise indicated.

2.4 Basis of measurement

These financial statements have been prepared under the historical cost convention and on an accrual basis, except for certain financial instruments which are measured at fair values as required by relevant Ind AS basis.

2.5 Critical accounting estimates and judgements

The preparation of the financial statements requires management to make use of estimates and judgements. In view of the inherent uncertainties and a level of subjectivity involved in measurement of items, it is possible that the outcomes in the subsequent financial period could differ from those on which the Management's estimates are based. Accounting estimates and judgements that are used for various line items in the financial statements are as follows:

Effective Interest Rate (EIR) Method:

The Company recognises interest income/expense using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loans given/taken. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to other fee income/expense that are integral parts of the instrument.

Contingencies:

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

Useful lives of property, plant and equipment and Intangible assets:

Management reviews the estimated useful lives and residual values of the assets annually in order to

Notes Forming Part of the Financial Statements For the Year Ended 31st March, 2025 (Contd.)

determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values as per schedule II of the Companies Act, 2013 or are based on the Company's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.

Defined employee benefit obligation:

The cost of post-employment benefits is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rates, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

Fair value measurement

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation technique that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Business model assessment

Classification and measurement of financial assets depends on the results of the solely payment of principal and interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which

the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Income taxes

Material judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment.

Expected credit losses on financial assets

The impairment provisions of financial assets and contract assets are based on assumptions about risk of default, expected recovery through liquidations of collateral, and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

Leases

Ind AS 116 defines a lease term as the non-cancellable period for which the lessee has the right to use an underlying asset including optional periods, when an entity is reasonably certain to exercise an option to extend (or not to terminate) a lease. The Company considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term. The option to extend the lease term are included in the lease term, if it is reasonably certain that the lessee will exercise the option. The Company reassesses the option when significant events or changes in circumstances occur that are within the control of the lessee.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

This note provides a list of the material accounting policy information adopted in the preparation of these financial statements.

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2025 (Contd.)

3.1 Measurement of fair values

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The management regularly reviews significant unobservable inputs and valuation adjustments.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the changes have occurred.

3.2 Revenue Recognition

Interest income

Interest income is recognised in Statement of Profit and Loss using the effective interest rate (EIR) method for all financial instruments which are measured either at amortised cost or at fair value through other comprehensive income. The EIR is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument or, when appropriate, a shorter period.

The EIR is calculated by taking into account any discount or premium on acquisition, fees and transaction costs that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is accounted as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through interest income in the Statement of Profit and Loss.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired and is therefore regarded as 'Stage 3', the Company calculates interest income by applying the EIR to the net amortised cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Interest income on all trading assets and financial assets, if any, required to be measured at FVTPL is recognised using the contractual interest rate as net gain on fair value changes.

Income from co-lending

The Company enters into co-lending arrangements with other banks in accordance with RBI circular FIDD.CO.Plan.BC.No.8/04.09.01/2020-21 dated November 05, 2020. The portion of the loan attributable to the Company as per agreement, is recognised as Loans and Advances and interest spread on such transaction is recognised over the contracted term of the loan.

Fee, commission and distribution income

The Company recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a assessment model as set out in Ind AS 115 'Revenue from contracts with customers. Revenue from contract with customer for rendering services is recognised at a point in time when performance obligation is satisfied.

Fees and commission income are measured at an amount that reflects the fair value of the consideration received or receivable, to which an entity expects to be entitled in exchange for transferring goods or services to customer, excluding amounts collected on behalf of third parties.

Distribution income is earned by selling of services and products of other entities under distribution arrangements. The income so earned is recognised on successful sales on behalf of other entities subject to there being no significant uncertainty of its recovery.

Dividend and interest income on investments:

Dividends are recognised in Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2025 (Contd.)

Interest income from investments is recognised when it is certain that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Net gain on fair value changes

The Company recognises gains on fair value change of financial assets measured at FVTPL and realised gains on derecognition of financial asset measured at FVTPL and FVOCI on net basis.

However, net gain/loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the Statement of Profit and Loss.

Income from direct assignment

Gains arising out of direct assignment transactions comprise of the difference between the interest on the loan portfolio and the applicable rate at which the direct assignment is entered into with the assignee, also known as the right of excess interest spread (EIS). The future EIS basis the scheduled behavioral cash flows on execution of the transaction, discounted at the applicable rate entered into with the assignee is recorded upfront in the Statement of Profit and Loss. EIS is evaluated and adjusted for ECL and expected prepayment.

Other income and expenses

All other income and expense are recognised in the period in which they occur.

3.3 Property plant and equipments

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if: (a) it is probable that future economic benefits associated with the item will flow to the entity; and (b) the cost of the item can be measured reliably.

Property, plant and equipment ("PPE") are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes after deducting trade discount and rebates, any directly attributable cost incidental to acquisition and installation, up to the point the asset is ready for its intended use.

Advances paid towards the acquisition of PPE outstanding at each reporting date are shown under

other non-financial asset. Assets acquired but not ready for intended use or assets under construction at the reporting date are classified under capital work in progress.

Subsequent expenditure related to the asset are added to its carrying amount or recognised as a separate asset only if the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Depreciation

Depreciation on property, plant and equipment is provided on straight-line method in case of Computer Equipment & Server and on Written Down Value (WDV) method in case of Office Equipment, Furniture & fixtures & Vehicles. Depreciation is charged over the useful lives of assets as prescribed under Schedule II of the Companies Act 2013.

The estimated useful lives used for computation of depreciation are as follows:

	Useful Life as per Schedule II (in years)	Useful Life as per Company (in years)
Computer equipment	3	3
Server	6	6
Office equipment	5	5
Furniture and fixtures	10	10
Vehicles	8	8

Leasehold improvements are amortised over the period of the lease.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

PPE is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the net carrying amount of the asset) is recognised in other income/netted off from any loss on disposal in the Statement of Profit and Loss in the period the asset is derecognised. Assets held for sale or disposals are stated at the lower of their net book value and net realisable value.

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2025 (Contd.)

3.4 Intangible Assets

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Subsequent expenditure related to the asset is added to its carrying amount or recognised as a separate asset only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably.

Intangible assets comprise of software which is amortised using the straight-line method over a period of three years commencing from the date on which such asset is first recognised.

Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

3.5 Foreign exchange transactions & translations

a) Initial recognition

Transactions in foreign currencies are recognised at the prevailing exchange rates between the reporting currency and a foreign currency on the transaction date.

b) Conversion

Transactions in foreign currencies are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at period end exchange rates are generally recognised in Statement of Profit and Loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses

are presented in the Statement of Profit and Loss on a net basis.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Thus, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

Non-monetary items that are measured at historical cost in foreign currency are not retranslated at reporting date.

3.6 Financial instruments

a) Initial recognition and measurement:

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. The Company follows trade date method of accounting for purchase and sale of investments. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial assets or financial liabilities. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Statement of Profit and Loss.

b) Initial classification and subsequent measurement of financial assets:

The Company classifies its financial assets into various measurement categories. The classification depends on the contractual terms of the financial assets' cash flows and Company's business model for managing financial assets. On initial recognition, a financial asset is classified as measured at:

- Amortised cost;
- Fair Value through Other Comprehensive Income (FVOCI) - debt instruments;

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2025 (Contd.)

- FVOCI - equity instruments;
- Fair Value Through Profit and Loss (FVTPL)

Amortised cost

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios being the level at which they are managed. These financial assets comprise bank balances, loans, trade receivables and other financial instruments.

Debt instruments measured at amortised cost where they have:

- a) contractual terms that give rise to cash flows on specified dates, that represent solely payment of principal and interest (SPPI) on the principal amount outstanding; and
- b) are held within a business model whose objective is achieved by holding to collect contractual cash flows.

These financial assets are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment provision are recognised in Statement of Profit and Loss. Any gain and loss on derecognition are recognised in Statement of Profit and Loss.

FVOCI - debt instruments

The Company measures its debt instruments at FVOCI when the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial asset meet the SPPI test.F

Debt investment at FVOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment provision are recognised in Statement of Profit and Loss. Other net gains and losses are recognised in other comprehensive income (OCI). On derecognition, gains and losses accumulated in OCI are reclassified to Statement of Profit and Loss.

FVOCI - equity instruments

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVOCI.

These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to Statement of Profit and Loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for strategic purpose. Dividend income received on such equity investments are recognised in Statement of Profit and Loss.

FVTPL

A financial asset which is not classified in any of the above categories are measured at FVTPL. This includes all derivative financial assets.

Equity investments that are not designated as measured at FVOCI are designated as measured at FVTPL and subsequent changes in fair value are recognised in Statement of Profit and Loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of Profit and Loss.

c) Initial classification and subsequent measurement of financial liabilities and equity instruments:

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Company are recognised at the proceeds received. Transaction costs of an equity transaction are recognised as a deduction from equity.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is a derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2025 (Contd.)

method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

d) Reclassification of financial assets and liabilities:

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets. Financial liabilities are never reclassified.

e) Derecognition of financial assets and liabilities:

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which significantly all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains significantly all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or significantly all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

A financial liability is derecognised when the obligation in respect of the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on significantly different terms, or the terms of an existing liability are significantly modified, such an exchange or modification is treated as de-recognition of the original liability and the recognition of a new liability. The difference between the carrying value of the financial liability and the consideration paid is recognised in Statement of Profit and Loss.

f) Write-offs

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash

flows to repay the amounts subjected to write-offs. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any subsequent recoveries made are recognised in Statement of Profit and Loss.

g) Offsetting:

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously. The legally enforceable right is not contingent on future events and enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

h) Derivatives and hedging activity:

The Company uses derivative contracts like cross currency interest rate swaps, forward contracts, options contracts, to hedge its risk associated with foreign currency and interest rate fluctuation relating to foreign currency floating rate borrowings. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain/loss is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on nature and type of the hedge relationship designated.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in cash flow hedging reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/(losses).

Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion as described above are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item.

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2025 (Contd.)

However, when the hedged forecast transaction results in the recognition of a nonfinancial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and are included in the initial measurement of the cost of the non-financial asset or nonfinancial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is reclassified immediately in profit or loss.

Fair value hedges that qualify for hedge accounting

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

The change in the fair value of the designated portion of hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in profit or loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

i) Restructured, rescheduled and modified loans

Restructured loans (other than OTR) where repayment terms are renegotiated as compared to the original contracted terms due to significant credit distress of the borrower are classified as credit impaired. Such loans continue to be in stage 3 until they exhibit regular payment of renegotiated principal and interest over a minimum observation of period, typically 12 months- post renegotiation, and there are no other indicators of impairment.

Having satisfied the conditions of timely payment over the observation period, these loans could be transferred to stage 1 or 2 and a fresh assessment of the risk of default be done for such loans.

Rollovers/repledges in case of gold loans are not considered as restructured provided no concession are allowed and the LTV is maintained at less than or equal to prescribed regulatory guidelines.

For loans restructured under the RBI Resolution Framework (OTR), the Company, basis credit assessment, the terms of restructuring, repayment behavior of borrowers and other qualitative factors, has considered all loans restructured as an early indicator of significant increase in credit risk and accordingly classified such loans as Stage 2.

j) Impairment of financial assets

Overview of the Expected Credit Loss (ECL) allowance principles:

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on loans measured at amortised cost and FVOCI and other debt financial assets not held at FVTPL.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months ECL is calculated to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognising impairment loss allowance based on 12 months ECL.

The Company performs an assessment, at the end of each reporting period, of whether a financial assets credit risk has increased significantly since initial recognition. When determining whether credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2025 (Contd.)

or effort. This includes both quantitative and qualitative information and analysis, including on historical experience and forward-looking information.

Estimation of Expected Credit Loss (ECL):

The Company calculates ECLs based on a probability-weighted scenarios and historical data to measure the expected cash shortfalls. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of default (PD): The Probability of Default is an estimate of the likelihood of default over a given time horizon. The Company uses historical information where available to determine PD.

Exposure at default (EAD): The Exposure at Default is an estimate of the exposure at a default date taking into account the repayment of principal and interest until the reporting date.

Loss Given default (LGD): The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral.

Forward looking information: While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such macro-economic trends reasonably.

Based on the above process, the Company categorises its loans into three stages as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12 months ECL. The 12-month ECL is a portion of

the lifetime ECL which results from default events that are possible within 12 months after the reporting date. These expected 12-month default probabilities are applied to an EAD and multiplied by the expected LGD. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 or Stage 3.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the life time ECL. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument.

Stage 3: Financial assets are classified as stage 3 when there is objective evidence of impairment as result of one or more loss events that have occurred after the initial recognition. The Company records an allowance for the life time ECL. The method is similar to that for Stage 2 assets, with the PD set at 100%.

For gold loans, when a loan remains overdue for 90 days or more and does not fulfil the conditions for minimum collateral cover, such loans are classified as Stage 3.

The Company has considered additional ECL provision by applying management overlays to model derived PDs and LGDs for certain pool of loans where it believes that there is a need for further adjustments given the uncertainty on forward looking risks.

k) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 - Financial Instruments; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115 – Revenue from contracts with customers.

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2025 (Contd.)

3.7 Impairment of assets other than financial assets

The Company reviews the carrying amounts of its tangible and intangible assets at the end of each reporting period, to determine whether there is any indication that those assets have impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or group of assets.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount such that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised for the asset (or cash-generating unit) in prior years. The reversal of an impairment loss is recognised in Statement of Profit and Loss.

3.8 Employee benefits

a) Short-term employee benefits

All short-term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees and recognised as expenses in the Statement of Profit and Loss. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b) Defined contribution plan (provident fund and ESIC)

Retirement benefits in the form of provident fund and superannuation are defined contribution

schemes. The Company has no obligation, other than the contribution payable to the respective funds. The Company recognises contribution payable to the respective funds as expenditure, when an employee renders the related service.

c) Defined benefit plan (Gratuity)

Payment of gratuity to employees is covered by the defined benefit scheme and the Company makes contribution under the said scheme.

The Company's liability towards gratuity scheme is determined by independent actuaries, using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. Past services are recognised at the earlier of the plan amendment/curtailment and recognition of related restructuring costs/termination benefits.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains/losses - Remeasurement of defined benefit plans, comprising of actuarial gains/losses, return on plan assets excluding interest income are recognised immediately in the balance sheet with corresponding debit or credit to Other Comprehensive Income (OCI). Remeasurements are not reclassified to Statement of Profit and Loss in the subsequent period.

d) Compensated Absences

The Company has a scheme for compensated absences for employees, the liability of which is determined on the basis of an independent actuarial valuation carried out at the end of the period, using the projected unit credit method. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss for the period in which they occur.

3.9 Share-based payments

Equity-settled share-based payments to employees are recognised as an expense at the fair value of equity stock options at the grant date. The fair value

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2025 (Contd.)

determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the graded vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding adjustment in equity.

3.10 Finance costs

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at amortised cost. Financial instruments include subordinated debts, term loans and working capital loans from Banks, Financial Institutions and NBFCs and Commercial Papers. Finance costs are charged to the Statement of Profit and Loss.

3.11 Income taxes

Income tax expense comprises of current tax and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

a) Current tax:

Current tax comprises amount of tax payable in respect of the taxable income or loss for the period determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously

Current tax is recognised in statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax is also recognised in other comprehensive income or directly in equity respectively. The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred tax:

Deferred is not recognised if it arises from temporary differences on the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of transaction, it affects neither accounting profit nor taxable profit and does not give rise to equal taxable and deductible temporary differences.

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequence that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary difference could be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset if there is: a legally enforceable right to offset current tax. Liabilities and assets, and they relate to income taxes levied by the income tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

3.12 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash on hand, cheques and drafts on hand, balances with banks in current accounts, short term deposits with an original maturity of three months or

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2025 (Contd.)

less, which are subject to an insignificant risk of change in value.

3.13 Provisions, contingent liabilities and contingent assets

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation.. Contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably.

Contingent assets are not recognised in the financial statements. However, it is disclosed only when an inflow of economic benefits is probable.

Contingent liabilities and Contingent assets are reviewed at each balance sheet date.

3.14 Leases

Contracts/arrangements, or part of a contract/ arrangement meeting the definition of "lease" and falling within the scope of Ind AS 116 "Leases" to follow accounting policies mentioned below

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Statement of Profit and Loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using incremental borrowing rate (because the implicit rate in the lease contracts is not available). The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2025 (Contd.)

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less, and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

The Company as a lessor

Leases where the Company does not transfer significantly all of the risk and benefits of ownership of the asset are classified as operating leases. Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in rental income in the Statement of Profit and Loss, unless the increase is in line with expected general inflation, in which case lease income is recognised based on contractual terms. When the Company is an intermediate lessor it accounts, for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

3.15 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity

shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, sub-division of shares etc. that have changed the number of equities shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders is divided by the weighted average number of equity shares outstanding during the period, considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

3.16 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2025 (Contd.)

4 CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at	As at
	31 st March, 2025	31 st March, 2024
Cash on hand	654	1,555
Balances with banks		
- in current accounts*	29,285	14,299
- in fixed deposits with maturity less than 3 months	42,521	2,700
	72,460	18,554

5 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at	As at
	31 st March, 2025	31 st March, 2024
Fixed deposit with maturity of more than 3 months and less than 12 months		
- Free	41	-
- Under Lien*	10,968	-
	11,009	-

6 DERIVATIVE FINANCIAL INSTRUMENTS

(₹ in Lakhs)

Part I	As at 31 st March, 2025			As at 31 st March, 2024		
	Notional amounts	Fair Value - Assets	Fair Value - Liabilities	Notional amounts	Fair Value - Assets	Fair Value - Liabilities
(i) Currency derivatives						
- Spot and forwards	11,494	53	-	16,457	-	112
- Currency futures	-	-	-	-	-	-
- Currency swaps	25,758	-	123	-	-	-
- Options purchased	-	-	-	-	-	-
- Options sold (written)	-	-	-	-	-	-
- Others	-	-	-	-	-	-
(ii) Interest Rate Derivatives						
- Forward rate agreements and interest rate swaps	27	5	-	-	-	-
- Options purchased	-	-	-	-	-	-
- Options sold (written)	-	-	-	-	-	-
- Futures	-	-	-	-	-	-
- Others	-	-	-	-	-	-
(iii) Credit Derivatives	-	-	-	-	-	-
(iv) Equity Linked Derivatives	-	-	-	-	-	-
(v) Other Derivatives	-	-	-	-	-	-
Total	37,279	58	123	16,457	-	112

Notes Forming Part of the Financial Statements
 For the Year Ended 31st March, 2025 (Contd.)

6 DERIVATIVE FINANCIAL INSTRUMENTS (Contd.)

(₹ in Lakhs)

Part II	As at 31 st March, 2025			As at 31 st March, 2024		
	Notional amounts	Fair Value - Assets	Fair Value - Liabilities	Notional amounts	Fair Value - Assets	Fair Value - Liabilities
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:						
(i) Fair value hedging						
- Currency derivatives	-	-	-	-	-	-
- Interest Rate Derivatives	-	-	-	-	-	-
- Credit Derivatives	-	-	-	-	-	-
- Equity Linked Derivatives	-	-	-	-	-	-
- Others	-	-	-	-	-	-
(ii) Cash flow hedging						
- Currency derivatives	25,758	-	123	-	-	-
- Interest Rate Derivatives	27	5	-	-	-	-
- Credit Derivatives	-	-	-	-	-	-
- Equity Linked Derivatives	-	-	-	-	-	-
- Others	-	-	-	-	-	-
(iii) Net investment hedging						
(iv) Undesignated derivatives	11,494	53	-	16,457	-	112
Total	37,279	58	123	16,457	-	112

The Company uses appropriate derivative instrument to economically hedge its risks associated with currency risk/Interest rate risk arising from the foreign currency borrowing. These contracts are stated at fair value at each reporting date. (Refer note 48.03)

7 RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
(i) Trade receivables		
Receivables considered good - Unsecured*	1,931	2,625
Trade Receivables which have significant increase in credit risk	593	593
	2,524	3,218
Less: Loss allowance	593	242
	1,931	2,976
(ii) Other receivables		
Receivables considered good - Unsecured (from related party)	-	496
	-	496
Less: Loss allowance	-	20
	-	476
	1,931	3,452

*Includes unbilled revenue amounting to ₹ 341 Lakhs (at 31st March, 2024: ₹ 14 Lakhs)

 Notes Forming Part of the Financial Statements
 For the Year Ended 31st March, 2025 (Contd.)

7 RECEIVABLES (Contd.)

Outstanding as at 31st March, 2025 from due date of payment

(₹ in Lakhs)

	Total	Less than 6 months	6 months - 1 year	1 -2 years	2 -3 years	More than 3 year
Undisputed trade & other receivable - Considered good	1,590	1,587	3	-	-	-
Undisputed trade & other receivable which have significant increase in credit risk	593	-	-	-	475	118
Undisputed trade receivables –credit impaired	-	-	-	-	-	-
Disputed trade receivables –considered good	-	-	-	-	-	-
Disputed trade receivables –which have significant increase in credit risk	-	-	-	-	-	-
Disputed trade receivables –credit impaired	-	-	-	-	-	-
Total	2,183	1,587	3	-	475	118
Less: Loss Allowance	(593)	-	-	-	(475)	(118)
	1,590	1,588	3	-	-	-
Unbilled receivable	341					
	1,931					

Outstanding as at 31st March, 2024 from due date of payment

(₹ in Lakhs)

	Total	Less than 6 months	6 months - 1 year	1 -2 years	2 -3 years	More than 3 year
Undisputed trade & other receivable - Considered good	3,107	3,107	-	-	-	-
Undisputed trade & other receivable which have significant increase in credit risk	593	-	-	475	118	-
Undisputed trade receivables –credit impaired	-	-	-	-	-	-
Disputed trade receivables –considered good	-	-	-	-	-	-
Disputed trade receivables –which have significant increase in credit risk	-	-	-	-	-	-
Disputed trade receivables –credit impaired	-	-	-	-	-	-
Total	3,700	3,107	-	475	118	-
Less: Loss Allowance	(262)	(45)	-	(99)	(118)	-
	3,438	3,063	-	375	-	-
Unbilled receivable	14					
	3,452					

7.1 No trade receivables and other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Further, no trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2025 (Contd.)

8 LOANS

As at 31st March, 2025

(₹ in Lakhs)

	Amortised Cost	At Fair Value through other comprehensive income	Total
(i) Term Loans	8,39,410	3,44,432	11,83,842
Gross carrying amount of loans	8,39,410	3,44,432	11,83,842
Less: Impairment Loss Allowance	(19,205)	-	(19,205)
Total Net (A)	8,20,205	3,44,432	11,64,637
(i) Secured by tangible assets (Refer Note 44.1.2)	7,98,257	2,62,059	10,60,316
(ii) Secured by intangible assets	-	-	-
(iii) Covered by guarantees (Refer Note 44.1.2)	323	-	323
(iv) Unsecured	40,830	82,373	1,23,203
Total Gross (B)	8,39,410	3,44,432	11,83,842
Less: Impairment Loss Allowance	(19,205)	-	(19,205)
Total Net (B)	8,20,205	3,44,432	11,64,637
Loans in India			
(i) Public sector	-	-	-
(ii) Others (Includes loans given to private sector)	8,39,410	3,44,432	11,83,842
Total Gross (C)	8,39,410	3,44,432	11,83,842
Less: Impairment Loss Allowance	(19,205)	-	(19,205)
Total Net (C)	8,20,205	3,44,432	11,64,637

As at 31st March, 2024

(₹ in Lakhs)

	Amortised Cost	At Fair Value through other comprehensive income	Total
(i) Term Loans	7,64,563	2,27,069	9,91,632
Gross carrying amount of loans	7,64,563	2,27,069	9,91,632
Less: Impairment Loss Allowance	(9,387)	-	(9,387)
Total Net (A)	7,55,176	2,27,069	9,82,245
(i) Secured by tangible assets (Refer Note 44.1.2)	7,10,213	1,48,920	8,59,133
(ii) Secured by intangible assets	-	-	-
(iii) Covered by guarantees (Refer Note 44.1.2)	1,000	-	1,000
(iv) Unsecured	53,350	78,149	1,31,499
Total Gross (B)	7,64,563	2,27,069	9,91,632
Less: Impairment Loss Allowance	(9,387)	-	(9,387)
Total Net (B)	7,55,176	2,27,069	9,82,245
Loans in India			
(i) Public sector	-	-	-
(ii) Others (Includes loans given to private sector)	7,64,563	2,27,069	9,91,632
Total Gross (C)	7,64,563	2,27,069	9,91,632
Less: Impairment Loss Allowance	(9,387)	-	(9,387)
Total Net (C)	7,55,176	2,27,069	9,82,245

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2025 (Contd.)

8 LOANS (Contd.)

8.1 The Company has not advanced any loans to the promoters, directors, senior officers, relatives of directors, KMPs and the related parties either severally or jointly with any other person during the year ended 31st March, 2025. (31st March, 2024: Nil)

8.2 Disclosure required as per Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Loans against collateral of gold jewellery (Gross)	4,74,957	3,44,729
Total assets of the Company	13,24,970	11,13,784
Percentage of Loans against collateral of gold jewellery to Total assets of the Company	35.85%	30.95%

8.3 The table below shows the credit quality and the maximum exposure to credit risk based on the Company's impairment assessment and stage classification.

The amounts presented are gross of impairment allowances.

(a) Gross carrying amount of loan assets measured at amortised cost allocated to Stage 1, Stage 2 and Stage 3

(₹ in Lakhs)

Loans (at amortised cost)	As at 31 st March, 2025	As at 31 st March, 2024
Stage 1	7,77,298	7,05,986
Stage 2	42,637	42,384
Stage 3	19,475	16,193
Total	8,39,410	7,64,563

(b) Reconciliation of gross carrying amount of loan assets measured at amortised cost is given below:

(₹ in Lakhs)

	As at 31 st March, 2025				As at 31 st March, 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	7,05,986	42,384	16,193	7,64,563	6,97,757	37,461	16,431	7,51,649
Transfers to Stage 1	4,086	(3,242)	(844)	-	4,607	(3,784)	(823)	-
Transfers to Stage 2	(20,042)	20,417	(375)	-	(16,401)	16,852	(451)	-
Transfers to Stage 3	(7,766)	(3,383)	11,149	-	(5,869)	(2,710)	8,579	-
Assets derecognised (excluding write offs)	(3,78,940)	(23,330)	(6,141)	(4,08,411)	(3,48,541)	(16,022)	(5,741)	(3,70,304)
Asset written off	(2,679)	(1,292)	(700)	(4,671)	(972)	(1,013)	(2,155)	(4,140)
Loan Repaid*	(1,06,856)	(1,952)	(2,089)	(1,10,897)	(1,12,589)	(1,473)	(1,521)	(1,15,583)
New assets originated or purchased	5,83,509	13,035	2,282	5,98,826	4,87,994	13,072	1,874	5,02,940
Gross carrying amount closing balance	7,77,298	42,637	19,475	8,39,410	7,05,986	42,384	16,193	7,64,563

*Movement covers repayment of loan, change in exposure on account of restructuring, change in exposure for partly disbursed loans.

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2025 (Contd.)

8 LOANS (Contd.)

(c) Reconciliation of ECL balance of loan assets measured at amortised cost is given below:

(₹ in Lakhs)

	As at 31 st March, 2025				As at 31 st March, 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	1,962	4,167	3,258	9,387	2,465	4,190	3,649	10,304
Transfers to Stage 1	665	(470)	(195)	-	719	(565)	(154)	-
Transfers to Stage 2	(216)	293	(77)	-	(113)	193	(80)	-
Transfers to Stage 3	(136)	(619)	755	-	(85)	(391)	476	-
Assets derecognised (excluding write offs)	(768)	(1,344)	(988)	(3,100)	(45)	(1,013)	(761)	(1,819)
Assets written off	(2,245)	(820)	(250)	(3,315)	(714)	(575)	(1,397)	(2,686)
Loan Repaid*	(3,176)	(2,356)	(2,882)	(8,414)	(3,754)	(124)	(170)	(4,048)
New assets originated or purchased	7,595	7,223	9,829	24,647	3,489	2,452	1,695	7,636
ECL allowance - closing balance	3,681	6,074	9,450	19,205	1,962	4,167	3,258	9,387

*Movement covers release of provision on account of repayment, increase in provision on account of restructuring, increase in provision on account of disbursement of partly disbursed loans.

(d) Gross carrying amount of loan assets measured at fair value through OCI allocated to Stage 1, Stage 2 and Stage 3

(₹ in Lakhs)

Loans (at FVOCI)	As at 31 st March, 2025	As at 31 st March, 2024
Stage 1	3,36,986	2,27,329
Stage 2	8,872	1,565
Stage 3	7,127	335
Total	3,52,985	2,29,229

(e) Reconciliation of gross carrying amount of loan assets measured at fair value through OCI allocated is given below:

(₹ in Lakhs)

	As at 31 st March, 2025				As at 31 st March, 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	2,27,329	1,565	335	2,29,229	59,140	207	19	59,366
Transfers to Stage 1	187	(86)	(101)	-	79	(79)	-	-
Transfers to Stage 2	(6,098)	6,098	-	-	(966)	966	-	-
Transfers to Stage 3	(5,149)	(194)	5,343	-	(529)	(48)	577	-
Assets derecognised (excluding write offs)	(29,452)	(993)	(37)	(30,482)	(6,764)	(57)	(19)	(6,840)
Asset written off	(1,981)	(592)	30	(2,543)	(598)	-	(540)	(1,138)
Loan Repaid*	(96,436)	(1,519)	(1,852)	(99,807)	(31,404)	(324)	(363)	(32,091)
New assets originated or purchased	2,48,586	4,593	3,409	2,56,588	2,08,371	900	661	2,09,932
Gross carrying amount closing balance	3,36,986	8,872	7,127	3,52,985	2,27,329	1,565	335	2,29,229

*Movement covers repayment of loan, change in exposure on account of restructuring, change in exposure for partly disbursed loans.

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2025 (Contd.)

8 LOANS (Contd.)

(f) Reconciliation of ECL balance of loan assets measured at fair value through OCI allocated is given below:

(₹ in Lakhs)

	As at 31 st March, 2025				As at 31 st March, 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	1,745	345	70	2,160	705	33	3	741
Transfers to Stage 1	33	(15)	(18)	-	7	(7)	-	-
Transfers to Stage 2	(63)	63	-	-	(12)	12	-	-
Transfers to Stage 3	(56)	(35)	91	-	(8)	(5)	13	-
Assets derecognised (excluding write offs)	(250)	(260)	(8)	(518)	(85)	(19)	(3)	(107)
Assets written off	(763)	(229)	13	(979)	(236)	-	(213)	(449)
Loan Repaid*	(692)	(1)	(4)	(697)	(465)	-	(4)	(469)
New assets originated or purchased	3,662	2,353	2,571	8,586	1,839	331	274	2,444
ECL allowance - closing balance	3,616	2,221	2,715	8,552	1,745	345	70	2,160

*Movement covers release of provision on account of repayment, increase in provision on account of restructuring, increase in provision on account of disbursement of partly disbursed loans.

9 INVESTMENTS

9.1 At Amortised Cost:

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
NCD		
Investment in Non Convertible Debentures (NCD)	833	833
Less: Allowance for impairment loss	(625)	(250)
	208	583
G-Sec		
Investments in Government Securities at Amortised Cost	28,399	-
Less: Allowance for impairment loss	-	-
	28,399	-

9.2 At Fair value through OCI

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Investments in Government Securities	-	24,600
	-	24,600

9.3 At Fair Value Through Profit & Loss

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Mutual Funds	11,812	49,945
(March'25 - Units: No. 6,00,836 and Cost ₹ 11,803 Lakhs)		
(March'24 - Units: No. 68,47,330 and Cost ₹ 49,898 Lakhs)		
	11,812	49,945
Total Investments	40,419	75,128

Note: All the investments are held in India.

Notes Forming Part of the Financial Statements
 For the Year Ended 31st March, 2025 (Contd.)

10 OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Security Deposits	2,149	2,232
Full & final recovery from employee	2	71
Bank deposits with more than 12 months maturity (Refer Note 10.1 to 10.2)	6,520	11,921
	8,671	14,224

10.1. Fixed deposit (principal) amounting to ₹ 793 Lakhs (March 2024- ₹ 793 Lakhs) is lien marked towards bank guarantee issued by Axis bank to National Stock Exchange in connection with Initial Public Offer (IPO).

10.2. During the year ending 31st March, 2024, Fixed deposit amounting to ₹ 5,560 Lakhs is lien marked for overdraft facilities with Ujjivan Small Finance Bank.

11 CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Advance income taxes (net of provision for taxes)	-	1,033
	-	1,033

12 DEFERRED TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Deferred tax assets (net)	1,070	219
	1,070	219

13 OTHER NON-FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Input tax credit (Net)	1,594	1,044
Prepaid expenses	2,149	2,042
Advance to Suppliers	1,589	1,130
Advances to employees (other than loans)	49	62
Others	364	68
	5,745	4,346

 Notes Forming Part of the Financial Statements
 For the Year Ended 31st March, 2025 (Contd.)

14.1 PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Computer Equipments	Office Equipments	Lease Hold improvements (Interior Furnishings)	Furniture & Fixtures	Vehicles - Cars	Server	Total Property, Plant and Equipment
Gross Block as at 1st April, 2024	1,744	1,958	2,573	1,254	16	113	7,658
Gross Block as at 1 st April, 2023	(1,331)	(1,664)	(2,334)	(1,115)	(16)	(113)	(6,573)
Additions during year ended 31st March, 2025	364	433	638	333			1,768
Additions during year ended 31st March, 2024	(413)	(305)	(295)	(153)			(1,166)
Deductions during year year Mar 31, 2025	68	99	5	74		1	247
Deductions during year ended 31st March, 2024	-	(11)	(56)	(14)			(81)
Gross Block as at 31st March, 2025	2,040	2,292	3,206	1,513	16	112	9,179
Gross Block as at 31st March, 2024	(1,744)	(1,958)	(2,573)	(1,254)	(16)	(113)	(7,658)
Accumulated depreciation as at 1st April, 2024	1,078	1,399	1,457	724	14	90	4,762
Accumulated depreciation as at 1 st April, 2023	(726)	(1,021)	(1,125)	(545)	(13)	(77)	(3,507)
Additions during year ended 31st March, 2025	402	378	409	226	0	11	1,426
Additions during year ended 31st March, 2024	(352)	(388)	(385)	(190)	(1)	(13)	(1,329)
Deductions during year year 31st March, 2025	63	80	4	52		1	200
Deductions during year ended 31st March, 2024	-	(10)	(53)	(11)			(74)
Accumulated depreciation at 31st March, 2025	1,417	1,697	1,862	898	14	100	5,988
Accumulated depreciation at 31st March, 2024	(1,078)	(1,399)	(1,457)	(724)	(14)	(90)	(4,762)
Net block as at 31st March, 2025	623	595	1,344	615	2	12	3,191
Net block as at 31st March, 2024	(666)	(559)	(1,116)	(530)	(2)	(23)	(2,895)

14.2 INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Computer Software
Gross Block as at 1st April, 2024	994
Gross Block as at 1 st April, 2023	(773)
Additions during year ended 31st March, 2025	62
Additions during year ended 31st March, 2024	(299)
Deductions during year ended 31st March, 2025	1
Deductions during year ended 31st March, 2024	(78)
Gross Block as at 31st March, 2025	1,055
Gross Block as at 31st March, 2024	(994)
Accumulated depreciation as at 1st April, 2024	582
Accumulated depreciation as at 1 st April, 2023	(453)
Additions during year ended 31st March, 2024	181
Additions during year ended 31st March, 2024	(192)
Deductions during year year 31st March, 2025	0
Deductions during year ended 31st March, 2024	(63)
Accumulated depreciation at 31st March, 2025	763
Accumulated depreciation at 31st March, 2024	(582)
Net block as at 31st March, 2025	292
Net block as at 31st March, 2024	(412)

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2025 (Contd.)

14.3 CAPITAL WORK IN PROGRESS (CWIP)

(₹ in Lakhs)

Particulars	CWIP
Gross Block as at 1 st April, 2024	27
Gross Block as at 1 st April, 2023	(53)
Additions during year ended 31 st March, 2025	417
Additions during year ended 31 st March, 2024	(326)
Deductions during year ended 31 st March, 2025	416
Deductions during year ended 31 st March, 2024	(352)
Gross Block as at 31 st March, 2025	28
Gross Block as at 31 st March, 2024	(27)

14.3.1 Ageing of Capital Work in Progress (CWIP)

(₹ in Lakhs)

CWIP	Amount in CWIP - 31 st March, 2025				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	28	-	-	-	28
Projects temporarily suspended	-	-	-	-	-

(₹ in Lakhs)

CWIP	Amount in CWIP - 31 st March, 2024				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	17	-	10	-	27
Projects temporarily suspended	-	-	-	-	-

14.4 RIGHT-OF-USE (ROU) ASSET

(₹ in Lakhs)

Particulars	ROU
ROU as at Apr 01, 2024	11,249
ROU as at Apr 01, 2023	(11,193)
Additions during year ended 31 st March, 2025	7,423
Additions during year ended 31 st March, 2024	(2,270)
Deductions during year ended 31 st March, 2025	-
Deductions during year ended 31 st March, 2024	-
Amortisation during year ended 31 st March, 2025	3,277
Amortisation during year ended 31 st March, 2024	(2,214)
ROU as at 31 st March, 2025	15,395
ROU as at 31 st March, 2024	(11,249)

14.5 INTANGIBLE ASSET UNDER DEVELOPMENT

(₹ in Lakhs)

Particulars	Intangible Asset Under Development
Gross Block as at 1 st April, 2024	-
Gross Block as at 1 st April, 2023	-
Additions during year ended 31 st March, 2025	64
Additions during year ended 31 st March, 2024	-
Deductions during year ended 31 st March, 2025	-
Deductions during year ended 31 st March, 2024	-
Gross Block as at 31 st March, 2025	64
Gross Block as at 31 st March, 2024	-

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2025 (Contd.)

14.5 INTANGIBLE ASSET UNDER DEVELOPMENT (Contd.)

14.5.1 Ageing of Intangible Asset under development (IAUD)

(₹ in Lakhs)

CWIP	Amount in IAUD - 31 st March, 2025				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	64	-	-	-	64
Projects temporarily suspended	-	-	-	-	-

15 TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
(i) Total outstanding dues of micro enterprises and small enterprises	24	-
(ii) Total outstanding dues to creditors other than micro enterprises and small enterprises	849	1,215
	873	1,215

15.1 Other payables

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues to creditors other than micro enterprises and small enterprises*	157	-
	157	-

*Represents balance outstanding from related party (Refer note 39)

Trade Payable as at 31st March, 2025 from due date of payment

(₹ in Lakhs)

Particulars	Total	Less than 1 year	1-2 years	2-3 years	More than 3 year
MSME	24	24	-	-	-
Others	849	683	55	15	96
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-

Other Payable as at 31st March, 2025 from due date of payment

(₹ in Lakhs)

Particulars	Total	Less than 1 year	1-2 years	2-3 years	More than 3 year
Others	157	157	-	-	-

Trade Payable as at 31st March, 2024 from due date of payment

(₹ in Lakhs)

Particulars	Total	Less than 1 year	1-2 years	2-3 years	More than 3 year
MSME	-	-	-	-	-
Others	1,215	1,037	16	94	68
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2025 (Contd.)

15 TRADE PAYABLES (Contd.)

Other Payable as at 31st March, 2024 from due date of payment

Particulars	(₹ in Lakhs)			
	Total	Less than 1 year	1 -2 years	2 -3 years More than 3 year
Others	-	-	-	-

15.2 The Company has taken steps to identify the suppliers who qualify under the definition of micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006. The aforementioned is based on responses received by the Company to its enquiries with the suppliers with regard to applicability under the said Act. The details of amounts outstanding to Micro, Small and Medium Enterprises based on information available with the Company is as under:

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2025	As at 31 st March, 2024
Principal amount remaining unpaid as at the end of the period	24	-
Interest due on above and remaining unpaid as at the end of the period	-	-
Amount of interest paid along terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, with amount of payment made to supplier beyond the appointed day	-	-
Interest due and payable on principal amounts for the period of delay in making the payment paid beyond the due date during the period but without the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006 amounts under this Act	-	-
Interest accrued and remaining unpaid at the end of each period	-	-
Amount of further interest remaining due and payable even in the succeeding periods, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

16 DEBT SECURITIES

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2025	As at 31 st March, 2024
At amortised cost		
Secured		
Non-convertible redeemable debentures (refer note 16.1, 16.2, 17.3 & 17.4)	40,144	30,192
Unsecured		
Commercial paper (refer note 16.2, 16.3, 17.3 & 17.4)	10,000	-
Less: Unamortised discount	(122)	-
	50,022	30,192
Debt Securities in India	50,022	30,192
Debt Securities outside India	-	-
	50,022	30,192

16.1 Details of security cover provided for debt securities

Security Clause	(₹ in Lakhs)	
	31 st March, 2025	31 st March, 2024
Secured by First Pari Passu Charge by way of hypothecation of all book debt receivables, Current Assets and Investments	36,125	28,125
First Pari Passu Charge on all present and future standard business receivables (except receivables hypothecated by way of exclusive charge, if any, to any of the Identified Lenders) and current assets including investments to the extent of security cover of each lender	-	-
Subtotal	36,125	28,125
Unamortised Cost	(16)	(24)
Interest Accrued	4,035	2,091
Total	40,144	30,192

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2025 (Contd.)

16 DEBT SECURITIES (Contd.)

16.2 Contractual Terms of repayment of Debt Securities

Particulars	Interest Rate Range	(₹ in Lakhs)	
		31 st March, 2025	31 st March, 2024
Issued on Private Placement Basis			
I. Secured			
Repayable on Maturity			
Maturing within 1 year	8.30% to 8.70%	5,500	2,500
Maturing Between 1 year to 3 Years	8.30% to 8.70%	29,125	25,000
Maturing Between 3 year to 5 Years	8.30% to 8.70%	1,500	625
Maturing more than 5 Years		-	-
Total Payable on Maturity		36,125	28,125
Unamortised Cost		(16)	(24)
Interest Accrued		4,035	2,091
Total Carrying amount		40,144	30,192
II. Unsecured			
Repayable on Maturity			
Maturing within 1 year	8.15%	10,000	-
Maturing Between 1 year to 3 Years		-	-
Maturing Between 3 year to 5 Years		-	-
Maturing more than 5 Years		-	-
Total Payable on Maturity		10,000	-
Unamortised Discount		(122)	-
Interest Accrued		-	-
Total Carrying amount		9,878	-

16.3 The commercial papers issued by the Company have maturity less than a year and maximum amount outstanding during the year ended 31st March, 2025 was ₹ 57,500 Lakhs (31st March, 2024 - ₹ 40,000 Lakhs)

17 BORROWINGS (OTHER THAN DEBT SECURITIES)

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2025	As at 31 st March, 2024
Term Loan At amortised cost		
Secured		
Term loan from Bank (other than related party)	5,88,933	5,28,825
Term loan from Related Party	1,02,963	73,623
Term loans from other Parties (refer note 2.43)	70,568	62,518
	7,62,464	6,64,966
Unsecured		
Term loans from Bank (refer note 2.43)	-	-
Term loans from other Parties (refer note 2.43)	2,515	2,621
	2,515	2,621
Loans repayable on demand		
Secured		
From Bank (other than related party)	1,58,254	70,118
From Related Party	6,004	6,004
	1,64,258	76,122
	9,29,237	7,43,709
Borrowings in India	9,03,568	7,43,709
Borrowings outside India (refer note 17.2)	25,669	-
	9,29,237	7,43,709

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2025 (Contd.)

17 BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

17.1 Contractual terms of repayment of borrowings

(₹ in Lakhs)

Particulars	Interest Rate Range	31 st March, 2025	31 st March, 2024
I. Secured			
1. Repayable in Installments			
i. On monthly basis			
Maturing within 1 year	8.45% to 8.57%	52,792	5,500
Maturing Between 1 year to 3 Years	8.45% to 8.57%	2,250	10,156
Maturing Between 3 year to 5 Years		-	-
Maturing more than 5 Years		-	-
Subtotal (A)		55,042	15,656
ii. On quarterly basis			
Maturing within 1 year	7.25% to 10.25%	3,32,012	2,22,877
Maturing Between 1 year to 3 Years	7.25% to 10.25%	3,68,863	3,01,848
Maturing Between 3 year to 5 Years	7.25% to 10.25%	62,077	98,664
Maturing more than 5 Years	7.25% to 10.25%	8,253	11,359
Subtotal (B)		7,71,205	6,34,748
iii. On half-yearly basis			
Maturing within 1 year		-	1,667
Maturing Between 1 year to 3 Years		-	1,661
Subtotal (C)		-	3,328
iv. On Yearly basis			
Maturing within 1 year		-	4,232
Maturing Between 1 year to 3 Years		-	5,739
Maturing Between 3 year to 5 Years		-	1,125
Subtotal (D)		-	11,096
2. Repayable on Maturity			
Maturing within 1 year	8.10% to 8.90%	74,000	75,998
Maturing Between 1 year to 3 Years	7.61%	25,758	-
Maturing Between 3 year to 5 Years		-	-
Subtotal (E)		99,758	75,998
Unamortised Cost		(753)	(510)
Interest Accrued		1,470	772
Total Secured		9,26,722	7,41,088
II. Unsecured			
Repayable on Maturity			
Maturing within 1 year		-	-
Maturing Between 1 year to 3 Years	8.35%	2,500	2,500
Maturing Between 3 year to 5 Years		-	-
Maturing more than 5 Years		-	-
Unamortised Cost		(0)	-
Interest Accrued		15	121
Total Unsecured		2,515	2,621

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2025 (Contd.)

17 BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

17.2 During the year ended 31st March, 2025, the Company had availed total External Commercial Borrowing (ECBs) of US\$ 30 Mn for financing prospective borrower as per the ECB guidelines issued by Reserve Bank of India ("RBI") from time to time. The borrowing has a maturity of three years. In terms of the RBI guidelines, borrowings have been swapped into rupees and fully hedged for the entire maturity by way of cross currency swaps. The Company has not borrowed any Foreign Currency (US\$) denominated Term Loan other than rollover of existing foreign currency borrowing facility (March 31 2024, ₹ Nil). Such borrowings are currently carried at ₹ 11,250 Lakhs as at 31st March, 2025 (March 31 2024: ₹ 16,257 Lakhs).

The foreign currency exposure on these borrowings have been economically hedged through forward contracts. (Refer note 48.03).

Terms of repayment of External commercial borrowings in foreign currency

Rate of Interest (%)	0-3 Years	3-5 Years	>5 Years	Total
7.61	25,758	-	-	25,758

17.3 The Appropriate hedging gain/loss transfer has been done for ECB (Hedging Item) and Derivatives Liabilities (hedging Instruments) in line with Ind As 109.

17.4 There is no borrowing measured at FVTPL or designated as FVTPL.

17.5 No term loan, commercial paper or any other borrowing is guaranteed by promoter or directors of the Company.

17.6 Details of security cover provided for borrowings

(₹ in Lakhs)

Security Clause	31 st March, 2025	31 st March, 2024
First Pari Passu Charge on all present and future standard business receivables (except receivables hypothecated by way of exclusive charge, if any, to any of the Identified Lenders) and current assets including investments to the extent of security cover of each lender	9,21,005	7,35,826
Overdraft Against Fixed Deposit	5,000	5,000
Subtotal	9,26,005	7,40,826
Adjustment to carrying value for unamortised cost and accrued interest	717	262
Total	9,26,722	7,41,088

18 SUBORDINATED LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
At amortised cost		
Unsecured		
Non-convertible redeemable debentures - Related Party	24,548	24,418
Non-convertible redeemable debentures - Others	23,059	23,141
	47,607	47,559

18.1 There is no subordinated liability measured at FVTPL or designated at FVTPL.

Notes Forming Part of the Financial Statements
 For the Year Ended 31st March, 2025 (Contd.)

18 SUBORDINATED LIABILITIES (Contd.)
18.2 Contractual terms of repayment of subordinated liabilities

(₹ in Lakhs)

Particulars	Interest Rate Range	31 st March, 2025	31 st March, 2024
Issued on Private Placement Basis			
Repayable on Maturity			
Maturing within 1 year		-	-
Maturing Between 1 year to 3 Years		-	-
Maturing Between 3 year to 5 Years	9.90%	25,000	25,000
Maturing more than 5 Years	9.00%	20,000	20,000
Total Payable on Maturity		45,000	45,000
Unamortised Cost		(153)	(213)
Interest Accrued		2,759	2,772
Total Carrying amount		47,606	47,559

19 LEASE LIABILITY

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Lease Liability *	16,854	12,558
	16,854	12,558

*Refer note 47 for the contractual maturities of lease liabilities

20 OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Book overdraft	-	28,859
Assignee related payable	10,344	6,470
Employee related payable	3,594	3,023
Auction Related Payables	150	78
Commission Payable	2,366	2,444
Account Payable - Stale Cheque	620	576
Provision for expense	2,918	3,006
Other payables*	237	874
	20,229	45,330

* Includes auction deposit payable

21 CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Provision for taxation (net of advance tax)	1,161	-
	1,161	-

Notes Forming Part of the Financial Statements
 For the Year Ended 31st March, 2025 (Contd.)

22 PROVISIONS

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Provision for Gratuity (Refer Note 38)	715	467
Provision for Compensated leave absences (Refer Note 38)	611	446
Provision for others	55	36
	1,381	949

23 OTHER NON-FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Advances from customers	1,737	5,325
Statutory dues payable	853	752
	2,590	6,077

24 EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Authorised:		
99,00,00,000 Equity Shares of ₹ 10 each	99,000	99,000
1,00,00,000 Optionally Cummulative Redeemable Preference Shares ('OCRPS') of ₹10 each	1,000	1,000
	1,00,000	1,00,000
Issued, Subscribed and Paid up:		
37,27,16,854 (Previous year 36,93,86,899) Equity Shares of ₹ 10 each fully paid up	37,272	36,939
	37,272	36,939

(a) Reconciliation of the number of shares outstanding and amount of share capital at the beginning and at the end of the period

(i) Reconciliation of the number of equity shares outstanding and amount of share capital at the beginning and at the end of the period

Particulars	As at 31 st March, 2025		As at 31 st March, 2024	
	Number of Shares	Rupees in Lakhs	Number of Shares	Rupees in Lakhs
Balance at the beginning of the year	36,93,86,899	36,939	32,19,11,605	32,191
Add: Additional equity shares Issued on account of Initial Public Offering ("IPO")	-	-	4,28,81,148	4,288
Add: ESOP exercised	33,29,955	333	45,94,146	459
Balance at the end of the year	37,27,16,854	37,272	36,93,86,899	36,939

(b) Rights, preferences and restrictions attached to equity shares

For Equity shares: The Company has only one class of Equity shares having face value of ₹ 10/- each per share. Each holder of Equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of Equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts if any. The distribution will be in proportion to the number of shares held.

Notes Forming Part of the Financial Statements
 For the Year Ended 31st March, 2025 (Contd.)

24 EQUITY SHARE CAPITAL (Contd.)

(c) Details of equity shares held by shareholders holding more than 5% shares of the aggregate shares in the Company

Particulars	As at 31 st March, 2025		As at 31 st March, 2024	
	Percentage Of Holding	Rupees in Lakhs	Percentage Of Holding	Rupees in Lakhs
Equity Shares				
Equity Shares Held by holding company - The Federal Bank Limited (Including 405 shares held by nominees)	61.03%	22,747	61.58%	22,747
- True North Fund VI LLP	8.66%	3,229	8.74%	3,229

(d) Details of equity shares held by Promoters in the Company
As at 31st March, 2025

Promoters Name	No. of Shares	Percentage Of Holding	% of changes during period ended 31 st March, 2025
Federal Bank Limited	22,74,71,046	61.03%	0.55%

As at 31st March, 2024

Promoters Name	No. of Shares	Percentage Of Holding	% of changes during year ended 31 Mar 2024
Federal Bank Limited	22,74,71,046	61.58%	(11.64%)

(e) Number of shares reserved for ESOPs

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Equity Shares of ₹ 10 fully paid up		
Number of shares reserved for ESOPs	72,56,836	88,89,079

25 OTHER COMPONENTS OF EQUITY

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Securities Premium	1,10,945	1,08,823
Employee stock option outstanding	767	1,247
Debt instruments through OCI	10,629	6,477
Statutory Reserve	19,593	15,089
General Reserve	10	10
Capital Redemption Reserve	200	200
Cash Flow Hedges Reserve	(2)	-
Surplus in the Statement of Profit and Loss	75,322	57,299
	2,17,464	1,89,144

25.1 Nature and purpose of reserves
a) Securities Premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

 Notes Forming Part of the Financial Statements
 For the Year Ended 31st March, 2025 (Contd.)

25 OTHER COMPONENTS OF EQUITY (Contd.)

b) Employee Stock Option outstanding

The Employee Stock Options outstanding represents amount of reserve created by recognition of compensation cost at grant date fair value on stock options vested but not exercised by employees and unvested stock options in the Statement of Profit and Loss in respect of share options granted to the eligible employees of the Company in pursuance of the Employee Stock Option Plan.

c) Other Comprehensive Income

It represents the fair value gains/(losses) post tax on loans and investments.

d) Special Reserve

Special reserve represents the Reserve fund created under Section 45-IC of the Reserve Bank of India Act, 1934.

e) General Reserve

The reserve is a distributable reserve maintained by the Company out of transfers made from annual profits.

f) Capital Redemption Reserve

Capital Redemption Reserve represents the reserve created for a sum equal to nominal value of the preference share redeemed.

g) Cash Flow Hedges Reserve

It represents the cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI.

h) Surplus in the statement of profit and loss

Surplus in the Statement of Profit and Loss pertain to the Company's undistributed earnings after taxes.

25.2 Details of movement in other equity

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
a) Securities Premium Account	1,08,823	52,497
Add: Additions during the year on issue of Equity Shares	2,122	58,347
Less: Share issue expenses (net of tax)	-	(2,021)
	1,10,945	1,08,823
b) Employee Stock Option Outstanding	1,247	1,482
Add: Additions/(reduction) during the year	(480)	(235)
	767	1,247
c) Other Comprehensive Income	6,539	1,333
Add: Additions during the year	4,162	5,206
	10,701	6,539
d) Special Reserve under section 45-IC of the Reserve Bank of India Act, 1934	15,089	10,195
Add: Additions during the year	4,504	4,894
	19,593	15,089
e) General Reserve	10	10
Add: Additions during the year	-	-
	10	10

Notes Forming Part of the Financial Statements
 For the Year Ended 31st March, 2025 (Contd.)

25 OTHER COMPONENTS OF EQUITY (Contd.)

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2025	As at 31 st March, 2024
f) Capital Redemption Reserve	200	200
Add: Additions during the year	-	-
	200	200
g) Cash Flow Hedges Reserve	-	-
Add: Additions during the year	(2)	-
	(2)	-
h) Retained Earning - Opening Balance	57,236	37,660
Add: Profit for the year	22,518	24,470
Less: Transferred to Statutory Reserve	(4,504)	(4,894)
	75,250	57,236
Other Equity	2,17,464	1,89,144

REVENUE FROM OPERATIONS
26 INTEREST INCOME

Particulars	(₹ in Lakhs)	
	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Interest on loans	1,73,517	1,36,560
Interest on fixed deposits	1,555	1,636
Income on direct assignment	15,231	9,124
Interest income from investments	1,957	1,735
Interest income on security deposit	198	113
	1,92,458	1,49,168

Note: No loans have been measured at FVTPL.

27 FEE AND COMMISSION INCOME

Particulars	(₹ in Lakhs)	
	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Income From Distribution	3,307	3,657
Loan Servicing Fee	272	121
Other fee and charges	4,984	2,786
	8,563	6,564

28 NET GAIN ON FAIR VALUE CHANGES

Particulars	(₹ in Lakhs)	
	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
a) Net gain on financial instrument at fair value through profit or loss	2,558	1,989
	2,558	1,989
b) Fair value changes:		
- Realised	2,596	1,941
- Unrealised	(38)	48
Total Net gain on fair value changes	2,558	1,989

 Notes Forming Part of the Financial Statements
 For the Year Ended 31st March, 2025 (Contd.)

29 OTHER INCOME

Particulars	(₹ in Lakhs)	
	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Income from Provision of Facilities/Services	3,903	4,511
Interest On Income Tax Refunds	84	-
Miscellaneous Income*	416	68
	4,403	4,579

* Includes notice pay recoveries from employees and modification gain on lease.

30 FINANCE COSTS

Particulars	(₹ in Lakhs)	
	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Interest on borrowings (other than debt securities)	73,220	57,407
Foreign currency translation loss *	240	477
Interest on debt securities	8,403	7,254
Interest on subordinated liabilities	1,257	1,241
Interest on lease liability	1,204	940
Other interest expense	1,054	637
	85,378	67,956

 * It represents net foreign exchange changes on foreign currency borrowings amounting to ₹ 405 Lakhs (31st March, 2024: ₹ 365 Lakhs) and mark to market gain on derivative instruments amounting to ₹ 165 Lakhs (31st March, 2024: Loss ₹ 112 Lakhs). This includes gain or loss on foreign currency transactions.

31 FEES AND COMMISSION EXPENSES

Particulars	(₹ in Lakhs)	
	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Commission and brokerage	1,850	2,287
	1,850	2,287

32 IMPAIRMENT ON FINANCIAL INSTRUMENTS

Particulars	(₹ in Lakhs)	
	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Loans measured at amortised cost*		
- Bad debts (net of recovery)	3,151	5,250
- ECL Provision	9,824	(919)
Loans measured at fair value through other comprehensive income*		
- Bad debts (net of recovery)	1,564	689
- ECL Provision	6,392	1,419
Investments measured at amortised cost*		
- ECL Provision on Investment	375	83
- Other assets*		
ECL Provision on Receivables	330	63
	21,636	6,585

*Note: Other than financial instruments measured at amortized cost and FVOCI, there are no financial instruments measured at FVTPL.

Notes Forming Part of the Financial Statements
 For the Year Ended 31st March, 2025 (Contd.)

33 EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)

Particulars	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Salaries and wages	35,928	28,725
Contribution to provident and other funds (Refer note 38) (refer note 2.31)	1,650	1,373
Share based payments to employees (Refer note 46)	130	456
Staff welfare expenses	1,322	1,228
	39,030	31,782

34 OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Advertisement and business promotion	471	156
Auditors' remuneration (refer note below 34.1)	88	104
Commission and sitting fees to Directors*	165	39
Insurance	424	303
Legal and professional fees	3,997	3,459
Collection Agency Commission	2,581	1,216
Printing and stationery	407	309
Rates and taxes	174	172
Rent	956	243
Repairs and maintenance - Machinery	286	5
Technology cost	4,348	3,430
Electricity charges (refer note 2.40)	623	378
Corporate social responsibility ('CSR') (refer note 34.2)	473	310
Sourcing expenses	720	435
Office expenses	652	429
Postage and courier	603	493
Goods & service tax expenses	3,126	2,396
Travelling and conveyance	2,264	1,838
Recruitment charges	237	219
Servicing fees - Micro finance loans	5	4
Valuation charges	20	43
Housekeeping and security charges	1,310	871
Loss on sale of assets	34	-
Operational Loss	23	(37)
Securitisation expenses	669	228
Miscellaneous expenses	151	79
Penalty and Fines (Refer Note 48.22)	4	13
Listing Fees	17	12
	24,828	17,147

 Notes Forming Part of the Financial Statements
 For the Year Ended 31st March, 2025 (Contd.)

34 OTHER EXPENSES (Contd.)

34.1 Auditors' remuneration #*

(₹ in Lakhs)

Particulars	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
For Statutory Audit	34	59
For Limited Review	42	35
For Other Matters	8	1
For Out of pocket expenses	4	9
	88	104

Excludes remuneration amounting to ₹ 218 Lakhs paid to the auditors during FY 2023-24 for services in connection with initial public offer of equity shares of the Company. This expense is shared between the Company and the selling shareholders in proportion of equity shares offered for subscription/sale in IPO.

* Includes remuneration paid to previous Auditors.

34.2 Corporate Social Responsibility Expenditure

(₹ in Lakhs)

Particulars	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Amount required to be spent during the year	473	306
Amount approved by the Board to be spent during the year	473	306
Amount spent during the year		
(a) Construction/acquisition of asset	-	-
(b) On purpose other than (a) above	473	310
Excess/(shortfall)	-	4
Nature of activities	Nutrition to under privileged Childrens Suffering from Cancer, Reviving Livelihood - Enabling Women Entrepreneurs	Food Meals, Transforming Blind Women through Cricket, Tree plantation, Scholarship, Skill development
Amount required to be contributed to specified fund u/s 135(6)	-	-

35 INCOME TAXES
35.1 Tax Expense

(₹ in Lakhs)

Particulars	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Current Tax Expense		
Current Tax for the year	10,122	7,687
Current tax expense/(benefit) pertaining to prior years	47	-
	10,169	7,687

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2025 (Contd.)

35 INCOME TAXES (Contd.)

35.2 Deferred Taxes

(₹ in Lakhs)

Particulars	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Change in deferred tax assets	(2,312)	651
Net deferred tax expense	(2,312)	651
Total income tax expense recognised in the year	7,857	8,338

35.3 Reconciliation of tax charge

(₹ in Lakhs)

Particulars	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Profit before income tax expense	30,375	32,808
Enacted tax rate in India	25.17%	25.17%
Income tax expense/(benefits) calculated on above rate	7,645	8,257
Tax effect of amounts not deductible/not taxable in calculating taxable income		
Adjustment related to tax of prior years	47	-
Effect of Non-deductible expenses	165	81
Income tax expense	7,857	8,338

The effective income tax rate for the year ended 31st March, 2025 is 25.87% (31st March, 2024 is 25.41%).

35.4 Movement of Deferred tax assets/Liabilities

(₹ in Lakhs)

For the period ended 31 st March, 2025	Deferred tax asset/ liability Opening	In Profit or Loss	In OCI	Directly in Equity	Total Movement	Deferred tax asset/ liability Closing
Deferred taxes in relation to:						
Deferred Tax Assets						
Depreciation and Amortisation	609	101	-	-	101	710
Provision for Employee benefits	228	104	(3)	-	101	329
Provision for Expected Credit Loss	2,546	3,892	-	-	3,892	6,438
Lease	408	122	-	-	122	530
Effective interest rate on Financial assets	492	(58)	-	-	(58)	434
Effective interest rate on Financial liabilities	333	143	-	-	143	476
Foreign currency translation gain/(loss)	108	(5)	-	-	(5)	103
Other timing differences	24	-	-	-	-	24
IPO Expense	460	(115)	-	-	(115)	345
Total Deferred Tax Assets	5,206	4,184	(3)	-	4,181	9,387
Deferred Tax Liabilities						
Interest income on NPA	47	-	-	-	-	47
Gain/(Loss) on fair valuation of mutual fund	14	(10)	-	-	(10)	4
Fair valuation of security deposit	9	50	-	-	50	59
Effective interest rate on Financial Liabilities	368	171	-	-	171	539
Fair Valuation of financial assets measured at FVOCI	2,200	-	1,457	-	1,457	3,657
Interest/Other Charges on Direct Assignment Transaction	2,351	1,660	-	-	1,660	4,011
Total Deferred Tax Liabilities	4,988	1,871	1,457	-	3,328	8,317
Total	218	2,313	(1,460)	-	853	1,070

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2025 (Contd.)

35 INCOME TAXES (Contd.)

(₹ in Lakhs)

For the period ended 31 st March, 2024	Deferred tax asset/ liability Opening	In Profit or Loss	In OCI	Directly in Equity	Total Movement	Deferred tax asset/ liability Closing
Deferred Assets						
Depreciation and Amortisation	519	90	-	-	90	609
Provision for Employee benefits	112	101	15	-	116	228
Provision for Expected Credit Loss	2,568	(22)	-	-	(22)	2,546
Lease	514	(106)	-	-	(106)	408
Effective interest rate on Financial assets	369	123	-	-	123	492
Fair Valuation of financial assets measured at FVOCI	(412)	-	(1,788)	-	(1,788)	(2,200)
Effective interest rate on Financial liabilities	230	103	-	-	103	333
Fair valuation of security deposit	19	(28)	-	-	(28)	(9)
Foreign currency translation gain/(loss)	78	30	-	-	30	108
Other timing differences	24	-	-	-	-	24
IPO Expense	-	-	-	460	460	460
Total Deferred Tax Assets	4,021	291	(1,773)	460	(1,022)	2,999
Deferred Liabilities						
Interest income on NPA	47	-	-	-	-	47
Gain/(Loss) on fair valuation of mutual fund	2	12	-	-	12	14
Effective interest rate on Financial Liabilities	285	83	-	-	83	368
Interest/Other Charges on Direct Assignment Transaction	1,504	847	-	-	847	2,351
Total Deferred Tax Liabilities	1,838	942	-	-	942	2,780
Total	2,183	(651)	(1,773)	460	(1,964)	219

36 CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

(₹ in Lakhs)

Particulars	As at April 01, 2024	As represented in Cash Flow Statement	Others #	As at 31 st March, 2025
Debt securities	30,192	18,000	1,830	50,022
Borrowings (other than debt securities)	7,43,709	1,85,176	352	9,29,237
Subordinated liabilities	47,559	-	48	47,607
Lease Liabilities	12,558	(4,332)	8,628	16,854
	8,34,018	1,98,844	10,858	10,43,720

(₹ in Lakhs)

Particulars	As at April 01, 2023	As represented in Cash Flow Statement	Others #	As at 31 st March, 2024
Debt securities	61,123	(31,625)	694	30,192
Borrowings (other than debt securities)	6,26,493	1,16,683	533	7,43,709
Deposits	-	-	-	-
Subordinated liabilities	25,967	20,000	1,592	47,559
Lease Liabilities	13,404	(4,057)	3,211	12,558
	7,26,987	1,01,001	6,030	8,34,018

Others includes effect of interest accrued but not paid, amortisation of processing fees, fair value changes on foreign currency denominated term loan and interest on lease liabilities.

Notes Forming Part of the Financial Statements
 For the Year Ended 31st March, 2025 (Contd.)

37 EARNINGS PER SHARE ('EPS')

(₹ in Lakhs)

Particulars	For the year ended	
	31 st March, 2025	31 st March, 2024
Net Profit from operations attributable to equity holders	22,518	24,470
Weighted average number of equity shares outstanding	37,14,91,902	33,87,36,473
Weighted average number of equity shares for Basic Earnings per share	37,14,91,902	33,87,36,473
Basic EPS	6.06	7.22
Number of shares for ESOP dilution	14,43,400	48,48,207
Weighted average number of equity shares for Diluted Earnings per share	37,29,35,303	34,35,84,680
Dilution effect on EPS after ESOP and Preference Shares	6.04	7.12
Earnings per share		
Basic Earnings per share	6.06	7.22
Diluted Earnings per share	6.04	7.12

[Nominal value of shares ₹ 10 each]

38 RETIREMENT BENEFIT PLANS
Defined Contribution Plan

(₹ in Lakhs)

Particulars	For the year ended	
	31 st March, 2025	31 st March, 2024
Provident Fund	1,621	1,332
Employee State Insurance	29	41
	1,650	1,373

The Company has contributed ₹ Nil (March 31, 2024 is ₹ Nil) towards Gratuity trust during the year ended 31st March, 2025.

Defined Benefit Obligation and Compensated Absences
(1) Contribution to Gratuity fund (funded scheme)

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service, managerial grade and salary at retirement age. In accordance with Indian Accounting Standard 19, actuarial valuation was done in respect of the aforesaid defined benefit plan of gratuity based on the following assumptions:-

(i) Actuarial assumptions

(₹ in Lakhs)

Particulars	GRATUITY		COMPENSATED ABSENCE	
	31 st March, 2025		31 st March, 2024	
	31 st March, 2025	31 st March, 2024	31 st March, 2025	31 st March, 2024
Mortality	IALM (2012-14) Ult.	IALM (2012-14) Ult.	IALM (2012-14) Ult.	IALM (2012-14) Ult.
Interest/Discount rate	6.37%	6.97%	6.37%	6.97%
Rate of increase in compensation	6.50%	6.50%	6.50%	6.50%
Expected average remaining service	5.02	4.45	5.02	4.45
Employee Attrition Rate(Past Service (PS))	PS: 0 to 5: 39.11%	PS: 0 to 5: 39.11%	PS: 0 to 5: 39.11%	PS: 0 to 5: 39.11%
	PS: 5 to 40: 0.89%	PS: 5 to 40: 0.89%	PS: 5 to 40: 0.89%	PS: 5 to 40: 0.89%

 Notes Forming Part of the Financial Statements
 For the Year Ended 31st March, 2025 (Contd.)

38 EARNINGS PER SHARE ('EPS') (Contd.)
(ii) Changes in the present value of obligation

(₹ in Lakhs)

Particulars	GRATUITY		COMPENSATED ABSENCE	
	31 st March, 2025	31 st March, 2024	31 st March, 2025	31 st March, 2024
Present value of obligation at the beginning of the year	745	462	465	336
Interest expense	48	32	27	20
Current service cost	354	312	163	132
Past service cost	-	-	-	-
Actuarial (gain)/loss	(130)	(23)	123	91
Benefits paid	(5)	(38)	-	-
Benefits paid by the company	-	-	(167)	(114)
Present Value of obligation at the end of the year	1,012	745	611	465

(iii) Changes in the Fair value of Plan Assets

(₹ in Lakhs)

Particulars	GRATUITY		COMPENSATED ABSENCE	
	31 st March, 2025	31 st March, 2024	31 st March, 2025	31 st March, 2024
Fair value of plan assets at beginning of the year	278	287	-	-
Adjustment to Opening Fair Value of Plan Asset	-	-	-	-
Return on Plan Assets excl. interest income	5	9	-	-
Interest income	19	20	-	-
Contributions by Employer	-	-	167	114
Contributions by Employee	-	-	-	-
Benefits Paid	(5)	(38)	-	-
Fair Value of Plan Assets at the end of the year	297	278	-	-

(iv) Assets and liabilities recognised in the balance sheet

(₹ in Lakhs)

Particulars	GRATUITY		COMPENSATED ABSENCE	
	31 st March, 2025	31 st March, 2024	31 st March, 2025	31 st March, 2024
Present value of the obligation at the end of the year	1,012	745	611	465
Less: Fair value of plan assets at the end of the year	297	278	-	-
Net liability recognised	(715)	(467)	(611)	(465)
Recognised under provisions				
Current provisions	108	122	197	168
Non-current provisions	904	624	414	297

Notes Forming Part of the Financial Statements
 For the Year Ended 31st March, 2025 (Contd.)

38 EARNINGS PER SHARE ('EPS') (Contd.)

(v) Expenses recognised in the Statement of Profit and Loss

(₹ in Lakhs)

Particulars	GRATUITY		COMPENSATED ABSENCE	
	31 st March, 2025	31 st March, 2024	31 st March, 2025	31 st March, 2024
Current Service Cost	354	312	163	132
Past service cost	-	-	-	-
Net interest (income)/expense	29	13	27	20
Return on Plan Assets excluding net interest	-	-	-	-
Actuarial gain/loss on past employment benefit obligation	-	-	123	91
Net cost recognised in the current year	383	325	313	243
Included in note 33 'Employee benefits expense'				

(vi) Expenses recognised in the Statement of Other comprehensive income (OCI)

(₹ in Lakhs)

Particulars	GRATUITY		COMPENSATED ABSENCE	
	31 st March, 2025	31 st March, 2024	31 st March, 2025	31 st March, 2024
Actuarial (gain)/loss on post employment benefit obligation	(131)	(23)	-	-
Return on Plan Assets excluding net interest	(5)	(9)	-	-
Total measurement cost/(credit) for the year recognised in OCI	(136)	(32)	-	-

(vii) Reconciliation of Net asset/(liability) recognised:

(₹ in Lakhs)

Particulars	GRATUITY		COMPENSATED ABSENCE	
	31 st March, 2025	31 st March, 2024	31 st March, 2025	31 st March, 2024
Net asset/(liability) recognised at the beginning of the year	467	175	465	336
Adjustment to opening balance	-	-	-	-
Contributions paid	-	-	(167)	(114)
Benefits paid directly by company	-	-	-	-
Amount recognised in other comprehensive income	(136)	(32)	-	-
Expenses recognised at the end of year	383	325	313	243
Mortality charges and taxes	-	-	-	-
Net asset/(liability) recognised at the end of the year	715	467	611	465

(viii) Sensitivity Analysis: (GRATUITY)

Particulars	DR: Discount Rate		ER: Salary Escalation Rate	
	PVO DR +1%	PVO DR -1%	PVO ER +1%	PVO ER -1%
PVO as at 31 st March, 2025	903	1,143	1,127	914
PVO as at 31 st March, 2024	674	830	818	681

 Notes Forming Part of the Financial Statements
 For the Year Ended 31st March, 2025 (Contd.)

38 EARNINGS PER SHARE ('EPS') (Contd.)

(ix) Category of planned assets

Particulars	31 st March, 2025	% Allocation	31 st March, 2024	% Allocation
Gratuity Fund (Subscription to HDFC Life Insurance Company Limited)*	297	100%	278	100%
Net asset/(liability) recognised at the end of the year	297	100%	278	100%

*The Company contributes funds towards Insurer managed Fund. These funds and returns thereof are utilised towards payment of Gratuity Liability. This scheme invests a maximum of 20% of its net assets in equity while the balance is invested in a diversified portfolio of debt and money-market instrument of varying maturities. The Unit Price of the Units in the Fund may fluctuate depending on factors affecting the capital markets and the level of interest rates prevailing in the market.

(x) Weighted average duration of defined obligation plan

(₹ in Lakhs)

Particulars	31 st March, 2025	31 st March, 2024
Weighted average duration of plan (in years)	10.66	9.39

(xi) Future commitments and pay-outs (GRATUITY)

(₹ in Lakhs)

Year	Pay-outs	Pay-outs
	31 st March, 2025	31 st March, 2024
First	108.31	121.78
Second	69.22	61.97
Third	62.83	37.88
Fourth	32.72	40.93
Fifth	24.58	18.72
Six to Ten	157.85	132.55

39 RELATED PARTY DISCLOSURES

Related party disclosures as required under Indian Accounting Standard 24, "Related party disclosure" are given below.

39.1 List of related parties

Nature of Relationship	Name of Related Party
Holding Company	The Federal Bank Limited
Associate of Holding Company	Equirus Capital Private Limited (till 20 th November, 2024)
Subsidiary of Associate of Holding Company	Equirus Insurance Broking Private Limited (till 20 th November, 2024)
Enterprises having significant influence	True North Fund VI LLP (till 30 th November, 2023)
Enterprises over which related party has significant influence	True North Enterprise Private Limited (till 30 th November, 2023)
Key Managerial Personnel (KMP)	Anil Kothuri, Managing Director and CEO (till 8 th November, 2024) Parvez Mulla, Managing Director and CEO (w.e.f 11 th November, 2024) C V Ganesh, Chief Financial Officer S Rajaraman, Company Secretary Balakrishnan Krishnamurthy, Chairman & Independent Director (till 27 th September, 2024) Shyam Shrinivasan, Non Executive Chairman (w.e.f. Sep 25, 2024) and Non Executive Director Ashutosh Khajuria, Nominee Director (till April 30, 2024)

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2025 (Contd.)

39 RELATED PARTY DISCLOSURES (Contd.)

Nature of Relationship	Name of Related Party
	Gauri Rushabh Shah, Independent Director (till 12 th February, 2025)
	Maninder Juneja Singh, Nominee Director
	Peruvemba Ramachandran Seshadri (till 22 nd August, 2023), Additional Director (In the capacity of Independent Director)
	Ramesh Sundararajan (w.e.f. March 15, 2024), Independent Director
	Sunil Satyapal Gulati (w.e.f. March 15, 2024), Independent Director
	Harsh Dugar (w.e.f. May 01, 2024), Nominee Director
	Krishnan Venkat Subramanian (w.e.f. Novemeber 30, 2024), Nominee Director
	Muralidharan Rajamani (w.e.f. 24 th January, 2025), Independent Director
	Mona Mukund Bhide (w.e.f. 29 th November, 2024), Independent Director

39.2 Transactions during the year with related parties:

Nature of Transactions	(₹ in Lakhs)	
	For year ended 31 st March, 2025	For year ended 31 st March, 2024
The Federal Bank Limited		
Income from distribution business	3,307	3,657
Sale consideration received on direct assignment transaction	-	27,200
Servicing Fee Income on Securitisation	30	11
Interest Received on fixed deposits	-	26
Interest paid on Cash Credit Facility & Term Loan	8,482	4,935
Processing Fees	143	100
Interest on NCD	2,320	2,327
Brand Usage Charges	244	-
Service charge for CSDL Transactions	1	-
Term Loan repaid	25,578	21,231
Term Loan availed	55,000	70,000
Cash Credit availed	-	6,051
Cash Credit repaid	-	8,477
Offer for sale proceeds received on behalf of Federal Bank	-	7,665
Equirus Capital Private Limited		
Book Running Lead Manager expense	-	194
Equirus Insurance Broking Private Limited		
Staff Welfare Expenses	-	3
True North Fund VI LLP		
Offer for sale proceeds received on behalf of True North Fund VI LLP	-	41,562
True North Enterprise Private Limited		
Re-imbursments of Expenses	-	7
Key Managerial Personnel		
Investment in equity shares	490	1,196
Employee Stock Option Scheme - Key Management Personnel		
No.of Options granted under ESOS (in numbers)	37,25,000	-
No.of Options outstanding under ESOS (in numbers)	42,17,000	25,20,018

*Reimbursement made to Key Management Personnel during the course of official duties is not given in above disclosure

For transactions related to KMPs refer note 39.4

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2025 (Contd.)

39 RELATED PARTY DISCLOSURES (Contd.)

39.3 Amount due (to)/from related parties:

Balance outstanding as at the year end	(₹ in Lakhs)	
	As at 31 st March, 2025	As at 31 st March, 2024
The Federal Bank Limited		
Current Account – Receivable/(Payable)	15,379	6,887
Borrowings		
Term Loan	1,03,083	73,661
Cash credit facility	-	-
WCDL	6,000	6,000
Long Term Borrowings	23,470	23,470
Account Receivable & Reimbursements	-	496
Account Payable & Reimbursements	157	-
Other Payable	4	109
True North Fund VI LLP		
Other Payable	11	590

Maximum outstanding during the year	(₹ in Lakhs)	
	For year ended 31 st March, 2025	For year ended 31 st March, 2024
The Federal Bank Limited		
Current Account – Receivable/(Payable)	15,379	18,666
Borrowings		
Term Loan	1,03,083	73,661
Cash credit facility	-	2,906
WCDL	6,000	6,000
Account Receivable & Reimbursements	2,002	1,039
Long Term Borrowings	23,470	23,470

39.4 Details of salary and other emoluments to KMPs of the Company

S. No.	Key Management Personnel Compensation	(₹ in Lakhs)	
		For year ended 31 st March, 2025	For year ended 31 st March, 2024
(a.)	Short term employee benefits ¹	1,065	913
(b.)	Post employment benefits ²	-	-
(c.)	Other long term benefits	-	-
(d.)	Termination benefits	-	-
(e.)	Share based payment ³	-	-

Note -

- Includes sitting fees paid to independent directors ₹ 72 Lakhs (March 24 ₹ 39 Lakhs).
- Expenses towards provision for gratuity and leave encashment which are determined on actuarial basis at an overall Company level are not included in the above information.
- The above details does not include employee stock option plan cost charged in Statement of Profit and Loss as the same is calculated for the Company as a whole, the said expense/liability pertaining specifically to key managerial personnel are not known.

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2025 (Contd.)

40 CAPITAL MANAGEMENT

The Company's objectives when managing capital are to

- (1) safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- (2) maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders.

The Company maintains its capital base to cover the risks inherent in the business and in meeting the capital adequacy requirements of the Reserve Bank of India (RBI) of India. The adequacy of the company's capital is monitored using, among other measures, the regulations issued by RBI.

The Company has complied in full with all its externally imposed capital requirements over the reported year

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value. The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

40.1 Regulatory Capital

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
CRAR (%)	21.92	23.46
CRAR - Tier I Capital (%)	18.92	19.72
CRAR - Tier II Capital (%)	3.00	3.74
Amount of subordinated debts considered as Tier II capital	31,960	37,149

41 FAIR VALUE MEASUREMENT

41.1 Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This section explains the judgements and estimates made in determining the fair values of the financial instruments that are

- (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian Accounting standard. An explanation of each level is given below.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2025 (Contd.)

41 FAIR VALUE MEASUREMENT (Contd.)

41.2 Fair value of financial assets and liabilities

(₹ in Lakhs)

Particulars	As at 31 st March, 2025				
	Carrying Value	Fair Value	Fair value		
			Level 1	Level 2	Level 3
Financial assets measured at amortised cost					
Cash and cash equivalent [refer note 41.4(i)]	72,460	72,460	-	-	-
Bank balances other than cash and cash equivalent [refer note 41.4(i)]	11,009	11,009	-	-	-
Trade Receivables [refer note 41.4(i)]	1,931	1,931	-	-	-
Other receivables [refer note 41.4(i)]	-	-	-	-	-
Loans and advances to customers	8,20,205	8,36,060	-	-	8,36,060
Financial investments	28,607	28,607	28,399	-	208
Other financial assets	8,671	8,671	-	8,671	-
Total	9,42,883	9,58,738	28,399	8,671	8,36,268
Financial assets measured at FVOCI					
Loans and advances to customers	3,44,432	3,44,432	-	-	3,44,432
Financial investments	-	-	-	-	-
Derivative financial instruments	5	5	-	5	-
Total	3,44,437	3,44,437	-	5	3,44,432
Financial assets measured at FVTPL					
Derivative financial instruments	53	53	-	53	-
Financial investments	11,812	11,812	11,812	-	-
Total	11,865	11,865	11,812	53	-
Financial liabilities measured at amortised cost					
Trade Payables [refer note 41.4(i)]	873	873	-	-	-
Other Payables	157	157	-	-	-
Debt Securities	50,022	48,215	-	48,215	-
Borrowing other than debt securities	9,29,237	9,23,351	-	-	9,23,351
Subordinated Liabilities	47,607	35,662	-	35,662	-
Other financial liabilities	20,229	20,229	-	20,229	-
Total	10,48,125	10,28,487	-	1,04,106	9,23,351
Financial liabilities measured at FVOCI					
Derivative financial instruments	123	123	-	123	-
Total	123	123	-	123	-

(₹ in Lakhs)

Particulars	As at 31 st March, 2024				
	Carrying Value	Fair Value	Fair value		
			Level 1	Level 2	Level 3
Financial assets measured at amortised cost					
Cash and cash equivalent [refer note 41.4(i)]	18,554	18,554	-	-	-
Bank balances other than cash and cash equivalent [refer note 41.4(i)]	-	-	-	-	-
Trade Receivables [refer note 41.4(i)]	2,976	2,976	-	-	-
Other receivables [refer note 41.4(i)]	476	476	-	-	-
Loans and advances to customers	7,55,176	7,72,624	-	-	7,72,624
Financial investments	583	583	-	-	583
Other financial assets	14,224	14,224	-	14,224	-
Total	7,91,989	8,09,437	-	14,224	7,73,207

Notes Forming Part of the Financial Statements
 For the Year Ended 31st March, 2025 (Contd.)

41 FAIR VALUE MEASUREMENT (Contd.)

(₹ in Lakhs)

Particulars	As at 31 st March, 2024				
	Carrying Value	Fair Value	Fair value		
			Level 1	Level 2	Level 3
Financial assets measured at FVOCI					
Loans and advances to customers	2,27,069	2,27,069	-	-	2,27,069
Financial investments	24,600	24,600	24,600	-	-
Total	2,51,669	2,51,669	24,600	-	2,27,069
Financial assets measured at FVTPL					
Financial investments	49,945	49,945	49,945	-	-
Total	49,945	49,945	49,945	-	-
Financial liabilities measured at amortised cost					
Trade Payables [refer note 41.4(i)]	1,215	1,215	-	-	-
Debt Securities	30,192	30,192	-	30,192	-
Borrowing other than debt securities	7,43,709	7,42,805	-	-	7,42,805
Subordinated Liabilities	47,559	33,461	-	33,461	-
Other financial liabilities	45,330	45,330	-	45,330	-
Total	8,68,005	8,53,003	-	1,08,983	7,42,805
Financial liabilities measured at FVTPL					
Derivative financial instruments	112	112	-	112	-
Total	112	112	-	112	-

41.3 Valuation Techniques

Each class of financial assets/liabilities	Techniques
Debt Securities	Fair value is estimated by a discounted cash flow model incorporating market interest rates and the Company's own credit risk or based on market-observable data.
Security deposit	Fair values of security deposits are based on discounted cash flows using a discount rate determined considering Company's incremental borrowing rate.
Loans and advances (FVOCI)	Fair values of loans are based on discounted cash flows using a discount rate determined considering Company's incremental lending rate.
Financial investments (FVOCI)	Fair value is quoted market price.
Derivative financial instruments	Fair value of forward foreign exchange contracts is determined by computing present value of payoff between contractual rate (Strike) and forward exchange rates at the testing date.
Loans and advances (Amortised Cost)	These have been valued at amortised cost (refer note 41.4 for methodologies used for valuation).
Other financial assets	These have been valued at amortised cost (refer note 41.4 for methodologies used for valuation)
Borrowings	These have been valued at amortised cost (refer note 41.4 for methodologies used for valuation). Foreign currency denominated term loan borrowing is remeasured at closing exchange rate as on reporting date.
Subordinated Liabilities	These have been valued at amortised cost (refer note 41.4 for methodologies used for valuation)
Other financial liabilities	These have been valued at amortised cost (refer note 41.4 for methodologies used for valuation)

 Notes Forming Part of the Financial Statements
 For the Year Ended 31st March, 2025 (Contd.)

41 FAIR VALUE MEASUREMENT (Contd.)

41.4 Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purpose only. The below methodologies and assumptions relate only to instruments in the above tables and as such may differ from the techniques and assumptions explained in the notes.

(i) Short term and other financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months) and for other financial assets and other financial liabilities, the carrying amounts, net of impairment, if any, are a reasonable approximation of their fair value. Such instruments include cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, other receivables and trade payables.

(ii) Financial assets measured at amortised cost and fair value through other comprehensive income (FVOCI)

Valuation technique: Fair values of loans are based on discounted cash flows using a discount rate determined considering the Company's incremental lending rate.

Sensitivity: There is an inverse correlation. Higher the discount rate i.e average lending rate for the disbursed loans, lower the fair value of the assets.

(iii) Debt securities, borrowings and subordinated liabilities

Fair value is estimated by a discounted cash flow model incorporating incremental borrowing rate and the Company's own credit risk. The fair value of the long term borrowings carrying floating-rate of interest is not impacted due to interest rate changes and will not be significantly different from their carrying amounts. The significant unobservable inputs are incremental borrowing rate incorporating the counterparties' credit risk.

Reconciliation of level 3 fair value measurement is as below:

(₹ in Lakhs)

Particulars	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Balance at the beginning of the year	2,27,069	58,625
Additions during the year	2,16,828	1,93,935
MTM gain recognized in OCI	4,152	5,256
MTM gain recognized in P&L	-	-
Realised during the year	(1,03,617)	(30,747)
Balance at the end of the year	3,44,432	2,27,069

Notes Forming Part of the Financial Statements
 For the Year Ended 31st March, 2025 (Contd.)

42 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. With regard to loans and advances to customers, the Company uses the same basis of repayment as used for contractual maturity analysis.

Assets	As at 31 st March, 2025			As at 31 st March, 2024		
	Within 1 year	After 1 year	Total	Within 1 year	After 1 year	Total
(₹ in Lakhs)						
Financial Assets						
Cash and cash equivalents	72,460	-	72,460	18,554	-	18,554
Bank balance other than cash and cash equivalents	11,009	-	11,009	-	-	-
Derivative financial instruments	58	-	58	-	-	-
Trade receivables	1,931	-	1,931	2,976	-	2,976
Other receivables	-	-	-	476	-	476
Loans	6,21,461	5,43,176	11,64,637	4,74,435	5,07,810	9,82,245
Investments	11,812	28,607	40,419	74,546	582	75,128
Other financial assets	1,274	7,397	8,671	12,956	1,268	14,224
(2) Non-financial Assets						
Current tax assets (net)	-	-	-	-	1,033	1,033
Deferred tax Asset (net)	-	1,070	1,070	-	219	219
Property, Plant and Equipment	-	3,191	3,191	-	2,895	2,895
Capital work-in-progress	-	28	28	-	27	27
Intangible assets under development	-	64	64	-	-	-
Other Intangibles assets	-	292	292	-	412	412
Right of Use Assets	-	15,395	15,395	-	11,249	11,249
Other non-financial assets	5,174	571	5,745	4,085	261	4,346
Total Assets	7,25,179	5,99,791	13,24,970	5,88,028	5,25,756	11,13,784
Liabilities						
Financial liabilities						
Derivative financial instruments	123	-	123	112	-	112
Trade Payables	849	24	873	1,215	-	1,215
Other Payables	157	-	157	-	-	-
Debt Securities	18,259	31,763	50,022	2,500	27,692	30,192
Borrowings (other than Debt securities)	3,70,761	5,58,476	9,29,237	3,10,266	4,33,443	7,43,709
Subordinated Liabilities	-	47,607	47,607	-	47,559	47,559
Lease Liability	3,082	13,772	16,854	2,159	10,399	12,558
Other financial liabilities	20,229	-	20,229	45,330	-	45,330
Non-Financial liabilities						
Current tax liabilities (net)	1,161	-	1,161	-	-	-
Provisions	305	1,076	1,381	290	659	949
Other non-financial liabilities	2,590	-	2,590	6,077	-	6,077
Total liabilities	4,17,516	6,52,718	10,70,234	3,67,949	5,19,752	8,87,701
Net	3,07,663	(52,927)	2,54,736	2,20,079	6,004	2,26,083

 Notes Forming Part of the Financial Statements
 For the Year Ended 31st March, 2025 (Contd.)

43 REVENUE FROM CONTRACTS WITH CUSTOMERS

(₹ in Lakhs)

Particulars	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Type of Service		
Fees and commission income (refer note 27)	8,563	6,564
Other income	3,903	4,511
Total	12,466	11,075
Geographical market		
In India	12,466	11,075
Outside India	-	-
Total	12,466	11,075
Timing of recognition of revenue		
Performance obligation satisfied at a point in time	12,466	11,075
Performance obligation satisfied over a period in time	-	-
Total	12,466	11,075

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Contract receivables		
Trade receivables	1,064	985
Other receivable/(payable)	(157)	496
Total	907	1,481

44 RISK MANAGEMENT

The Company has a Board-approved Risk Management Policy that defines the Risk Management Framework, Risk Monitoring Mechanism and Enterprise level Key Risk Areas. The main objective of this policy is to ensure sustainable and prudent business growth. The Risk Management Framework comprises of Risk Management Committee of Board (RMC), Credit Committee of Board, Asset Liability Management Committee (ALCO) and Credit Risk Management Committee (CRMC). The Risk Management Committee (RMC) reviews the overall asset quality and portfolio composition on a periodic basis. Overseeing liquidity risk position of the Company are also part of terms of reference of this committee. Any product policy programs are approved by this Committee. The Credit Risk Management Committee oversees the Operational Risks and any Operating Risk level decisions are approved by this committee. The Company has adopted and laid down operating procedures and guidelines to mitigate Credit, Reputation, Operational, Market and Fraud risks in its business lines where the Risk Function works very closely with the Independent Internal Audit Department (Risk Based Internal Audit). The Company continues to invest in people, processes, training and technology so as to strengthen its overall Risk Management Framework.

Types of Risks

The Company's risk are generally categorised in the following risk types:

(i) Credit Risk

The RMC & CRMC oversee the following:

- Detailed review of portfolio quality and triggers to ascertain underlying stress levels in portfolio, in light of micro and macro factors
- Approve necessary amendments or new product & policy programs in light of portfolio behaviour, environmental factors and business opportunities.

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2025 (Contd.)

44 RISK MANAGEMENT (Contd.)

- Set-up concentration limits & portfolio caps to ensure prudent diversification.
- Account level review of high value accounts & NPAs and provide necessary guidelines.
- Audit Committee of the Board (ACB) oversees the effective implementation of the Lending Policies approved by the Board.

(ii) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due, as a result of mismatches in the timing of cash flows.

RBI vide Circular No. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 has issued with guidelines on Liquidity Risk Management (LRM) Framework for NBFCs. It covers various aspects of LRM in NBFCs such as granular level classification of buckets in structural liquidity statement and tolerance limits thereupon, Liquidity risk management tools and principles. The Company has integrated the LRM framework into its Asset Liability Management (ALM) Policy to manage liquidity risk by use of various tools such as Structural Liquidity Statement to assess the bucket wise mismatches between inflows and outflows, stress testing of bucket wise mismatches between inflows and outflows in the short term buckets (up to 30 days) by discounting inflows under various stress scenarios, Review of Unencumbered Assets available for future secured borrowing, Review of current & projected (for next 3 months) liquidity position, review of various financial ratios under the stock approach of LRM, Liquidity Coverage Ratio (LCR), Review of Liquidity in the Banking System. These tools are reviewed by the ALCO every month. To mitigate the liquidity risk further, the Company also has a Contingency Funding Plan which is reviewed by the ALCO at periodic interval.

The Company maintains Liquidity buffers sufficient to meet all its near term obligations. The Liquidity buffers are maintained by a combination of liquid assets (such as Cash & Cash Equivalent, Liquid Investments in callable FDs and Overnight/Liquid Mutual Funds) and Undrawn Committed Credit Lines.

(iii) Market Risk

Market Risk is the Risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as Gold prices (relevant to Lending against Gold business of the Company), interest rates, foreign currency rates. Refer note 44.3 for details.

44.1 Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter party for financial instrument fails to meet its contractual obligation, and arises principally from the company's placements and balances with other banks, loans to customers, government securities and other financial assets.

The RMC reviews and approves Loan Product programs on an on-going basis. These product programs outline the framework of any Credit Financial Product being offered by the Company. Within this framework, credit policies are incorporated to manage the sourcing of proposals, channels of business acquisition, process of underwriting, information systems involved, verification, documentation, disbursement procedures, portfolio quality triggers, recovery mechanism, NPA management etc.

The impact of Macroeconomic, regulatory, competition and other high impact variables and portfolios underwritten within the credit policy framework are reviewed on an ongoing basis.

Underwriting comprises of record verification through digital and external agencies, credit bureau check, financial analysis, cash flow assessments, assessing net-worth, leverage and debt service ability etc. through submitted records, personal discussion with borrowers, market reference etc. Collateral verification through independent legal & valuation agencies is a critical aspect in case of secured loans. Legal documentation to create proper charge on mortgaged security, under legal guidance, is another critical aspect.

Whilst ability of a customer to repay a loan can be adequately determined through assessment of financials and cash flows, defaults with the intention of fraud or misreported information are additional challenges to the Company.

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2025 (Contd.)

44 RISK MANAGEMENT (Contd.)

Gold loans are originated basis value of under-lying collateral rather than financial background of the borrower. The underlying collateral are highly liquid and as a consequence the credit impairment risk is primarily on account of insufficiency of margin/Loan to Value (LTV) if any. The maximum Loan to Value does not exceed the limit stipulated by the Reserve Bank of India. As a result, there is only distant possibility of losses due to adequate margin of 25% or more retained while disbursing loan. Past empirical evidence of realisation/recoveries from the liquidation of collateral have materialized insignificant Loss Given Default (LGD) rates for the gold loan portfolio.

(a) Impairment Assessment

The Company applies the expected credit loss model for recognising impairment loss. The expected credit loss allowance is computed taking into account historical credit loss experience and/or external benchmarks on loss rates and further adjusted for forward looking information.

The expected credit loss is a product of Exposure at Default (EAD), Probability of Default (PD) and Loss Given Default (LGD). The Company uses an internal model to compute the PD & LGD based on parameters set out in Ind AS. Accordingly, loans are classified into various stage as follows:

Stages	Internal Rating Description
Stage 1	0 DPD* and 1-29 DPD*
Stage 2	30-59 DPD*, 60-89 DPD* and all loans restructured under One Time Restructuring which are stage 2 or below post restructuring
Stage 3	90 DPD* or more, all linked loans of 90 DPD* or more, accounts where reasonable and supportable forward-looking information is available, all restructured loans other than those restructured under One Time Restructuring #

*DPD means Days Past Due

Also refer accounting policy information 3.6 (j), 3.6 (i) and note 49.02

(b) Probability of Default (PD)

The probability of default is the estimation of the likelihood of a loan defaulting over a time horizon. A rebuttable presumption is that a default event cannot be later than 90 days past due. The probability of default analysis should consider not only past history but also current economic conditions and forecasts about the future. Incorporating such economic factors is sometimes done using scientific modelling techniques.

Historical DPD data is utilized to calculate Through the Cycle Probability of Default (TTC PD). PD analysis tracks the migration behaviour of a static pool of loans active at the end of each month across different buckets- Stage 1, Stage 2 and Stage 3 over the 12 month and lifetime period. Transition matrix method is used wherein the historical defaults are mapped in monthly intervals for each of cohort months and then the TTC PD is calculated as the weighted average of default rates with number of loans outstanding as the weights.

Vasicek model is one of the accepted models globally for converting the TTC PD into Point in Time PD (PIT PD). The model calculates an AC (Asset Correlation) factor and converts the probability using the macro-economic variable selected. The basic premise of the model is that the higher the TTC probability the lower the correlation with the macro variable and vice versa. Once the asset correlation is determined, the historical PD is calibrated using the readings of the macro-economic variable for a number of years up to the balance sheet date and for a number of years after the balance sheet date. This calibration reflects the relative macro-economic performance in the respective years with reference to the historical mean.

(c) Loss Given Default (LGD)

LGD is defined as the percentage risk of exposure that is not expected to be recovered in the event of default. LGD is one of the key components of the credit risk parameters based ECL model. In the context of lifetime ECL calculation, an LGD estimate has to be available for all periods that are part of the lifetime horizon (and not only for the case of a default within the next 12 months).

Wherever possible, workout LGD model is applied to estimate LGD based on past data. The LGD component of ECL is independent of deterioration of asset quality, and thus applied uniformly across various stages with the applicable PD for stage 1, 2 and 3.

Notes Forming Part of the Financial Statements
 For the Year Ended 31st March, 2025 (Contd.)

44 RISK MANAGEMENT (Contd.)

(d) Exposure at Default (EAD)

EAD is one of the key components for ECL computation. The Exposure at Default is an estimate of the exposure at a default date taking into account the repayment of principal and interest until the reporting date.

(e) Significant Increase in Credit Risk

The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12 month ECL or life time ECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. In line with Ind AS 109, the Company considers an exposure to have significantly increased in credit risk when the DPD is 30 or more. Besides this quantitative factor, the company also assesses Significant Increase in Credit Risk (SICR) based on qualitative factors e.g. One Time Restructuring (OTR) of loans, LTV threshold/margin for gold loan facilities.

44.1.1 Analysis of Risk Concentration

The following table shows the risk by industry for the components of the balance sheet

(₹ in Lakhs)

Industry Analysis	As at 31 st March, 2025			
	Retail	Structured Finance and corporate finance (Real Estate and Non Real Estate)	Financial Services	Total
Financial assets				
Cash and cash equivalent	-	-	72,460	72,460
Bank balances other than cash and cash equivalent	-	-	11,009	11,009
Derivative financial instruments	-	-	58	58
Trade Receivables	-	-	1,931	1,931
Other receivables	-	-	-	-
Loans and advances to customers	11,64,637	-	-	11,64,637
Financial investments	-	-	40,419	40,419
Other Financial Assets	-	-	8,671	8,671
Total	11,64,637	-	1,34,548	12,99,185

(₹ in Lakhs)

Industry Analysis	As at 31 st March, 2024			
	Retail	Structured Finance and corporate finance (Real Estate and Non Real Estate)	Financial Services	Total
Financial assets				
Cash and cash equivalent	-	-	18,554	18,554
Bank balances other than cash and cash equivalent	-	-	-	0
Trade Receivables	-	-	2,976	2,976
Other receivables	-	-	476	476
Loans and advances to customers	9,80,747	1,498	-	9,82,245
Financial investments	-	-	75,128	75,128
Other Financial Assets	-	-	14,224	14,224
Total	9,80,747	1,498	1,11,358	10,93,603

 Notes Forming Part of the Financial Statements
 For the Year Ended 31st March, 2025 (Contd.)

44 RISK MANAGEMENT (Contd.)

44.1.2 Collateral Held and Other Credit Enhancements

a) The following table shows the maximum exposure to credit risk by class of financial asset along with details of principal type of collateral

(₹ in Lakhs)

Financial assets - Loans	Maximum exposure to credit risk (carrying amount before ECL)		Principal type of collateral
	As at 31 st March, 2025	As at 31 st March, 2024	
Loans (at amortised cost)	7,98,580	7,11,213	Property; book receivables, Gold jewellery and covered by guarantees
Loans (at FVOCI)	2,62,059	1,48,920	
Total (A)	10,60,639	8,60,133	

b) Financial assets that are stage 3 and related collateral held in order to mitigate potential losses are given below:

(₹ in Lakhs)

Financial assets measured at amortised cost	Maximum exposure to credit risk (carrying amount before ECL)	Associated ECL	Carrying Amount	Fair Value of Collateral
As at 31 st March, 2025	19,475	9,450	10,025	39,175
As at 31 st March, 2024	15,928	3,188	12,740	30,848

(₹ in Lakhs)

Financial assets measured at FVOCI	Maximum exposure to credit risk (carrying amount before ECL)	Associated ECL	Carrying Amount	Fair Value of Collateral
As at 31 st March, 2025	7,127	2,715	4,412	7,683
As at 31 st March, 2024	265	70	195	509

44.2 Liquidity Management

Liquidity risk arises because of the possibility that the Company might be unable to meet its payment.

44.2.1 Maturity pattern of certain items of assets and liabilities as at 31st March, 2025

(₹ in Lakhs)

Particulars	1 day to 30/31 days (one month)	1 month to 2 months	2 months to 3 months	3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 Years to 5 years	Over 5 years	Total
Liabilities									
Borrowings from banks	19,004	40,758	56,175	1,05,683	1,49,140	3,62,391	71,821	8,143	8,13,115
Market borrowings	-	10,737	638	2,904	3,981	57,885	1,501	19,988	97,634
Trade payables	218	218	437	-	-	-	-	-	873
Lease Liability	1,321	440	440	440	440	5,115	5,115	3,543	16,854
Other financial liabilities	-	20,229	-	-	-	-	-	-	20,229
Assets									
Advances	30,468	38,563	34,168	89,760	4,28,502	2,33,081	1,73,906	1,36,189	11,64,637
Investments	11,812	-	-	-	-	-	-	28,607	40,419

Notes Forming Part of the Financial Statements
 For the Year Ended 31st March, 2025 (Contd.)

44 RISK MANAGEMENT (Contd.)

Maturity pattern of certain items of assets and liabilities as at 31st March, 2024

(₹ in Lakhs)

Particulars	1 day to 30/31 days (one month)	1 month to 2 months	2 months to 3 months	3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 Years to 5 years	Over 5 years	Total
Liabilities									
Borrowings from banks	72,880	8,796	45,424	66,340	1,16,826	3,21,904	99,771	11,388	7,43,329
Market borrowings	-	-	625	625	1,250	25,000	25,625	20,000	73,125
Trade payables	961	46	5	7	18	110	68	-	1,215
Lease Liability	196	195	197	550	1,021	4,233	3,848	2,318	12,558
Other financial liabilities	-	45,330	-	-	-	-	-	-	45,330
Assets									
Advances	34,709	46,480	41,704	80,372	2,51,484	2,29,402	1,62,413	1,07,610	9,54,175
Investments	57,851	-	-	16,432	-	-	-	583	74,865

Note: Above maturity pattern are based on Contractual Maturity.

44.2.2 Financial assets available to support future funding

Following table sets out availability of Company's financial assets to support funding

(₹ in Lakhs)

As at 31 st March, 2025	Encumbered			Unencumbered		Total carrying amount
	Pledged as collateral	Contractually/Legally restricted assets *	Others \$	Available as collateral	Others #	
Cash and cash equivalent	52,255	25	-	20,180	-	72,460
Bank balances other than cash and cash equivalent	10,968	-	-	41	-	11,009
Derivative financial instruments	-	-	-	-	58	58
Trade Receivables	-	-	-	1,931	-	1,931
Other Receivables	-	-	-	-	-	-
Loans and advances to customers	-	-	10,60,672	1,03,965	-	11,64,637
Financial investments	11,812	-	-	28,607	-	40,419
Other Financial Assets	793	-	-	7,878	-	8,671
	75,828	25	10,60,672	1,62,602	58	12,99,185

(₹ in Lakhs)

As at 31 st March, 2024	Encumbered			Unencumbered		Total carrying amount
	Pledged as collateral	Contractually/Legally restricted assets *	Others \$	Available as collateral	Others #	
Cash and cash equivalent	-	2,850	-	15,704	-	18,554
Bank balances other than cash and cash equivalent	-	-	-	-	-	-
Trade Receivables	-	-	-	2,976	-	2,976
Other Receivables	-	-	-	476	-	476
Loans and advances to customers	-	-	8,24,150	1,58,095	-	9,82,245
Financial investments	-	-	45,034	30,094	-	75,128
Other Financial Assets	6,353	-	5,072	2,799	-	14,224
	6,353	2,850	8,74,256	2,10,144	-	10,93,603

* Represents assets which are not pledged and Company believes it is restricted from using to secure funding for legal or other.

Represents assets which are not restricted for use a collateral, but that the Company would not consider readily available to secure funding in normal course of business

\$ Represents assets which are given as security cover against the secured bank borrowings and non-convertible debentures.

 Notes Forming Part of the Financial Statements
 For the Year Ended 31st March, 2025 (Contd.)

44 RISK MANAGEMENT (Contd.)

44.3 Market Risk

Market Risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as Gold prices (relevant to lending against gold business of the Company), interest rates, Foreign Currency Rates.

- Gold Price Fluctuation Risk:- The Risk Management Committee of the Board does a periodic review of the Gold price movement and trends & its impact on the gold loan margins in present condition as well as under stress scenarios.
- Interest Rate Risk:- Interest Rate Risk is the risk of change in market interest rates which might adversely affect the Company's profitability.
- Foreign Currency rate Fluctuation Risk:- The Company is exposed to risk in fluctuation of Foreign Currency Rates as the Company has borrowings in foreign currency.

44.3.1 Gold Price Fluctuation Risk

Sudden fall in the gold price and fall in the value of the pledged gold ornaments can result in some of the customers to default if the loan amount and interest exceeds the market value of gold. This risk is in part mitigated by a minimum 25% margin retained on the value of gold jewellery for the purpose of calculation of the eligible loan amount. Further, the Company appraises the gold jewellery collateral solely based on the weight of its gold content, excluding weight and value of the stone studded in the jewellery. In addition, the sentimental value of the gold jewellery to the customers may induce repayment and redemption of the collateral even if the value of gold ornaments falls below the value of the repayment amount. An occasional decrease in gold prices will not increase price risk significantly on account of our adequate collateral security margins. However, a sustained decrease in the market price of gold can additionally cause a decrease in the size of the loan portfolio and interest income.

44.3.2 Interest Rate Risk

The immediate impact of changes in interest rates is on the Company's earnings by impacting the Net Interest Income. The Company has set up an Earnings at Risk limit for monitoring and controlling the Interest Rate Risk which is monitored by the Asset Liability Management Committee (ALCO) of the Company.

The following table demonstrates the sensitivity to reasonably possible change in interest rates (all other variables being constant) of the Company's Statement of Profit and Loss

(₹ in Lakhs)

For the year ended	Increase/(Decrease) in basis points	Increase in profit after tax	Decrease in profit after tax
Loans			
31 st March, 2025	25/(25)	571	(571)
31 st March, 2024	25/(25)	446	(446)
Borrowings			
31 st March, 2025	25/(25)	(1,690)	1,690
31 st March, 2024	25/(25)	(1,345)	1,345

44.3.3 Exposure to Currency Risks

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign currency rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the foreign currency borrowings taken from Banks.

The Company has hedged its foreign currency exposure through appropriate derivative instruments in such a manner that it has fixed determinate outflows in its functional currency and as such there would be no impact of movement in foreign currency rates on the Company's profit before tax (PBT).

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2025 (Contd.)

44 RISK MANAGEMENT (Contd.)

44.3.4 Total Market Risk Exposure

(₹ in Lakhs)

Particulars	As at 31 st March, 2025			As at 31 st March, 2024		
	Carrying Amount	Traded Risk	Non-traded Risk	Carrying Amount	Traded Risk	Non-traded Risk
Financial Assets						
Cash and cash equivalent	72,460	-	72,460	18,554	-	18,554
Bank balances other than cash and cash equivalent	11,009	-	11,009	-	-	-
Derivative financial instruments	58	-	58	-	-	-
Trade Receivables	1,931	-	1,931	2,976	-	2,976
Other Receivables	-	-	-	476	-	476
Loans and advances to customers	11,64,637	-	11,64,637	9,82,245	-	9,82,245
Financial investments	40,419	40,211	208	75,128	74,545	583
Other Financial Assets	8,671	-	8,671	14,224	-	14,224
Total	12,99,185	40,211	12,58,974	10,93,603	74,545	10,19,058

(₹ in Lakhs)

Particulars	As at 31 st March, 2025			As at 31 st March, 2024		
	Carrying Amount	Traded Risk	Non-traded Risk	Carrying Amount	Traded Risk	Non-traded Risk
Financial Liabilities						
Derivative financial instruments	123	-	123	112	-	112
Trade payables	873	-	873	1,215	-	1,215
Other payables	157	-	157	-	-	-
Debt Securities	50,022	50,022	-	30,192	30,192	-
Borrowings other than debt securities	9,29,237	-	9,29,237	7,43,709	-	7,43,709
Subordinated liabilities	47,607	47,607	-	47,559	47,559	-
Lease Liability	16,854	-	16,854	12,558	-	12,558
Other Financial liabilities	20,229	-	20,229	45,330	-	45,330
Total	10,65,102	97,629	9,67,473	8,80,675	77,751	8,02,924

45 TRADE & OTHER RECEIVABLES

(₹ in Lakhs)

Particulars	Trade & Other receivable days past due	0-90 days	91-180 days	181-360 days	> 360 days	Total
ECL rate		0.00%	0.00%	0.00%	100.00%	23.49%
As at 31st March, 2025	Estimated total gross carrying amount at default	1,900	29	3	593	2,524
	ECL Provision	-	-	-	(593)	(593)
	Net Carrying Amount	1,900	29	3	-	1,931
ECL rate		1.48%	0.00%	0.00%	36.56%	7.04%
As at 31st March, 2024	Estimated total gross carrying amount at default	3,034	87	-	593	3,714
	ECL Provision	(45)	-	-	(217)	(262)
	Net Carrying Amount	2,989	87	-	376	3,452

Note: The ECL rates are a derivation from the provisions estimated to cover the future potential losses. These estimates are made after considering past experiences of collections from counter parties and their confirmations on the amount outstanding

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2025 (Contd.)

46 ACCOUNTING FOR EMPLOYEE SHARE BASED PAYMENTS

Shareholders of the Company had approved "Fedbank Financial Services Limited Employee Stock Option Plan 2018" ("ESOP Plan"), the result of which was announced on 13th November, 2018, enabling the Board and/or the "Nomination and Remuneration Committee" (NRC) to grant such number of equity shares, including options, to eligible employee(s) of the Company each of which is convertible into one equity share, not exceeding 6% of the aggregate number of paid up equity shares of the Company. Post Listing, the ESOP, 2018 was ratified by the shareholders vide special resolution passed in the EGM on 22nd February, 2024.

Further, Shareholders of the Company had approved a new scheme titled as "Fedbank Financial Services Limited- ESOS, 2024" ("ESOP 2024 Plan"), on 19th September, 2024, enabling the Board and/or the "Nomination and Remuneration Committee" (NRC) to grant such number of equity shares, including options, to eligible employee(s) of the Company each of which is convertible into one equity share, not exceeding 3% of the aggregate number of paid up equity shares of the Company.

Such options vest at definitive date, save for specific incidents, prescribed in scheme as framed/approved by NRC. Such options are exercisable for period following vesting at the discretion of the NRC, subject to maximum of 3 years from the date of Vesting of Options

Method used for accounting for shared based payment plan.

The Company uses fair value to account for the compensation cost of stock options to employees of the Company.

Movement in options outstanding under the Employee Stock Option Plan for the year ended Mar 31, 2025

Particulars	ESOS Scheme 2018		ESOS Scheme 2024	
	Options	Weighted Average Exercise Price	Options	Weighted Average Exercise Price
Options outstanding as at 1 st April, 2024	88,89,079	58.67	-	-
Granted during the year	-	-	37,25,000	95.60
Exercised during the year	33,29,955	55.39	-	-
Forfeited/lapsed during the year	20,27,288	51.01	-	-
Options outstanding as at 31 st March, 2025	35,31,836	65.44	37,25,000	95.60
Options exercisable	13,48,082	62.93	-	-

Movement in options outstanding under the Employee Stock Option Plan for the year ended 31st March, 2024

(₹ in Lakhs)

Particulars	Options	Weighted Average Exercise Price
Options outstanding as at 1 st April, 2023	1,34,76,351	55.53
Granted during the year	3,75,000	107.18
Exercised during the year	45,96,646	52.32
Forfeited/lapsed during the year	3,65,626	72.37
Options outstanding as at 31 st March, 2024	88,89,079	58.67
Options exercisable	23,22,012	50.35

Following summarises the information about stock options outstanding as at 31st March, 2025.

Category	Weighted Average Exercise Price	Number of shares arising out of options	Weighted average remaining contractual life (in years)
Class A* (ESOS 2018)	74.09	25,37,336	1.16
Class B# (ESOS 2018)	43.35	9,94,500	0.85
Options granted to "Managing Director and CEO" (ESOS 2024)	95.60	37,25,000	2.65

Notes Forming Part of the Financial Statements
 For the Year Ended 31st March, 2025 (Contd.)

46 ACCOUNTING FOR EMPLOYEE SHARE BASED PAYMENTS (Contd.)

 Following summarises the information about stock options outstanding as at 31st March, 2024.

Category	Weighted Average Exercise Price	Number of shares arising out of options	Weighted average remaining contractual life (in years)
Class A*	73.36	45,65,228	2.14
Class B#	43.63	29,72,500	1.67
Options granted to "Managing Director and CEO"	42.11	13,51,351	1.08

*Time based vesting

#Time and event based vesting

Fair Valuation Methodology

The fair value of options have been estimated on the dates of each grant using the Modified Black-Scholes model (MBS). The shares of Company are listed on recognised stock exchanges. Accordingly, the Company had considered the volatility of the Company's stock price based on historical volatility of similar listed enterprises. The various assumptions considered in the pricing model for the stock options granted by the Company are:

Particulars	Unit	As at 31 st March, 2025		As at 31 st March, 2024
		ESOS Scheme 2018	ESOS Scheme 2024	
Fair Value of Options at grant date	Rs	6.50-43.86	20.63-31.19	6.50-43.86
Fair Value of Equity Shares at grant date	Rs	42.11-107.18	95.60	42.11-107.18
Exercise Price	Rs	30.00-107.18	95.60	30.00-107.18
Dividend Yield	%	0.00%	0.00%	0.00%
Expected volatility	%	29.14%	23.63%	29.14%
Risk free interest rate *	%	6.32%	6.56%	6.32%
Expected life of the option *	Years	3.17	2.15	3.17

* The values in the above items are weighted average

The Company has recorded an employee compensation expense of ₹ 130 Lakhs in the Statement of Profit and Loss (₹ 456 Lakhs during the financial year ended 31st March, 2024 in the Statement of Profit and Loss). Refer note 33.

The Company carried Employee Stock Option reserve amounting to ₹ 767 Lakhs (₹ 1,247 Lakhs as at 31st March, 2024) in the Balance Sheet.

The total intrinsic value amounting to ₹ 34 Lakhs (₹ 57 Lakhs as at 31st March, 2024) at the end of the year of liabilities for which the counterparty's right to cash or other assets had vested by the end of the year.

47 LEASES
a) The changes in the carrying value of Right Of Use ('ROU') assets - building for the year ended -

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Opening Balance of ROU - Building	11,242	11,180
Net Addition during the year	7,422	2,270
Depreciation charges for the year	(3,270)	(2,208)
Total balance of ROU - Building	15,394	11,242

 Notes Forming Part of the Financial Statements
 For the Year Ended 31st March, 2025 (Contd.)

47 LEASES (Contd.)

b) The changes in the carrying value of right of use assets - furniture for the year ended -

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Opening Balance of ROU - Furniture	7	13
Net Addition during the year	-	-
Depreciation charges for the year	(7)	(6)
Total balance of ROU - Furniture	-	7

c) The following is the movement in lease liabilities during the year ended -

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Opening Balance of Lease Liabilities	12,558	13,404
Addition during the year	6,859	1,737
Finance cost accrued during the year	1,204	940
Payment made during the year	(3,767)	(3,523)
Closing balance of lease liabilities	16,854	12,558

d) The table below provides details of amount recognised in the Statement of Profit and Loss for the year ended -

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Depreciation charge for right of use asset	3,277	2,214
Interest expense (included in finance cost)	1,204	940
Total	4,481	3,154

e) The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis as of -

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Less than one year	4,297	2,977
One to five years	13,861	9,880
More than five years	2,502	2,522
Total	20,660	15,379

f) Rental expense recorded for leases of low-value assets and short term leases was ₹ 361 Lakhs for the year ended 31st March, 2025. (For the year ended 31st March, 2024: ₹ 164 Lakhs)
48 DISCLOSURES AS REQUIRED MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023

These disclosures are made pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (as amended), to the extent applicable to the Company.

The Reserve Bank of India, vide its circular reference RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 outlined the regulatory guidance in relation to Ind AS financial statements from financial year 2019-20 onwards. This included guidance for computation of 'owned funds', 'net owned funds' and 'regulatory capital'.

Accordingly, CRAR has been computed in accordance with these requirements read with the requirements of the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2025 (Contd.)

48 DISCLOSURES AS REQUIRED MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 (Contd.)

48.01 Foreign Currency

The Company has entered into a foreign currency transaction during the year ended 31st March, 2025. The Company does not have any outstanding unhedged foreign currency exposure as at 31st March, 2025. The exposures are economically hedged.

48.02 Investments

(₹ in Lakhs)

Particulars	As at	
	31 st March, 2025	31 st March, 2024
(1) Value of investments		
(i) Gross value of investments		
(a) In India	41,044	75,378
(b) Outside India,	Nil	Nil
(ii) Provisions for depreciation		
(a) In India	625	250
(b) Outside India,	Nil	Nil
(iii) Net value of investments		
(a) In India	40,419	75,128
(b) Outside India,	Nil	Nil
(2) Movement of provisions held towards depreciation on investments		
(i) Opening balance	250	167
(ii) Add: Provisions made during the year	375	83
(iii) Less: Write-off/write-back of excess provisions during the year	-	-
(iv) Closing balance	625	250

48.03 Derivatives

a) Forward rate agreement/Interest rate swap

(₹ in Lakhs)

Particulars	As at	
	31 st March, 2025	31 st March, 2024
(i) The notional principal of swap agreements	37,279	16,457
(ii) Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	Nil	Nil
(iii) Collateral required by the NBFC upon entering into swaps	Nil	Nil
(iv) Concentration of credit risk arising from the swap	Nil	Nil
(v) The fair value of swap book	(65)	(112)

b) Exchange traded interest rate (IR) derivatives

(₹ in Lakhs)

S. No.	Particulars	As at 31 st March, 2025	As at 31 st March, 2024
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)	Nil	Nil
(ii)	Notional principal amount of exchange traded IR derivatives outstanding	Nil	Nil
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	Nil	Nil
(iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	Nil	Nil

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2025 (Contd.)

48 DISCLOSURES AS REQUIRED MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 (Contd.)

c) Qualitative disclosures

The Company uses forward exchange contracts to economically hedge its risks associated with currency risk arising from the foreign currency borrowings. These contracts are stated at fair value at each reporting date.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the Forward contracts match that of the foreign currency borrowings (notional amount, interest payment dates, principal repayment date, etc.). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the Forward contracts are identical to the hedged risk components.

d) Quantitative Disclosures

(₹ in Lakhs)

Particulars	As at 31 st March, 2025		As at 31 st March, 2024	
	Currency Derivatives*	Interest rate Derivative	Currency Derivatives*	Interest rate Derivative
(i) Derivatives (Notional Principal Amount)				
For Hedging *	37,252	27	16,457	-
(ii) Marked to Market Positions				
a) Assets (+)	58	-	-	-
b) Liability (-)	123	-	112	-
(iii) Credit Exposure	37,252	27	16,457	-
(iv) Unhedged Exposures	-	-	-	-

* The foreign currency exposure on foreign currency borrowings have been economically hedged through appropriate derivative instruments.

48.04 Direct Assignment and Securitisation

Part A - Disclosure in the notes to the accounts in respect of securitisation transaction

(₹ in Lakhs)

Particulars	As at	
	31 st March, 2025	31 st March, 2024
No of SPVs sponsored by the applicable NBFC for securitisation transactions	-	-
Total amount of securitised assets as per books of the SPVs sponsored	-	-
Total Amount Outstanding	-	-
Total amount of exposure retained by the NBFC to comply with MRR as on date of balance sheet	-	-
a) Off balance sheet exposures		
First Loss	-	-
Others	-	-
b) On balance sheet exposure		
First Loss	-	-
Others	-	-
Amount of exposures to securitisation transactions other than MRR		
a) Off balance sheet exposures		
i) Exposure to own securitisation		
First Loss	-	-
Others	-	-
ii) Exposure to third party securitisation		
First Loss	-	-
Others	-	-

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2025 (Contd.)

48 DISCLOSURES AS REQUIRED MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 (Contd.)

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
b) On balance sheet exposures		
iii) Exposure to own securitisation		
First Loss	-	-
Others	-	-
iv) Exposure to third party securitisation		
First Loss	-	-
Others	-	-

Part B - Details of Direct Assignment

Details of loans transferred/acquired during the year ended 31st March, 2025 under the RBI Master Direction RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 on Transfer of Loan Exposures dated 24th September, 2021 are given below:

(i) Details of non-performing assets (NPAs) transferred during the year is given below:

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
No. of accounts	1	1
Aggregate principal outstanding of loans transferred (₹ In Lakhs)	1,690	2,392
Weighted average residual tenor of the loans transferred (in months)	-	-
Net book value of loans transferred (at the time of transfer) *(₹ In Lakhs)	1,498	1,196
Aggregate consideration (₹ In Lakhs)	1,530	1,196
Additional consideration realized in respect of accounts transferred in earlier years	-	-

During the year ended 31st March, 2025 provisions* of Rs 254 Lakhs (Previous Year ₹ 1,268 Lakhs) reversed to the profit and loss account on accounts of sale of NPA loans.

* includes principal outstanding and interest thereof

(ii) The Company has not transferred any Special Mention Account (SMA).

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

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Aggregate amount of Loan transferred (₹ In Lakhs)	2,34,852	1,63,917
Weighted average residual maturity (in months)	132	115
Weighted average holding period by originator (in months)	19	17
Retention of beneficial economic interest	5%/10%	5%/10%/20%/25%/40%
Coverage of tangible security coverage (in %)	81%	60%
Rating-wise distribution of rated loans	NA	NA

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

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

During the year ended 31st March, 2025, the Company has executed Twenty Five (31st March, 2024 Sixteen) direct assignment transactions. The de-recognition criteria as per Ind AS 109 has been met in respect of all the direct assignment transactions. 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 or to sell.

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2025 (Contd.)

48 DISCLOSURES AS REQUIRED MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 (Contd.)

48.05 Asset liability management maturity pattern of certain items of assets and liabilities

As at 31st March, 2025

(₹ in Lakhs)

Particulars	1 to 7 days	8 to 14 days	15 to 30/31 days	Over 1 month & upto 2 months	Over 2 months & upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-	-	-
Advances	12,506	2,912	15,049	38,563	34,168	89,760	4,28,503	2,33,081	1,73,906	1,36,189	11,64,637
Investments	11,812	-	-	-	-	-	-	-	-	28,607	40,419
Borrowings (includes foreign currency borrowings)	13,170	5,923	29,875	67,209	74,808	1,24,034	1,58,016	4,39,855	85,845	28,131	10,26,866

As at 31st March, 2024

(₹ in Lakhs)

Particulars	1 to 7 days	8 to 14 days	15 to 30/31 days	Over 1 month & upto 2 months	Over 2 months & upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-	-	-
Advances	14,658	5,736	21,599	48,954	43,217	84,096	2,56,176	2,26,590	1,55,631	1,25,588	9,82,245
Investments	49,945	-	7,961	-	-	16,639	-	-	-	583	75,128
Borrowings	15,932	19,777	38,038	10,331	46,060	68,238	1,18,075	3,48,983	1,24,747	31,279	8,21,460

Note: Above Asset liability maturity pattern are prepared based on the guidelines issued by RBI on Asset liability management framework.

48.06 Capital to Risk Asset Ratio (CRAR)

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
CRAR (%)	21.92	23.46
CRAR - Tier I Capital (%)	18.92	19.72
CRAR - Tier II Capital (%)	3.00	3.74
Amount of subordinated debts raised as Tier II capital	31,960	37,149

48.07 Details of non-performing accounts purchased/sold

(a) Details of non-performing accounts purchased

(₹ in Lakhs)

Sr. No.	Particulars	As at 31 st March, 2025	As at 31 st March, 2024
(i)	No. of accounts purchased during the year	Nil	Nil
(ii)	Aggregate outstanding	Nil	Nil
(iii)	Of these, number of accounts restructured during the year	Nil	Nil
(iv)	Aggregate outstanding	Nil	Nil

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2025 (Contd.)

48 DISCLOSURES AS REQUIRED MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 (Contd.)

(b) Details of non-performing accounts sold

(₹ in Lakhs)

Sr. No.	Particulars	As at 31 st March, 2025	As at 31 st March, 2024
(i)	No. of accounts sold during the year	1	1
(ii)	Aggregate outstanding* (Rs in Lakhs)	1,690	2,392
(iii)	Of these, number of accounts restructured during the year	Nil	Nil
(iv)	Aggregate outstanding	NA	NA

* Principal Outstanding

48.08 Exposure to real estate sector, both direct and indirect & exposure to capital market

a) Exposure to real estate sector, both direct and indirect

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
I. Direct exposure		
(i) Residential Mortgages		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.	4,85,115	4,38,439
(ii) Commercial Real Estate		
Lending secured by mortgages on commercial real estate's (office buildings, retail space, multipurpose commercial premises, Multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits	76,490	63,734
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures		
(a) Residential	-	-
(b) Commercial Real Estate	-	-
II. Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank and Housing Finance Companies	-	-
Total Exposure to Real Estate	5,61,605	5,02,173

b) Exposure to Capital Market

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	Nil	Nil
(ii) advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	Nil	Nil

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2025 (Contd.)

48 DISCLOSURES AS REQUIRED MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 (Contd.)

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	Nil	Nil
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds 'does not fully cover the advances	Nil	Nil
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stock brokers and market makers;	Nil	Nil
(vi) loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resource	Nil	Nil
(vii) bridge loans to companies against expected equity flows/issue	Nil	Nil
(viii) underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	Nil	Nil
(ix) financing to stockbrokers for margin trading	Nil	Nil
(x) all exposures to Alternative Investment Funds:	Nil	Nil
(i) Category I		
(ii) Category II		
(iii) Category III		
Total exposure to Capital Market	Nil	Nil

48.09 Movement of credit impaired loans under Ind AS

(₹ in Lakhs)

Sr. No.	Particulars	As at 31 st March, 2025	As at 31 st March, 2024
(i)	Credit impaired loans under Ind-AS (Net) to Loans (Net) (%)	1.22%	1.33%
(ii)	Movement of credit impaired loans under Ind AS (Gross)		
(a)	Opening balance	16,457	16,450
(b)	Additions during the year	19,523	11,404
(c)	Reductions during the year	11,409	8,911
(d)	Written off (net of recoveries)	683	2,486
(e)	Closing balance	23,888	16,457
(iii)	Movement of Net impaired loans		
(a)	Opening balance	13,199	12,798
(b)	Additions during the year	8,939	9,233
(c)	Reductions during the year	7,267	7,746
(d)	Written off	433	1,085
(e)	Closing balance	14,438	13,200

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2025 (Contd.)

48 DISCLOSURES AS REQUIRED MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 (Contd.)

(₹ in Lakhs)

Sr. No.	Particulars	As at 31 st March, 2025	As at 31 st March, 2024
(iv)	Movement of impairment loss allowance on credit impaired loans		
	(a) Opening balance	3,258	3,649
	(b) Additions during the year	10,584	2,171
	(c) Reductions during the year	4,142	1,165
	(d) Written off	250	1,397
	(e) Closing balance	9,450	3,258

48.10 Concentration of Loan, Exposure & Credit Impaired loans

(a) Concentration of Loan

(₹ in Lakhs)

Sr. No.	Particulars	As at 31 st March, 2025	As at 31 st March, 2024
(i)	Total advances to twenty largest borrowers	8,251	9,884
(ii)	Percentage of Twenty largest borrowers to Total advances	0.70%	1.00%

(b) Concentration of Exposure

(₹ in Lakhs)

Sr. No.	Particulars	As at 31 st March, 2025	As at 31 st March, 2024
(i)	Total exposure to twenty largest borrowers	8,251	9,884
(ii)	Percentage of exposure to twenty largest borrowers to Total Exposure	0.69%	0.98%

(c) Concentration of credit impaired

(₹ in Lakhs)

Sr. No.	Particulars	As at 31 st March, 2025	As at 31 st March, 2024
(i)	Total exposure of top four credit impaired accounts	1,976	3,452

(d) Sector wise distribution of credit impaired loss

(₹ in Lakhs)

Sectors	Total Exposure	Gross NPA	% of gross NPA to exposure in that sector
As at 31st March, 2025			
Agriculture and allied activities	0.00	0.00	0.00%
Industry	0.00	0.00	0.00%
Services	0.00	0.00	0.00%
Other personal loans	0.00	0.00	0.00%
Others	11,83,842	23,888	2.02%
As at 31st March, 2024			
Agriculture and allied activities	0.00	0.00	0.00%
Industry	0.00	0.00	0.00%
Services	0.00	0.00	0.00%
Other personal loans	0.00	0.00	0.00%
Others	9,91,632	16,457	1.66%

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2025 (Contd.)

48 DISCLOSURES AS REQUIRED MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 (Contd.)

(e) Intragroup Exposure

(₹ in Lakhs)

Sr. No.	Particulars	As at 31 st March, 2025	As at 31 st March, 2024
(i)	Total amount of intra-group exposures	-	-
(ii)	Total amount of top 20 intra-group exposures	-	-
(iii)	Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	-	-

48.11 Details of single borrower limit and group borrower limit exceeded by the Company

During the year ended 31st March, 2025 and year ended 31st March, 2024, the Company's credit exposure to single borrower and group borrowers were within the limits prescribed by the RBI.

48.12 Unsecured Advances

The Company has not taken any charge over the rights, licences, authorisation etc. against unsecured loan given to borrowers in the year ended 31st March, 2025 and year ended 31st March, 2024.

48.13 Fraud Reporting

The fraud detected and reported for the year ended 31st March, 2025 amounted to ₹ 509 Lakhs. (year ended 31st March, 2024: ₹ 322 Lakhs)

48.14 Net profit or loss for the year, prior period items and change in accounting policy

There are no prior period items and no changes in accounting policy.

48.15 Details of 'provision and contingencies'

(₹ in Lakhs)

Sr. No.	Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
1	Provision for depreciation on investment	375	83
2	Provision towards credit impaired loans	8,843	(324)
3	Provision towards income tax	10,169	7,687
4	Other provision and contingencies	-	-
5	Provision for standard loans (Stage 1 & 2)	7,373	826

48.16 Draw down from reserves

The Company has not made any draw down from reserves during the year ended 31st March, 2025 (31st March, 2024 - Nil).

48.17 Disclosure of complaints

(l) Summary information on complaints received by the Company from customers and from the Office of Ombudsman:

(₹ in Lakhs)

Sr. No.	Particulars	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Complaints from customers			
1	No. of complaints pending as at the beginning of the year	-	-
2	No. of complaints received during the year	369	37
3	No. of complaints disposed during the year	365	37
3.1	Of which, number of complaints rejected by the NBFC	59	11
4	No. of complaints pending as at the end of the year	4	-

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2025 (Contd.)

48 DISCLOSURES AS REQUIRED MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 (Contd.)

(₹ in Lakhs)

Sr. No.	Particulars	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Maintainable complaints from the Office of Ombudsman			
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman	124	109
5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	124	109
5.2	Of 5, number of complaints resolved through conciliation/mediation/ advisories issued by Office of Ombudsman	-	-
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously The Ombudsman Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the Scheme.

(II) Top five grounds of complaints received by the NBFCs from customers

For the year ended 31st March, 2025

(₹ in Lakhs)

Sr. No.	Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
	1	2	3	4	5	6
I	Issuance of Foreclosure Letter	-	193	1508%	1	-
II	Levy of Pre Payment Charges	-	30	900%	2	-
III	Loan Recovery Related	-	19	375%	-	-
IV	Loan Disbursement Related	-	16	1500%	-	-
V	CIBIL Related	-	14	NA	-	-

For the year ended 31st March, 2024

(₹ in Lakhs)

Sr. No.	Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
	1	2	3	4	5	6
I	Issuance of Foreclosure Letter	-	12	500%	-	-
II	Release of Pledge Gold Ornaments	-	5	NA	-	-
III	Loan Recovery Related	-	4	100%	-	-
IV	Levy of Pre Payment Charges	-	3	NA	-	-
V	Gold Loan Auction Related	-	2	NA	-	-

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2025 (Contd.)

48 DISCLOSURES AS REQUIRED MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 (Contd.)

48.18 Registration obtained from Financial Sector Regulators

Regulator	Registration No.
Reserve Bank of India	Certificate of Registration No. N-16.00187 dt 24 th August, 2010
Insurance Regulatory and Development Authority of India	Certificate of Registration No. CA0947 dt 10 th June, 2024

48.19 Ratings assigned by the credit rating agencies and migration of ratings during the year

Sr. No.	Particulars	Name of the Instrument	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024	Ratings Migration
1	Long Term	Bank Lines	India Rating and Research Pvt. Ltd. (IND AA+/Stable); CARE Ratings (CARE AA+ Stable)	India Rating and Research Pvt. Ltd. (IND AA+/Stable); CARE Ratings (CARE AA+ Stable)	-
2	Short Term	Bank Lines	CARE Ratings (CARE A1+)	CARE Ratings (CARE A1+)	-
3	Short Term	Commercial paper	CRISIL Ratings Limited (CRISIL A1+)	CRISIL Ratings Limited (CRISIL A1+)	-
4	Long Term	Non convertible debentures	CARE Ratings (CARE AA+/Stable)	CARE Ratings (CARE AA+/Stable)	-
5	Long Term	Non convertible debentures	India Rating and Research Pvt. Ltd. (IND AA+/Stable)	India Rating and Research Pvt. Ltd. (IND AA+/Stable)	-
6	Long Term	Non convertible debentures	CRISIL Ratings Limited (CRISIL AA+/Positive)	CRISIL Ratings Limited (CRISIL AA+/Positive)	Upgrade
7	Long Term	Non convertible debentures - Subordinated Debt	India Rating and Research Pvt. Ltd. (IND AA+/Stable)	India Rating and Research Pvt. Ltd. (IND AA+/Stable)	-
8	Long Term	Non convertible debentures - Subordinated Debt	CARE Ratings (CARE AA+/Stable)	CARE Ratings (CARE AA+/Stable)	-
9	Short Term	Commercial paper	ICRA Limited (ICRA A1+)	ICRA Limited (ICRA A1+)	-

48.20 Amounts due to Investor Education and Protection Fund

There is no amount due to be credited to Investor Education and Protection Fund as at 31st March, 2025 (31st March, 2024 - Nil)

48.21 Off Balance Sheet SPV sponsored - The Company does not have any SPVs sponsored (which are required to be consolidated as per Accounting Norms).

48.22 Penalties imposed by RBI and other regulators

(₹ in Lakhs)

Penalty imposed by	31 st March, 2025	31 st March, 2024
RBI	-	9
Goods and Service Tax (GST)	0	0
Provident Fund	1	2
BSE	1	2
Others	1	-
Total	4	13

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2025 (Contd.)

48 DISCLOSURES AS REQUIRED MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 (Contd.)

48.23 Ownership Overseas Assets (for those with joint ventures and subsidiaries abroad)

There are no overseas assets owned by the Company.

48.24 Breach of Covenant

During year ended 31st March, 2025, there are no instances of breach of covenant of loan availed or debt securities issued.

48.25 DIVERGENCE IN ASSET CLASSIFICATION AND PROVISIONING - DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA (SCALE BASED REGULATION) RBI/2022-23/26 DOR.ACC.REC.NO.20/21.04.018/2022-23 DATED APRIL 19, 2022.

There are no additional Gross NPAs identified by RBI which exceeds 5 per cent of the reported Gross NPAs for the year ended 31st March, 2025. (31st March, 2024: Nil)

There are no additional provisioning requirements assessed by the Reserve Bank exceeds 5 percent of the reported profits before tax and impairment loss on financial instruments for the reference period. (31st March, 2024: Nil)

48.26 Dividend Declared

The Company has not declared any dividend for the year ended 31st March, 2025. (31st March, 2024: Nil)

48.27 Pledged Securities

The Company has not given any loans against pledged securities during the year ended 31st March, 2025. (31st March, 2024: Nil)

48.28 Disclosure pursuant to Reserve Bank of India notification DNBS.CC.PD.No.356/03.10.01/2013-14 dated 16 September 2013 pertaining to gold loans

Details of Gold auction conducted

(₹ in Lakhs)

Particulars	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
No. of loan accounts	10,906	9,109
Principal Amount outstanding at the date of auction (₹ in Lakhs)	5,080	4,390
Interest, penalty and other charges amount outstanding at the date of auction (₹ in Lakhs)	1,564	789
Total value fetched (₹ in Lakhs)	8,348	6,546

Note: No entity within the Company's group including any holding or associate Company or any related party had participated in any of the above auctions.

48.29 Schedule to the Balance Sheet of a non deposit taking Non-Banking Financial Company (as required in terms of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023

(₹ in Lakhs)

Sr. No.	Particulars	As at 31 st March, 2025	As at 31 st March, 2024
	Liabilities side		
1	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid*:		
	(a) Debentures		
	-Secured	40,144	30,192
	-Unsecured	47,607	47,559
	(other than falling within the meaning of public deposits)		
	(b) Deferred Credits	-	-
	(c) Term Loans	7,64,979	6,67,587

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2025 (Contd.)

48 DISCLOSURES AS REQUIRED MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 (Contd.)

(₹ in Lakhs)

Sr. No.	Particulars	As at 31 st March, 2025	As at 31 st March, 2024
	(d) Inter-corporate loans and borrowing	-	-
	(e) Commercial Paper	9,878	-
	(f) Public Deposits	-	-
	(g) Other Loans (represents Working Capital Demand Loan, Cash credit, Bank Over draft and Liability component of Compound financial instrument)	3,28,515	76,121
	* There is no overdue		
2	Break-up of (1)(f) above (outstanding public deposit inclusive of interest accrued thereon but not paid		
	(a) In the form of unsecured debenture	-	-
	(b) In the form of partly secured debenture i.e. debenture where there is shortfall in the value of security	-	-
	(c) Other public deposits	-	-
	Asset side		
3	Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:		
	(a) Secured	10,60,639	8,60,133
	(b) Unsecured	1,23,203	1,31,499
4	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		
	(i) Lease assets including lease rentals under sundry debtors		
	(a) Finance Lease	-	-
	(b) Operating Lease	-	-
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire	-	-
	(b) Repossessed Assets	-	-
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed	-	-
	(b) Loans other than (a) above	-	-
5	Break-up of Investments (net of provision for diminution in value)		
	Current Investments:		
	1 Quoted		
	(i) Shares:		
	(a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and bonds	-	-
	(iii) Units of mutual funds	11,812	49,945
	(iv) Government Securities	28,399	24,600
	(v) Others	-	-

Notes Forming Part of the Financial Statements
 For the Year Ended 31st March, 2025 (Contd.)

48 DISCLOSURES AS REQUIRED MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 (Contd.)

(₹ in Lakhs)

Sr. No.	Particulars	As at 31 st March, 2025	As at 31 st March, 2024
2	Unquoted		
	(i) Shares:		
	(a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and bonds	208	583
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others	-	-
	Long Term Investments:		
1	Quoted		
	(i) Shares:		
	(a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others	-	-
2	Unquoted		
	(i) Shares:		
	(a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others	-	-
6	Borrower group-wise classification of assets financed as in (3) and (4) above (amount net of provision)		
1	Related Parties		
	(a) Subsidiaries		
	(i) Secured	-	-
	(ii) Unsecured	-	-
	(b) Companies in the same group		
	(i) Secured	-	-
	(ii) Unsecured	-	-
	(c) Other related parties		
	(i) Secured	-	-
	(ii) Unsecured	-	-
2	Other than related parties		
	(i) Secured	10,60,639	8,60,133
	(ii) Unsecured	1,23,203	1,31,499
	Total	11,83,842	9,91,632

 Notes Forming Part of the Financial Statements
 For the Year Ended 31st March, 2025 (Contd.)

48 DISCLOSURES AS REQUIRED MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 (Contd.)

(₹ in Lakhs)

Sr. No.	Particulars	As at 31 st March, 2025	As at 31 st March, 2024
7	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):		
1	Related Parties		
	(a) Subsidiaries		
	(i) Market Value/Break up or fair value or NAV	-	-
	(ii) Book Value (Net of Provisions)	-	-
	(b) Companies in the same group		
	(i) Market Value/Break up or fair value or NAV	-	-
	(ii) Book Value (Net of Provisions)	-	-
	(c) Other related parties		
	(i) Market Value/Break up or fair value or NAV	-	-
	(ii) Book Value (Net of Provisions)	-	-
2	Other than related parties		
	(i) Market Value/Break up or fair value or NAV	-	-
	(ii) Book Value (Net of Provisions)	40,419	75,128
	Total	40,419	75,128
8	Other Information:		
	(i) Gross Non-Performing Assets		
	(a) Related parties	-	-
	(b) Other than related parties	23,888	16,457
	(ii) Net Non-Performing Assets		
	(a) Related parties	-	-
	(b) Other than related parties	14,438	13,200
	(iii) Assets acquired in satisfaction of debt	-	-

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2025 (Contd.)

48 DISCLOSURES AS REQUIRED MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 (Contd.)

48.30 Disclosure in term of notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20
(A) Comparison between provisions required under Income Recognition, Asset Classification and Provisioning and impairment allowances made under Ind AS 109

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying amount as per Ind AS		Loss Allowances (Provision) as required under Ind AS 109		Net carrying amount		Provision required under IRACP norms		Difference between Ind AS 109 and IRACP norms	
		31 st March, 2025	31 st March, 2024	31 st March, 2025	31 st March, 2024	31 st March, 2025	31 st March, 2024	31 st March, 2025	31 st March, 2024	31 st March, 2025	31 st March, 2024
(1)	(2)	(3)	(4)	(4)	(6)	(5) = (3) - (4)	(8) = (4) - (6)	(6)	(10)	(7) = (4) - (6)	(12) = (6) - (10)
Performing Assets											
Standard	Stage 1	11,10,670	9,31,573	3,585	1,867	11,07,085	9,29,707	4,287	3,624	(702)	(1,758)
	Stage 2	41,527	34,545	6,005	4,100	35,522	30,444	817	923	5,188	3,178
Sub Total		11,52,197	9,66,118	9,590	5,967	11,42,607	9,60,152	5,104	4,547	4,486	1,420
Non Performing Assets (NPA)											
Sub Standard	Stage 3	15,124	9,092	4,468	1,690	10,657	7,402	1,454	838	3,014	852
	Stage 2*	7,757	9,056	71	69	7,686	8,987	28	817	43	(748)
	Stage 3	4,845	6,263	2,178	1,238	2,667	5,025	1,100	1,271	1,079	(33)
	Stage 3	3,467	883	2,456	200	1,011	683	1,195	304	1,261	(104)
	Stage 3	45	0	33	0	12	0	37	0	(4)	(0)
Sub-total for Doubtful		8,357	7,146	4,667	1,438	3,689	5,708	2,331	1,575	2,336	(137)
Loss	Stage 3	406	220	409	223	(3)	(3)	409	226	-	(3)
Sub-total for NPA		31,644	25,514	9,615	3,420	22,029	22,094	4,222	3,456	5,393	(36)
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-	-	-	-
	Stage 3	-	-	-	-	-	-	-	-	-	-
Sub-total		-	-	-	-	-	-	-	-	-	-
Total	Stage 1	11,10,670	9,31,573	3,585	1,867	11,07,085	9,29,707	4,287	3,624	(702)	(1,758)
	Stage 2	49,284	43,601	6,076	4,169	43,208	39,431	845	1,739	5,231	2,430
	Stage 3	23,888	16,458	9,544	3,351	14,344	13,107	4,194	2,639	5,350	712
	Total	11,83,842	9,91,632	19,205	9,387	11,64,637	9,82,245	9,326	8,002	9,879	1,384

* These represent gold loan accounts which have been classified as Stage 2 based on the Credit Risk policy and assessment of the Company which lays down the definition of 'default', the Company considers for its staging analysis. Further, the Company has also considered Loan to Value (LTV) margin, empirical evidence of realization from the liquidation of collateral and other information. These accounts are classifiable as Sub-standard under the extant regulatory provisions.

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2025 (Contd.)

48 DISCLOSURES AS REQUIRED MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 (Contd.)

(B) Disclosure in term of RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 relating to classification of gold loan accounts that are past due beyond 90 days but not treated/classified as impaired (Stage 3) assets by virtue of the following:

- Gold loans are originated basis value of under-lying collateral rather than financial background of the borrower.
- The underlying collateral are highly liquid and as a consequence the credit impairment risk is primarily on account of insufficiency of margin/Loan to Value (LTV) if any.
- At the time of re-pledge/rollover of the gold loan facility, there is no concession granted/offered to the borrower by the Company and process followed is similar to that which would have been followed for any new borrower as there is a fresh-assessment of collateral (including additional margin/collateral brought-in by borrowers) and it is ensured that the collateral value is within the RBI prescribed LTV norms at origination.
- Past empirical evidence of realisation/recoveries from the liquidation of collateral i.e. immaterial/insignificant Loss Given Default (LGD) rates for the gold loan portfolio.

(₹ in Lakhs)

Particulars	Number of Accounts as at 31 st March, 2025	Total amount Outstanding as at 31 st March, 2025	Number of Accounts as at 31 st March, 2024	Total amount Outstanding as at 31 st March, 2024
		(in Lakhs)		(in Lakhs)
Accounts where 90 days rebuttal is done	2,656	3,110	3,886	4,692
Accounts linked to above	3,387	4,646	4,002	4,364
Total	6,043	7,756	7,888	9,056

48.31 Public Disclosures as mandated by LRM framework for NBFCs issued by the RBI on 4th November 2019.

a) Funding Concentration based on significant counterparty

(₹ in Lakhs)

Sr. No.	Significant counterparty*	As at 31 st March, 2025	
		Amount	% of total liabilities
1	Federal Bank Ltd	1,33,449	12.47%
2	State Bank of India Ltd	1,25,393	11.72%
3	Indian Bank Ltd	1,08,466	10.13%
4	Canara Bank Ltd	64,652	6.04%
5	ICICI BANK Ltd	63,266	5.91%
6	SIDBI Ltd	51,457	4.81%
7	HSBC Ltd	50,050	4.68%
8	Other Retailers	47,038	4.40%
9	Indusind Bank Ltd	38,149	3.56%
10	Axis Bank Ltd	35,270	3.30%
11	IDBI Bank Ltd	32,683	3.05%
12	HDFC Bank Ltd	31,944	2.98%
13	Bandhan Bank Ltd	31,194	2.91%
14	Bank of Baroda Ltd	26,181	2.45%
15	Bajaj Finance Ltd	21,625	2.02%
16	Punjab and Sindh Bank Ltd	19,955	1.86%
17	Punjab National Bank Ltd	18,923	1.77%
18	Kotak Mahindra Bank Ltd	16,230	1.52%
19	Anz Bank Ltd	12,003	1.12%
20	Karnataka Bank Ltd	11,570	1.08%
21	Bank of Maharashtra Ltd	11,015	1.03%

*Significant counterparty has been defined as exposure greater than 1%

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2025 (Contd.)

48 DISCLOSURES AS REQUIRED MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 (Contd.)

b) Top 10 borrowings

(₹ in Lakhs)

Sr. No.	Significant counterparty	As at 31 st March, 2025	
		Amount	% of total Borrowing
1	Federal Bank Ltd	1,33,449	13.00%
2	State Bank of India Ltd	1,25,393	12.21%
3	Indian Bank Ltd	1,08,466	10.56%
4	Canara Bank Ltd	64,652	6.30%
5	ICICI BANK Ltd	63,266	6.16%
6	SIDBI Ltd	51,457	5.01%
7	HSBC Ltd	50,050	4.87%
8	Other Retailers	47,038	4.58%
9	Indusind Bank Ltd	38,149	3.72%
10	Axis Bank Ltd	35,270	3.43%

c) Funding Concentration based on significant instrument/product

(₹ in Lakhs)

Sr. No.	Significant product	As at 31 st March, 2025	
		Amount	% of total liabilities
1	Term Loan- Secured	7,62,464	71.24%
2	Short Term working Capital	1,64,258	15.35%
3	NCD - Unsecured	47,607	4.45%
4	NCD - Secured	40,144	3.75%
5	Commercial paper	9,878	0.92%
6	Term Loan- Unsecured	2,515	0.23%

d) Stock Ratio

Sr. No.	Significant counterparty	As at 31 st March, 2025 %
1	Commercial Paper as % of Total Liabilities	0.92%
2	Commercial Paper as % of Total Assets	0.75%
3	Other Short Term Liabilities as % of Total Liabilities	16.92%
4	Other Short Term Liabilities as % of Total Asset	13.67%

48.31 Public Disclosures as mandated by LRM framework for NBFCs issued by the RBI on 4th November 2019.

a) Funding Concentration based on significant counterparty

(₹ in Lakhs)

Sr. No.	Significant counterparty*	As at 31 st March, 2024	
		Amount	% of total liabilities
1	Federal Bank Ltd	1,04,059	11.72%
2	Indian Bank(Including Erst. Allahabad Bank)	77,798	8.76%
3	Canara Bank Ltd	77,694	8.75%
4	State Bank of India Ltd	68,403	7.71%
5	ICICI Bank Ltd	58,761	6.62%
6	Bank of Baroda Ltd	49,879	5.62%
7	SIDBI Ltd	49,076	5.53%
8	HDFC Bank Ltd	48,254	5.44%
9	Other Retailers	45,208	5.09%
10	IDBI Bank Ltd	40,682	4.58%

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2025 (Contd.)

48 DISCLOSURES AS REQUIRED MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 (Contd.)

(₹ in Lakhs)

Sr. No.	Significant counterparty*	As at 31 st March, 2024	
		Amount	% of total liabilities
11	Indusind Bank Ltd	30,004	3.38%
12	Axis Bank Ltd	28,251	3.18%
13	HSBC Ltd	25,026	2.82%
14	Karnataka Bank Ltd	20,542	2.31%
15	Bank of Maharashtra Ltd	18,243	2.06%
16	Bajaj Finance Ltd	16,063	1.81%
17	Central Bank of India Ltd	11,714	1.32%
18	Bank of India Ltd	9,991	1.13%

*Significant counterparty has been defined as exposure greater than 1%

b) Top 10 borrowings

(₹ in Lakhs)

Sr. No.	Significant counterparty	As at 31 st March, 2024	
		Amount	% of total borrowings
1	Federal Bank Ltd	1,04,059	12.67%
2	Indian Bank(Including Erst. Allahabad Bank)	77,798	9.47%
3	Canara Bank Ltd	77,694	9.46%
4	State Bank of India Ltd	68,403	8.33%
5	ICICI Bank Ltd	58,761	7.15%
6	Bank of Baroda Ltd	49,879	6.07%
7	SIDBI Ltd	49,076	5.97%
8	HDFC Bank Ltd	48,254	5.87%
9	Other Retailers	45,208	5.50%
10	IDBI Bank Ltd	40,682	4.95%

c) Funding Concentration based on significant instrument/product

(₹ in Lakhs)

Sr. No.	Significant counterparty*	As at 31 st March, 2024	
		Amount	% of total liabilities
1	Term Loan- Secured	6,64,966	74.91%
2	NCD - Unsecured	47,559	5.36%
3	Commercial paper	-	0.00%
4	NCD - Secured	30,192	3.40%
5	Short Term working Capital	76,123	8.58%
6	Term Loan- Unsecured	2,621	0.30%

d) Stock Ratio

Sr. No.	Significant counterparty*	As at 31 st March, 2024 %
1	Commercial Paper as % of Total Liabilities	0.00%
2	Commercial Paper as % of Total Assets	0.00%
3	Other Short Term Liabilities as % of Total Liabilities	14.62%
4	Other Short Term Liabilities as % of Total Asset	11.65%

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2025 (Contd.)

51 LCR DISCLOSURE

Particulars	As at 31 st March, 2025			As at 31 st December, 2024			As at 30 th September, 2024			As at 30 th June, 2024			As at 31 st March, 2024		
	Unweighted Value (average)	Weighted Value (average)	Total Value	Unweighted Value (average)	Weighted Value (average)	Total Value	Unweighted Value (average)	Weighted Value (average)	Total Value	Unweighted Value (average)	Weighted Value (average)	Total Value	Unweighted Value (average)	Weighted Value (average)	Total Value
High Quality Liquid Asset															
1 Total High Quality Liquid Assets (HQLA)	40,261	40,261		35,166	35,166		35,671	35,671		34,873	34,873		32,044	32,044	
Cash Outflows															
2 Deposits (for deposit taking companies)	-	-		-	-		-	-		-	-		-	-	
3 Unsecured wholesale funding	-	-		-	-		-	-		-	-		-	-	
4 Secured wholesale funding	54,949	63,191		49,880	57,362		46,112	53,029		34,903	40,138		43,828	50,402	
5 Additional requirements, of which	-	-		-	-		-	-		-	-		-	-	
(i) Outflows related to derivative exposures and other collateral requirements	-	-		-	-		-	-		-	-		-	-	
(ii) Outflows related to loss of funding on debt products	-	-		-	-		-	-		-	-		-	-	
(iii) Credit and liquidity facilities	13,487	15,510		14,021	16,124		15,101	17,366		14,609	16,800		14,814	17,037	
6 Other contractual funding obligations	17,849	20,526		3,839	4,415		6,279	7,220		12,376	14,232		13,224	15,208	
7 Any other contingent outflows	7,211	8,292		5,942	6,833		8,151	9,374		13,920	16,008		24,747	28,459	
8 TOTAL CASH OUTFLOWS	93,496	1,07,519		73,682	84,734		75,643	86,989		75,808	87,178		96,613	1,11,106	
8B 75% of (Weighted Cash Outflow)		80,639			63,551			65,242			65,384			83,330	
Cash Inflows															
9 Secured lending	27,211	20,408		28,835	21,626		27,914	20,936		42,435	31,826		27,176	20,382	
10 Inflows from fully performing exposures	-	-		-	-		-	-		-	-		-	-	
11 Other cash inflows	1,36,011	1,02,008		1,00,989	75,742		85,570	64,178		80,236	60,177		1,59,723	1,19,792	
12 TOTAL CASH INFLOWS	1,63,222	1,22,416		1,29,824	97,368		1,13,484	85,114		1,22,671	92,003		1,86,899	1,40,174	
13 TOTAL HQLA		40,261			35,166			35,671			34,873			32,044	
14 TOTAL NET CASH OUTFLOWS		26,880			21,184			21,747			21,795			27,777	
15 LIQUIDITY COVERAGE RATIO (%)		150%			166%			164%			160%			115%	
Components of High Quality Liquid Asset															
1 Cash and cash equivalents		9,912			8,415			7,157			7,802			8,013	
2 Investment in Government securities		30,349			26,750			28,514			27,071			24,031	

As part of the Liquidity Risk Management Framework for NBFCs, RBI has mandated maintenance of Liquidity Coverage Ratio (LCR) vide Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time. The Company is required to maintain adequate unencumbered High Quality Liquid Asset (HQLA) to meet its liquidity needs for a 30 calendar-day time horizon under a significantly severe liquidity stress scenario with a view to ensure short-term resilience and strengthen liquidity risk profile. Presently, the Company is currently mandated to maintain a minimum LCR of 100% wef 1st December, 2024.

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2025 (Contd.)

51 LCR DISCLOSURE (Contd.)

The LCR is calculated by dividing the company's stock of HQLA by its total net cash outflows over a 30-day stress period. "High Quality Liquid Assets (HQLA)" means liquid assets that can be readily sold or immediately converted into cash at little or no loss of value or used as collateral to obtain funds in a range of stress scenarios. Total Net cash outflows is defined as total expected cash outflows minus total expected cash inflows in the specified stress scenario for the subsequent 30 calendar days. The main drivers of LCR are adequate HQLAs and lower net cash outflow. Major source of borrowings for the Company are Term loans/Working capital limits from Banks, Non-Convertible Debentures and Commercial papers and ECBs.

Note: The above ratio is computed in line with RBI Guideline.

52 TRANSFER OF FINANCIAL ASSETS

The Company has transferred a pool of loans arising from financing activities through securitisation transaction. In this transaction, the Company has provided credit enhancements to the transferee. Because of the existence of credit enhancements in this transaction, the Company continues to have the obligation to pay to the transferee, limited to the extent of credit enhancement, even if it does not collect the equivalent amounts from the original asset and continues to retain significantly all risks and rewards associated with the receivables, and hence, such transfer does not meet the derecognition criteria resulting into the transfer not being recorded as sale. Consequently, the proceeds received from the transfer has been recorded as collateralized debt obligation.

The carrying amount of loans arising from financing activities along with the associated liabilities is as follows

Nature of Assets	As at 31 st March, 2025		As at 31 st March, 2024	
	Carrying amount of sold assets	Carrying amount of associated liabilities	Carrying amount of sold assets	Carrying amount of associated liabilities
Loans	-	-	-	-

53 CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR)

Sr. No.	Particulars	As at	
		31 st March, 2025	31 st March, 2024
a. Claims against the company not acknowledged as debt			
1 Disputed Income Taxes (1)	-	103	
2 Disputed Indirect Taxes (2)	31	25	
3 Other Sums contingently liable for (3)	23	43	
b. Guarantees excluding financial guarantees			
Bank Guarantee to National Stock Exchange in connection with the IPO	793	793	
Total	847	964	

- The Assessing Officer has disagreed with the treatment of certain expenses in connection with the return of income tax return filed by the Company and accordingly raised a demand of ₹ 32 Lakhs for AY 2011-12, and short refund has been received amounting to ₹ 9 Lakhs and ₹ 62 for AY 2017-18 and AY 2022-23 respectively. This has been challenged by the Company before the Commissioner of Income Tax (Appeals) and adequate provision has been made.
- The GST Officer has disallowed some of the GST input credit taken in GST return for non reconciliation of Input tax credit with GSTR 2B and incorrect demand raised for Input tax credit already reversed u/r 38 by the Company and accordingly raised a demand of ₹ 9 Lakhs, ₹ 15 Lakhs for FY 2017-18 and ₹ 6 Lakhs for FY 2020-21 for Delhi, Gujarat and Uttar Pradesh respectively, this has been challenged by the Company before the Appellate Authority.

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2025 (Contd.)

53 CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR) (Contd.)

- The Payment of Bonus Act, 1979 was amended with retrospective effect during financial year 2020-21, the estimated probable additional cost to the Company on account of this to the extent it pertains to the earlier financial years has not been considered a liability by placing reliance on Kerala High Court judgement which has stayed this matter and accordingly this is disclosed as contingent liability amounting ₹ 23 Lakhs.
- In Line with industry practice, the Company auctions gold kept as security by borrowers whose loans are in default. Certain customers of the Company have filed suits in consumer/civil courts for auctioning of their gold ornaments or for obtaining of stay order against auction of their pledged gold. The management does not expect any material liability from such suits.
- Future cash outflows in respect of above are determinable only on receipt of judgements/decisions pending with various forums/authorities. It is not practicable for the Company to estimate the timings of the cashflows, if any, in respect of the above pending resolution of the respective proceedings. The Company does not expect any reimbursement in respect of the above contingent liabilities. The Company is of the opinion that above demands are not sustainable and expects to succeed in its appeals. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

54 CAPITAL AND OTHER COMMITMENTS

(₹ in Lakhs)

Sr. No.	Particulars	As at 31 st March, 2025	As at 31 st March, 2024
1	Estimated amount of contracts remaining to be executed on capital accounts not provided for (Net of advances)	482	431
2	Other Commitments towards partly disbursed loans	13,653	13,119

55 CAPITAL AND LCR

(₹ in Lakhs)

Sr. No.	Particulars	As at 31 st March, 2025			As at 31 st March, 2024	Variance	Reason for Variance (if above 25%)
		Numerator	Denominator	Ratio	Ratio		
1	Capital to risk weighted asset ratio (CRAR)	2,59,393	11,83,526	21.92%	23.46%	(6.59%)	-
2	Tier I CRAR	2,23,847	11,83,526	18.92%	19.72%	(4.06%)	-
3	Tier II CRAR	35,546	11,83,526	3.00%	3.74%	(19.79%)	-
4	Liquidity Coverage Ratio	40,261	26,880	150%	115%	29.83%	Due to external commercial borrowing and higher investment in 10 year Gsec

As at 31st March, 2024

Sr. No.	Ratios	Numerator	Denominator	Ratio
1	Capital to risk weighted asset ratio (CRAR)	2,45,358	10,45,682	23.46%
2	Tier I CRAR	2,06,247	10,45,682	19.72%
3	Tier II CRAR	39,111	10,45,682	3.74%
4	Liquidity Coverage Ratio	32,044	27,777	115%

Notes:

- Capital Adequacy Ratio has been computed as per relevant RBI Guidelines. (CRAR = [Tier I Capital + Tier II capital]/Total Risk weighted Assets)
- Liquidity Coverage Ratio has been computed as per relevant RBI Guidelines. (LCR = Total High Quality Liquid Assets/Total Net Cash Outflows)

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2025 (Contd.)

56 DISCLOSURE AS REQUIRED UNDER RULE 11(E) AND RULE 11(F) OF THE COMPANIES (AUDIT AND AUDITORS) RULES, 2014

- No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in a party identified by or on behalf of the Company (Ultimate Beneficiaries).
- The Company has not received any fund from any party(s) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- There is no dividend declared or paid during the year by the Company.

57 ADDITIONAL REGULATORY INFORMATION PURSUANT TO THE REQUIREMENT OF SCHEDULE III TO THE COMPANIES ACT 2013

- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961
- The Company has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks and financial institutions are in agreement with the books of accounts.
- The Company have not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- The Company has complied with the number of layers prescribed under the Companies Act, 2013, to the extent applicable.
- The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- Disclosure of transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956

(₹ in Lakhs)

S. No.	Name of Struck off Companies	Nature of transaction	Balance outstanding as on 31 st March, 2025 (in Lakhs)	Relationship with struck off Company
1	Praxis Consulting & Information Services Private Limited	Payables	-	No
2	Bajaj Electronics Private Limited	Payables	-	No

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2025 (Contd.)

58 ₹ 0 Lakhs indicates values are lower than ₹ 0.5 Lakhs, where applicable.

59 Previous year numbers have been regrouped/reclassified, wherever considered necessary, to correspond with current year presentation.

As per our report of even date attached

For **KKC & Associates LLP**
Chartered Accountants
FRN: 105146W/W-100621

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

C. V. Ganesh
Chief Financial Officer

S. Rajaraman
Company Secretary
M.No.F3514

Hasmukh B Dedhia
Partner
Membership No. 033494

Parvez Mulla
MD & CEO
DIN:08026994

Sonal Dave
Independent Director
DIN:00017710

Place: Mumbai
Date: 29th April, 2025

Place: Mumbai
Date: 29th April, 2025

