Secretarial Department

FEDBANK
FINANCIAL SERVICES LIMITED

September 04, 2026

National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G
Bandra Kurla Complex
Bandra (E), Mumbai – 400 051

Symbol: FEDFINA

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai- 400 001

Scrip Code: 544027

Dear Sir/Madam,

Subject: Annual report of the Company for the Financial Year 2025-26 pursuant to Regulations 30, 34 and 53 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")

Pursuant to Regulations 34 and 53 of SEBI Listing Regulations, we are submitting herewith the Annual Report of the Company for the Financial Year 2025-26 including the Notice of the 31st AGM ("AGM Notice") of the Company.

The Annual Report is uploaded on the Company's website at https://fedfina.com/ and on the website of National Securities Depository Limited (NSDL) at www.evoting.nsdl.com.

In compliance with the relevant circulars issued by the Ministry of Corporate Affairs from time to time and Regulations 36(1)(a) and 58(1)(a) of the SEBI Listing Regulations, the Notice of the 31st Annual General Meeting ("AGM") together with the Annual Report of the Company for the Financial Year 2025-26 is being sent by e-mail to all equity shareholders whose e-mail addresses are registered with the Company/MUFG Intime India Private Limited, Registrar and Share Transfer Agent ("RTA")/Depository Participant(s) ("DPs"). The Annual Report for the Financial Year 2025-26 is also being sent by e-mail to debenture holders whose e-mail addresses are registered with the Company/RTA/DPs. Physical copies of the Annual Report and the AGM Notice, as applicable, will be provided upon request.

Further, in compliance with Regulations 36(1)(b) and 58(1)(b) of the SEBI Listing Regulations, a letter containing the web-link, including the exact path, to access the Annual Report of the Company for the Financial Year 2025-26 and the AGM Notice is being sent to those equity shareholders whose e-mail addresses are not registered with the Company/RTA/DPs. A similar communication containing the web-link to access the Annual Report for the Financial Year 2025-26 is being sent to those debenture holders whose e-mail addresses are not registered with the Company/RTA/DPs.

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

Thanking you,

Yours faithfully,
For **Fedbank Financial Services Limited**

PARTHASARATHY RAJAGOPAL IYENGAR
Digitally signed by PARTHASARATHY RAJAGOPAL IYENGAR
Date: 2026.09.04 18:53:38 +05'30'

Parthasarathy Iyengar
Company Secretary & Compliance Officer
Membership No.: A21472

Encl.: a/a

Fedbank Financial Services Limited

Empowering **BHARAT.** Deepening **IMPACT.**

Annual Report **2025-26**

ACROSS THE PAGES

CORPORATE OVERVIEW

STATUTORY REPORTS

Scan this QR Code to access the Investor Relations page

SCAN ME

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.

INVESTOR INFORMATION

Market Capitalisation (as of 31st March, 2026)	₹4,642 Crores
CIN	L65910MH1995PLC364635
BSE Code	544027
NSE Symbol	FEDFINA
Bloomberg Code	FEDFINA IN Equity
AGM Date	29th September, 2026
AGM Mode	Video Conferencing (VC)/ Other Audio-Visual Means (OAVM)

Empowering **BHARAT.** Deepening **IMPACT.**

Reach is easily counted.
Depth is harder to build.

A loan can travel a long way and still touch very little. The credit that changes a life is the kind that meets a person where they are, secured against something they already hold, and stays long enough to matter.

For Fedbank Financial Services Limited, that something is most often gold kept safe across generations, or a roof above a small enterprise, tangible, owned and real. We lend against it, and in doing so we reach the underserved and emerging borrowers of Bharat, the small entrepreneurs, self-employed individuals and aspirational households that formal finance has too often passed by.

This is why our franchise is built on secured retail lending and on twin engines that work in concert. Gold Loans bring speed and liquidity. Mortgage Loans, spanning Small Ticket LAP, Medium Ticket LAP and Home Loans, bring scale and yield. Where credit discipline has not met our standards, we have had the conviction to step away.

FY 2025-26 was the year we rebuilt for depth, strengthening the balance sheet, sharpening the book and laying foundations meant to hold. The book is more secured, more granular and better aligned with the people it serves. Reach will follow. What we are building is impact that goes deeper across Bharat, and endures.

Lending with DISCIPLINE. Delivering RESULTS.

Financial Snapshot

₹ 20,153 Crores
AUM

₹ 31,410 Crores
Disbursements

₹ 343.6 Crores
PAT

98.9%
Secured AUM

1.9%
GNPA

1.3%
NNPA

0.8%
Credit Cost

2.4%
RoA

12.6%
RoE

Operational Snapshot

148
Branches Added

735
Employees Added

₹ 2.7 Lakhs
Average Ticket Size of Gold Loan

₹ 72.4 Lakhs
Average Ticket Size of MT LAP

₹ 16.1 Lakhs
Average Ticket Size of ST LAP

₹ 3.8 Crores
AUM per employee

Customer Centricity

3.44 Lakhs
Total Active Customers

455
Customers per Branch

100%
Resolution within TAT

35%
Auto Served Via BOT

85%
Customer Satisfaction Score (Positive)

Drawing on STRENGTH. Building SCALE.

Federal Bank Limited, the parent institution of Fedbank Financial Services Limited, brings a legacy built over decades, grounded in trust, relationship banking, and measured growth. That heritage has shaped its evolution into a diversified financial institution with a deepening presence across retail, corporate, SME and NRI banking.

Our consistent focus on granular deposits, prudent credit growth, asset quality and service excellence has given us a resilient and well-balanced business model. Sustained investment in technology, talent and process efficiency, positions the Company to pursue emerging opportunities across India's evolving financial landscape and create sustainable value for all stakeholders.

1931
Year of incorporation

1,600+
Banking outlets across India

1,400+
ATMs

650+
Recyclers

2 Crores+
Happy Customers

Strong
Retail, SME, corporate and NRI franchise

BUSINESS PORTFOLIO

- Retail Banking
- Corporate Banking
- SME Banking
- NRI Banking
- Digital Banking
- Treasury Services

Advancing ASPIRATIONS. Empowering BHARAT.

Founded in 1995, Fedbank Financial Services Limited ('Fedfina', 'We', 'The Company') is a trusted retail lending institution purpose-built for India's emerging credit landscape, connecting underserved individuals, self-employed borrowers and small businesses to formal, collateral-backed finance with speed, relevance and dignity.

As a subsidiary of the Federal Bank, we draw on the strength and credibility of a respected banking parent while retaining the agility of a non-banking financial institution (NBFC). This enables us to respond to India's fast-changing credit needs with discipline and pace.

Our Guiding Principles

With 757 branches across 17 states and union territories, we extend tailored credit solutions to underserved segments: often serving as a first point of access to formal finance. Guided by a focused, risk-conscious and customer-led approach, we bridge financial gaps while advancing inclusive and responsible growth.

Our Vision

Empower Emerging India with Easy Access to Loans

Our Values

E – **Execution Excellence**
- Clear Objectives
- Resource Optimisation
- Adaptability
- Continuous Improvement

P – **People Focus**
- Empowerment
- Development Opportunities
- Recognition and Rewards
- Work-Life Integration

I – **Integrity**
- Transparency
- Accountability
- Building Trust
- Ethical Decisioning

C – **Customer-Centric**
- Customer Goals
- Clear Communication
- Customer Support
- Seamless Experience

Our Offerings

Gold Loan

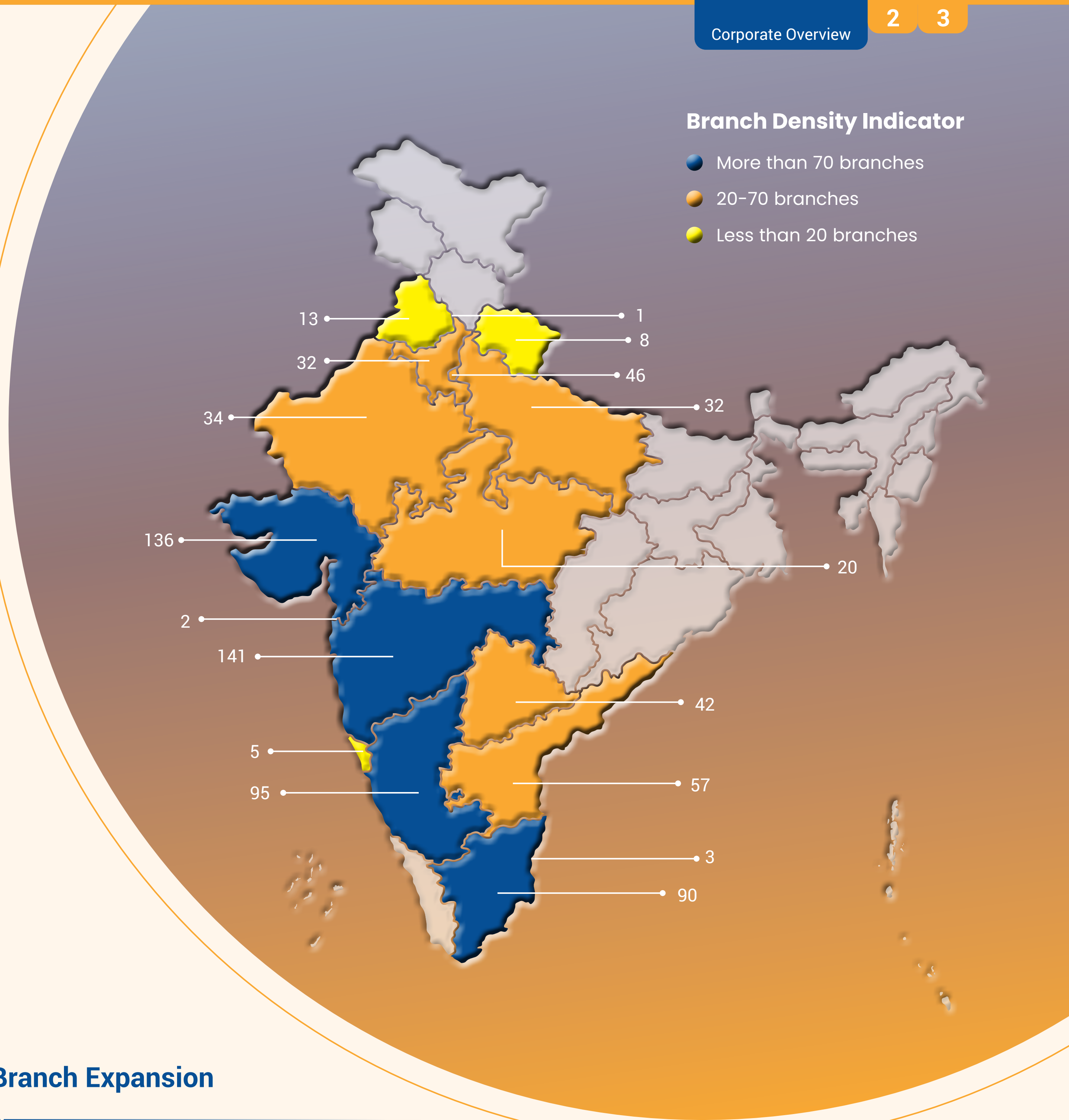
Mortgage Loans

Medium-Ticket LAP

Small-Ticket LAP and Housing Loans

Spreading **OUR ROOTS.** Anchoring **GROWTH.**

Our expansion across Bharat is guided by the clear aim of bringing our services closer to customers, broadening access to credit and deepening our presence in priority markets. During the year, we added 148 new branches across key markets and co-located a further 70, building a wider and more efficient network to support portfolio growth.

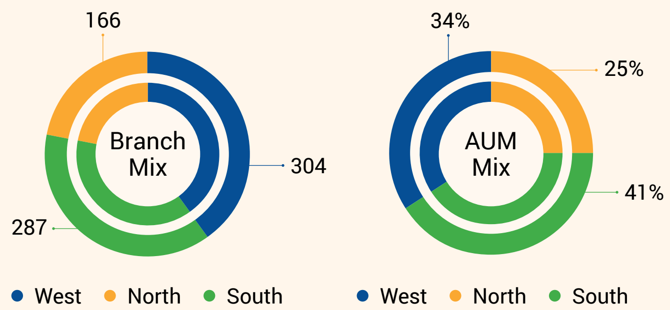


Our Comprehensive Network

757
Branches

17
States and Union Territories

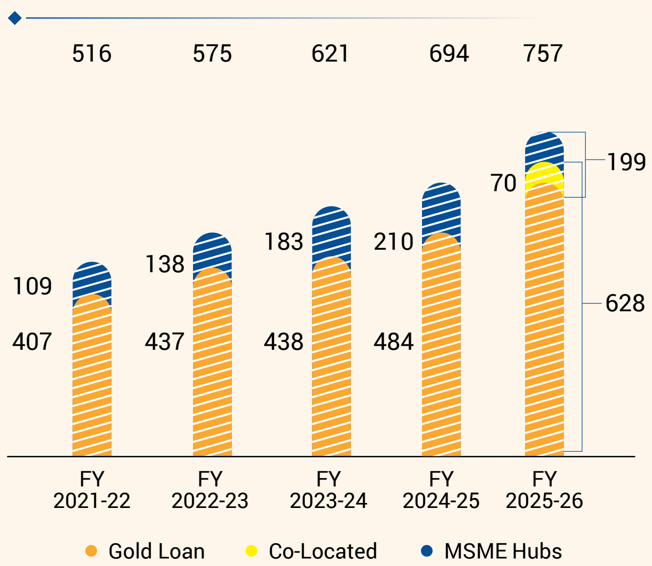
Branch and AUM Mix (%)



Geographic Concentration

% of AUM	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Top 5 States	80.3%	78.7%	77.9%	76.0%	75.1%

Branch Expansion



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.

Making Finance
ACCESSIBLE.
Shaping
DREAMS.

At Fedfina, our offerings are designed around the real credit needs of the customers whom we serve across Bharat. Anchored in secured lending, with Mortgage Loans and Gold Loans as our key pillars, our portfolio supports individuals and small businesses seeking reliable, accessible and need-based financing.

Mortgage Loans

India's mortgage-backed lending market is expanding, driven by rising demand for secured credit among underserved borrowers, especially MSMEs. Growth across Tier 2 and 3 cities, supported by a real-estate-led wealth effect and rising economic formalisation, is adding further depth to the segment. Our mortgage portfolio addresses this opportunity through ST LAP, home loans and MT LAP, serving a range of needs, from business expansion to working capital and asset acquisition.

Growth Drivers

1. Stable to softening interest rates with improved affordability and borrower eligibility
2. Healthy housing demand, especially in affordable, mid-income and Tier 2 and 3 markets
3. Strategic NBFC focus on secured retail assets such as mortgage loans and LAP
4. Stronger reach across self-employed, informal-income and underbanked customer segments
5. Expansion of sourcing through branches, DSAs, builder tie-ups, and digital channels
6. Stable funding access and a competitive cost of funds

Business Highlights

Medium-Ticket LAP

- Resilient disbursement momentum with steady yields, reflecting the segment's defensive, high-quality nature
- A capital-efficient product, used through DA and co-lending, even as we gradually reduce our reliance on DA to protect core interest income

Key Numbers

- ₹ **5,570** Crores — AUM
- ₹ **72.4** Lakhs — Average Ticket Size
- ₹ **2,180** Crores — Disbursements
- **27.6%** — Contribution to Overall AUM

Small-Ticket LAP

- In a rebuild and optimisation phase, with focus on strengthening portfolio quality and long-term scalability
- Greater cost efficiency through branch co-location and infrastructure integration with gold loan branches
- Improved asset quality in the new book compared to the old book
- Balance-sheet de-risking through the sale of deeply delinquent pools to ARCs and the complete assignment of the ₹886 Crores business loan portfolio, which together took us out of unsecured lending in H1 FY 2025-26 and lifted the secured AUM ratio to 98.9%

Key Numbers

- ₹ **3,792** Crores — AUM
- ₹ **16.1** Lakhs — Average Ticket Size
- ₹ **904** Crores — Disbursements
- **18.8%** — Contribution to Overall AUM

Gold Loans

India's gold loan segment performed strongly in FY 2025-26. Domestic gold prices rose nearly 65% over 2025, from USD 2,607 per ounce to USD 4,315 per ounce, according to India's Economic Survey. This lifted collateral values and unlocked fresh credit demand across customer segments. Against this backdrop, our gold loan franchise scaled rapidly, gaining market share from informal lenders on a differentiated proposition built on speed, transparency, doorstep convenience and competitive pricing.

Growth Drivers

1. Higher gold prices, with increased collateral values and larger eligible loan amounts
2. A borrower shift from unsecured loans to gold loans, for their secured nature and faster, easier access
3. Improved funding conditions and supportive RBI measures, with easier expansion for lenders
4. Strong rural demand, consumption growth and household liquidity needs in FY 2025-26
5. Gold's liquid, easily valued nature, well suited to scalable and operationally efficient lending
6. Co-lending and wider distribution partnerships, with broader reach and higher AUM for NBFCs

Business Highlights

- Gold loans now make up approximately 51% of our total AUM, up from around 37%, a year earlier
- Our Doorstep Gold Loan proposition grew 108% year-on-year to an AUM of ₹1,730 Crores
- Branch-level productivity improved, with AUM per branch rising to ₹16.5 Crores, an increase of ₹4.4 Crores over the year
- Portfolio LTV remained conservative at 60.9%, well within regulatory limits

Key Numbers

₹10,352 Crores AUM	₹2.7 Lakhs Average Ticket Size
₹28,326 Crores Disbursements	51.4% Contribution to Overall AUM

Pairing Prudence AND PACE. Compounding WORTH.

Our investment proposition is anchored in stability, scalability and consistent value creation. Backed by AA+/Stable credit ratings from four agencies, a resilient business model, disciplined risk management and a steadily strengthening return profile, we offer investors a differentiated and durable growth opportunity in India's expanding retail credit market.

Twin-Engine Growth Strategy

Our growth trajectory rests on two complementary secured lending segments: Gold Loans and Mortgage Loans (LAP and Home Loans). Gold Loans provide short-tenor, high-velocity growth secured by physical collateral, while Mortgage Loans deliver stable, long-tenor yield backed by property. This structural balance, liquidity products complemented by duration assets, gives our portfolio resilience across economic cycles and supports predictable earnings.

76%
Growth in Gold Loan AUM

16.1%
Growth in Mortgage Loan AUM

Strong Institutional Backing

As a subsidiary of Federal Bank, which holds a stake of approximately 60.8%, we benefit from institutional credibility, governance standards and operational alignment. This relationship strengthens our access to funding, supports market confidence and underpins disciplined lending practices, advantages that many standalone NBFCs lack.

Borrowing Mix

50%
Term Loans

14%
Direct Assignments

13%
NCDs and CPs

Rapid and Scalable 'Phygital' Distribution

We have built a scalable distribution architecture through a hub-and-spoke branch model supported by digital capabilities. This lets us reach underbanked and emerging markets efficiently, while maintaining close customer engagement and operational control across our network.

Efficient Funding Structure

Supported by AA+/Stable long-term credit ratings from CARE, CRISIL, ICRA and India Ratings, and the institutional credibility of our parent Federal Bank, we access funding at competitive rates across banks, NCDs, direct assignments and external commercial borrowings. Our USD 250 Million ECB programme further diversifies our liability profile and positions us for sustained, cost-efficient growth.

8.8%
Net Interest Margin

4.6x
Debt Equity Ratio

Technology-Enabled Underwriting

While operating within a collateral-based lending framework, we have integrated advanced digital systems across our credit processes. Automated underwriting and workflow tools support faster credit decisions, sharper risk assessment and greater efficiency across the lending cycle.

10 days
Turnaround Time for Loan Approvals

15 days
Turnaround Time for Disbursement

Experienced Leadership and Risk Discipline

Our growth is underpinned by a seasoned leadership team with deep expertise across banking and financial services. Their focus on prudent underwriting, structured risk management and consistent delivery keeps portfolio growth aligned with long-term financial stability.

99.7%
Collection Efficiency

12.6%
Return on Equity

Reinforcing Our PURPOSE. Serving Emerging BHARAT.

Dear Shareholders,

FY 2025-26 was a year of genuine progress. The strategic transformation we set in motion under Fedfina 2.0 has advanced considerably, and the results are visible in our portfolio composition, our risk architecture and the quality of our growth. We enter FY 2026-27 on firmer ground, with greater clarity about the institution we are building. The pursuit of excellence, as we have always believed, has no finish line, and we carry that conviction into the year ahead.

> India's household credit-to-GDP ratio stands at 42%, against 60% in China, 69% in the US and 76% in the UK.

The Credit Opportunity in Emerging Bharat

India's economy continues to offer a compelling setting for disciplined, responsible lenders. Real GDP grew an estimated 7.7% in FY 2025-26, supported by domestic consumption, rural demand and expanding digital infrastructure. The more significant story, however, is structural. India's household credit-to-GDP ratio stands at 42%, against 60% in China, 69% in the US and 76% in the UK. That gap represents a large and growing societal need for formal credit, one that responsible, well-governed institutions are best placed to address. Fedfina's customers sit squarely in this space: self-employed households, small business owners and MSME borrowers across Tier 2, 3 and 4 markets who need reliable access to organised credit. Serving them well is both our business purpose and our social obligation, and as a Board we hold both with equal seriousness.

Board Oversight and Governance

During the year, as a Board we focused our oversight on three areas: the integrity of our risk framework, the quality of our capital allocation and the standards by which we serve our customers. On risk, we satisfied ourselves that the shift to secured lending was accompanied by genuine underwriting discipline. On capital, decisions were reviewed with an eye to both near-term returns and long-term franchise value. On customer conduct, we remain attentive to the trust our borrowers place in us, often at moments of real financial need. Responsible lending is not a regulatory obligation alone. It is a reflection of what this institution stands for.

The Federal Bank's continued support as our parent has been a source of governance strength throughout. The access to institutional knowledge, funding stability and shared ethical standards that this relationship provides are advantages we are grateful for.

Performance and Progress

The operational detail is covered capably by the Managing Director and his team elsewhere in this report. A few numbers, however, are worth noting here. Gold loan AUM crossed ₹10,000 Crores, growing 76% year-on-year, driven by physical tonnage growth rather than price effects alone. Our branch network expanded to 757 locations, taking organised credit deeper into underserved geographies across Bharat. These outcomes reflect the work of a management team that has navigated a complex transformation with skill and steadiness, and a workforce that has embraced significant change with professionalism and commitment.

Our Responsibilities as an Institution

Our accountability to shareholders is central, but our responsibilities as a Board extend further. We are mindful of our obligations to customers whose financial well-being depends on how responsibly we lend, to employees who carry this institution forward each day, to regulators whose frameworks protect the broader financial system and to the communities in which we operate. Sustaining the trust of all these constituencies, simultaneously and over time, is what good governance asks of us.

The Road Ahead

As we enter FY 2026-27, the foundation is sound. Our role as a Board is to ensure that the growth ahead, targeted at 20 to 25% on a sustainable basis, is pursued with the same discipline that has marked the journey so far. Scale must not come at the cost of standards, and ambition must be matched by accountability. These are principles we will continue to hold the organisation to.

In Appreciation

I wish to place on record my appreciation for my fellow directors, whose counsel and rigour have been indispensable throughout the year. I thank the Managing Director and the leadership team for navigating a demanding year with clarity and composure. And I thank every member of the Fedfina family, across our branches, operations and support functions, for the consistency and care they bring to serving our customers each day. To our shareholders, thank you for your continued trust. I have long held the belief that better never stops. At Fedfina, that is not merely a sentiment. It is how we intend to run this institution, year after year.

Best regards,

Shyam Srinivasan
Non-Executive Chairman

A Year of
DISCIPLINE.
A Year of Delivery on
PROMISE.

Dear Shareholders,

It is an honour and privilege to connect with you through this Annual Report. The Company was built for the MSMEs of emerging India, for those who pledge family gold to restock inventory, borrow against property to grow their business, or simply need a lender who is fair and straightforward. Serving these customers, with credit that is simple, accessible, and responsible, is the purpose that has guided us for over three decades.

> This combination of resilient growth, declining interest rates, and moderate inflation provided a constructive macro backdrop for the credit sector.

FY 2025-26 was a year of rebuilding in some parts, strong growth in others, and decisions that were sometimes difficult but always deliberate. A year ago, we stood before you with measurable promises to make the Company stronger and more resilient.

The Commitments We Made

- Move decisively towards a fully secured lending model
- Ensure disciplined capital allocation towards businesses delivering superior returns: Gold Loans and LAP
- Materially reduce credit costs and bring greater predictability to portfolio performance
- Rebuild the ST LAP business from the ground up
- Aggressively scale the Gold Loan and LAP businesses
- Strengthen the quality of earnings by increasing core income and reducing dependence on DA income
- Deliver meaningful improvement in profitability: ROA, ROE, and PAT

Macroeconomic Context and Market Opportunity

India's economy grew approximately 7.7% in real terms in FY 2025-26, retaining its position as the fastest-growing major economy in the world. Domestic consumption held up well through the year, infrastructure investment continued at pace, and manufacturing activity remained broadly supportive. The Reserve Bank of India (RBI) eased monetary policy substantially, cutting the repo rate by a cumulative 125 basis points over the past 14 months. Headline CPI averaged approximately 2.1% for FY 2025-26, well below the RBI's 4% target. This combination of resilient growth, declining interest rates, and moderate inflation provided a constructive macro backdrop for the credit sector.

India's bank credit-to-GDP ratio stands at approximately 56%, well below the levels of over 100% seen in most developed economies. This structural gap reflects decades of underfinancing of the self-employed, the small business owner, and the rural household. India's retail credit market, estimated at close to ₹82 trillion, has grown at approximately 15% compounded over the past several years and the structural drivers remain firmly intact: a young and growing population, rising middle-class incomes, expanding formal employment, and deepening digital infrastructure. The MSME segment alone contributes approximately 31% of India's GDP and employs nearly 33 Crore people, yet remains among the most chronically underfinanced segments in the formal credit system. For these borrowers, the corner shop owner, the small manufacturer, the trader, gold loans and loans against property represent the most natural and accessible form of secured formal credit.

India's households collectively hold an estimated 25,000 tonnes of gold, the largest concentration of privately held gold in the world. During FY 2025-26, gold prices scaled successive all-time highs in global markets, materially increasing the collateral value available to gold loan borrowers across the country. Gold remains deeply woven into the Indian household as a store of value, a source of liquidity, and a tool for managing life's uncertainties. The RBI also issued comprehensive directions on lending against gold collateral during the year, covering loan-to-value maintenance across the loan tenor, revised renewal and top-up norms, and credit assessment requirements for loans above ₹2.5 Lakhs, effective from 1st April, 2026. These regulations require lenders to build stronger credit infrastructure and tighter operating controls. We believe well-prepared lenders will emerge stronger from this regulatory transition.

Performance Highlights

FY 2025-26 was a year of results against the promises made. Profit After Tax (PAT) grew 52.6% year-on-year to ₹343.6 Crores. Return on Assets for the year expanded to 2.4%, exiting Q4 at 2.6%. Return on Equity reached 12.6% for the year, exiting Q4 at 14.0%. Net interest income grew 14.8% for the full year. Net DA income fell 88.8% to ₹7.4 Crores, now just 1.6% of Profit Before Tax, down from 21.7% at the start of the year.

Capital Adequacy Ratio stands at 22.4%, with Tier 2 capital of 4.9%, supported by ₹450 Crores of subordinated debt raised during the year. We carry AA+/Stable ratings from CARE, CRISIL, India Ratings, and ICRA.

Our Fully Secured Construct

We entered FY 2025-26 with an unsecured business loan AUM of ₹1,656 Crores and Assets Under Finance (AUF) of ₹1,216 Crores. We had said we would exit it entirely. 98.9% of the Company's AUM and 99.6% of AUF are fully secured by collateral, either gold or property.

Fedfina is one of the very few NBFCs in India that operates with the discipline of a fully secured lending franchise, a construct more commonly associated with banks than with non-banking lenders. This is the result of two years of deliberate, sometimes difficult choices: choosing to shrink a portfolio rather than grow it, choosing capital discipline over short-term volume.

We believe this fully secured, bank-like construct is a durable strategic advantage for our customers, for our investors, and for the long-term resilience of the franchise.

The capital freed from the business loan exit was redeployed into our two core businesses: Gold Loans and LAP. These are businesses we understand well, businesses where we have built genuine strength, and businesses that serve the real credit needs of emerging India.

Scaling Our Twin-Engine Businesses: Gold Loans and LAP

Gold loans and LAP serve different customers at different moments in their financial lives. Gold loans give households quick access to liquidity when they need it most. LAP serves the self-employed and small business owners who want to invest, expand, and grow. Together, they balance each other across economic cycles. This twin-engine model is at the heart of our strategy.

Our Gold AUM crossed ₹10,000 Crores this year, growing 76% year-on-year to ₹10,352 Crores. Critically, this growth was grounded in physical substance: gold under custody grew 12% year-on-year to 12.6 tonnes. We added 148 new branches during the year, expanding our network to 757 branches across 17 states and union territories. Gold AUM per branch reached ₹16.5 Crores, up 36% from the prior year, demonstrating that our new branches are productive, not just numerous.

Rebuilding the Small-Ticket LAP Business

The difficulties we faced in ST LAP were our own. Our collection infrastructure had not kept pace with the growth we had chased. We acknowledged and acted on it with urgency. In FY 2025-26, we appointed new leadership, migrated to a system-driven credit framework anchored by a Business Rule Engine, verticalised collections, and rebuilt the field team from the ground up.

> Our Gold AUM crossed ₹10,000 Crores this year, growing 76% year-on-year to ₹10,352 Crores. Critically, this growth was grounded in physical substance: gold under custody grew 12% year-on-year to 12.6 tonnes.

The results are encouraging. ST LAP disbursals for the full year reached ₹904 Crores, with Q4 at ₹289 Crores, a 39% sequential improvement. Within our broader mortgage portfolio, we maintained discipline across both ST LAP (origination yield 15.1%, average ticket size ₹16.1 Lakhs) and MT LAP (origination yield 12.0%, average ticket size ₹72.4 Lakhs), with 82.2% of Mortgage AUM backed by self-occupied residential or commercial property. The MT LAP business continued to grow steadily, disbursing ₹2,180 Crores for the year, with Q4 at ₹632 Crores, a 16% sequential increase.
In a further step towards integration, 70 ST LAP branches were co-located within existing gold loan premises, building on a 20-25% customer overlap and reducing operating costs. The rebuild of ST LAP will continue, but the foundation is now sound, the leadership is in place, and trajectory is clear.

Institutionalising Risk Management and Collection Rigour

A key pillar of this rebuild was the comprehensive overhaul of our risk, sourcing and collection architecture. On the sourcing side, we shifted decisively towards direct origination. Around 75% of our business is now originated by our own in-house teams, reducing DSA partner dependence to 25% and giving us much tighter control over credit quality from day one.

In parallel, we scaled our in-house collections team to 1.8 times of FY 2024-25 levels, while reducing external agency reliance to 0.4 times. This shift markedly improved resolution cycles, lifting early-bucket cure rates by around 2% and Stage 1 and Stage 2 cure rates by 5-6%. Monthly Stage 3 recoveries more than doubled, from ₹6.5 Crores to ₹14.5 Crores. Total credit cost on average total assets fell by 93 basis points to 0.8%, comfortably below our sub-1% commitment.

Strengthening Our Balance Sheet

On the liability side, we broadened our lender base from 39 to 41, adding institutions that strengthen both the depth and diversity of the Company's resource profile. Our External Commercial Borrowings programme was substantially expanded, now standing at USD 250 Million and representing approximately 17% of total debt, meaningfully reducing reliance on domestic borrowing markets. We also deepened our presence in the Commercial Paper market, with the programme now representing approximately 9% of total debt and drawing interest from a wide spectrum of investors ranging from Mutual Funds to corporate groups. Our daily average cost of borrowing eased from 8.72% in Q4 FY 2024-25 to 7.83% in Q4 FY 2025-26. The fixed-rate component of our borrowings was raised from approximately 10% in FY 2024-25 to 40% in FY 2025-26, a deliberate hedge against interest-rate volatility in a global environment that remains uncertain. On sell-down, the approach was measured and intentional. Direct assignment for the year stood at ₹1,901 Crores, against ₹2,349 Crores in FY 2024-25, a tactical moderation aligned with capital conservation and maintaining the right portfolio construct.

Technology as a Business Enabler

Technology has become central to how we manage risk and serve customers at scale. During the year, we transitioned the ST LAP business to an API-led, system-driven operating model anchored by a Business Rule Engine and supported by Salesforce bringing greater consistency to underwriting decisions, reducing process variability, and enabling tighter portfolio monitoring across the branch network. On the customer-facing side, ENACH registration adoption reached 90% of our loan accounts, with over 86% of registrations completed digitally and over 70% of monthly collections received through digital channels. We have also been exploring the use of AI and intelligent automation in our operations. Through our 'Startup Friday' initiative, we evaluated 89 startups, onboarded 6, and currently have 8 under proof-of-concept, engaging regularly with fintech and technology partners to identify solutions relevant to our business. We are approaching this deliberately, at a measured pace, focused on what genuinely improves outcomes for our customers and our teams.

Investing in Our People

None of this would have been possible without the Fedfina family. We want to acknowledge our customer-facing teams who delivered growth and repeat customers, our collections teams who rebuilt a function from scratch, our branch staff who kept growing through a challenging year, and our credit, risk, and technology teams whose discipline made the turnaround possible. We invested deliberately in capability building alongside performance. The Gurukul programme which delivers product and process training across our Gold Loan, LAP, and MT LAP teams, expanded this year to include Branch Gurukul Days, bringing face-to-face learning directly to frontline staff. For our high-performing Relationship Managers, the DREAM programme was designed to sharpen skills, improve productivity, and build the leadership pipeline the Company will need for its next phase of growth. And through regular townhalls and open leadership forums, we worked to ensure that our people, across every level and every geography, felt heard, informed, and connected to what the Company is building. A capable, motivated, and ownership-driven team is the foundation on which everything else rests.

Outlook for FY 2026-27

A year ago, we said FY 2025-26 would be a year of transition and rebuild and that the foundations being laid would position the Company for more predictable, sustainable growth. We are pleased to report that those foundations are now in place. The credit cost has been brought below 1%. The secured construct is complete. The ST LAP business has been rebuilt from leadership to technology to collections. The Company enters FY 2026-27 with greater operational confidence, a stronger balance sheet, and a collections infrastructure that is more capable than it has ever been. We are targeting AUM growth in FY 2026-27, with quality taking priority over pace at every step.

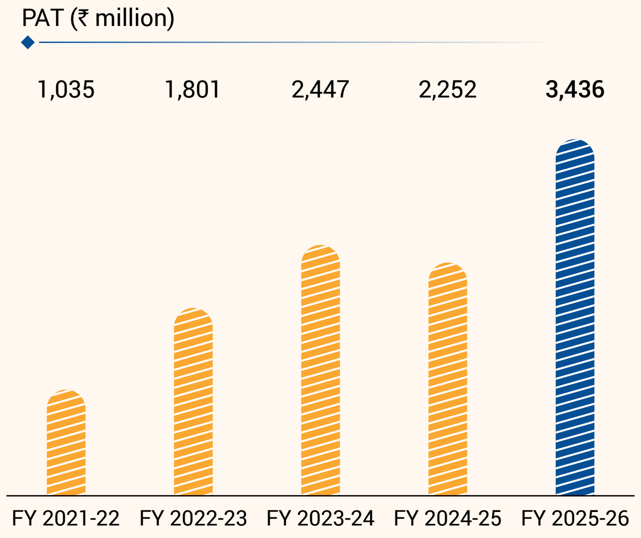
The ST LAP business is now staffed, led, and operationally ready. The 148 branches opened this year are still young; branch economics improve meaningfully with vintage, and as these branches mature, they will contribute significantly to AUM without proportionate cost addition. We will continue to expand our co-located branch model in FY 2026-27, building on the 70 co-locations established this year, deepening the Gold and LAP customer synergies and keeping the Company's cost-to-serve lean. We will also continue to advance our Doorstep Gold Loan capability, a channel that extends reach into underserved households without requiring new fixed infrastructure, and one that is uniquely well-suited to the geographies the Company serves. Credit costs should continue to ease as the legacy mortgage portfolio resolves and our stronger underwriting framework reflects in the new book. And as we grow, we remain committed to a frugal cost discipline, ensuring revenue growth outpaces cost growth, and that every incremental rupee invested delivers a clear improvement in return on assets.

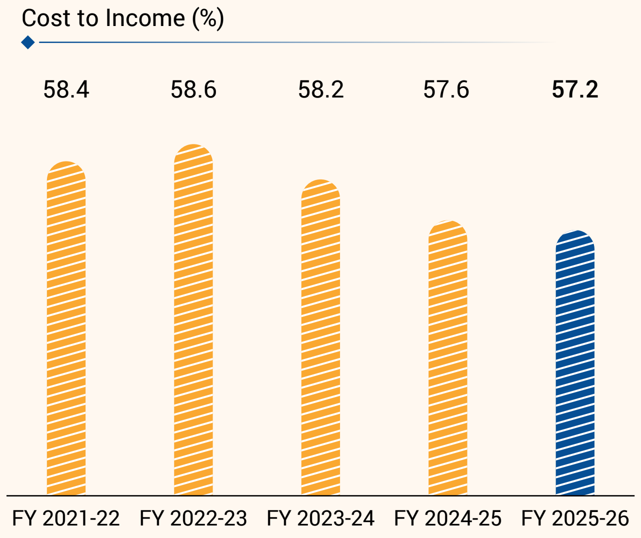
We are deeply grateful for the trust you have placed in us. It is what drives us to be better, more transparent, more disciplined, more consistent. We exist to serve the people of emerging India with credit that is simple, accessible, and responsible. That purpose has guided every decision we have made this year. It will guide every decision we make in the years ahead.

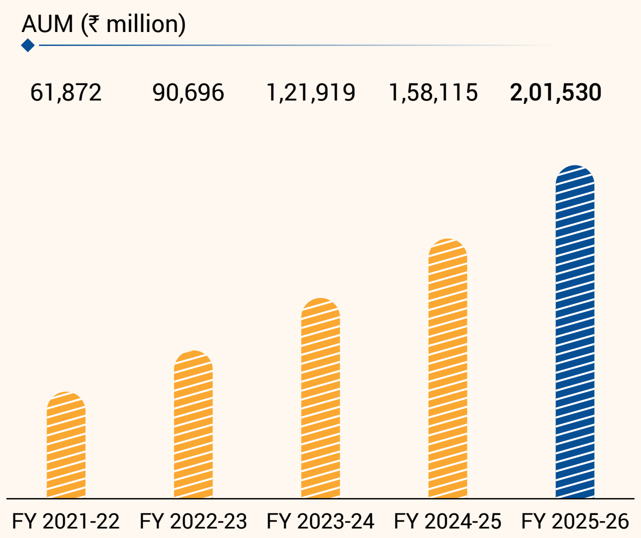
Warm regards,
Parvez Mulla
Managing Director and CEO

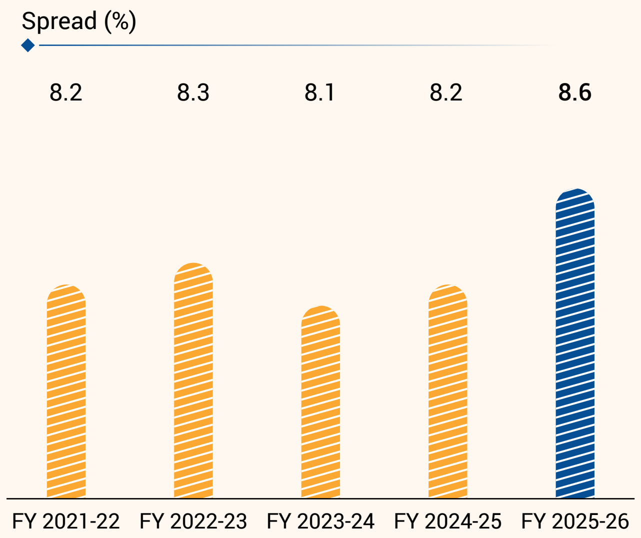
Strengthening NUMBERS. Building MOMENTUM.

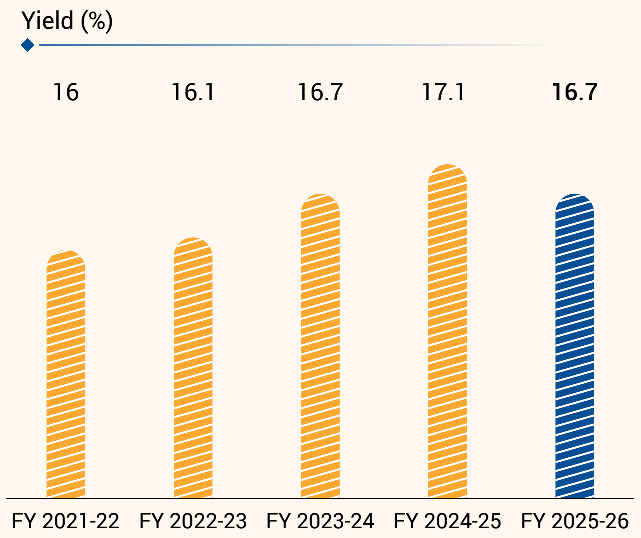
FY 2025-26 marks an inflection point in Fedfina's financial trajectory. The five-year trend shows sustained progress, with FY 2025-26 representing a meaningful recovery in profitability after the portfolio recalibration of FY 2024-25. With strong credit ratings, prudent capitalisation and a well-diversified borrowing base, we are well placed to sustain this momentum into FY 2026-27 and beyond.

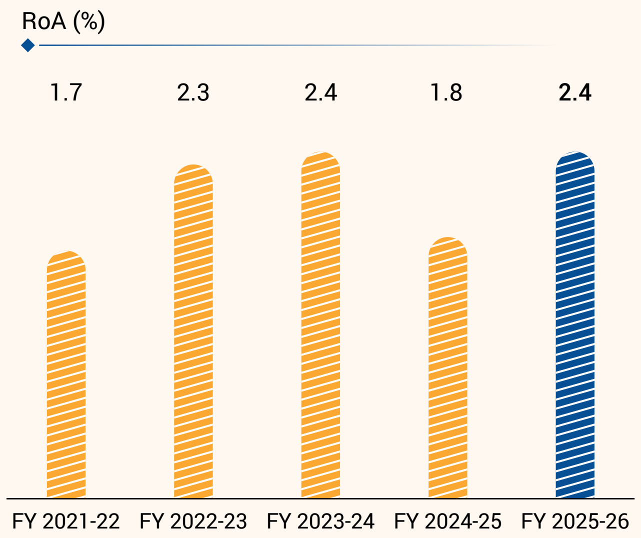




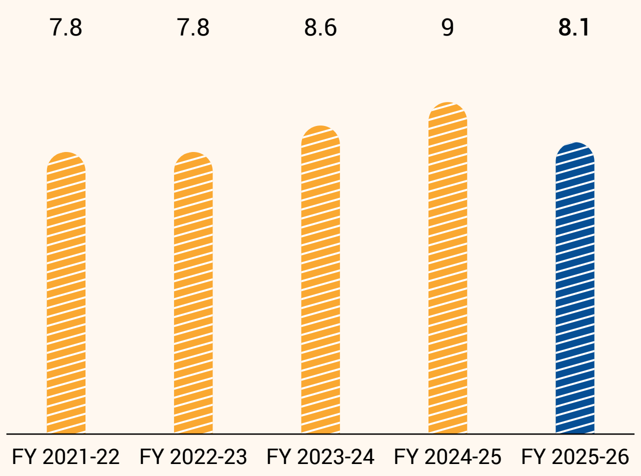




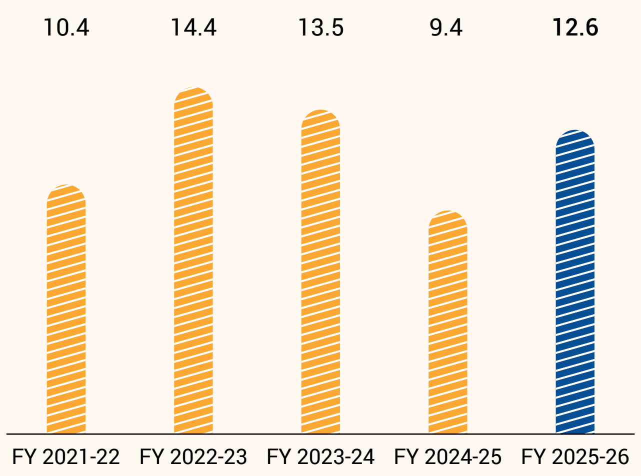




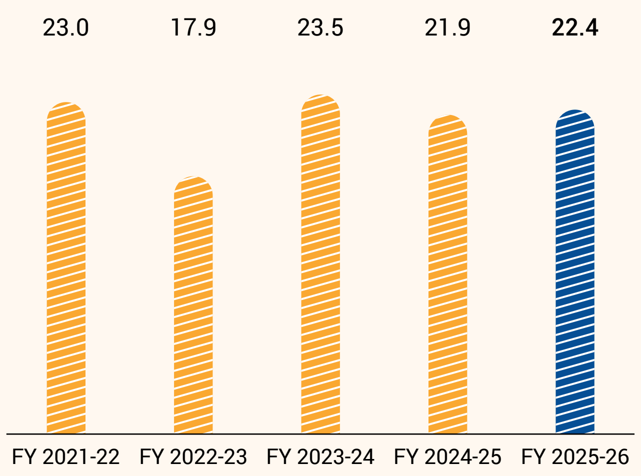
Cost of Borrowings (%)



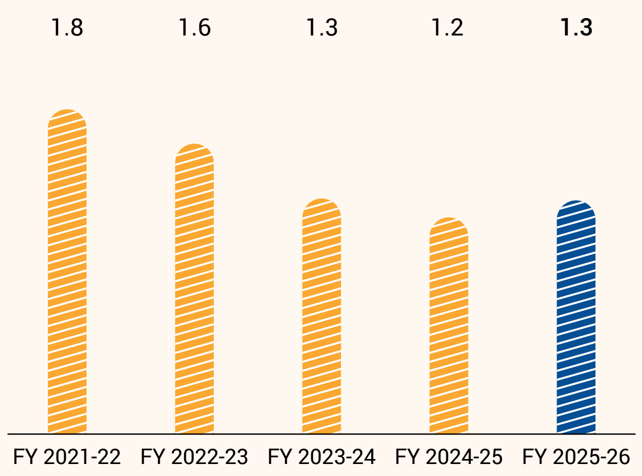
RoE (%)



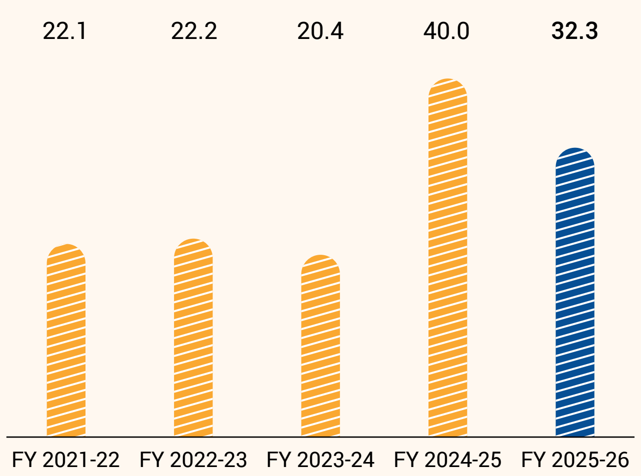
CRAR (%)



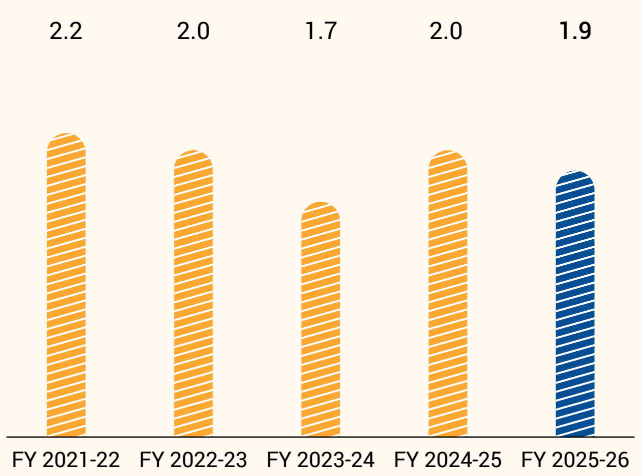
NNPA (%)



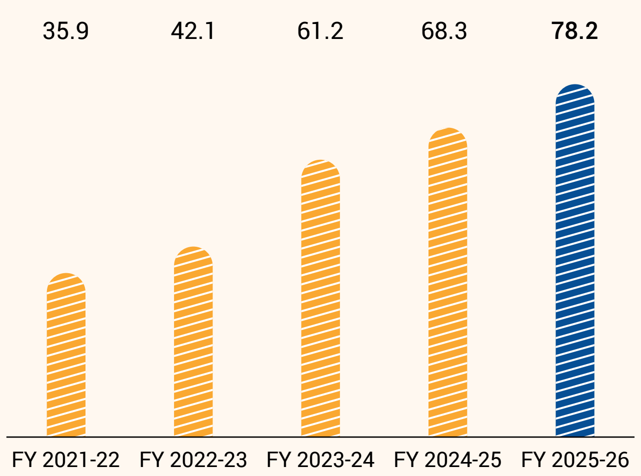
Provision Coverage Ratio (%)



GNPA (%)



Book Value per Share (₹)



Aligning with THE TRENDS. Seizing OPPORTUNITIES.

India's lending landscape in FY 2025-26 was shaped by resilient economic growth, lower interest rates, rising digital adoption and stronger rural and MSME credit demand. By aligning our secured lending strengths with these structural trends, we continued building a responsive, opportunity-led franchise.

Macroeconomic Landscape

India's operating environment in FY 2025-26 remained broadly supportive for retail and MSME-focused lenders, driven by resilient economic growth, moderating inflation and a softer interest-rate cycle. Government capital expenditure and domestic investment further supported economic activity, while India's macroeconomic fundamentals helped sustain confidence despite global uncertainty.

Our Response

We remained focused on secured lending segments closely linked to essential customer needs and resilient collateral profiles. Our portfolio strategy stayed aligned to growth opportunities in gold loans, mortgage loans and affordable housing finance, while our prudent underwriting helped us navigate a changing macroeconomic backdrop with discipline.

E-commerce and Digital Borrowing Expectations

The rapid expansion of digital platforms and e-commerce has reshaped customer expectations around borrowing. Consumers increasingly seek smooth experiences across physical and digital channels, including simplified onboarding, reduced documentation and faster credit decisions. This is especially relevant in smaller-ticket and short-tenure borrowing, where speed, convenience and ease of access have become important differentiators.

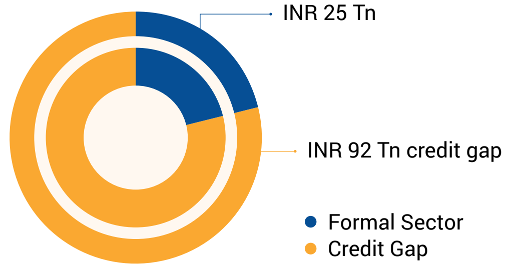
Our Response

We continued strengthening our customer-centric operating model, focussing on responsiveness, process efficiency and reliable service delivery. By combining our branch-led presence with tighter operations and sharper turnaround times, we stayed aligned to the growing demand for convenience-led borrowing.

MSME Credit Demand

The MSME sector remained central to India's growth, entrepreneurship and employment generation, sustaining strong underlying demand for credit. Borrowing needs were driven by working capital requirements, business expansion, equipment purchases and growing digital adoption. At the same time, the shift towards digital lending and fintech-driven credit models has accelerated customer preference for faster, more flexible and customised funding beyond traditional banking channels.

MSME Credit Addressable Market



Our Response

We drew on our diversified lending portfolio to meet a wide range of borrower needs with secured, fit-for-purpose credit. Our presence across products such as gold loans, home loans and LAP positioned us to support micro-enterprises, self-employed borrowers and small businesses with flexible access to formal finance.

Interest Rate and Liquidity Conditions

FY 2025-26 saw improving domestic liquidity and a supportive monetary stance, with the RBI cutting the repo rate by a cumulative 125 basis points to 5.25%. However, amid rising geopolitical risks, volatile crude oil prices and inflation concerns, the RBI held a neutral 'wait and watch' stance at its April 2026 policy meeting. Comfortable liquidity, stable funding access and improving credit conditions supported lending growth and borrowing affordability across retail and MSME segments. Despite global uncertainty, India's sound fundamentals and healthy domestic demand allowed the financial sector to operate with relative stability and confidence.

Our Response

We managed the business with a clear focus on liability discipline, prudent pricing and balanced growth. Our secured lending orientation and calibrated approach to risk kept us well placed to capture opportunities from a more supportive rate cycle while maintaining financial resilience.

Increased Rural and Semi-Urban Consumption

Rural and semi-urban markets gained ground during the year, supported by a stable monsoon, improved agricultural activity and sustained government infrastructure spending. These factors strengthened the real economy, supported income visibility and contributed to rising consumption across non-metro markets. In turn, this created greater demand for formal credit, particularly among first-time borrowers, self-employed individuals and small businesses in underserved geographies.

Our Response

We continued to deepen our focus on rural and semi-urban markets, where our branch network and local market understanding enabled us to serve customers with local relevance and speed. This helped us participate in the growing opportunity across emerging borrower segments while supporting broader financial inclusion.

Creating
VALUE.
Building
TRUST.

We recognise that effective stakeholder engagement is essential to building trust, expanding financial inclusion and creating long-term value. Through ongoing dialogue with customers, regulators, lenders, investors, employees and communities, we factor these perspectives into our decisions, strengthen responsible lending practices and reinforce our commitment to sustainable growth and sound governance.

Stakeholder Engagement Framework

Stakeholder Group	Engagement Platforms		Engagement Initiatives	
Shareholders and Fund Providers	Investor and analyst meetings Conferences Periodic meetings Annual report	Press releases Media updates Earnings calls	• Delivering consistent and sustainable returns on investment • Upholding transparency through clear, timely and comprehensive disclosures	• Ensuring ethical business conduct supported by disciplined risk management practices • Preserving balance sheet strength to support long-term resilience and growth
Customers	Centre meetings Digital tools House visits Interaction at the branches	Surveys and feedback Community events Grievance redressal mechanism	• Strengthening brand loyalty and deepening customer advocacy • Building enduring, trust-based relationships • Enhancing customer experience through streamlined and efficient processes	• Expanding access to finance through a wider branch network across India • Promoting informed borrowing through financial literacy workshops for clients • Supporting customers during emergencies through insurance-backed protection

Stakeholder Group | Engagement Platforms | Engagement Initiatives

Employees

Engagement Platforms
- Internal meetings
- Employee engagement initiatives
- Cultural events
- Training and development workshops
- Health initiatives
- Performance appraisals
- Rewards and recognition
- Employee surveys

Engagement Initiatives
- Providing skill development and knowledge through diverse and enriching experiences
- Encouraging leadership that inspires and empowers
- Cultivating a professional culture rooted in honesty, integrity and ethical values
- Fostering learning opportunities and pathways for career growth
- Offering a comprehensive range of perks and benefits

Communities

Engagement Platforms
- CSR initiatives
- Focus on health, education, livelihood and poverty alleviation
- Employee volunteering
- Skill development and training workshop

Engagement Initiatives
- Empowering underserved children, youth and women through education and skill development initiatives
- Facilitating employment generation and financial inclusion across the country
- Enhancing quality of life through improved healthcare access under our DocOnline partnership
- Ensuring community safety through the adoption of secure and responsible work practices
- Conducting relief programmes during emergencies

Government/ Regulatory Bodies

Engagement Platforms
- Meetings and reports
- Networking in different forums organised by regulatory authorities
- Mandatory regulatory filings
- Periodic submission of business performance
- Annual report
- Other written communication

Engagement Initiatives
- Ensuring full compliance with all applicable laws, regulations and statutory requirements
- Participating in regulatory forums and working groups to support policy development and industry advancement

Business Partners

Engagement Platforms
- Ongoing written communication
- Publication of financial statements and annual reports
- Regular meetings

Engagement Initiatives
- Ensuring a transparent vendor selection process supported by competitive bidding
- Maintaining payment discipline with no defaults
- Enhancing efficiency through the automation of procurement processes

Strengthening **SYSTEMS.** Unlocking **CAPACITY.**

We continued to modernise our digital operating architecture through deeper platform integration, wider automation and stronger cybersecurity. These investments supported faster, more consistent underwriting, collections and customer service, while building the scalability to grow across products and geographies. Together, they strengthened operational efficiency and risk resilience.

Strengthening Our Phygital Lending Ecosystem

During the year, we continued to strengthen our phygital operating model by integrating our LOS, LMS and CRM platforms. Aadhaar OTP-based verification, live photo capture, instant UCID generation and RTGS/IMPS-enabled digital disbursements reduced turnaround times while tightening operational controls through geo-tagging and system-driven alerts.

Enhancing Customer Convenience and Service Experience

We upgraded our mobile application, website and payment infrastructure to deliver a simpler, more intuitive customer experience. Customers can now access online gold loan renewals, digital interest payments, AutoPay setup and document downloads, reducing dependence on branch visits. Enhancements to our helpdesk systems also improved query tracking, resolution speed and service responsiveness.

Driving Automation, AI and Data-Led Decision Making

We continued to improve efficiency through workflow automation, API-led integration and digital process enhancements across internal functions and partner networks. During the year, we also introduced AI-led tools such as Credit GPT and AI-powered assistants to support faster query resolution, sharper credit evaluation and real-time decision-making across credit and field operations.

Reinforcing Cybersecurity and Process Controls

We strengthened our cybersecurity framework through Zero Trust Network access, Multi-Factor Authentication (MFA), EDR/XDR capabilities, VAPT assessments, red-team exercises and vendor risk management practices.

We are in the process of developing advanced prototype security box, a technology-enabled portable locker with dual authentication, live tracking, and remote unlocking to further strengthen our controls for Doorstep Gold Loan practice.

Our Technology Partners

API
- Finfort
- TrackWizz
- SignDesk
- Lentra
- Digio
- Experian
- Setu
- Paytm
- BillDesk
- Perfios

Security Layer
- Astra
- Klassify
- ManageEngine
- Forcepoint
- Palo Alto
- Fortinet
- Netskope

Web Application
- Microsoft Teams
- Nucleus Software
- Salesforce
- LCODE
- Office 365

Monitoring
- NII
- Iraje
- IBM

Data/ Presentation
- Altair
- Tableau

Cloud Services
- AWS

Regulatory
- JHS and Associates LLP

Digital Performance Snapshot

14 Lakhs+
Downloads

86%+
Digital Registrations

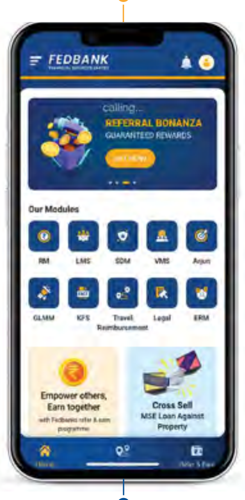
67%+
Digital Payments

Our Digital Landscape

Fedfina Loans

Customer Acquisition and Servicing

Fedfina Lite



Employee Productivity

Fedfina Collect

Collection Management

Building **PRESENCE.** Driving **RECALL.**

By refining our hyperlocal marketing approach, improving digital discoverability and enhancing customer convenience, we expanded our reach across non-metro markets, strengthened engagement and improved conversion. Sharper regional and digital campaigns helped build brand visibility closer to our customers, supporting footfall and lead generation across our growing branch network.

Building a Hyperlocal Market Presence

We intensified branch-led and on-ground marketing initiatives to raise visibility across local catchments. Wall paintings, trader boards, van campaigns, auto announcements, bike tags, village outreach programmes and look walker activities helped improve neighbourhood recall and customer engagement. These efforts were reinforced by geo-targeted digital campaigns across Google and Meta, supporting lead generation and deeper market penetration.

We also strengthened branch discoverability through our partnership with Promanage. This improved Google Business visibility, branch-level SEO and local search optimisation, resulting in higher inbound enquiries and walk-ins.

Key Highlights

- Hyperlocal campaigns emerged as a leading driver of walk-ins and trust-building
- Digital performance marketing enabled scalable lead generation
- Referral and partner networks drove low-cost, high-conversion sourcing

Driving Convenience-Led Customer Acquisition

We expanded our customer acquisition and service capabilities through a field-led outreach model that extended our reach to within about 30 km of our branches. Integrated with telemarketing and digital engagement platforms, this approach improved market coverage, response times and customer conversion.
Through SMS, WhatsApp, IVR, outbound calling and email, we maintained continuous engagement across the customer lifecycle, supporting onboarding, renewals, cross-selling, reactivation and service delivery.

Performance Snapshot

3.7 Lakhs+
Leads Managed through Telemarketing

~₹27 Crores
Business Generated with ~₹57 Return per ₹1 Spent

12,000+
Conversions (~3% Conversion Rate)

Leveraging Seasonal and Partner-Led Momentum

Festive and seasonal periods remained important acquisition windows during the year. We capitalised on these through targeted campaigns, branch activations and incentive-led engagement initiatives aligned to local demand cycles and customer sentiment.

Our network of 200+ connectors, aggregators and trader partners continued to support the sourcing pipeline and extend last-mile market access across operating regions.

Campaign Impact

17 Lakhs+
Leads Generated through Outreach Initiatives

65,000+
Conversions (~4% lead-to-Conversion)

Strong Improvement
in Conversion Efficiency during High-Demand Periods

Strengthening Digital Visibility and Lead Generation

Alongside physical outreach, we expanded our digital marketing capabilities through SEO, paid campaigns, social media engagement and data-led performance tracking. Our revamped website improved customer experience and search visibility, while sharper analytics and automation enhanced campaign effectiveness and lead quality.

We improved our online reputation during the year, as Google reviews increased from around 1,500 to over 7,500, while maintaining a customer rating of 4.58/5 across branches.

Key Outcomes

- Greater local discovery and walk-ins
- Improved organic visibility
- Scalable, cost-efficient lead generation
- Enhanced customer trust

Outlook for FY 2026-27

We aim to deepen our hyperlocal marketing strategy through content-led SEO, quarterly branch-level digital campaigns and sharper analytics-led targeting. We also plan to scale performance marketing initiatives to drive over 10,000 monthly leads while expanding our digital engagement and online review base.

Growing MINDFULLY. Protecting TOMORROW.

We remain conscious of our environmental footprint and continue to strengthen practices that promote efficiency, conservation and long-term sustainability. Through focused efforts across resource use, waste management and operational awareness, we seek to contribute substantively to a lower-impact future.

Driving Resource Efficiency through Digitalisation

A key pillar of our environmental strategy is the transition towards a digital-first operating model. By replacing paper-intensive workflows with electronic processes, we have saved a significant quantum of paper. This shift has reduced our reliance on physical documentation across branches and functions.

Energy Efficiency and Emissions Management

We continue to strengthen our energy management practices through improved tracking and monitoring systems.

More significantly, we achieved a ~25% reduction in Scope 1 and Scope 2 emission intensity, which declined from 3.93 to 2.96 metric tonnes of CO_2 equivalent ₹1 Crores of turnover. This demonstrates our commitment to decoupling growth from environmental impact.

Emission Type	Total Emissions
CO_2	10.76
CH_4	0.09
N_2O	0.07
HFCs - R22	256
HFCs - R32	72

Our Ongoing Efforts

- Initiated tracking of environmental indicators such as electricity and paper consumption as part of our ESG KPIs
- Conducted a climate risk assessment
- Established a roadmap to begin monitoring Scope 3 emissions from FY 2026-27

During the year, we recycled and refurbished
1.9 Tonnes of E-Waste
Ensuring Compliance with Applicable Environmental Standards

Energy-Efficient Infrastructure and Green Buildings

We are progressively standardising energy-efficient infrastructure across our branch network and office facilities. Our initiatives include:

- Transitioning our main office premises to a certified green building, lowering energy and resource consumption
- Adopting LED lighting across branches, delivering 20-40% lower power consumption
- Integrating energy-efficient design elements, including optimal use of natural light, in newly added branches
- Implementing operational conservation practices such as optimised air-conditioning usage and switching off lights when not in use

These measures are being embedded across both existing and new branches, ensuring consistency in energy efficiency as we expand our network.

Waste Management and Circular Practices

Aligned with the nature of our service-oriented operations, we focus on waste reduction at source. Our digitalisation efforts have reduced paper usage, complemented by waste segregation and recycling practices across branches and offices. We are also formalising a Waste Management Policy, aligned with our broader ESG framework, to further institutionalise these practices. We have established a formal mechanism for managing electronic waste through collaboration with authorised recyclers.

Driving Water Efficiency across Operations

Water is an essential resource that supports our day-to-day operations, and we remain committed to using it responsibly. During FY 2025-26, all our water requirements were met through third-party sources, with total water withdrawal and consumption amounting to 89,432 kilolitres, reflecting the growth in our operational footprint. We continue to monitor water-use efficiency through established intensity metrics, enabling us to identify opportunities for optimisation while supporting business expansion. As we grow, our focus remains on strengthening resource stewardship and embedding responsible water management practices across our operations.

Future Focus and Green Financing Opportunities

Looking ahead, we aim to deepen our environmental impact through a combination of operational improvements and business-led sustainability initiatives. We are exploring specialised green financing products, including loans for solar installations and energy-efficient appliances, aligning sustainability with business growth.

Investing in **PEOPLE.** Sharing **PROGRESS.**

Our approach to social responsibility is rooted in the belief that lasting progress comes when growth is inclusive and value is shared widely. We focus our community work on education, skilling, livelihoods, health and financial inclusion, reaching underserved children, youth and women across the geographies we serve.

Caring for Our Employees

Our people development strategy is anchored in building a high-quality, diverse and adaptable workforce, one that is equipped to drive sustainable growth while adapting to an evolving business landscape.

Advancing Diversity and Inclusion

We remain committed to building a more inclusive and balanced organisation, with focused efforts to improve gender diversity across levels. During the year, increased hiring of women into leadership roles lifted overall diversity. We are working to strengthen female representation at the branch level, particularly in frontline roles.

15.7%
Proportion of Female Workforce in FY 2024-25

16.4%
Proportion of Female Workforce in FY 2025-26

Reskilling and Continuous Capability Building

Recognising the evolving nature of work, we are investing in continuous learning to equip our workforce with forward-looking skills. This includes monthly technology sessions with start-ups and industry experts to build awareness of AI and digital innovations. These efforts are complemented by structured capability-building initiatives such as Gurukul, the DREAM Programme, leadership workshops and functional and behavioural training programmes.

Empowering Employees through Digital Tools

We launched the 'Fedfina Lite' mobile application to enhance field productivity and operational speed. The platform provides a unified interface for lead management, application tracking, document capture, and real-time status updates. Additional features such as e-NACH facilitation, AI-powered assistance (Fedfina GPT), Sales PD support and cheque handover tracking have improved efficiency, reduced manual dependency and strengthened coordination between our field teams and backend operations.

Employee Engagement and Experience

We continue to foster an inclusive workplace that promotes collaboration, recognition, and a sense of belonging. Our engagement approach is anchored in platforms such as the ICON Awards, which celebrate performance, along with organisation-wide engagement initiatives and festive celebrations that strengthen cultural cohesion across locations. Initiatives such as Fedfina's Got Talent and family-inclusive celebrations further deepen employee connection, while informal forums encourage participation beyond work.

Employee Well-being and Holistic Support

Employee well-being remains a core priority, supported through a proactive approach to health and wellness. Preventive healthcare initiatives, including annual health check-ups, are complemented by access to integrated healthcare services offering 24x7 consultations and diagnostic support. In addition, wellness and fitness initiatives such as sports events, Zumba sessions and health camps promote both physical and mental well-being.

Through our Leadership Connect initiatives and regular branch visits, our CEO, CBOs and Regional HR teams engage with employees on the ground, creating real-time feedback loops. We track these inputs, assign clear ownership and translate them into time-bound actions to drive meaningful impact. Complementing this, platforms such as Mad-Sad-Glad and Filter Kappi provide safe and informal spaces for candid dialogue, enabling us to surface concerns, capture ideas and respond proactively to employee needs.

OUR EMPLOYEE DASHBOARD

7.44
Average Hours of Training per Employee

35.85%
Average Employee Turnover (Voluntary)

57
Online Learning Modules Completed

₹0.27 Crores
Invested in Employee Development

70.3%
Employees Participated in at Least One Targeted Training Session

0.93
Average Days of Training per Employee Delivered

Creating Community Impact

Our CSR approach is decentralised and closely aligned with community needs, enabling us to deliver targeted and relevant interventions across our areas of operation.

Our Key CSR Themes

Health and Nutrition

Environmental Sustainability

Child Welfare

Our partnership with the Cuddles Foundation enabled nutritional support for 496 children undergoing cancer treatment, while our association with the Samarthanam Trust empowered over 700 visually impaired women through blind women's cricket initiatives.

Employee-led Community Engagement

We believe that lasting community engagement is driven by people. Our CSR framework encourages employee participation, fostering a culture of shared responsibility and purpose. We are strengthening this through structured initiatives, including a 'voluntary day off' that enables employees to contribute their time and skills.

Our employees engage in a wide range of community-focused activities, including:

- Delivering financial literacy programmes at educational institutions and with SHGs
- Participating in community cleanliness and awareness drives
- Leading initiatives focused on environmental conservation and responsible resource use

Case Study 1

Strength to Heal, Hope to Carry On

When Shaurya fell ill, his mother Jyoti struggled to find support until she was connected to Cuddles Foundation. With the support of donors like Fedfina, Shaurya received nutrition guidance, supplements, monthly rations and ongoing care, helping him gain strength during treatment. As Jyoti shares, "Knowing my son is getting the right nutrition every day gives me the strength to keep going." This support helped turn uncertainty into resilience and hope.

Case Study 2

From Fragile Beginnings to Renewed Strength

When four-year-old Aadishri was diagnosed with acute lymphoblastic leukaemia, chemotherapy led to moderate acute malnutrition, adding to her family's challenges. With the support of donors like Fedfina and the Cuddles Foundation, she received targeted nutrition support, including therapeutic supplements, hot meals, tube feeds and monthly rations, helping her regain strength during treatment. Today, Aadishri is well-nourished and progressing steadily in the maintenance phase. As her mother Nisi says, "Don't delay treatment. Come to the hospital. There is help here." Her recovery reflects the impact of timely care and collective support.

Case Study 3

Care that Heals beyond Medicine

When eleven-year-old Yashwant was diagnosed with acute lymphoblastic leukaemia, a severe infection left him unable to eat or speak, requiring intensive nutritional support. With the support of donors like Fedfina and the Cuddles Foundation, he received tube feeds, calorie-dense meals and monthly rations that helped him regain strength during treatment. Beyond clinical care, the compassion of his nutritionist made a lasting impact. As Yashwant shares, "Diet akka is very nice but also very strict. She hugs me when I am sad. I can tell her anything and she will listen to me." Today, he is back to drawing, painting and looking forward to returning to school.

Leading with **INTEGRITY.** Nurturing **TRUST.**

Sound governance remains integral to how we conduct our business, manage risk and create long-term value. As a regulated financial institution, we recognise that prudent oversight, ethical conduct and transparent decision-making are essential to maintaining stakeholder confidence and institutional resilience.

Governance as a Strategic Pillar

We view governance as a strategic enabler of sustainable growth that goes beyond compliance. It shapes the way we make decisions, allocate capital, manage responsibilities and align our actions with the interests of stakeholders. By embedding sound governance practices across the organisation, we seek to ensure that growth is pursued with prudence, integrity and long-term value creation in mind.

Board-led Oversight and Accountability

Our governance architecture is anchored by the Board and its Committees, which provide strategic direction and oversight across areas such as business performance, risk management, compliance, audit and internal controls. This layered oversight structure strengthens accountability and ensures that our operations remain aligned with regulatory expectations and sound business principles.

Target ≥22% women in senior management by FY 2027-28

Ethical Conduct and Responsible Business Practices

Ethical conduct at Fedfina is embedded in our culture and reinforced by policy. Responsible lending, transparent disclosure and proactive regulatory engagement define how we operate, from the boardroom to the branch.
Our full compliance with all applicable NBFC regulations, timely reporting to SEBI, and consistent adherence to RBI guidelines are non-negotiable standards that the Board monitors through its Audit and Risk Committees.

Robust Risk Management and Internal Controls

Risk management forms a core pillar of our governance framework. We continue to strengthen systems and processes to identify, assess and mitigate risks across credit, operations, compliance and liquidity. Supported by robust internal controls and regular monitoring, this framework helps us preserve balance sheet strength, maintain financial discipline and build resilience in a changing operating environment.

Regulatory Compliance and Transparency

As a financial services institution, we prioritise full compliance with applicable laws, regulations and statutory requirements. We are equally committed to maintaining transparency through timely, accurate and comprehensive disclosures, enabling stakeholders to make informed assessments of our performance, strategy and risk profile.

Building Trust for the Long Term

We believe that sound governance is fundamental to building a resilient, adaptable institution. By upholding transparency, accountability and disciplined oversight, we continue to deepen the trust that supports our long-term growth and stakeholder relationships.

Leading with EXPERIENCE. Steering GROWTH.

Board of Directors

Mr. Shyam Srinivasan

Non-Executive Chairman

C C M M

Mr. Shyam Srinivasan is one of India's most respected banking leaders, with a distinguished career spanning more than three decades in banking, financial services, governance, and institution building. Widely recognised for his strategic foresight, people-centric leadership, and transformational impact, he has played a pivotal role in shaping the evolution of modern banking in India.

Mr. Srinivasan began his career with leading global financial institutions, including Citibank and Standard Chartered Bank, where he built deep expertise across consumer banking, retail finance, and business strategy. He later brought this experience to Federal Bank, where he served as MD & CEO for fourteen years, leading one of the most remarkable transformation journeys in Indian banking.

Under his stewardship, Federal Bank evolved from a strong regional institution into a nationally recognised and digitally advanced financial services brand. The Bank delivered sustained financial growth, strengthened asset quality through innovative underwriting and risk management practices, expanded its footprint across India, enhanced customer experience, and fostered a high-performance culture that inspired employees and created long-term value for stakeholders and communities.

A strong advocate of technology-enabled growth balanced with a human-centric ethos, Mr. Srinivasan spearheaded Federal Bank's digital transformation while preserving the institution's relationship-driven culture. Beyond business performance, he became widely admired for his ability to connect with employees through his weekly leadership blogs, which blended lessons from sports, current affairs, business, and popular culture into thought-provoking insights on leadership and life.

Following his retirement as MD & CEO of Federal Bank in 2024, Mr. Srinivasan continues to contribute significantly to the financial services ecosystem through a range of leadership, governance, and advisory roles.

He serves as Non-Executive Chairman of Fedbank Financial Services Limited, is a Member of the Reserve Bank of India's Advisory Committee, a Senior Advisor and Board Director at TVS Capital Funds, and an Independent Director on the Board of ICICI Lombard General Insurance Company Limited. He also serves in several advisory and board positions across institutions, where his insights on strategy, governance, digital transformation, and leadership are highly valued.

In 2026, he added another dimension to his professional journey as an author with the publication of Better Never Stops, a book that distils lessons on leadership, personal growth, continuous learning, and the pursuit of excellence. The book reflects the philosophy that has guided his career: that progress is a journey of constant reinvention and improvement.

Mr. Srinivasan's contributions have been recognised through numerous prestigious awards and honours, including Business Standard Banker of the Year (2020), Forbes Icon of the Year (2025), the Distinguished Alumnus Award from the Indian Institute of Management Calcutta (2017), recognition among India's Top 50 Best Leaders in Times of Crisis (2021) by the Great Place to Work Institute, and the Financial Express Lifetime Achievement Award.

Mr. K.V.S. Manian

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 Consumer Banking, Corporate Banking, Private Banking, Investment Banking, Treasury, Institutional Equities, Retail Equities, 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, Mr. Manian is shaping the institution's next phase of evolution. While strengthening the bank's core franchise, his focus is on building capabilities that move beyond digital enablement towards more intelligent platforms bringing together technology, data and human judgement to create better outcomes for customers and the organisation. His approach is guided by a simple leadership principle- AAA: Agile, Astute and Alert- reflecting the belief that enduring institutions stay relevant by remaining adaptable, perceptive and prepared. Under his leadership, Federal Bank continues to broaden its national presence while preserving the trust and relationships that have defined it over the decades.

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.

- Audit Committee
- CSR Committee
- Risk Management Committee
- SCBMF
- IT Strategy Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Wilful Default Review Committee
- COD Operations
- Business Development Committee
- Customer Services Committee

C Chairperson
M Member

Mr. Harsh Dugar

Non-Executive Nominee Director

M M

Mr. Harsh Dugar is a qualified Cost Accountant, having secured All India Rank 6. He is also a qualified Chartered Financial Analyst from ICFAI, securing All India 1st rank. He has been the Executive Director of Federal Bank Limited since June 2023.

Mr. Harsh Dugar has been associated with The Federal Bank Limited since October 2016.

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

- Corporate & Institutional Banking
- Commercial Banking
- Government Business
- CV & CE
- Micro Finance
- 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 1996-2016) and worked in various positions.

Mr. Sunil Gulati

Independent Director

C C M M

Mr. Sunil Gulati holds a B.Tech degree from the Indian Institute of Technology, Delhi and is a Gold Medalist from the Indian Institute of Management, Ahmedabad. He serves as an Independent Director on the boards of Suryoday Small Finance Bank, SBI Mutual Fund Trustee Company, Kauvery Hospitals, Merisis Advisors and Perfios Account Aggregation Services, etc. Mr. Gulati is also a Director of Ambit Finvest and a Senior Advisor to Freo, Velocity Capital and WEH Ventures. He has previously served as an independent director of PNB MetLife India Insurance Limited and Fincare Small Finance Bank amongst others. He is a member of the Mutual Fund Advisory Committee constituted by SEBI and has chaired various Working Groups constituted by SEBI for development and regulation of mutual funds.

He has experience in various sectors, including risk management, 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 has been part of the management teams at GE Capital, ING and Yes Bank in his banking career.

He has attended governance certification programs organised by The Wharton School for Independent Directors and been part of CERG Advisory Group's Independent Directors Forum.

Mr. Ramesh Sundararajan

Independent Director

C C M M M M

Mr. Ramesh holds a B.Tech. in Engineering from IIT Madras and an MBA from IIM Calcutta. He is an accomplished banking technology and operations leader with over three decades of experience across leading global financial institutions, including nearly 20 years in C-suite technology and operations leadership roles.

During his career with Standard Chartered Bank, he spent over a decade as Chief Information Officer (CIO) and Head of Technology & Operations for the Philippines, Indonesia and Japan. In these roles, he was a member of the Country Management Committees and provided executive leadership for the technology and operations functions across these markets, with end-to-end responsibility for technology and operations delivery.

He subsequently spent nearly a decade with CIMB Bank, Malaysia, where he joined as Head of Group Technology and Senior Managing Director before assuming additional leadership responsibilities within the organisation. He led the Group's technology function and was a member of the digital transformation leadership team.

He also served as a Director and Board Member of iCIMB Malaysia and iCIMB MSC Sdn. Bhd., the shared service subsidiaries of CIMB Bank Group.

Since 2021, he has been serving as Country Head of Zan Compute India, the Indian subsidiary of a US-based technology company.

He brings to the Board deep expertise in banking technology and operations, core banking transformation, regulatory compliance, technology governance and digital transformation, complemented by extensive international leadership experience across Asia.

Ms. Sonal Dave

Independent Director

C M M M M M

Ms. Sonal Dave is a Chartered Accountant and a finance professional with about four 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 an Independent Director on the Board of PPFAS Asset Management Private Limited. She is also the Co-Founder and Director of Anibha Arts Foundation supporting Myna Academy of Performing Arts.

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- Customer Services Committee

C Chairperson
M Member

Ms. Mona Bhide

Independent Director

C M M

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, US. 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 and acquisitions, and restructuring. Ms. Bhide's practice revolves around Structured Finance, Derivatives and securities law. She advises banks, financial institutions and MNCs, and has served as a director of the National Stock Exchange and other listed companies of repute which include GIC Housing Finance Limited, Vinati Organics Limited, Datamatics Global Solutions Limited, etc.

In USA

- Ms. Bhide worked with an international law firm in Chicago, US called Sedgwick, Detert Moran and Arnold
- Researched at the American Bar Foundation, at Chicago, US **on the following topics:**
  - SEC Regulations;
  - Conflict of interest; and
  - Globalisation of the legal profession

Mr. Muralidharan Rajamani

Independent Director

C C M M M M

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 and other top leadership positions across institutions such as ICICI Bank, Dhanlaxmi Bank, L&T Financial Services and Edelweiss Tokio Life Insurance Company Limited. Besides Fedfina, he is an Independent Director in PGIM India Mutual Fund, Non-Executive Director in Acalvio Technologies Private Limited.

Murali has also invested in and mentors start-ups in India and their founders. He is involved in leadership development and coaching through his association with Kautilya Leadership Centre. He does pro-bono work with organisations that provide opportunities and a 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 BFSI Subject Matter Expert in The Advertising Standards Council of India and is an Advisory Board member to Vindhya e-infomedia Private Limited.

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 and institutions.

Parvez Mulla

Managing Director & Chief Executive Officer

C M M M M M M M

Parvez Mulla is the Managing Director and Chief Executive Officer of Fedbank Financial Services Limited (Fedfina). He brings with him over three decades of diverse experience across the BFSI sector, spanning retail banking, consumer lending, insurance, and private equity.

Parvez began his career at Bajaj Auto as a Graduate Engineer and later worked with ANZ Grindlays Bank as a Relationship Manager. He subsequently moved to ICICI Bank, where he built a long and distinguished career in retail banking. Rising progressively through roles - including Branch Manager, Sales Head, Regional Head, Zonal Head Retail Banking, Head Collections, Head Operations, and Retail Business Head - he eventually served as General Manager, Retail Banking. His tenure at ICICI Bank was the crucible in which he developed diverse expertise in retail franchise-building, large-scale distribution management, and high-performance team leadership across geographies.

Following ICICI Bank, Parvez served as Chief Executive - Retail at L&T Finance, leading the retail lending business across product lines and geographies. He subsequently served as Managing Director at True North Managers LLP, a leading Indian private equity firm. He thereafter served as Chief Operating Officer at HDFC Life Insurance Company — one of India's largest private life insurers — where he was responsible for large-scale operations encompassing sales, distribution, underwriting, and technology.

Beyond his executive roles, Parvez has been closely associated with India's broader financial ecosystem. He has served on the Boards of North East Small Finance Bank, Ironwood Education Limited, and HDFC Pension Fund Management Company. He also served as a strategic advisor to Blume Ventures, one of India's leading early-stage venture capital funds, where he supported fintech investments and portfolio strategy.

Parvez holds a degree in Mechanical Engineering from the College of Engineering, Pune (COEP) and is a postgraduate from the Indian Institute of Management (IIM), Bangalore.

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C Chairperson
M Member

Leadership Team

Fedfina's growth journey is guided by a seasoned leadership team that combines deep industry expertise with a clear strategic vision. Their collective leadership fosters innovation, operational excellence, and prudent risk management, while reinforcing the values and governance principles that underpin the organisation. Together, they ensure that Fedfina remains agile, customer-focused, and well-positioned to deliver sustainable value and long-term growth.

Mr. Parvez Mulla

Managing Director and Chief Executive Officer

Mr. C.V. Ganesh

Chief Financial Officer

Mr. Vikram Rathi

Chief Risk Officer

Mr. Shardul Kadam

Chief Transformation Officer

Ms. Anila Rajneesh

Chief Human Resources Officer

Mr. K. Sureshkumar

CBO - Mortgage (Medium Ticket) & Business Loans

Mr. Jagadeesh Rao

CBO - Gold Loan & Mortgage (Small Ticket) & Chief Marketing Officer

Corporate INFORMATION

Board of Directors

Mr. Shyam Srinivasan
Non-Executive Chairman

Mr. K.V.S. Manian
Nominee Director

Mr. Harsh Dugar
Nominee Director

Mr. Maninder Singh Juneja
Nominee Director
(resigned w.e.f. 14th May, 2026)

Mr. Sunil Gulati
Independent Director

Mr. Ramesh Sundararajan
Independent Director

Ms. Sonal Dave
Independent Director

Ms. Mona Bhide
Independent Director

Mr. Muralidharan Rajamani
Independent Director

Mr. Parvez Mulla
Managing Director and Chief Executive Officer

Bankers/Lenders

Federal Bank
Australia and New Zealand Banking Group Limited
Axis Bank
Bajaj Finance
Bandhan Bank
Bank of Baroda
Bank of India
Canara Bank
Central Bank of India
Citibank National Association
City Union Bank
DBS Bank, India
DCB Bank
HDFC Bank
Hongkong and Shanghai Banking Corporation
ICICI Bank
IDBI Bank
Indian Bank
IndusInd Bank
Karnataka Bank
Kotak Mahindra Bank
Punjab and Sind Bank
Punjab National Bank
Small Industries Development Bank of India
South Indian Bank
State Bank of India
Ujjivan Small Finance Bank
Union Bank of India
Woori Bank

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 Limited (formerly Link Intime India Private Limited),

C-101, Embassy 247, L. B. S. Marg,
Vikhroli (West), Mumbai - 400 083,
Maharashtra, India
Tel: +91 22 4918 6000 (Board Line)
810 811 6767 (Investor Helpdesk)
Fax: +91 22 4918 6060
Email: investor.helpdesk@in.mpms.mufg.com
Website: https://in.mpms.mufg.com/
SEBI Registration No. INR000004058

Chief Financial Officer

Mr. C.V. Ganesh

Company Secretary

Mr. Parthasarathy Iyengar

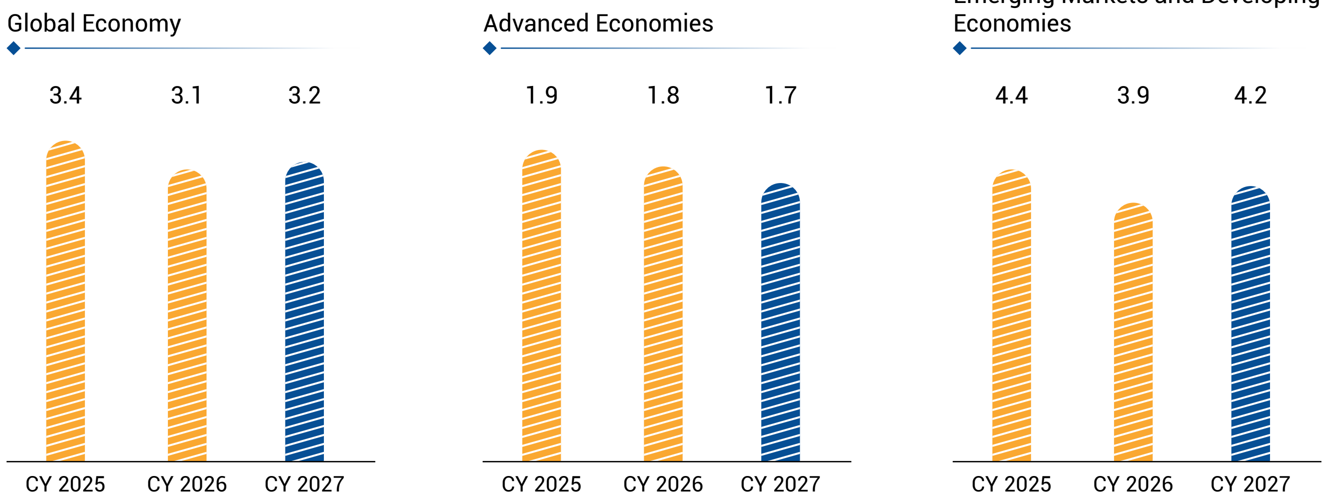
Management DISCUSSION and ANALYSIS

Global Economic Landscape

The global economy has maintained a steady growth trajectory and is expected to sustain this momentum over the near term. Easing inflation, strong capital flows into innovation-led sectors, and improving corporate confidence backed by calibrated policy action are supporting this resilience. Emerging markets continue to anchor global expansion, while advanced economies grew at a more measured pace. The risk environment, however, warrants continued vigilance. Geopolitical tensions, evolving trade policies, and elevated public debt in several economies are introducing uncertainty into the outlook, keeping global trade growth moderate. Any escalation in these pressures could affect commodity prices and dampen business investment sentiment more broadly.

For financial institutions, the more consequential signal is the direction of inflation and borrowing costs. With headline inflation on a downward path and commodity prices, particularly energy, softening, the conditions for a more supportive credit environment are gradually taking shape. For well-capitalised NBFCs with disciplined risk frameworks, this translates into a broadening opportunity across consumption, MSME, and infrastructure-linked credit segments.

GDP Growth Projections (in %)

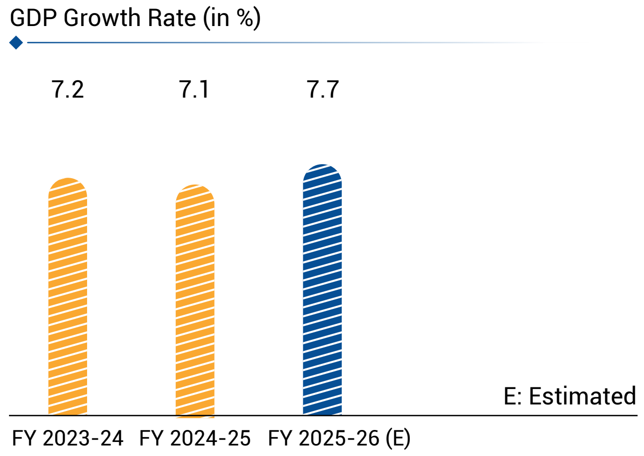


(Source: World Economic Outlook, April 2026)

Indian Economic Landscape

India's macroeconomic performance in FY 2025-26 was defined by breadth as much as pace. Growth was robust, driven by stable domestic demand, ongoing infrastructure investment, and the continued formalisation of the economy. Together, these factors create durable conditions for credit expansion and financial inclusion, rather than merely cyclical demand. Household consumption remained a key driver, supported by easing inflation, improving income visibility, and stable employment conditions. This translated into stronger demand for retail and MSME financing across housing, vehicles, and consumption-linked segments, precisely the credit categories where NBFCs play a meaningful and complementary role alongside banks. Investment momentum held firm as well, with Gross Fixed Capital Formation growing at 7.8%, underpinned by public infrastructure spending and a gradual revival in private capex. Urbanisation, infrastructure development, and services-led expansion collectively improved cash-flow visibility and strengthened underwriting conditions for lenders.

(Source: https://www.mospi.gov.in/uploads/latestReleases/latest_release_1767781372753_1380ce82-f5a5-440d-99e6-e6b35af0deb5_GDP_Press_Note_on_FAE_2025-26.pdf)



Base year FY 2022-23 series, MoSPI Provisional Estimates, 5th June, 2026.

(Source: https://www.pib.gov.in/PressReleasePage.aspx?PRID=2269286&reg=48&lang=2)

Inflation and Monetary Policy Environment

The inflation environment in FY 2025-26 was favourable. Headline CPI averaged approximately 1.7% between April and December 2025, a multi-year low, reflecting moderating food prices, improved supply management, and stable global commodity trends. Lower inflation preserved household purchasing power and created the space for a more accommodative monetary stance. Fiscal discipline reinforced this stability. Robust tax collections and calibrated expenditure management gave the government the headroom to sustain capital formation and social spending without compromising its consolidation objectives, a balance that strengthened broader economic confidence.

Monetary policy responded accordingly, with cumulative repo rate reductions, targeted liquidity measures, and healthier bank balance sheets improving systemic liquidity and accelerating the transmission of lower borrowing costs to the real economy. Credit availability improved across sectors through the year, and the financing environment for businesses and households became meaningfully more supportive as a result.

Outlook

India's growth outlook for FY 2026-27 remains constructive, with real GDP projected to grow at 6.6%-7.2%, consistent with the country's potential growth rate. Domestic demand, private investment recovery, and sustained infrastructure spending are expected to remain the primary drivers. Stable inflation, prudent fiscal management, strengthening financial sector fundamentals, and ongoing structural reforms position India well to sustain its growth momentum. For NBFCs operating in secured retail and MSME lending, this environment, characterised by rising formalisation, improving borrower cash flows, and a supportive monetary cycle, represents a conducive period for disciplined and sustained credit growth.

(Source: https://www.pib.gov.in/PressReleasePage.aspx?PRID=2219912&lang=1&reg=3&utm_)

Gold Market Landscape

FY 2025-26 marked a decisive shift in India's gold market, from consumption-led growth to investment-driven momentum, as record-high prices fundamentally reshaped buying behaviour across segments. According to the World Gold Council, India's gold demand fell by approximately 11% to around 711 tonnes in calendar year 2025. Elevated prices moderated jewellery purchases, particularly in value-sensitive rural markets. Yet the volume decline masked a more nuanced picture, with the overall value of gold demand rising, reflecting significantly higher price realisations. This trend was further reinforced by trade data, with India's gold imports surging to a record high of approximately USD 72.4 Billion in FY 2025-26, up over 24% from around USD 57.9 Billion in the previous fiscal, underscoring resilient underlying demand despite elevated prices.

(Source: World Gold Council, Business Standard, Ministry of Commerce/DGCI&S)

Global price dynamics played a pivotal role in shaping domestic trends. Gold prices rose approximately 65% through 2025, climbing from USD 2,607 per ounce to USD 4,315 per ounce by end-2025, according to India's Economic Survey. The rally was supported by a weakening US dollar, expectations of prolonged negative real interest rates, and heightened geopolitical and financial tail risks, reinforcing gold's appeal as a safe-haven asset.

Gold investment demand accounted for over 40% of India's total gold consumption in 2025, a structural shift that signals a maturing market. With macroeconomic uncertainty persisting and gold continuing to serve as an effective portfolio hedge, this investment-led orientation is expected to strengthen further through 2026.

Indian MSME Sector Landscape

Micro, small, and medium enterprises (MSMEs) remain central to India's economic architecture, acting as powerful engines of growth, employment and inclusive development. With over 7.47 Crore enterprises employing nearly 32.8 Crore people, the sector is the second-largest employer after agriculture. It plays a critical role in livelihood generation, particularly across rural and semi-urban regions. According to the Union Budget 2026-27, MSMEs contribute approximately 35.4% of India's manufacturing output, 48.58% of exports and 31.1% of GDP. This underlines their systemic importance to industrial expansion, trade competitiveness, and balanced regional development.

The Government of India has rolled out a focused suite of initiatives to accelerate the growth and competitiveness of the MSME sector, targeting formalisation, credit access, and market integration. Expanded credit guarantee schemes, digital lending platforms and the Udyam registration framework have strengthened financial inclusion and improved access to institutional support. Export promotion measures, cluster development programmes and production-linked incentives (PLIs) are enabling MSMEs to scale and integrate into domestic and global value chains. Backed by sustained policy support and an enabling ecosystem, MSMEs are well positioned to anchor India's next phase of inclusive, innovation-led, and sustainable economic growth.

(Source: https://www.pib.gov.in/PressReleasePage.aspx?PRID=2228306&utm)

Digital Transformation Milestone of MSMEs

Time period:
1st July, 2020 to 27th March, 2026

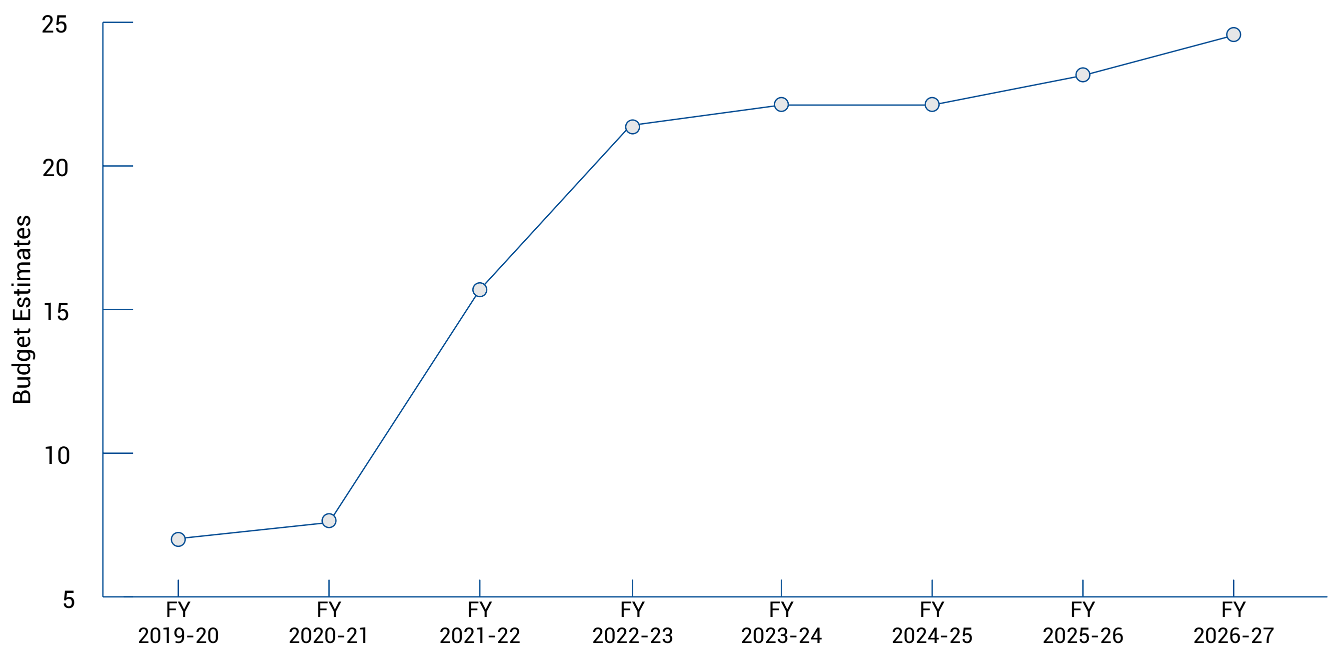
7.9 Crores+
Total Registrations

4.7 Crore Registrations
Udyam Registration Portal

3.2 Crore Registrations
Udyam Assist Platform

(Source: Ministry of Micro, Small and Medium Enterprises)

Budgetary Outlay of Ministry of MSME (in ₹ thousand Crores)



Source: Ministry of Micro, Small & Medium Enterprises

Non-Banking Financial Company Sector Landscape

The Non-Banking Financial Company (NBFC) sector in India has evolved into a significant pillar of the country's financial architecture, complementing traditional banking systems and expanding credit access in underserved segments. The sector's total assets stood at approximately ₹45 Trillion in FY 2025-26, reflecting a steadily expanding footprint across India's financial markets, with AUM expected to scale further in the coming years. NBFCs are projected to continue outpacing bank credit growth, with loan book expansion estimated at 15-17% through FY 2025-26, driven by strong retail and MSME demand. This growth momentum is anchored by targeted niche lending strategies, digital distribution models, and deeper penetration into underserved credit markets.

(Source: https://bfsi.eletsonline.com/indias-top100-nbfcs-ranking-2025/?utm, https://www.loansjagat.com/news/nbfc-loan-book-set-to-grow-15-17-in-fy26-amid-gst-cuts?utm)

Despite sustained double-digit AUM growth, asset quality pressures have emerged in specific portfolios. Rapid expansion in unsecured lending, particularly small-ticket personal loans, fintech-linked credit, and certain microfinance exposures, has heightened vulnerability to delinquencies. These pressures have coincided with a significant shift in the regulatory landscape.

The RBI's Scale-Based Regulatory (SBR) Framework has progressively strengthened prudential norms, risk management practices, and supervisory oversight across the sector. The framework classifies NBFCs by systemic importance and risk profile, ensuring that larger entities maintain adequate capital, liquidity, and governance standards. Recent clarifications extending regulatory purview to smaller non-deposit-taking NBFCs further signal the RBI's intent to monitor and manage risk comprehensively, irrespective of entity size or asset thresholds.

The sector's near-term outlook remains balanced. According to CRISIL, NBFC AUM is expected to grow at a mid-teens rate through FY 2026-27, potentially crossing ₹50 Trillion, supported by consumption demand and continued formalisation of credit. However, funding costs, competitive pressures, and regulatory compliance may moderate margins. Strategic investments by large corporates in digital lending platforms signal ongoing innovation and intensified competition. Structurally, the Indian NBFC sector remains on firm footing, but sustainable growth will hinge on disciplined risk management, capital resilience, and regulatory alignment as macroeconomic conditions continue to evolve.

(Source: https://www.business-standard.com/industry/news/nbfcs-face-funding-pressure-despite-healthy-outlook-crisil-ratings-125112400780_1.html?utm)

NBFC Segment Growth Drivers

Retail Credit Expansion

Retail lending remains the primary growth engine for NBFCs. According to the Reserve Bank of India (RBI), retail credit growth remained strong, growing by 19.8% in FY 2025-26 primarily driven by strong consumer demand for housing loans, surging gold-backed loans, rapid digitisation of lending processes, and rising consumption patterns among a growing urban middle class.

(Source: https://www.pib.gov.in/PressReleasePage.aspx?PRID=2290384&reg=48&lang=2)

Co-Lending Model Expansion

The co-lending framework between banks and NBFCs has strengthened balance sheet efficiency and credit penetration in priority sectors. RBI guidelines governing these arrangements enable risk sharing and capital optimisation, supporting sustainable credit expansion.

(Source: RBI Co-Lending Model Guidelines https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11991)

Digital Lending and Fintech Partnerships

Digital origination continues to drive scale, with fintech-NBFC partnerships significantly expanding small-ticket personal lending and embedded finance offerings, especially in Tier 2 and 3 cities. These partnerships have evolved within a more structured framework, as the RBI's Digital Lending Guidelines have improved governance and borrower transparency while supporting continued digital growth.

(Source: RBI Digital Lending Guidelines https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12303)

MSME Lending Momentum

NBFCs are increasingly critical lenders to MSMEs, with MSME and retail assets accounting for nearly 60-65% of NBFC loan books, as per ICRA Limited. Despite some moderation in overall growth, MSME credit demand has remained resilient, aided by policy-driven formalisation and GST-linked underwriting.

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

Vertical-Wise Growth Opportunities

Gold Loans

According to ICRA Limited, amid a sharp surge in gold prices, the organised gold loan market crossed the ₹15 Lakh Crores milestone in FY 2025-26, one year ahead of earlier projections. The market is further expected to expand to nearly ₹18 Lakh Crores by FY 2026-27, reflecting sustained structural momentum. While banks continue to dominate the overall gold loan landscape with an estimated 82% market share, the NBFC segment has witnessed evolving dynamics. The share of NBFCs in the overall gold loan market has moderated from 22% in March 2021, with concentration among leading players gradually easing. The top four NBFCs accounted for 81% of NBFC gold loan AUM as of March 2025, compared with 90% in March 2022, indicating increasing competitive intensity within the segment.

(Source:https://www.fortuneindia.com/personal-finance/organised-gold-loan-market-to-hit-15-lakh-crore-in-fy26-amid-soaring-prices-icra/127304)

Growth Drivers for Gold Loan

Elevated Gold Prices

Sustained strength in gold prices has increased the collateral value of pledged jewellery, allowing borrowers to access larger loan amounts against the same underlying assets.

Shift towards Secured Lending

As stress rises in unsecured retail segments, particularly personal loans and credit cards, lenders are increasingly prioritising secured products. Gold loans, with their physical collateral backing and short tenures, offer lower credit risk and superior asset quality, making them an increasingly attractive proposition for banks and NBFCs alike.

Strong Rural and MSME Demand

Gold loans continue to meet short-term liquidity needs in rural and semi-urban markets, particularly for agriculture, small businesses and household expenses. Limited access to formal credit in these segments supports sustained demand.

Regulatory Clarity and Stability

Clear guidelines from the RBI on loan-to-value (LTV) ratios, auction norms, and provisioning standards have reduced regulatory uncertainty. This stability has encouraged lenders to expand gold loan portfolios confidently.

Digital Adoption and Process Efficiency

Digital onboarding, quicker renewals, and streamlined appraisal processes have improved customer experience and reduced turnaround time, making gold loans more competitive with other retail credit products.

Mortgage Loans

India's mortgage and housing finance sector entered FY 2025-26 on a structurally strong footing, supported by rising urbanisation, steady income growth, continued policy thrust on affordable housing, and improving credit penetration. Over the past decade, access to housing finance has deepened meaningfully, with housing loans as a share of GDP rising to around 11% in FY 2024-25 from 8% in FY 2014-15, according to the Economic Survey 2025-26. Reflecting this sustained expansion, outstanding individual housing loans more than tripled to approximately ₹37 Lakh Crores by March 2025, compared with about ₹10 Lakh Crores a decade earlier.

The Loan Against Property (LAP) segment has emerged as an important pillar of India's secured lending landscape, complementing traditional housing finance. The secured MSME LAP portfolio outstanding is projected to grow by 16-18% over FY 2024-25-FY 2027-28, reflecting sustained demand for asset-backed credit. Growth has been largely supported by increasing MSME financing needs, appreciation in real estate values, and borrowers' preference for secured loans that offer relatively favourable borrowing terms.

(Source: https://www.jmfl.com/Common/getFile/5520)

Growth Drivers for Mortgage Loans

Easing Interest Rate Cycle

A stabilising or declining interest rate environment is improving mortgage affordability and supporting refinancing activity. Lower borrowing costs expand loan eligibility and strengthen buyer sentiment heading into FY 2025-27.

Improving Housing Affordability Trends

In several markets, mortgage payments are becoming more competitive relative to rental costs, encouraging first-time buyers to enter the market. However, affordability remains sensitive to property price movements.

Digital Mortgage Transformation

Automated underwriting, AI-driven credit scoring, digital documentation and fintech partnerships are reducing approval times and lowering processing costs, accelerating loan origination growth.

Expansion of Non-Traditional Loan Segments

Growth in non-QM loans, DSCR products, and lending to self-employed or gig-economy borrowers is broadening the eligible borrower base and creating new revenue streams for lenders.

Policy and Regulatory Support

Government incentives such as tax benefits, affordable housing schemes, and higher conforming loan limits in certain markets are enhancing purchasing power and supporting demand.

Strong Demographic Drivers

A growing population in the prime home-buying age group (25-40 years) and increasing aspiration for home ownership continue to provide structural demand support.

Growth Opportunities

India's credit landscape in FY 2025-26 is being shaped by expanding digital public infrastructure and deeper financial inclusion. Improved rural connectivity, Aadhaar-enabled authentication, UPI penetration and Account Aggregator frameworks are lowering customer acquisition and underwriting costs, enabling NBFCs to expand formal credit access across semi-urban and rural markets. Increasing use of alternative data, including cash flows, GST records, bank transactions and utility payment patterns, is accelerating the shift from collateral-based to data-driven underwriting, broadening access to underserved and thin-file borrowers while maintaining risk discipline.

Technology adoption is transforming NBFC operating models through AI-led credit assessment, automated collections, fraud analytics and cloud-based loan systems, improving efficiency and portfolio monitoring. At the same time, co-lending partnerships between banks and NBFCs/HFCs are gaining momentum, combining funding strength with specialised underwriting and last-mile reach to support scalable growth.

Structural opportunities are also expanding across MSME financing, gold-backed lending and sustainable finance. As MSMEs formalise and demand for green financing rises, NBFCs are strengthening their role in supporting inclusive and environmentally responsible growth while diversifying their lending portfolios.

Threats and Challenges

Increased Competition

The competitive landscape remains intense, as well-capitalised banks expand retail and MSME lending, leveraging lower funding costs and strong balance sheets. Fintech and digital lenders continue scaling through data-driven underwriting and embedded finance models.

Data Privacy and Regulatory Compliance

The implementation of the Digital Personal Data Protection framework in India has heightened compliance expectations across financial institutions. With greater reliance on alternative data for underwriting and analytics, robust consent-based data governance and secure storage protocols are increasingly non-negotiable.

Cybersecurity and Technology Risks

The BFSI sector remains one of the most targeted industries for cyberattacks globally. Cyber threats targeting financial institutions have risen sharply in frequency and sophistication during the year with India alone recording various such incidents with attackers increasingly targeting digital banking portals and government-linked financial ecosystems.

(Source:https://www.expresscomputer.in/news/apac-financial-institutions-face-intensifying-cyber-attacks-as-campaigns-more-than-double-in-2025-check-point-research/132331/)

Company Overview

Fedbank Financial Services Limited ('Fedfina', 'The Company', 'We'), incorporated on 17th April, 1995 and headquartered in Mumbai, is a publicly listed NBFC. As a majority-owned subsidiary of Federal Bank Limited, we benefit from strong institutional parentage, robust governance standards, and diversified access to both debt and equity capital markets. Our listing on the NSE and BSE in November 2023 marked a significant milestone in our journey, strengthening our capital base and enhancing our visibility in the public markets.

With an expanding presence across 17 states and union territories, we operate through a diversified branch network spanning urban and semi-urban markets. Our localised underwriting expertise, customer-centric approach, and agile decision-making enable us to deliver contextual and responsive credit solutions tailored to regional needs.

Performance Highlights

During FY 2025-26, Fedfina delivered resilient year-on-year growth, supported by strong expansion in secured lending and disciplined execution of its strategic priorities. AUM increased by 27.5% year-on-year to ₹20,153 Crores, reflecting steady portfolio growth and improved product mix. Profitability strengthened with net profit rising from ₹225.2 Crores in FY 2024-25 to ₹343.6 Crores in FY 2025-26, demonstrating consistent earnings momentum.

The gold loan portfolio remained the primary growth engine, with AUM expanding 76% year-on-year in FY 2025-26, supported by record disbursements of ₹28,326 Crores during the year. To augment distribution capabilities, the Company commissioned 148 new gold loan branches during the fiscal year, enhancing reach and customer acquisition.

Strategically, the Company transitioned to a predominantly secured portfolio, with unsecured business loan exposure declining to 0.4% of on-book assets by FY 2025-26. Credit costs remained well contained at 0.8%, within the guided range of <1%. Improved operating performance translated into stronger return metrics, with Return on Assets (ROA) at 2.4% and Return on Equity (ROE) at 12.6% during the year under review.

Key Ratios

Particulars	FY 2025-26	FY 2024-25	Remarks (changes of 25% or more)
(i) Debtors Turnover	NA	NA	-
(ii) Inventory Turnover	NA	NA	-
(iii) Interest Coverage Ratio	NA	NA	-
(iv) Current Liability Ratio	0.3	0.4	-
(v) Debt Equity Ratio	4.6	4.0	-
(vi) Operating Profit Margin (%)	NA	NA	-
(vii) Net Profit Margin (%)	15.4	10.8	Better NII, reduced operating cost and improvement in credit cost led to better Net Profit Margin
(viii) Return on Net Worth (RONW) (%)	12.6	9.4	Improvement in Net Profit Margin led to better RONW

Product Range

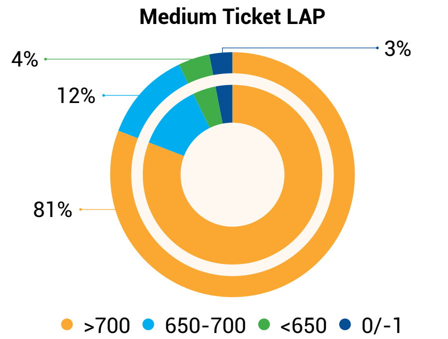
Mortgage Loans

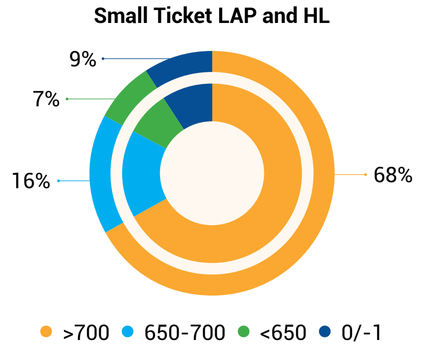
Our mortgage franchise is built on a calibrated 'twin-engine' approach, with Medium-Ticket LAP (MT LAP) and Small-Ticket LAP (ST LAP) segments driving balanced and diversified growth. During the year, we strengthened underwriting consistency through the implementation of a system-driven Business Rule Engine (BRE) and enhanced credit filters, reinforcing policy discipline while supporting responsible portfolio expansion. Operationally, we focused on improving efficiency and scalability by co-locating 70 MSME Hubs within our gold loan network, unlocking cost synergies and optimising infrastructure utilisation. The mortgage portfolio grew 16% year-on-year to ₹9,362 Crores, reaffirming its position as a core growth driver and contributing approximately 46.5% to our total AUM of ₹20,153 Crores. During the period, total mortgage disbursements stood at ₹3,084 Crores, reflecting steady demand across both segments.

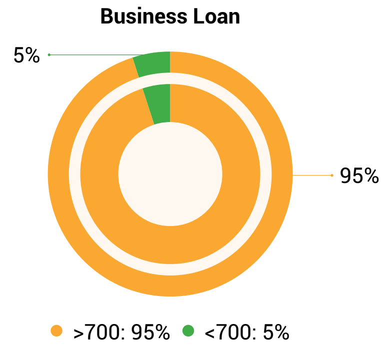
We maintain a prudently managed loan portfolio anchored in high-quality borrower selection. Across our MT LAP, ST LAP, and Home Loan segments, we have consciously focused on customers with strong credit profiles, generally reflected in CIBIL scores of 700 and above.

Quality of the Loan Book

~76% AUM from customers with CIBIL >700



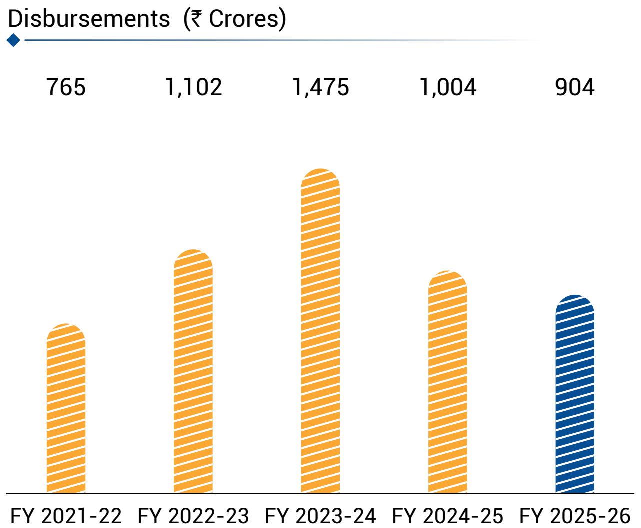




Small-Ticket LAP and Housing Loans

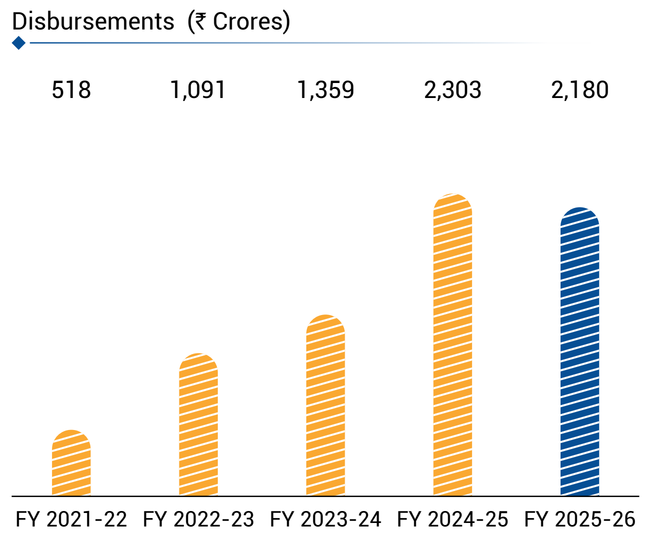
The ST LAP segment, which accounts for approximately 40.5% of our mortgage portfolio, focuses on higher-yield opportunities within the self-employed and emerging borrower segments. Following the stress observed in FY 2024-25, we undertook a structured recalibration of this business during the year. This included the implementation of a system-driven Business Rule Engine (BRE), tighter credit filters including higher CIBIL score thresholds, and strengthened underwriting controls to enhance portfolio quality and consistency in credit decision-making.

We also verticalised our collections function by onboarding experienced senior leadership and significantly expanding our field collections team to improve delinquency management and recovery efficiency. To further strengthen the balance sheet, we selectively divested legacy stressed pools to asset reconstruction companies and optimised our cost structure through branch co-location initiatives. These corrective measures, coupled with our strategic shift toward a higher-quality 'new book,' are aimed at stabilising asset quality metrics and positioning the segment for sustainable and disciplined growth going forward.



Medium-Ticket LAP

The MT LAP segment remains central to our mortgage portfolio, characterised by stability, lower risk, and consistent performance. Focused primarily on established MSMEs with documented cash flows and formal income records, this segment has demonstrated resilience despite broader industry yield pressures. During the year, the segment sustained steady disbursement momentum and maintained stable portfolio yields, supported by disciplined underwriting standards and prudent risk selection. Contributing approximately 59.5% to our total mortgage AUM, the segment underscores our strategy of building a scalable, quality-driven secured lending franchise.



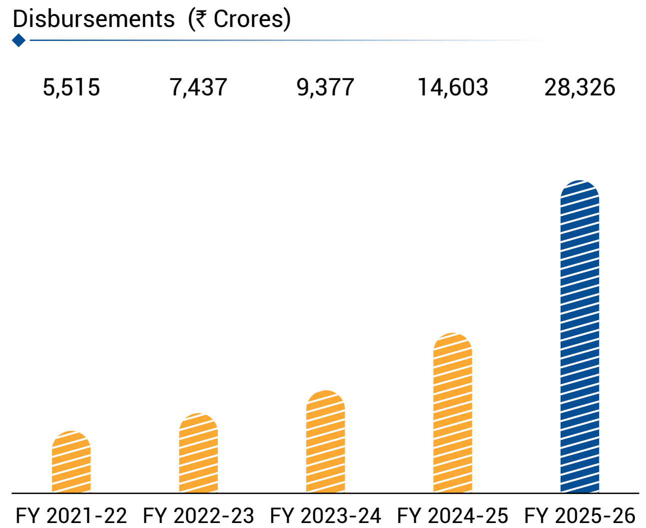
Gold Loan

FY 2025-26 has been a year of strong momentum and disciplined expansion for our Gold Loan franchise. The portfolio witnessed robust growth with gold loan AUM increasing steadily during the year to ₹10,352 Crores by the end of FY 2025-26, reflecting a 76% year-on-year growth. Disbursement activity remained strong, with cumulative disbursements during FY 2025-26 reaching ₹28,326 Crores, showcasing sustained customer demand across markets.

Operationally, we significantly strengthened our physical distribution network by adding 148 new branches in FY 2025-26, enhancing our reach and deepening market penetration. In parallel, we leveraged infrastructure synergies by co-locating 70 MSME Hubs within gold loan premises, optimising cost structures and improving branch-level productivity. AUM per branch improved to ₹16.5 Crores despite the rapid network expansion, reflecting healthy traction in new locations.

From a risk management perspective, we maintained a conservative LTV stance, with portfolio LTV moderating to 60.9% during the year, despite regulatory headroom for higher limits. Fresh loan originations were calibrated at an onboarding LTV of approximately 70%, balancing growth with prudent risk controls.

Strategically, we continue to focus on sustainable tonnage growth, targeting a long-term CAGR of 10-12%, rather than relying solely on gold price movements. Doorstep Gold Loan (DSGL) offerings also recorded strong traction during the year, expanding our customer reach and service flexibility.



Risk Management Matrix

Risk Type	Risk Description	Mitigation Strategy
Credit Risk	Credit risk arises from the possibility of financial loss if customers fail to meet repayment obligations	• Monthly performance reviews by senior management covering EWS triggers, asset quality indicators, and portfolio trends • Quarterly Risk Management Committee reviews with corrective recommendations • Regular review of lending policies, underwriting standards, verification systems, and disbursement protocols • Portfolio largely secured against gold or property assets, providing strong collateral coverage
Liquidity Risk	Liquidity risk refers to potential funding challenges arising from mismatches in cash inflows and outflows	• Adequate liquidity buffers maintained across cash, liquid investments, deposits, and undrawn credit lines • Asset-liability mismatches continuously monitored under the ALM framework • Periodic stress testing conducted across different scenarios • Structural liquidity reviewed in line with regulatory guidelines
Market Risk	Market risk stems from fluctuations in gold prices, interest rates, and foreign exchange movements, which may impact asset values or financial performance	Gold Price Risk • Gold prices tracked daily with conservative loan-to-value ratios maintained • Regular stress scenario assessments conducted Interest Rate Risk • Pricing and duration strategies guided by ALM analytics and macroeconomic monitoring Forex Risk • Exposure arising from external borrowings mitigated through appropriate hedging strategies
Operational Risk	Operational risks arise from failures in processes, systems, personnel, or external events	• Three Lines of Defence followed: business units manage risks; risk and compliance teams provide oversight; internal audit provides independent assurance • Continuous risk mitigation through controls, training, and audit reviews
Fraud Risk	Risk of financial loss due to internal or external fraud	• Multi-layered prevention covering due diligence, authentication checks, and centralised monitoring • Mandatory staff training and incident reporting maintained • Alerts investigated promptly to minimise recurrence
Regulatory and Compliance Risk	Risk of penalties, financial loss, or reputational damage due to non-compliance with laws and regulations	• Robust compliance framework aligned with regulatory requirements • Periodic audits and continuous monitoring of regulatory developments • Regular employee training maintained
Reputational Risk	Risk of brand or business impact due to negative perception or stakeholder distrust	• Transparent communication and ethical conduct maintained consistently • Fair customer practices and accurate disclosures upheld • Compliance with regulatory and disclosure norms remains a standing priority
Cybersecurity Risk	Risk of financial loss, operational disruption or reputational damage due to cyber threats or technology failures	• Layered controls across secure infrastructure, monitoring systems, and incident response • Periodic vulnerability assessments conducted • Full compliance with RBI cybersecurity guidelines maintained

Credit Rating

(as on 31st March, 2026)

- **CARE AA+/Stable**
- **CRISIL AA+/Stable**
- **ICRA Ratings^ AA+/ stable**
- **India Ratings AA+/Stable**
- **Short-Term A1+ (Reaffirmed)**

Human Resources

Our progress is fundamentally driven by our people, a diverse team whose expertise, integrity and commitment shape the organisation's growth journey. The depth of experience our employees bring from established financial services institutions translates into strong domain knowledge and operational insight that directly benefit the Company. Continuous investment in capability building through leadership development, structured training and performance management ensures employees remain future-ready while advancing both individual careers and organisational priorities.

Our workplace culture is anchored in trust, accountability, and customer centricity, guided by core values of execution excellence, integrity, and people focus. Emphasis on employee well-being, work-life balance and health and wellness initiatives reflects our holistic approach to workforce care.

Technology

Digital enablement remains central to how we serve customers and scale responsibly. Through technology integration across lending, credit assessment, collections and customer engagement, we have enhanced responsiveness, improved decision-making and created a more seamless customer experience. Digital loan origination, automated onboarding and always-on digital platforms have accelerated service delivery while improving convenience and accessibility. At the same time, our 'phygital' approach balances digital innovation with human connection by combining technology-led convenience with a strong branch presence. Supported by public digital infrastructure, advanced analytics and robust cybersecurity frameworks, we continue to strengthen personalisation, governance and operational resilience, enabling us to build a scalable, secure and future-ready organisation.

Internal Control Systems

The Board of Directors, supported by the Audit Committee, provides oversight of the Company's internal control framework to ensure its adequacy and effectiveness. The control environment is structured to systematically identify, evaluate and mitigate risks, thereby offering reasonable assurance against material errors, fraud and financial loss. The assurance process integrates inputs from internal control functions and management oversight, anchored in a culture of integrity and regulatory compliance. Under the Board's guidance, management continuously monitors key risks and strengthens control mechanisms to safeguard the Company's operations, assets and stakeholder interests.

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 Directors have pleasure in presenting the 31st Annual Report on the business and operations of the Fedbank Financial Services Limited (**"Fedfina" / "the Company"**) together with the Audited Financial Statements for the Financial Year ended 31st March, 2026 (**"year under review"**).

FINANCIAL HIGHLIGHTS

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

(₹ in Lakhs)

Financial Highlights	31st March, 2026	31st March, 2025
Total Revenue	**2,22,661**	**2,07,982**
Net Interest Income (NII)	1,22,975	1,07,080
Fees and Other Income	11,754	15,524
Operating Expenses & Loan Loss Provisions	88,628	92,229
Profit Before Tax	46,101	30,375
Net Profit	34,360	22,518
Appropriations:		
Transfer to Reserve Fund	6,872	4,504
Balance Carried Over to Balance Sheet	27,488	18,014
Total Advances	14,31,885	11,64,637
Total Borrowings	13,48,413	10,26,866
Total Assets (Balance Sheet Size)	16,87,478	13,24,970
Net Worth	2,92,610	2,54,736
Ratios:		
Return on Average Assets (%)	2.44%	1.82%
Return on Equity (%)	12.62%	9.39%
Earnings per share (₹) - Basic	₹ 9.20	₹ 6.06
- Diluted	₹ 9.12	₹ 6.04
Book Value per share (₹)	₹ 78.19	₹ 68.35
Cost to Income ratio (%)	57.23%	57.58%
Capital Adequacy Ratio (%)	22.40%	21.92%

Highlights of Performance

The total revenue of the Company for the financial year ended 31st March, 2026 has increased to ₹ 2,22,661 Lakhs as against ₹ 2,07,982 Lakhs for the previous year ended 31st March, 2025. Similarly, Net Interest Income (NII) grew by 15% from ₹ 1,07,080 Lakhs in FY 2024-25 to ₹ 1,22,975 Lakhs in FY 2025-26. The revenue increased by 7% on the back of growth of 23% in loan book during the year. The net profit of the Company increased by 53% to ₹ 34,360 Lakhs for the financial year ended 31st March, 2026, as against ₹ 22,518 Lakhs for the financial year ended 31st March, 2025. The Net worth of Company at the end of previous financial year, i.e. 31st March, 2025, was ₹ 2,54,736 Lakhs and closing Net worth as on 31st March, 2026, was ₹ 2,92,610 Lakhs.

Growth in Business

As of 31st March, 2026, the AUM increased by 27.5% compared to FY 2024-25, reaching ₹ 20,15,314 Lakhs while disbursements improved by 67.18% to ₹ 31,41,014 Lakhs.

Over the past year, ₹ 2,43,265 Lakhs of the gold loan AUM was through co-lending, and the Company conducted portfolio sell-down transactions totaling ₹ 2,57,933 Lakhs. At the end of the year, 12.1% of the AUM was off the books.

CREDIT RATING

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

The details of all the credit ratings obtained as on 31st March, 2026 are given below:

Name of the Credit Rating Agency	Facilities / Instruments	Credit Rating
India Ratings & Research Private Limited	• Bank Loans • Non-Convertible Debentures • Non-convertible Debentures subordinated debt	IND AA+/Stable
CARE Ratings Limited	Non-Convertible Debentures	CARE AA+; Stable
CARE Ratings Limited	Long Term / Short Term bank facilities	CARE AA+; Stable/ CARE A1+
CARE Ratings Limited	Long-term instruments	CARE AA+; Stable
CARE Ratings Limited	Subordinated Debt	CARE AA+; Stable
Crisil Ratings Limited	Commercial Paper	CRISIL A1+
Crisil Ratings Limited	Non-Convertible Debentures	Crisil AA+/Stable
ICRA Limited	Commercial Paper	ICRA A1+
ICRA Limited	Subordinated Debt	ICRA AA+(Stable)

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 148 branches, the branch network has now reached to 757 branches as on 31st March, 2026 across 17 states for different products and the break-up is as follows:

State / Union Territories	MSME Hubs	Gold Loan	MSME + Gold Loan (Vyapaar)	Grand Total
Andhra Pradesh	9	42	6	57
Chandigarh	1	-	-	1
Delhi NCR	1	45	-	46
Goa	-	5	-	5
Gujarat	11	110	15	136
Haryana	7	25	-	32
Karnataka	9	77	9	95
Madhya Pradesh	7	8	5	20
Maharashtra	31	102	8	141
Pondicherry	2	1	-	3
Punjab	1	12	-	13
Rajasthan	10	19	5	34
Tamil Nadu	26	57	7	90
Telangana	4	27	11	42
Uttar Pradesh	9	21	2	32
Uttarakhand	1	5	2	8
U/T- Dadra & Nagar Haveli	-	2	-	2
Grand Total	**129**	**558**	**70**	**757**

BUSINESS OVERVIEW

The Company has maintained a stable performance with a focus on credit quality and returns. Its strong parentage and robust credit rating have enabled access to equity and debt on competitive terms. The Company offers a diversified range of products catering to underpenetrated market segments, which have demonstrated growth potential. The Company has a dedicated workforce of 5303 employees spread across 17 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, 2026.

DIVIDEND DISTRIBUTION POLICY

Since the Company is one of the top 1000 listed Companies as per market capitalisation as on 31st March, 2026 and in accordance with the Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), the Dividend Distribution Policy is available on the website of the Company at https://www.fedfina.com/site/assets/files/2898/dividend_distribution_policy.pdf

AMOUNT PROPOSED TO BE TRANSFERRED TO STATUTORY RESERVES

The Board of Directors has proposed a transfer of ₹ 6,872 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 optimise cost of funds at all times to fund growth requirements.

The Company maintains a robust ALM framework, overseen by the 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 policy 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 optimise the cost of funds and support sustained growth.

CHANGES IN CAPITAL STRUCTURE

Authorised Share Capital of the Company:

The Authorised 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 Crores) 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 ₹ 3,72,71,68,540/- comprising of 37,27,16,854 Equity shares of face value of ₹ 10 each to ₹ 3,74,20,61,010/- comprising 37,42,06,101 of 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, 14,89,247 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.

ISSUE OF DEBENTURES

During the period under review, the Board of Directors at their Meeting held on 25th August, 2025, approved the issuance of Non-Convertible Debentures (**"NCDs"**) up to ₹ 2,500 Crores, in one or more tranches, on a private placement basis, subject to the approval of the shareholders.

Pursuant to the aforesaid approval and approval of the Shareholders obtained at the Annual General Meeting held on 29th September, 2025, the Company, during the year, issued and allotted the following Non-Convertible Debentures on a private placement basis:

- 20,000 (Twenty Thousand) Rated, Listed, Senior, Secured, Redeemable, Non-Convertible Debentures having a face value of ₹ 1,00,000/- (Rupees One Lakh only) each, aggregating up to ₹ 200,00,00,000/- (Rupees Two Hundred Crore only), carrying a coupon of 7.29% p.a., allotted on 6th January, 2026.
- 25,000 (Twenty-Five Thousand) Rated, Listed, Unsecured, Subordinated, Redeemable, Non-Convertible Debentures having a face value of ₹ 1,00,000/- (Rupees One Lakh only) each, aggregating up to ₹ 250,00,00,000/- (Rupees Two Hundred and Fifty Crores only), carrying a coupon of 8.85% p.a., allotted on 24th March, 2026; and
- 20,000 (Twenty Thousand) Rated, Listed, Unsecured, Subordinated, Redeemable, Non-Convertible Debentures having a face value of ₹ 1,00,000/- (Rupees One Lakh only) each, aggregating up to ₹ 200,00,00,000/- (Rupees Two Hundred Crores only), carrying a coupon of 8.90% p.a., allotted on 24th March, 2026.

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, 2026 are mentioned below:

NCD Series/ Security name	Date of Allotment	Date of Redemption	Amount Outstanding (in ₹)
Reset Rate Secured Rated Listed Non Convertible Debentures Letter of Allotment Date of Maturity 26th June, 2027	26th June, 2023	26th June, 2027	31,25,00,000
9% Unsecured Rated Listed Redeemable Non Convertible Subordinate Tier II Debentures Letter of Allotment Date of Maturity 26th April, 2030	26th May, 2023	26th April, 2030	2,00,00,00,000
G-Sec Secured Rated Listed Redeemable Principal Protected Market Linked Non Convertible Debentures Letter of Allotment Date of Maturity 04th April, 2026	4th January, 2023	4th April, 2026	200,00,00,000
9.90% Unsecured Listed Rated Redeemable Non Convertible Debentures Date of Maturity 30th September, 2027	30th September, 2020	30th September, 2027	250,00,00,000
Repo Rate Linked Secured Rated Listed Redeemable Non Convertible Debenture Letter of Allotment Series I-2408 Date Of Maturity 14th August, 2028	14th August, 2024	14th August, 2028	75,00,00,000
G Reset Rate Secured Rated Listed Redeemable Non Convertible Debenture Series 4 Date of Maturity 05th January, 2029	6th January, 2026	5th January, 2029	200,00,00,000
8.85% Unsecured Rated Listed Redeemable Non Convertible Debenture Series I Date of Maturity 21st October, 2033	24th March, 2026	21st October, 2033	250,00,00,000
8.90% Unsecured Rated Listed Redeemable Non Convertible Debenture Series II Date of Maturity 21st November, 2033	24th March, 2026	21st November, 2033	200,00,00,000

MANAGEMENT DISCUSSION AND ANALYSIS ("MDA")

In compliance with the Regulation 34 of the SEBI Listing Regulations, 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 SEBI 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 Regulations, as applicable, the Business Responsibility and Sustainability Report (**BRSR**) of the Company for the financial year ended 31st March, 2026, forms 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 SCHEME

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 organisation. 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 scheme titled 'Fedbank Financial Services Limited- Employees Stock Option Scheme, 2024' (**"ESOS 2024"**) in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 for the benefit of employees was approved by the Shareholders at the AGM held on 19th September, 2024.

During the year under review, 14,89,247 equity shares of face value of ₹ 10/- each were allotted to employees pursuant to exercise of stock options by the employees of the Company under ESOS 2018.

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 the Companies (Share Capital and Debentures) Rules, 2014 on ESOS is available on the website of the Company at https://fedfina.com/site/assets/files/181670/disclosure_pursuant_to_regulation_14_of_sebi_sbeb_regulations-_2021_as_on_march_31-_2026.pdf

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/site/assets/files/2898/nomination_remuneration_policy.pdf.

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 and Articles of Association of the Company. However, the Board of Directors of the Company have, subject to the approval of the shareholders of the Company, approved alteration of Articles of Association of the Company which is given in the Notice of the 31st AGM, being sent with this Annual Report.

The existing Memorandum and Articles of Association of the Company are in compliance with the applicable provisions of the Companies Act, 2013 and SEBI Listing 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 Listing Regulations with an optimum combination of Executive, Non-executive and Independent Directors including two women directors.

As on the date of this report, the Board of Directors of the Company comprised of five (5) Independent Directors, one (1) Non-Executive Non-Independent Chairman, two (2) Nominee Directors and one (1) Managing Director & CEO (MD & CEO).

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

Changes in the Directorship

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

Mr. Muralidharan Rajamani (DIN: 01690363) was appointed as an Independent Director (Additional) of the Company with effect from 24th January, 2025, and his appointment was subsequently approved by the shareholders on 16th April, 2025 vide Special Resolution through Postal Ballot.

Mr. Maninder Singh Juneja (DIN: 02680016), Nominee Director representing True North Fund VI LLP resigned from the Board with effect from 14th May, 2026 following the exit of True North Fund VI LLP from the Company. He confirmed that there were no other material reasons for his resignation.

Section 152 of the Act provides that unless the Articles of Association provide for retirement of all directors at every AGM, not less than two-third of the total number of directors of a public company (excluding the Independent Directors) shall be persons whose period of office is liable to determination by retirement of directors by rotation, of which one-third are liable to retire by rotation.

Accordingly, Mr. Harsh Dugar (DIN: 00832748) will retire by rotation at the ensuing AGM and being eligible, has offered himself for reappointment.

Changes in Key Managerial Personnel (KMP)

- Mr. Rajaraman Sundaresan ceased to be the Company Secretary & Compliance Officer and KMP of the Company from close of business hours on 31st July, 2025 pursuant 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 a KMP of the Company with effect from 1st August, 2025.

There were no other changes except as above in the composition of the Board of Directors and KMP of the Company during the year under review and as on the date of this report.

BOARD MEETINGS HELD DURING THE YEAR

During the year under review, Board of Directors met 11 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 23rd April, 2025, 28th April, 2025, 29th April, 2025, 2nd May, 2025, 28th July, 2025, 25th August, 2025, 17th October, 2025, 7th November, 2025, 15th January, 2026, 26th February, 2026 and 3rd March, 2026.

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

DECLARATION FROM INDEPENDENT DIRECTORS

There were five (5) Independent Directors on the Board of the Company as on 31st March, 2026. 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 Listing Regulations 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 objective judgement 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 Directors) Rules, 2014.

INDEPENDENT DIRECTORS' MEETING

Pursuant to the Act and SEBI Listing Regulations, the independent directors must hold at least one meeting in a financial year without attendance of Non-independent directors and members of the Management. Accordingly, meeting of independent directors of the Company was convened on 25th August, 2025, and was subsequently adjourned due to paucity of time and concluded on 12th September, 2025. The Independent Directors:

- noted the report of performance evaluation of the Board and committees for the FY 2024-25;
- reviewed the performance of Non-independent directors and the Board as a whole;
- reviewed the performance of the Chairman of the Board, taking into account the views of executive and Non-executive directors; and
- assessed the quality, quantity, and timeliness of flow of information between the Company's Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Suggestions of the Independent Directors were noted by the Board.

BOARD EVALUATION

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) was 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 was 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 was 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 Companies-Governance) Directions, 2025 as amended from time to time 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 2025-26.

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 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, 2026.

HUMAN RESOURCE

The Company has always prided itself in being a people first organisation. Our evolved digitised onboarding assisted us in seamless joining for new joiners in different geographies where we have expanded our presence. Our employee strength has grown by 6.3% over the previous year, in line with our business expansion plans. Our concentration revolves around continuous growth, culture and a learning experience. To nurture this talent, the Company has implemented practices focused on skill enhancement through regular training sessions, leadership development programs, and a transparent performance management system. Additionally, priority is given to maintaining a healthy work-life balance for our employees, believing it enhances their productivity and motivation.

1. **Restart with Fedfina:**

   As part of our continued commitment to promoting gender diversity and inclusion, the Company continued the **Restart with Fedfina** initiative, to help women professionals with career breaks an opportunity to re-enter the workforce to rebuild their careers.

2. **Digital Recruitment & In-house Background Verification:**

   We have an in-house recruitment module with sole purpose to automate the recruitment process, making it more efficient and structured for the organisation. It aims to minimise the TAT and enhance recruitment experience for both interviewer and candidates by providing a centralised platform.

   We also have 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, reduces dependency on external vendors, lowers risks, prevents fraud, and ensures that the business complies with legal requirements.

3. **Apprentice Program:**

   This year we have on boarded over 400 apprentices under **National Apprenticeship Promotion Scheme** (NAPS) by the Government with an objective to develop 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 recognised qualifications and increased career opportunities for apprentices.

4. **Capability Building:**

   We are continuing our endeavours to build capabilities across the organisation through our learning interventions. Few of them are,

   D.R.E.A.M. – A structured capability development journey for Relationship Managers, focused on strengthening sales effectiveness, customer engagement, and overall business performance.

   Gurukul Training, monthly learning sessions jointly facilitated by Business, Quality and Credit teams to reinforce product knowledge, process excellence, policy understanding and the sharing of field best practices.

   Story-Based Learning, a learning initiative that draws lessons from renowned books and movies, making leadership, teamwork, communication, and behavioural concepts engaging and relatable.

   Professional Skill Development Sessions – Learning interventions focused on enhancing workplace effectiveness through topics such as time management, MS Office productivity, collaboration, communication, and other essential professional skills.

   ACE Assessments – Capability assessments conducted across key business functions to benchmark knowledge levels, identify learning priorities.

5. **Leadership Development:**

   The Company is continuing to invest in building leadership pipeline through various development initiatives across levels.

   Utkarsh Program, a structured leadership development program for Area and Regional Business Heads, designed to strengthen people leadership, accountability, and business performance.

   Compass, a capability-building initiative for people managers focused on developing essential managerial skills, enabling them to lead teams effectively, drive performance, and create a positive team culture.

   Leadership League Network, a CXO-led mentorship and knowledge-sharing platform that provides employees with an opportunity to engage directly with senior leaders, gain business insights, and learn from their leadership experiences.

   Leadership Dialogues, an interactive speaker series featuring accomplished industry leaders, aimed at inspiring employees through conversations on leadership, career growth, ownership, resilience, and professional excellence.

6. **Employee Experience & Engagement:**

   We continued to foster an engaging, inclusive and collaborative workplace through various employee engagement initiatives. Few of them are,

   Sakhi@Fedfina, a dedicated platform for the engagement and development of women employees, featuring discussions and initiatives focused on wellbeing, career growth, leadership, and personal development. As part of this initiative, *Power Within Us* brought together four of our women leaders to share their journeys and inspire employees through conversations on leadership, resilience, and growth on this Women's Day.

   Fedfina Cricket League, an annual cricket tournament that brings together employees of regional offices, fostering camaraderie, teamwork, and a spirit of healthy competition while strengthening cross-functional relationships.

   Employee Engagement Calendar, a year-round calendar of engagement initiatives including festival celebrations, competitions, recognition activities, and team-building events aimed at strengthening employee morale and workplace culture.

7. **Employee Voice & Connection:**

   We continued to create regular opportunities for listening, dialogue, and meaningful employee interactions.

   Mad • Sad • Glad, a structured team engagement exercise that encourages employees to openly share their positive experiences, concerns, and suggestions, helping managers understand team sentiment and identify opportunities for improvement.

   Filter Kappi, an Informal leadership connect session that provides employees with an open platform to interact with senior leaders, exchange ideas, ask questions, and strengthen organisational transparency.

8. **Community & Social Impact:**

   We encouraged employees to contribute to meaningful social causes through various volunteering initiatives, including, Blood Donation Drives and Annapurna Grain Drive, participation in TATA marathon to support Cuddles Foundation.

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 22.4% as on 31st March, 2026 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 17.53%.

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 Enterprise 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 Company has defined the Risk Appetite Statement (RAS) for monitoring all critical risks and ensuring compliance to the RAS.

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 and also to enable an effective risk management system in the Company.

Additionally, the Company has Operational Risk Management Policy with an objective to improve the effectiveness of Operational Risk Management of the Company and enhance its Operational Resilience.

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 / W100621) were appointed as Statutory Auditors of the Company by the members of the Company for a term of three years i.e. from the conclusion of 29th Annual General Meeting (AGM) held on 19th September, 2024 till the conclusion of the 32nd Annual General Meeting.

M/s. KKC & Associates LLP, Chartered Accountants, (Firm Registration No. 105146W / W100621) have confirmed that they have subjected themselves to Peer Review process by the Institute of Chartered Accountants of India ("ICAI") and hold valid certificate issued by the Peer Review Board of ICAI.

Further, M/s. KKC & Associates LLP, Chartered Accountants, (Firm Registration No. 105146W / W100621) conducted the statutory audit for FY 2025-26. There are no qualifications, reservations, adverse remarks or disclaimers made by the Statutory Auditors in their Audit Report for FY 2025-26. The notes to the accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further clarifications under Section 134(3) (f) of the Act. Your Company continues to adopt best practices to ensure a regime of financial statements with unmodified audit opinion.

In accordance with the Reserve Bank of India (Non-Banking Financial Companies - Statutory Audit) Directions, 2026 dated 31st July, 2026 (**"RBI Directions"**), Non-Banking Financial Companies (NBFCs) having an asset size of ₹ 15,000 Crores or more as at the end of the previous year are required to appoint joint statutory auditors, comprising a minimum of two audit firms.

Pursuant to the said regulatory requirement and based on the recommendation of the Audit Committee, the Board of Directors has approved the appointment of M/s. V. Sankar Aiyar & Co., Chartered Accountants, (Firm Registration No. 109208W) as one of the Joint Statutory Auditors of the Company for a term of three (3) consecutive financial years, commencing from the conclusion of the 31st Annual General Meeting (AGM) and continuing until the conclusion of the 34th AGM, subject to the approval of the members at the ensuing AGM.

M/s. V. Sankar Aiyar & Co., Chartered Accountants, (Firm Registration No. 109208W) have confirmed their eligibility and compliance with the provisions of Section 139 and Section 141 of the Companies Act, 2013, read with the rules made thereunder, and have also affirmed that they meet the criteria prescribed under the Chartered Accountants Act, 1949 and the regulations framed thereunder. They have further confirmed that they are not disqualified from being appointed as Joint Statutory Auditors of the Company.

Adoption of Policy for appointment of Statutory Auditors

In compliance with the RBI Directions, the Company has in place a Policy for appointment of Statutory Auditors of the Company.

2. SECRETARIAL AUDITORS & THEIR REPORT

DKJ & Associates, Company Secretaries were appointed as the Secretarial Auditors to conduct the Secretarial Audit for the financial year ended 31st March, 2026. 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.

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 Audit Committee of the Board on quarterly basis.

During the year under review, frauds detected have been timely reported to the Audit Committee/Board as well as to the Reserve Bank of India (RBI) amounting to ₹ 110 Lakhs.

Pursuant to the section 143(12) 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 organisational 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 a 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.

All the related party transactions that were entered into during the financial year were on arm's length basis and in ordinary course of business. There were no contracts or arrangements entered into with related parties referred to in Section 188(1) of the Act during FY 2025-26 and hence Form AOC-2 is not required to be enclosed with Directors' Report in accordance with Rule 8(2) of the Companies (Accounts) Rules, 2014.

The Related Party Transactions Policy has been hosted on the website of the Company at: https://www.fedfina.com/site/assets/files/2898/related_party_transactions_policy.pdf.

The Shareholders of the Company through Postal Ballot Notice dated 28th April, 2025, accorded their approval for entering into and/or carrying out and/or continuing with material related party transaction(s) with Federal Bank Limited for FY 2025-26.

Further, the Shareholders of the Company through Postal Ballot Notice dated 28th April, 2026, accorded their approval for entering into and/or carrying out and/or continuing with material related party transaction(s) with Federal Bank Limited for FY 2026-27 and till one year from the effective date of passing of this resolution.

In order to align the approval process with the AGM cycle, and to regularise shareholder approvals from one AGM to the next instead of through postal ballot, and considering that such approvals are valid for a period of one year under the SEBI Listing Regulations, the Company is placing the proposal for approval of members at the ensuing AGM. The approval sought covers the entering into and/or carrying out and/or continuing of material related party transactions with Federal Bank Limited from the date of the 31st Annual General Meeting up to the date of the next Annual General Meeting of the Company, for a period not exceeding fifteen months.

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, 2026 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.

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 2025-26:

- No. of complaints received: 3
- No. of complaints disposed of: 3
- 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, 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/site/assets/files/855002/corporate_social_responsibilty_policy.pdf. The Company has spent ₹ 5,83,63,482/- 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 III** 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 categorised as NBFC in Middle layer pursuant to Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025 (as amended from time to time) and has complied with and continues to comply with all the applicable regulations and directions of the RBI.

DETAILS OF GOLD LOAN AUCTIONS

Details of Gold auction conducted:

Particulars	For the year ended 31st March, 2026
No. of loan accounts	4,633
Principal Amount outstanding at the date of auction (₹ in Lakhs)	2,039
Interest, penalty and other charges amount outstanding at the date of auction (₹ in Lakhs)	2,756
Total value fetched (₹ in Lakhs)	4,401

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 as part of this 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/site/assets/files/2898/whistle_blower_policy.pdf.

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 Chairman of the Audit Committee.

Out of 16 complaints 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.

Directors' Report (Contd.)

ANNUAL RETURN

Pursuant to section 92 (1) of the Companies Act 2013, the Annual Return for the financial year 2025-26 is placed on the website of the Company (https://www.fedfina.com/investors-relations/reports/other-disclosures-reports/)

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, 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 USD 250 Mn (Including March 2025: USD 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 (31st March, 2025: Nil). Such FCNR borrowings are currently carried at ₹ 6,250 Lakhs as at 31st March, 2026 (31st March, 2025: ₹ 11,250 Lakhs).

DIRECTORS' RESPONSIBILITY STATEMENT

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

(a) *in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;*

(b) *such accounting policies have been selected and applied them 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 at 31st March, 2026 and of the profit and loss of the Company for the financial year ended on that date;*

(c) *proper and sufficient care have 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;*

(d) *the annual accounts have been prepared on a going concern basis;*

(e) *internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and were operating effectively; and*

Explanation.—For the purposes of this clause, the term "internal financial controls" means the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to 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;

(f) *proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems 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.

viii. The Company being, a Non-Banking Financial Company is not required to maintain cost records and the requirement of cost audit as prescribed under section 148(1) of the Act is not applicable to the Company.

ix. The Company does not have any subsidiary, joint venture or associate Company.

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

Shyam Srinivasan
Chairman of the Board
DIN: 02274773

Place: Mumbai
Date: 25th August, 2026

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 31st March, 2026	**Name**	**Ratio**
		Shyam Srinivasan	4.1:1
		Ramesh Sundararajan	4.2:1
		Sunil Satyapal Gulati	3.9:1
		Sonal Dave	4.02:1
		Mona Bhide	3.2:1
		Parvez Mulla	40.6:1
		Muralidharan Rajamani	4.1:1
2.	The percentage increase/ (decrease) in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the FY 2025-26	**Name**	**Percentage Increase/(Decrease)**
		Shyam Srinivasan	100.00%
		Ramesh Sundararajan	98.06%
		Sunil Satyapal Gulati	(3.37%)
		Sonal Dave	refer note 1
		Mona Bhide	refer note 1
		Muralidharan Rajamani	refer note 1
		Parvez Mulla	15.00%
		C.V. Ganesh	10.00%
		Rajaraman Sundaresan (till 31st July, 2025)	refer note 1
		Parthasarathy Iyengar (effective from 1st August, 2025)	refer note 1
3.	The percentage increase in the median remuneration of employees in the financial year;	6.32%	
4.	The number of permanent employees on the rolls of company;	5,303 as on 31st March, 2026	
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;	9.00% vs 11.25% The increase in managerial remuneration aligns with the recommendations of the Nomination and Remuneration Committee and has been duly approved by the Board.	
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 certain Directors and managerial remuneration are not reported as they were holding directorship for part of the financial years 2024-25 & 2025-26 and/or they were appointed during the financial years 2024-25 & 2025-26.

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 Director is considered and the profit-linked commission is not considered in director's 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, 2026

To,
The Members,
FEDBANK FINANCIAL SERVICES LIMITED
Unit No. 1101, 11th Floor, Cignus,
Plot No. 71A, Powai,
Paspoli, 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, 2026, 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 31st March, 2026 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;
   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;
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.

Annexure II (Contd.)

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 Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025;
3. Reserve Bank of India (Non-Banking Financial Companies – Governance) Directions, 2025;
4. Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016
5. Master Direction on Reserve Bank of India (Filing of Supervisory Returns) Directions – 2024;
6. Reserve Bank of India (Know Your Customer-KYC) Directions, 2025;
7. The Prevention of Money Laundering Act, 2002 and the Rules made there under;
8. Reserve Bank of India (Non-Banking Financial Companies - Internal Ombudsman) Directions, 2026;
9. Master Direction - on Fraud Risk Management in Non-Banking Financial Companies (NBFCs) (including Housing Finance Companies), 2024 as amended from time to time;
10. 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.

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(s) 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.

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 29th September, 2025 vide special resolution approved the offer and issue of Non-Convertible Debentures not exceeding ₹ 2,500 Crores.
   b. The Committee of Directors vide circular resolution dated 6th January, 2026 approved the allotment of 20,000 (Twenty Thousand) Senior, Rated, Listed, Secured, Redeemable, Non-Convertible Debentures of ₹ 1,00,000/- (Rupees One Lakh Only) each of the aggregate Nominal Value of ₹ 200,00,00,000/- (Rupees Two Hundred Crores Only)
   c. The Board of Directors vide circular resolution dated 24th March, 2026 approved the allotment of 25,000 (Twenty Five Thousand) Unsecured, Rated, Subordinated, Listed, Redeemable Non-Convertible Debentures of ₹1,00,000/- (Rupees One Lakh Only) Each, Aggregating To ₹ 250,00,00,000/- (Rupees Two Hundred and Fifty Crores Only) and the allotment of 20,000 (Twenty Thousand) Unsecured, Rated, Subordinated, Listed, Redeemable Non-Convertible Debentures of ₹ 1,00,000/- (Rupees One Lakh Only) Each, Aggregating To ₹ 200,00,00,000/- (Rupees Two Hundred Crores Only) on Private Placement Basis.

Annexure II (Contd.)

2. **Approval of amendments to ESOP scheme 2018:**

   The Members at their Annual General Meeting held on 29th September, 2025 vide special resolution approved amendments to the FEDBANK FINANCIAL SERVICES LIMITED- EMPLOYEES STOCK OPTION SCHEME, 2018.

3. **Approval of amendments to ESOP scheme 2024:**

   The Members at their Annual General Meeting held on 29th September, 2025 vide special resolution approved amendments to the FEDBANK FINANCIAL SERVICES LIMITED- EMPLOYEES STOCK OPTION SCHEME, 2024.

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

   The Members at their Annual General Meeting held on 29th September, 2025 vide special resolution(s):-

   a. 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.

   b. Increased borrowing limits of the Company pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 to upto ₹ 18,000 Crores.

   c. Increased limits under section 180(1)(a) of the Companies Act, 2013 upto ₹ 18,000 Crores.

For DKJ & Associates
Company Secretaries

Savyasachi Sushil Joshi
Partner
FCS NO 12752
CP NO 15666
UDIN: F012752H001143255

Place: Mumbai
Date: 18th August, 2026

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.)

ANNEXURE - I

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
CP NO 15666
UDIN: F012752H001143255

Place: Mumbai
Date: 18th August, 2026

Annexure III

Annual report on Corporate Social Responsibility (CSR) for the financial year 2025- 26

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.

   Your Company acts as a good corporate citizen and aims to supplement the role of the government in enhancing the welfare measures of society. Your 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/site/assets/files/855002/corporate_social_responsibilty_policy.pdf.

2. Composition of CSR Committee:

Sl 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.	Ms. Mona Bhide	Chairperson	1	1
2.	Mr. Shyam Srinivasan	Member	1	1
3.	Mr. Parvez Mulla	Member	1	1

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: ₹ 2,91,51,41,269/-

   b. Two percent of average net profit of the Company as per sub-section (5) of Section 135: ₹ 5,83,02,825.37/-

   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)- ₹ 5,83,02,825.37/-

6. (a) Amount spent on CSR amount (both ongoing projects and other than ongoing projects): ₹ 5,83,63,482/-

   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): ₹ 5,83,63,482/-

   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
5,83,63,482/-	Nil	Not applicable	Not applicable	Nil	Not applicable

Annexure III (Contd.)

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

Sl 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: 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

Parvez Mulla
MD & CEO

Mona Bhide
Chairperson- CSR Committee

Date: 6th May, 2026
Place: Mumbai

Report on Corporate Governance

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Fedbank Financial Services Limited **("the Company"/"Fedfina")** upholds robust corporate governance standards anchored in integrity, transparency and accountability. It remains committed to continuously enhancing its governance practices in line with regulatory expectations and evolving best practices. The Company's governance philosophy is intended to guide its strategic direction and promote responsible and ethical conduct, with a focus on fairness and long-term value creation for all stakeholders, including regulators, employees, customers, vendors and investors.

Vision statement of the Company is **Empowering Emerging India with Easy Access to Loans**.

With focus on the core values, the 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.

The 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")** remains central to the Company's corporate governance framework. It seeks to uphold sound governance principles and is responsible for overseeing the manner in which management addresses both the short and long-term interests of members and other stakeholders. This approach is reflected in the Company's governance practices, with a focus on maintaining an effective, well-informed Board with an appropriate balance of independent and non-independent directors.

The Company endeavours to maintain an appropriate balance of skills and experience across the organisation and at the Board level, including through the introduction of diverse perspectives while preserving continuity and institutional knowledge.

a) Composition and Category of Board of Directors

The composition of the Board is in accordance with Section 149 of the Companies Act, 2013 **("the Act")** and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 **("SEBI Listing Regulations")** and comprises an appropriate mix of Executive, Non- executive and Independent Directors including woman Independent Directors.

As on 31st March, 2026, the Board comprised 10 Directors, including 1 Non-Executive Non-Independent Chairman, 5 Independent Directors (including 2 woman Independent Directors), 3 Nominee Directors and 1 Executive Director. The composition of the Board during the year was as follows:

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	1	0	0
2.	Krishnan Venkat Subramanian	00031794	Non-Executive Nominee Director (representing equity investor - The Federal Bank Limited)	2	1	0
3.	Harsh Dugar	00832748	Non-Executive Nominee Director (representing equity investor - The Federal Bank Limited)	2	1	0
4.	Maninder Singh Juneja*	02680016	Non-Executive Nominee Director (representing equity investor - True North Fund VI LLP)	2	2	0
5.	Sunil Satyapal Gulati	00016990	Independent Director	3	3	2
6.	Ramesh Sundararajan	10500779	Independent Director	1	2	1
7.	Sonal Dave	00017710	Independent Director	1	2	1
8.	Mona Bhide	05203026	Independent Director	5	7	1
9.	Muralidharan Rajamani	01690363	Independent Director	1	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 Chairpersonships for a Director, the Audit Committee and Stakeholders' Relationship Committee in other Indian Public companies (listed and unlisted) including our Company are counted.

**Mr. Maninder Singh Juneja (DIN: 02680016), Nominee Director, resigned from the Board with effect from 14th May, 2026.*

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 company.

c) Details of the Directorships in other Listed Entities (as on 31st March, 2026):

Sr. No.	Name of the Director	Name of the Listed Entity (Other than Fedfina)	Category of Directorship
1.	Shyam Srinivasan	-	-
2.	Krishnan Venkat Subramanian	1. The Federal Bank Limited	Managing Director & CEO
3.	Harsh Dugar	1. The Federal Bank Limited	Executive Director
4.	Maninder Singh Juneja*	1. Pine Labs Limited	Independent Director
5.	Sunil Satyapal Gulati	1. KMC Speciality Hospitals (India) Limited 2. Suryoday Small Finance Bank Limited	Independent Director Independent Director
6.	Ramesh Sundararajan	-	-
7.	Sonal Dave	-	-
8.	Mona Bhide	1. PCS Technology Limited 2. Datamatics Global Services Limited 3. Vinati Organics Limited 4. Benchmark Computer Solutions Limited	Non-Independent Director Independent Director Independent Director Independent Director
9.	Muralidharan Rajamani	-	-
10.	Parvez Mulla	-	-

**Mr. Maninder Singh Juneja (DIN: 02680016), Nominee Director, resigned from the Board with effect from 14th May, 2026.*

d) In terms of Section 165 of the Act and Regulation 17A of the SEBI Listing Regulations, none of the Directors of the Company held directorships in more than 10 Public companies and none of the Directors holds directorship in more than seven listed entities, across the directorships held including that in the Company. Further, none 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. The requisite disclosures regarding committee positions in other public companies as on 31st March, 2026 have been received from the Directors.

The Independent directors have also confirmed that they are not on the Board of more than three NBFCs [NBFC-Middle Layer ('NBFC-ML') or NBFC-Upper Layer ('NBFC-UL')] at the same time in line with RBI Directions.

Pursuant to RBI Directions, Key Managerial Personnel do not hold any office (including directorships) in any other NBFC-ML or NBFC-UL.

e) None of the Directors are inter-se related to each other. All the Directors of the Company have confirmed that they comply with the fit and proper criteria as prescribed under the Reserve Bank of India (Non-Banking Financial Companies – Governance) Directions, 2025 **("RBI Directions")** as amended from time to time. 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

There were no changes in the composition of the Board during the financial year under review, i.e., FY 2025–26.

However, subsequent to the close of the financial year and up to the date of this Report, Mr. Maninder Singh Juneja (DIN: 02680016), Nominee Director representing True North Fund VI LLP, resigned from the Board with effect from 14th May, 2026. His resignation was pursuant to the divestment of the entire shareholding held by True North Fund VI LLP in the Company. The Director has confirmed that there are no other material reasons for his resignation as Director of the Company other than those mentioned above.

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 as on the date of the report, which are key to corporate governance and Board effectiveness:

Parameters	Shyam Srinivasan	Krishnan Venkat Subramanian	Harsh Dugar	Sunil Satyapal Gulati	Ramesh Sundararajan	Sonal Dave	Mona Bhide	Muralidharan Rajamani	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 AND ATTENDANCE

The Board meets at periodic intervals to review the overall performance of the Company, including performance of the Company against budgets and targets. The Board follows a structured agenda of matters for consideration and decision, in addition to statutory and regulatory items. Meetings of the Board are pre-scheduled, and notice along with the detailed agenda and relevant notes are circulated to the Directors well in advance to enable effective participation. Video conferencing facilities are made available to facilitate participation of Directors in the meetings. In case of business exigencies, the approval of the Board is obtained through resolutions passed by circulation, which are subsequently placed before the Board for noting.

During the year under review, Board met 11 times i.e., on 23rd April, 2025, 28th April, 2025, 29th April, 2025, 2nd May, 2025, 28th July, 2025, 25th August, 2025, 17th October, 2025, 7th November, 2025, 15th January, 2026, 26th February, 2026 and 3rd March, 2026. The gap between two consecutive meetings did not exceed 120 days.

The requisite quorum was present for all the meetings held during the year.

The attendance of the Directors at the above-mentioned Board meetings held during the financial year ended 31st March, 2026 and attendance at the last Annual General Meeting (AGM) held on 29th September, 2025, is provided below:

Name of the Director	Category	No. of Board meetings held	No. of Board meetings attended	Attendance at the Last AGM held on 29th September, 2025	No. of shares / convertible instruments held in the Company
Shyam Srinivasan	Non-Executive Chairman	11	11	Yes	200 Equity Shares held jointly with The Federal Bank Ltd. (as Nominee of The Federal Bank Ltd)
Krishnan Venkat Subramanian	Non-Executive Nominee Director	11	11	Yes	-
Harsh Dugar	Non-Executive Nominee Director	11	11	Yes	-
Maninder Singh Juneja	Non-Executive Nominee Director	11	9	Yes	-
Sunil Satyapal Gulati	Independent Director	11	10	Yes	-
Ramesh Sundararajan*	Independent Director	11	11	No*	-
Sonal Dave	Independent Director	11	11	Yes	-
Mona Bhide	Independent Director	11	11	Yes	-
Muralidharan Rajamani	Independent Director	11	11	Yes	-
Parvez Mulla	Managing Director & CEO	11	11	Yes	-

**Mr. Ramesh Sundararajan, Chairperson of Stakeholders Relationship Committee, authorised Ms. Sonal Dave, Member of Stakeholders Relationship Committee, to represent him at the 30th AGM held on 29th September, 2025, in his absence.*

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 a crucial role in the functioning of the Board. The Independent Directors and Non-Executive Chairman are paid Profit–linked Commission and sitting fees for attending the Board and Committee meetings. Based on the recommendation of the Board of Directors, the Shareholders have approved an overall ceiling on profit linked commission of ₹ 22.50 Lakh to Non-Executive Chairman and ₹ 18 Lakh per annum for each Independent Director, with effect from 9th October, 2024, for a period of two years, subject to the aggregate commission not exceeding 1% of the net profits of the Company, computed in accordance with Section 197 of the Act. The Nominee Directors do not receive any remuneration. The criteria of making payments to non–executive directors is placed on the Company's website and can be accessed at- https://www.fedfina.com/site/assets/files/2898/nomination_remuneration_policy.pdf. Details of remuneration paid to the Directors during the year under review are provided below:

Sr. No.	Names of Directors	Sitting fees (₹)	Profit Linked commission (₹)
Independent Directors			
1.	Sunil Satyapal Gulati	17,60,000	18,00,000
2.	Ramesh Sundararajan	20,20,000	18,00,000
3.	Sonal Dave	18,80,000	18,00,000
4.	Mona Bhide	11,60,000	18,00,000
5.	Muralidharan Rajamani	19,20,000	18,00,000
Non-Executive/ Nominee Directors			
6.	Shyam Srinivasan	13,80,000	22,50,000
7.	Krishnan Venkat Subramanian	Not applicable	
8.	Harsh Dugar	Not applicable	
9.	Maninder Singh Juneja	Not applicable	

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

The remuneration was paid to Mr. Parvez Mulla, MD & CEO (DIN: 08026994) in accordance with the Compensation Policy and Nomination and Remuneration Policy of the Company.

Mr. Parvez Mulla was appointed as Managing Director & CEO of the Company for a period of three (3) years effective from 11th November, 2024 till 10th November, 2027 (both days inclusive) vide Postal Ballot Notice dated 16th December, 2024.

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 pursuant to the Shareholder approval vide Postal Ballot Notice dated 16th December, 2024. The remuneration paid to Mr. Parvez Mulla, MD & CEO during the financial year 2025-26 is given below:

Name of Director	Components	Amount in ₹
Parvez Mulla, MD & CEO	Salary	3,66,99,996
	Performance bonus paid for FY 2025-26	1,48,96,000
	ESOP Details	2,75,000 Options were granted by Nomination and Remuneration Committee on 2nd May, 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.

Report on Corporate Governance (Contd.)

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 Act 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.

b) Meetings of Independent Directors

In compliance with Regulation 25(3) of the SEBI Listing Regulations and Schedule IV of the Act, a separate meeting of the Independent Directors for FY 2025-26 was convened on 25th August, 2025, and was subsequently adjourned due to paucity of time and concluded on 12th September, 2025.

The meeting was conducted without the presence of Non-Independent Directors and members of management, inter alia, to discuss such matters as the Independent Directors considered appropriate.

The details of the separate meeting of Independent Directors held during FY 2025-26 and attendance of the members at the meeting is given below:

Name of the Member	No. of meeting held	No. of meeting attended	% of attendance
Sunil Satyapal Gulati	1	1	100%
Ramesh Sundararajan	1	1	100%
Sonal Dave	1	1	100%
Mona Bhide	1	1	100%
Muralidharan Rajamani	1	1	100%

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

The Company has obtained Directors and Officers (D&O) Insurance Policy for its Directors and Key Managerial Personnel, providing coverage against liabilities arising from acts of negligence, default, misfeasance, breach of duty or breach of trust in relation to the Company.

d) Familiarisation Programme for Independent Directors

The Company, on an ongoing basis, apprises the Board, including the Independent Directors, on matters relating to business performance, operations, financial parameters, the business model, risk profile and mitigation measures, changes in senior management, major litigations, compliances and regulatory developments, and such other matters as may arise from time to time.

The Company has conducted a familiarisation programme for the Independent Directors during the year under review. All Independent Directors were covered under such programme, the details of which are available on the Company's website at https://fedfina.com/site/assets/files/181670/familarisation_programme_fy_25-26.pdf

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. All Directors and members of the senior management are required to affirm compliance with the Code on an annual basis. A declaration to this effect, signed by the Managing Director and Chief Executive Officer, forms part of this Report.

The Code requires Directors and senior management to uphold high standards of integrity, ethics and corporate governance and to discharge their responsibilities with due regard to the interests of the Company and its stakeholders. The Code is available on the Company's website at https://www.fedfina.com/site/assets/files/2898/code_of_conduct_for_board_of_directors_and_senior_management.pdf

7. SENIOR MANAGEMENT PERSONNEL & KEY MANAGEMENT PERSONNEL

Given below is the list of senior management personnel:

Sr. No.	Names of Senior Management Personnel	Designation
1.	Shardul Kadam[1]	Chief Transformation Officer
2.	C.V. Ganesh	Chief Financial Officer
3.	Jagadeesh Rao Janardanan[2]	Chief Marketing Officer & Chief Business Officer - Gold Loan and ST LAP
4.	Sureshkumar K	Chief Business Officer - LAP & Distribution
5.	Krishnaswamy Siddharth	Chief Operating Officer (till 25th August, 2025)
6.	Anila Rajneesh	Chief Human Resources Officer
7.	Vikram Rathi	Chief Risk Officer (effective 2nd May, 2025)
8.	Awadhesh Jaiswal	Interim Chief Risk Officer (till 1st May, 2025)

1. Mr. Shardul Kadam transitioned from the role of Chief Business Officer (CBO) – Small Ticket Mortgage LAP to Chief Transformation Officer with effect from 1st July, 2026.
2. Mr. Jagadeesh Rao Janardanan was appointed as CBO for Small Ticket Mortgage LAP w.e.f. 1st July, 2026 in addition to Chief Marketing Officer & Chief Business Officer - Gold Loan.

Given below is the list of Key management personnel:

Sr. No.	Name of Key Management Personnel	Designation
1.	Parvez Mulla	Managing Director & CEO
2.	C.V. Ganesh	Chief Financial Officer
3.	Parthasarathy Iyengar	Company Secretary & Compliance Officer (effective 1st August, 2025)
4.	S. Rajaraman	Company Secretary & Compliance Officer (till 31st July, 2025)

8. 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' 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://www.fedfina.com/site/assets/files/2898/code_of_conduct_for_regulating_reporting_of_trading_by_insiders-1.pdf

9. 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 31st March, 2026 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	Chairperson	7	7
2.	Sunil Satyapal Gulati	Member	7	6
3.	Ramesh Sundararajan	Member	7	7
4.	Muralidharan Rajamani	Member	7	7

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.

separate meetings between the Head of Internal Audit and the Audit Committee, without the presence of Management, were enabled to facilitate free and frank discussion amongst them.

separate meetings between the Chief Compliance Officer and the Audit Committee, without the presence of Management, were enabled to facilitate free and frank discussion amongst them.

Brief Description of Terms of Reference of the Committee:

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 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, 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;
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 crore 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; and
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. management letters / letters of internal control weaknesses issued by the statutory auditors;
3. internal audit reports relating to internal control weaknesses;
4. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee;
5. 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 2025-26, the Audit Committee of the Board met 7 times i.e. on 28th April, 2025, 29th April, 2025, 28th July, 2025, 17th October, 2025, 7th November, 2025, 17th December, 2025 and 15th January, 2026.

Report on Corporate Governance (Contd.)

(b) Nomination & Remuneration Committee:

Composition:

The Composition of the Nomination & Remuneration Committee ("NRC") during the Financial Year ended 31st March, 2026 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.	Sunil Satyapal Gulati	Chairman	4	4
2.	Ramesh Sundararajan	Member	4	4
3.	Shyam Srinivasan	Member	4	4
4.	Muralidharan Rajamani[1]	Member	3	3
5.	Mona Bhide[1]	Member	3	2
6.	Maninder Singh Juneja[2]	Member	3	3

1. *Mr. Muralidharan Rajamani and Ms. Mona Bhide, were inducted as members of the NRC Committee w.e.f. 2nd May, 2025 pursuant to its reconstitution.*
2. *Mr. Maninder Singh Juneja, was inducted as member of the NRC Committee w.e.f. 2nd May, 2025 pursuant to its reconstitution. However, subsequent to the close of the financial year and up to the date of this Report, Mr. Maninder Singh Juneja (DIN: 02680016), Nominee Director representing True North Fund VI LLP, resigned from the Board effective 14th May, 2026. Consequently, Mr. Maninder Singh Juneja ceased to be the member of the Committee of the Board.*

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 Act and SEBI Listing Regulations.

Broad terms of reference includes the following:

1. To formulate the Nomination and Remuneration policy;
2. Identifying persons who qualify to become directors and ensure their fit and proper status, scrutinise 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;
3. 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 employees as it may deem fit;
4. To set criteria for determining qualifications, positive attributes and independence of a director;
5. To formulate criteria for evaluation of performance of the independent directors and the Board;
6. 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:
   i. use the services of external agencies, if required;
   ii. consider candidates from a wide range of backgrounds, having due regard to diversity; and
   iii. consider the time commitments of the candidates.
7. 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;
8. Devising a policy on Board diversity;

9. Analysing, monitoring and reviewing various human resource and compensation matters;

10. 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;

11. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:

    i. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; or

    ii. Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended.

12. 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

13. Recommend to the Board, all remuneration, in whatever form, payable to senior management.

Meetings held during the year:

During the FY 2025-26, the Nomination & Remuneration Committee of the Board met 4 times i.e. on 2nd May, 2025, 28th July, 2025, 9th January, 2026 and 20th January, 2026.

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 Committee composition, structure, processes and working procedures are well laid down and that the Board Committee 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 31st March, 2026 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.	Ramesh Sundararajan	Chairman	1	1
2.	Sonal Dave	Member	1	1
3.	Mona Bhide	Member	1	1
4.	Parvez Mulla	Member	1	1

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

Brief Description of Terms of Reference of the Committee includes:

1. 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;

2. To review measures taken for effective exercise of voting rights by shareholders;

3. To review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar to an Issue and Share Transfer Agent;

4. 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

5. 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 2025-26, the Committee of the Board met once on 28th April, 2025.

Details of Compliance Officer as on 31st March, 2026

Mr. Parthasarathy Iyengar,

Company Secretary and Compliance Officer

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

1 (one)

Number of complaints not solved to the satisfaction of shareholders

Nil

Number of pending complaints

Nil

(d) Risk Management Committee:

Composition:

The Composition of the Risk Management Committee ("RMC") during the Financial Year ended 31st March, 2026 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.	Sunil Satyapal Gulati	Chairman	5	4
2.	Sonal Dave	Member	5	5
3.	Maninder Singh Juneja*	Member	5	5
4.	Harsh Dugar	Member	5	5

After the close of the financial year and up to the date of this Report, Mr. Maninder Singh Juneja (DIN: 02680016), Nominee Director representing True North Fund VI LLP, resigned from the Board effective 14th May, 2026. Consequently, Mr. Juneja also ceased to be a member of the Committee of the Board.

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

Separate meetings between the CRO and the RMC, without the presence of Management, were enabled to facilitate free and frank discussion amongst them.

Brief Description of 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 procedures;
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, removal and terms of remuneration of the Chief Risk Officer on such terms as may be approved by the Board; and
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 2025-26, the Risk Management Committee of the Board met 5 times on 28th April, 2025, 28th July, 2025, 17th October, 2025, 7th January, 2026 and 15th January, 2026.

(e) Corporate Social Responsibility (CSR) Committee:

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

Composition:

The Composition of the CSR Committee during the Financial Year ended 31st March, 2026 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.	Mona Bhide	Chairperson	1	1
2.	Shyam Srinivasan	Member	1	1
3.	Parvez Mulla	Member	1	1

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

Terms of reference of the CSR Committee includes the matters specified under the Act.

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 programmes of the Company; and
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 2025-26, the CSR Committee of the Board met once on 28th April, 2025.

(f) IT Strategy Committee:

Composition:

The Composition of the IT Strategy Committee during the Financial Year ended 31st March, 2026 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.	Ramesh Sundararajan	Chairperson	4	4
2.	Maninder Singh Juneja*	Member	4	3
3.	Muralidharan Rajamani	Member	4	4
4.	Parvez Mulla	Member	4	4

**After the close of the Financial Year and up to the date of this Report, Mr. Maninder Singh Juneja (DIN: 02680016), Nominee Director representing True North Fund VI LLP, resigned from the Board effective May 14, 2026. Consequently, Mr. Juneja also ceased to be a member of the Committee of the Board*

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

Brief description of 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;
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; and
10. Any other matter as may be mandated / referred by any Authority / Board.

Meetings held during the year:

During the FY 2025-26, the IT Strategy Committee of the Board met 4 times on 2nd May, 2025, 31st July, 2025, 5th November, 2025 and 3rd February, 2026.

In addition to the above, the Company has constituted various other committees, such as Asset Liability Committee, Business Development Committee, Committee of Directors (Operations), Wilful Default Review Committee, Customer Service Committee and Special Committee of the Board for Monitoring and Follow-up cases of Frauds.

10. 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
30th AGM	29th September, 2025 at 12 noon IST	Registered and Corporate office through Video conferencing ("VC") / Other Audio Visual Means ("OAVM")	Approval for the limits of Selling, Assignment, Securitisation of Receivables / Book debts of the Company upto ₹ 10,000 Crores (Rupees Ten Thousand Crores Only)
			Approval for the Borrowing limits of the Company upto ₹ 18,000 Crores
			Approval for the creation of charge on assets of the Company to secure borrowings made/to be made
			Approval for the fresh issuance of Non- Convertible Debentures on private placement basis not exceeding ₹ 2,500 Crores in one or more tranches
			Approval for the amendment in The Fedbank Financial Services Limited- Employees Stock Option Scheme, 2018
			Approval for the amendment in The Fedbank Financial Services Limited- Employees Stock Option Scheme, 2024
29th AGM	19th September, 2024 at 12 noon IST	Registered and Corporate office through Video conferencing ("VC") / Other Audio Visual Means ("OAVM")	Approval for the Offer and Issue of Non-Convertible Debentures not exceeding ₹ 2,500 Crores
			Approval for the increase in limits of Selling, Assignment, Securitisation or Receivables / Book debts of the Company upto ₹ 10,000 Crores
			Approval for the adoption of The Fedbank Financial Services Limited- Employees Stock Option Scheme, 2024
28th AGM	27th 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 Crores

b) Extra-Ordinary General Meeting during the FY 2025-26:

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

c) Postal Ballot

During the year under review, following ordinary as well as special resolutions were passed through 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
16th April, 2025	Special Resolution	Appointment of Mr. Muralidharan Rajamani (DIN: 01690363) as an Independent Director of the Company for a period of five years effective from 24th January, 2025 till 23rd January, 2030	28,32,10,105	94.18	1,75,14,158	5.82
11th June, 2025	Ordinary Resolution	To approve material related party transactions with the Federal Bank Limited for the Financial Year 2025-26	7,39,18,573	99.96	27,933	0.04

10.1 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 and Administration Rules, Regulation 44 of the SEBI Listing 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) or failing him Mr. Tribhuwneshwar Kaushik, (CoP No. 16207), Practicing Company Secretaries, partners of DM & Associates, Company Secretaries LLP as the scrutiniser (the 'Scrutiniser') for conducting the Postal Ballot / e-voting process in a fair and transparent manner.

10.2 Procedure for postal ballot.

Pursuant to the provisions of the Act read with applicable rules and in accordance with the circulars issued by the Ministry of Corporate Affairs (MCA) and pursuant to the SEBI Listing Regulations, the Company conducted the voting on proposed resolutions exclusively through remote e-Voting, eliminating the need for physical postal ballot forms. In line with the MCA Circulars, the Postal Ballot notice was dispatched electronically via e-mail to shareholders who had registered their e-mail addresses with the Company or with their depository participants. The Company also facilitated the registration of e-mail address by shareholders who had not registered previously, to ensure they could receive the notice and participate in e-Voting.

The Company published a public notice in leading newspapers providing information about the Postal Ballot and the process for e-Voting. Voting rights were determined on the basis of equity shares held by the members as on the cut-off date specified in the notice.

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

10.3 Special Resolution proposed to be passed through Postal Ballot

No special resolution is proposed for approval of the members by way of Postal Ballot as on the date of this report. However, if required, the same shall be passed in compliance of provisions of the Act, SEBI Listing Regulations or any other applicable laws.

11. MEANS OF COMMUNICATION TO SHAREHOLDERS

The Company publishes financial results on quarterly, half yearly and annual frequency on both the stock exchanges viz., BSE & NSE, 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://www.fedfina.com/investors-relations/overviews/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.

12. GENERAL SHAREHOLDERS INFORMATION

Sr. No.	Particulars	Particulars
a	Annual general meeting – date, time and venue	September 29, 2026 at 12:00 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	1st April, 2025 to 31st March, 2026
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)	**A. Equity Shares** 1. BSE Limited (BSE) - Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001 2. National Stock Exchange of India Limited (NSE) - Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051 **B. Non-Convertible Debentures and Commercial Papers -** The Non-Convertible Debentures ("NCDs") and Commercial Papers of the Company comprise secured, unsecured, and subordinated NCDs issued through private placement. The NCDs and Commercial Papers are listed on the Debt Market Segment of BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. For the financial year 2025-26, the Company has paid annual listing fees to both the stock exchanges and annual custody/issuer fees to both the depositories. Debenture Trustee Pursuant to Regulation 53 of SEBI Listing Regulations, the name and contact details of the Debenture Trustee for the privately placed NCDs are given below: 1. **Axis Trustee Services Limited:** The Ruby, 2nd Floor, SW, 29 Senapati Bapat Marg, Dadar (West), Mumbai – 400 028 - Phone: +91 226230 0451 2. **Beacon Trusteeship Limited:** 5W, 5th Floor, Metropolitan Building, E Block, Bandra Kurla Complex (BKC), Bandra (East), Mumbai 400 051 - Phone: 022-4606 0278 3. **IDBI Trusteeship Services Limited:** Universal Insurance Building, Ground Floor, Sir P.M. Road, Fort, Mumbai – 400001 – Phone: 022-40807000 These details are also available on the website of the Company at the web-link:https://fedfina.com/investors-relations/reports/debenture-trustees/
e	In case the securities are suspended from trading	Not Applicable
f	Registrar to an Issue and Share Transfer Agents	**MUFG INTIME INDIA PRIVATE LIMITED** **(Formerly Link Intime India Private Limited)** C-101, Embassy 247, L.B.S. Marg, Vikhroli (West), Mumbai- 400 083, Maharashtra, India Tel: +91 22 4918 6000 E-mail: investor.helpdesk@in.mpms.mufg.com Website: https://in.mpms.mufg.com/ SEBI Registration No.: INR000004058
g	Share Transfer System	**(i) Share Transfer System -** 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: 1. Transfer of shares 2. Issue of duplicate securities certificate 3. Claim from Unclaimed Suspense Account 4. Renewal / Exchange of securities certificate 5. Endorsement 6. Sub-division / Splitting of securities certificate 7. Consolidation of securities certificates/ folios 8. Transmission 9. Transposition 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. **(ii) Nomination facility for shareholding -** 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.

Sr. No.	Particulars	Particulars
		(iii) Dividend / Unclaimed Dividend / Unclaimed Shares – 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 Act. As on 31st March, 2026, there were no shares lying unclaimed with the Company and no shares were held in the Unclaimed Suspense Account. Consequently, the disclosures prescribed under Regulation 34(3) read with Para F of Schedule V of the SEBI Listing Regulations are not applicable.
		Shareholding pattern as on 31st March, 2026
h	Distribution of shareholding	(see table below)

Categories	31st March, 2026		31st March, 2025	
	Total Shares	%	Total Shares	%
Promoter and Promoter Group	22,74,74,791	60.79	22,74,74,791	61.03
Clearing Members	1,25,089	0.03	3,538	0.00
Other Bodies Corporate	61,15,622	1.63	68,80,940	1.85
Hindu Undivided Family	19,69,231	0.53	16,00,267	0.43
Mutual Funds	1,01,55,483	2.71	88,97,474	2.39
Non-Resident Indians	20,92,925	0.56	15,80,775	0.42
Non-Resident (Non Repatriable)	15,82,677	0.42	12,10,479	0.32
Public	5,96,42,541	15.94	5,34,54,106	14.34
Trusts	1,39,314	0.04	1,05,542	0.03
Insurance Companies	1,16,09,120	3.10	1,50,67,670	4.04
Body Corporate - Ltd Liability Partnership	10,56,530	0.28	3,03,616	0.08
FPIs	24,61,172	0.66	18,22,403	0.49
Alternate Investment Funds	4,86,67,861	13.01	5,35,88,508	14.38
Directors and their relatives (excluding Independent Directors and nominee Directors)	0	0	0	0.00
Key Managerial Personnel	11,13,745	0.30	7,26,745	0.20
TOTAL:	**37,42,06,101**	**100**	**37,27,16,854**	**100**

Distribution of shareholding according to size category as on 31st March, 2026:

Particulars	No. of folios	% to total Shareholders	No of shares	% of total shares
1 to 500	1,05,120	85.42	1,22,14,571	3.26
501 to 1000	6514	5.29	49,46,748	1.32
1001 to 2000	5629	4.57	82,90,047	2.22
2001 to 3000	2151	1.75	53,24,461	1.42
3001 to 4000	1031	0.84	36,05,363	0.96
4001 to 5000	640	0.52	29,09,698	0.78
5001 to 10000	1108	0.90	78,88,318	2.11
10001 and above	869	0.71	32,90,26,895	87.93

Sr. No.	Particulars	Particulars
j	Dematerialisation of shares and liquidity	As on 31st March, 2026, **37,42,06,096** (99.99%) equity shares of the Company were held in dematerialised form. The Company's shares are frequently traded on BSE and NSE. Shares held in physical and electronic mode as on 31st March, 2026 are given herein below: (see table below)

	Position as on 31st March, 2026	
	No. of shares	**% of total shareholding**
Physical (A)	5	0.00
Demat		
NSDL	32,84,69,380	87.78
CDSL	4,57,36,716	12.22
Total Demat (B)	**37,42,06,096**	**100.00**
Total (A) + (B)	**37,42,06,101**	**100.00**

Sr. No.	Particulars	Particulars
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 circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated 15th November, 2018.
m	Plant Locations	Not Applicable
n	Address for correspondence	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

Registrar & Share Transfer Agent	Company Secretary and Compliance Officer
MUFG INTIME INDIA PRIVATE LIMITED (Formerly Link Intime India Private Limited) C-101, Embassy 247, L.B.S. Marg, Vikhroli (West), Mumbai- 400 083, Maharashtra, India Tel: +91 22 4918 6000 E-mail: investor.helpdesk@in.mpms.mufg.com Website: https://in.mpms.mufg.com/	**Mr. Parthasarathy Iyengar**, Company Secretary and Compliance Officer **Fedbank Financial Services Limited** Unit no. 1101, 11th Floor, Cignus, Plot No 71 A, Powai, Paspoli, Mumbai- 400087

Sr. No.	Particulars	Particulars
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	The Company has obtained credit ratings from India Ratings & Research Private Limited, CARE Ratings Limited, Crisil Ratings Limited and ICRA Limited. The details of all the credit ratings obtained as on 31st March, 2026 are given below:

Name of the Credit Rating Agency	Facilities / Instruments	Credit Rating
India Ratings & Research Private Limited	• Bank Loans • Non-Convertible Debentures • Non-convertible Debentures subordinated debt	IND AA+/Stable
CARE Ratings Limited	Non-Convertible Debentures	CARE AA+; Stable
CARE Ratings Limited	Long Term / Short Term bank facilities	CARE AA+; Stable/ CARE A1+
CARE Ratings Limited	Long-term instruments	CARE AA+; Stable
CARE Ratings Limited	Subordinated Debt	CARE AA+; Stable
Crisil Ratings Limited	Commercial Paper	CRISIL A1+
Crisil Ratings Limited	Non-Convertible Debentures	Crisil AA+/Stable
ICRA Limited	Commercial Paper	ICRA A1+
ICRA Limited	Subordinated Debt	ICRA AA+(Stable)

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 the same on the website of the Company at https://www.fedfina.com/site/assets/files/2898/related_party_transactions_policy.pdf

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

BSE, vide email dated 1st July, 2024, levied a fine of ₹ 10,000 (excluding GST) under Regulation 60(2) of the SEBI Listing Regulations for delay in submission of record date notice for ISIN INE007N08023. The Company's waiver application was subsequently approved, and the fine was waived by BSE vide email dated 13th November, 2025.

BSE, vide email dated 15th December, 2023, levied a fine of ₹ 1,53,400/- under Regulation 52(1) of the SEBI Listing Regulations for delay in submission of unaudited financial results for the quarter and half-year ended 30th September, 2023. The Company paid the fine on 19th December, 2023.

BSE, vide email dated 30th October, 2023, levied a fine of ₹ 10,000 (excluding GST) under Regulation 60(2) of the SEBI Listing Regulations for delay in submission of record date notice for ISIN INE007N07041. The waiver request submitted by the Company was rejected, and the fine was paid on 2nd March, 2026.

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 Policy/ Vigil 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/site/assets/files/2898/whistle_blower_policy.pdf

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.

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

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 DKJ & Associates, Company Secretaries certifying that none of the 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 which 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

Based on the recommendation of the Audit Committee, the Board of Directors of the Company at 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 Statutory Auditors of the Company to hold office for a period of three consecutive years from the conclusion of the 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	35
For Limited Review	41
For Other Matters	5
For Out of pocket expenses	11
Total	**92**

j. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and 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 Policy has been effectively communicated across the organisation and is also available on the Company's website at https://www.fedfina.com/site/assets/files/2898/fedbank_-_posh_policy.pdf

The following is a summary of sexual harassment complaints received and dealt with during the year 2025-26:

- No. of complaints received: 3
- No. of complaints disposed of: 3
- 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.

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 SEBI Listing Regulations. Accordingly, there was no requirement for disclosing the same.

o. CEO and CFO Certification

Mr. Parvez Mulla, Managing Director & Chief Executive Officer and Mr. 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 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 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. Annual Secretarial Compliance Report

Pursuant to SEBI Master Circular No. HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated January 30, 2026 as amended, read with regulation 24A of SEBI Listing Regulations, the Annual Secretarial Compliance Report for FY 2025-26 issued by DKJ & Associates, Company Secretaries confirming compliance with all applicable SEBI Regulations and Circulars/ Guidelines issued thereunder has been filed with the Stock Exchanges. The report is also be made available on the website of the Company at https://fedfina.com/investors-relations/overviews/disclosures-intimations-to-stock-exchanges/

r. Secretarial Audit Report

As a voluntary good governance practice, DKJ & Associates, Company Secretaries had conducted Secretarial Audit on the compliances by the Company, on a quarterly basis and the report has been placed before the Board every quarter.

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 2025-26.

For **Fedbank Financial Services Limited**

Parvez Mulla
Managing Director & CEO
DIN: 08026994

Date: 28th April, 2026
Place: Mumbai

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 Limited
Mumbai

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, 2026 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 we 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**

Parvez Mulla
Managing Director & CEO

For **Fedbank Financial Services Limited**

C.V. Ganesh
Chief Financial Officer

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, 2026, 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 to ensure compliance with the conditions of 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: F012752H001143255

Date: 18th August, 2026
Place: Mumbai

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,
Paspoli, 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, Paspoli, 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, 2026 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. SHYAM SRINIVASAN	02274773	18/03/2011
2.	MR. KRISHNAN VENKAT SUBRAMANIAN	00031794	30/11/2024
3.	MR. HARSH DUGAR	00832748	01/05/2024
4.	MR. MANINDER SINGH JUNEJA	02680016	20/12/2018
5.	MR. SUNIL SATYAPAL GULATI	00016990	15/03/2024
6.	MR. RAMESH SUNDARARAJAN	10500779	15/03/2024
7.	MS. SONAL NITIN DAVE	00017710	24/09/2024
8	MS. MONA MUKUND BHIDE	05203026	29/11/2024
9.	MR. MURALIDHARAN RAJAMANI	01690363	24/01/2025
10.	MR. PARVEZ KASIM MULLA	08026994	11/11/2024

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.

Name: Savyasachi Joshi- Partner
Firm Name: DKJ & Associates
Firm Registration Number: P2020MH083300
Membership No.: FCS 12752
CP No.: 15666
UDIN: F012752H001143211

Date: 18th August, 2026
Place: Mumbai

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the Listed Entity

S. No.	Field	Details
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, 11th Floor, Cignus, Plot No 71 A, Powai, Paspoli, Mumbai – 400087, Maharashtra
5.	Corporate Address	Unit no. 1101, 11th 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 done	FY 2025-26
10.	Name of Stock Exchange(s) where shares are listed	BSE & NSE
11.	Paid-up Capital (in ₹)	3,74,20,61,010/-
12.	Name and contact details of the person to be contacted for BRSR queries	Anila Rajneesh Contact No: - 022 6852 0638 anila.rajneesh@fedfina.com
13.	Reporting Boundary — Standalone basis (only for the entity) or Consolidated basis? [Select: Standalone / Consolidated]	Standalone basis
14.	Name of Assurance Provider (if BRSR Core assurance undertaken)	Not Applicable
15.	Type of Assurance Obtained (Reasonable / Limited / N.A.)	Not Applicable

II. Products / Services

16. Details of Business Activities (accounting for 90% of the turnover)

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover
1.	Other Financial services - Lending	Lending Services, Gold Loan, Loan against Property, Housing Loan, Business loan etc	94.72%

17. Products/Services Sold (accounting for 90% of the entity's turnover)

S. No.	Product / Service	NIC Code	% of Total Turnover contributed
1.	Gold Loan	64920	51%
2.	Mortgaged Loan	64920	48%
3.	Unsecured business loan	64920	1%

III. Operations

18. Number of Locations where plants and/or operations/offices are situated

Location	Number of Plants	Number of Offices	Total
National	NA	757	757
International	NA	NA	NA

19 a. Markets Served by the Entity

Locations	Number
National (No. of States)	17
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:

Fedfina is a retail-focused Non-Banking Financial Company (NBFC) serving Emerging Self-Employed Individuals (ESEIs) and Micro, Small and Medium Enterprises (MSMEs), segments that often face limited access to formal financial services due to informal income profiles, inadequate credit history, or the absence of conventional income documentation. Through its integrated "Phygital" operating model, which combines an extensive branch network with digital capabilities, the Company delivers accessible and customer-centric financial solutions across semi-urban, urban and metropolitan markets, with a significant presence in Southern and Western India.

As on 31st March, 2026, Fedfina operated 757 branches across 17 States and Union Territories with an Assets Under Management (AUM) of approximately ₹ 20,153 Crores. The Company's retail lending portfolio primarily comprises secured lending products designed to address the diverse financing requirements of individuals, households and small businesses.

Gold Loans constitute the largest segment of the Company's portfolio, representing approximately 51% of the lending portfolio. These loans primarily serve self-employed individuals, small business owners, traders, farmers, salaried individuals and households seeking short-term liquidity for business or personal requirements. By enabling timely access to formal credit against pledged household gold jewellery, the product supports financial resilience while reducing dependence on informal sources of finance.

Small Ticket Loans Against Property (LAP) are offered to self-employed individuals, proprietors, traders and professionals who own residential or commercial property but may not possess the formal income documentation generally required by conventional lenders. These loans facilitate access to credit for business expansion, asset creation, working capital requirements and debt consolidation, thereby supporting financial inclusion among underserved customer segments.

Medium Ticket Loans Against Property (LAP) cater to relatively established self-employed individuals and small businesses operating across manufacturing, trading and service sectors with verifiable income streams and credit history. These products support long-term business growth, capital expenditure and enterprise expansion while maintaining prudent underwriting and responsible lending practices.

Affordable Housing Loans are designed to promote home ownership among individuals and families with stable but informally documented incomes, including self-employed individuals, daily wage earners and small traders. By recognising alternate income assessment mechanisms, the Company seeks to improve access to formal housing finance for customers who may otherwise remain underserved by traditional housing finance institutions.

The Company had also extended Unsecured Business Loans to eligible MSMEs requiring short-term working capital. In line with its strategic focus under Fedfina 2.0, this portfolio is being gradually phased down as the Company transitions towards a predominantly secured lending portfolio.

Across our product offerings, we serve customers who are typically underserved by conventional banking channels while maintaining robust credit appraisal and risk management processes. By expanding access to responsible and formal credit, Fedfina strives to contribute towards financial inclusion, supports entrepreneurship and micro-enterprise development, facilitates asset creation, and strengthens the financial resilience of individuals, households and small businesses.

Business Responsibility & Sustainability Report (Contd.)

IV. Employees

20 a. Employees and Workers (including differently abled) — as at end of Financial Year

S. No.	Particulars	Total (A)	Male No. (B)	Male % (B/A)	Female No. (C)	Female % (C/A)
	Employees					
1.	Permanent Employees (D)	5,303	4,433	84%	870	16%
2.	Other than Permanent Employees (E)	-	-	-	-	-
3.	**Total Employees (D+E)**	**5,303**	**4,433**	**84%**	**870**	**16%**
	Workers					
4.	Permanent Workers (F)	NA				
5.	Other than Permanent Workers (G)	412	378	92%	34	8%
6.	**Total Workers (F+G)**	**412**	**378**	**92%**	**34**	**8%**

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 Differently Abled Workers (F)	NA	NA	NA	NA	NA
5.	Other than Permanent (G)	NA	NA	NA	NA	NA
6.	**Total Differently Abled Workers (F+G)**	**NA**	**NA**	**NA**	**NA**	**NA**

21. Participation / Inclusion / Representation of Women

Category	Total (A)	Number and Percentage of Females	
		Number (B)	% (B/A)
Board of Directors	10	2	20%
Key Management Personnel	3	0	-

22. Turnover Rate for Permanent Employees and Workers

(Disclose trends for the past 3 years)

Category	FY 2025-26			FY 2024-25			FY 2023-24		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	49.31%	36.15%	47.17%	45.20%	35.47%	43.65%	45.33%	40.53%	44.54%
Permanent Workers	-	-	-	-	-	-	-	-	-

The increase in employee turnover during the current year is mainly attributable to expansion-led hiring and separations, along with normal attrition trends influenced by market conditions and internal restructuring. This resulted in a higher turnover rate compared to previous years.

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)	Type (Holding / Subsidiary / Associate / JV)	% of shares held by Listed Entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	The Federal Bank Limited	Holding	60.79%	No

VI. CSR Details

24. CSR Applicability

Field	Details
(i) Whether CSR is applicable as per Section 135 of Companies Act, 2013? (Yes / No)	Yes
(ii) Turnover (in ₹)	2,226.61 Crores
(iii) Net Worth (in ₹)	2,926.10 Crores

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	Grievance Redressal Mechanism in Place (Yes/No) along with the Weblink	FY 2025-26			FY 2024-25		
		No. of complaints filed during the year	No. of complaints pending resolution at the close of the year	Remarks	No. of complaints filed during the year	No. 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 the website. Link: https://fedfina.com/corporate-governance/grievance-redressal-mechanism/	0	0		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.
Investors (other than shareholders)		0	0		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.
Shareholders		1	0		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.
Employees and Workers		0	0		0	0	No complaints were received
Customers		1,275	79	79 customer Complaints pending for resolution at the end of financial year 2025-26 was resolved in the subsequent months	493	6*	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.
Value Chain Partners		0	0		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.
Other (specify)		0	0		0	0	-

Remarks: Our quarterly customer awareness initiatives have strengthened customer awareness and accessibility of Fedfina's grievance redressal mechanisms, resulting in a higher volume of reported complaints. However, the overall incidence remains minimal, with complaints constituting less than 1% of our total customer base.

**In the previous financial year's BRSR disclosure, the number of customer complaints pending at the close of the year was reported as 493. The correct number of customer complaints pending at the close of the reporting period was 6. The figure of 493 represented the total number of customer complaints filed/received during the year, and not the pending complaints at year-end. The disclosure has been reviewed and updated accordingly.*

26. Overview of the Entity's Material Responsible Business Conduct Issues

Note: 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, as per the following format :

Business Responsibility & Sustainability Report (Contd.)

S. No.	Material Issue Identified	Risk or Opportunity (R/O)	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 socioeconomic development and improve the overall well-being of these underserved populations	-	**Positive:** - 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.
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:** - 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:** - 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.

Business Responsibility & Sustainability Report (Contd.)

S. No.	Material Issue Identified	Risk or Opportunity (R/O)	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)
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:** - Monetary loss on account of fines and penalties - Reputational damage **Positive:** - 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
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:** - 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:** - 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.

S. No.	Material Issue Identified	Risk or Opportunity (R/O)	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)
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:** - Digital innovations streamline process, 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.
7.	Emissions (GHG) & energy management	Risk / Opportunity	As a financial service 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:** - Implementing energy-efficient practices leads to reduced energy consumption, translating into significant cost savings for the organisation. - 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	Risk or Opportunity (R/O)	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:** - 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:** - Enhanced Brand Value - Community development efforts can build trust and loyalty among stakeholders, including customers, investors, and employees, which in turn creates a positive reputation

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

DISCLOSURE QUESTIONS

Policy and Management Processes

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1. a. Whether your entity's policy/ 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 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 (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) 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/IEC 27001:2022
5. Specific commitments, goals and targets set by the entity with defined timelines (if any)	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. • **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 programmes 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. 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								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	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.								

GOVERNANCE, LEADERSHIP AND OVERSIGHT

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure):

Over the past 15+ years, Fedfina has been at the forefront of extending affordable financial access across India, supported by a rapidly growing network of 757 branches. As we continue to scale our impact, we recognise the responsibility to embed sustainability into every aspect of our operations and ecosystem. In FY 2025-26, we advanced our Environmental, Social, and Governance (ESG) journey with renewed focus and intent. To address the complexities of climate-related risks and operational emissions, we undertook a baseline assessment of our waste footprint and energy use.

Alongside this, a detailed ESG materiality assessment was conducted to capture stakeholder priorities and sectoral relevance. These insights are shaping a structured ESG roadmap—anchored in clear targets, timelines, and actions—to guide our transition toward a more sustainable future. Our Board-approved ESG Policy provides the foundation for this transformation, while a dedicated internal ESG Committee ensures focused and accountable action.

On the social front, our initiatives remain deeply rooted in responsible lending, financial inclusion, and community development—ensuring that our growth translates into meaningful impact for society. 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 create long-term value not only for our stakeholders but also for society and the planet at large.

Field	Details
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies) — name, designation, contact	Anila Rajneesh CHRO 022 6852 0638 anila.rajneesh@fedfina.com

Field	Details
9. Does the entity have a specified Committee of the Board / Director responsible for decision making on sustainability related issues? (Yes / No) If yes, provide details.	Yes. The Company has constituted an ESG Committee, chaired by the Managing Director & CEO and other leadership members to oversee sustainability-related decision-making and implementation across the organisation. Details of the ESG Committee:

Name	Designation
Anila Rajneesh	Chief Human Resource Officer
Vikram Rathi	Chief Risk Officer
Jagadeesh Rao J	Chief Marketing Officer and Chief Business Officer – Gold loan
Parvez Mulla	MD and CEO
Parthasarathy Rajagopal Iyengar	Company Secretary

The Committee provides strategic direction for ESG initiatives, oversees the implementation of the ESG Policy and ESG Action Plan, monitors progress against ESG objectives and KPIs, reviews ESG-related risks, internal audit findings and compliance with applicable regulatory requirements, and approves periodic ESG progress reports. The Committee also guides the adoption of relevant ESG frameworks, including the National Guidelines on Responsible Business Conduct (NGRBC) and the Sustainable Development Goals (SDGs), and ensures adequate resources and awareness for effective implementation.

The ESG Committee meets at least once every quarter, or more frequently as required, and reviews progress reports submitted by the ESG Officer before their escalation to the CSR Committee of the Board.

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 policies & follow-up action	The relevant policies covering the above principles are reviewed annually by the ESG committee and any necessary changes suggested to these policies are implemented																	
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The relevant policies for the above are reviewed annually by the Board / Internal ESG Committee and any necessary changes suggested to these policies are implemented accordingly																	

11. Has the entity carried out independent assessment / evaluation of the working of its policies by an external agency? (Yes / No) If yes, name of the agency.

	P1	P2	P3	P4	P5	P6	P7	P8	P9
Assessment Conducted? (Yes/No)	No	No	No	No	No	No	No	No	No
Name of the External Agency (if yes)	-	-	-	-	-	-	-	-	-

12. If answer to Q1 above is 'No' (not all Principles covered by a policy), reasons to be stated:

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 (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/awareness programmes on any of the Principles during the financial year:

Segment	Total No. of Training & Awareness Programmes Held	Topics / Principles Covered under the training & its Impact	% of Persons in respective category Covered by 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 (KMPs)	3	KYC, AML, POSH, Risk Management, Performance Management	100%
Employees other than BoD & KMPs	5,300	KYC, AML, POSH, Risk Management, Performance Management	100%
Workers	NA	NA	NA

Remarks: The Board of Directors (BoD) has been disclosed separately and is not considered as part of the employee headcount calculation. The total employee strength of 5,303 includes 3 Key Managerial Personnel (KMPs) and 5,300 employees other than BoD and KMPs.

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 Obligations) Regulations, 2015 and as disclosed on the entity's website):

Business Responsibility & Sustainability Report (Contd.)

a. **Monetary**

NGRBC Principle	NGRBC Principle	Name of Regulatory / Enforcement Agency / Judicial Institution	Amount (in ₹)	Brief of the Case	Appeal Preferred? (Y/N)
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					

b. **Non-Monetary**

NGRBC Principle	NGRBC Principle	Name of Regulatory / Enforcement Agency / Judicial Institution	Brief of the Case	Appeal Preferred? (Y/N)
Imprisonment	During the year under review, there were no cases where 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 Regulatory / Enforcement Agency / Judicial Institution
NA	NA

4. **Does the entity have an anti-corruption or anti-bribery policy? (Yes / No). If yes, provide details in brief. If available, provide a web-link to the policy:**

Yes.

The Company has adopted an Anti-Bribery & Gifting Policy to promote ethical, fair and transparent business conduct across its operations. The Policy establishes a zero-tolerance approach towards bribery and corruption and provides a framework for the prevention, detection and reporting of actual or suspected instances of bribery and corrupt practices.

The Policy applies to all employees, fixed-term contractual resources directly engaged by the Company and contractors, and outlines expected standards of conduct in interactions with customers, vendors, business partners and public officials. It further prescribes principles governing gifts, entertainment and hospitality, requires anti-bribery provisions to be incorporated into vendor engagements, and encourages the reporting of concerns through established reporting channels, including the Whistle Blower mechanism. The Policy is reviewed periodically to ensure continued alignment with applicable regulatory requirements and good governance practices.

Our policy is available at: 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 charges of bribery / corruption:**

Category	FY 2025-26	FY 2024-25
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. **Details of complaints with regard to conflict of interest:**

Category	FY 2025-26		FY 2024-25	
	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	

Business Responsibility & Sustainability Report (Contd.)

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:**

As there are no complaints received for the reporting year, hence the following question need not have details on the corrective actions.

8. **Number of Days of Accounts Payables [(Accounts Payable × 365) / Cost of Goods/Services Procured] in the following format:**

Category	FY 2025-26	FY 2024-25
Number of days of accounts payables	12	12

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 2025-26	FY 2024-25
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 dealers / distributors as % of total sales	NA. Our offerings are directly sold to customers	NA. Our offerings are directly sold to customers
	b. Number of dealers / distributors to whom sales are made	NA	NA
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	NA	NA
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	0	0
	b. Sales (Sales to related parties / Total Sales)	0.80%	1.64%
	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

LEADERSHIP INDICATORS

L1. **Awareness programmes conducted for value chain partners on any Principles during the financial year:**

Although no ESG trainings were conducted for value chain partners during this reporting year, we are committed to initiating such programmes in future periods. These trainings will be designed to strengthen ESG awareness and practices across our value chain, enabling partners to align more closely with our sustainability goals and contribute to long-term positive impact.

Total No. of Awareness Programmes	Topics / Principles Covered	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
None		

L2. Does the entity have processes in place to avoid / manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details.

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, and to promptly report any changes thereto. This includes disclosure of their shareholding, with all declarations formally placed before the Board for record.

During Board meetings, Directors abstain from participating in discussions on matters where they hold a direct or indirect interest. In addition, an annual declaration is obtained from all Directors confirming adherence to the Company's Code of Conduct.

Both Directors and Senior Management also affirm annually that they have not engaged in any financial, commercial, or other material transactions that could conflict with the interests of the Company. This rigorous disclosure and affirmation framework strengthens transparency, fosters ethical conduct, 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.

Category	Amount	Percentage	Details of Improvements in Environmental & Social Impacts
R&D	0	0%	No R&D initiatives on environmental and social aspects were undertaken during the year.
Capex	1.52	17.58%	We undertook various initiatives towards conservation of energy, protection of environment and ensuring safety as follows: 1) Installation of LED (Light emitting diode) in branches/offices, saving about 20-40% of the power consumption. 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 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.

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?

Our operations use limited raw materials but the Company integrates ESG considerations into its procurement process through its Procurement Policy and Process, which governs the procurement of assets. The policy requires procurement decisions to consider environmental, social and governance (ESG) criteria alongside business requirements, including product standardisation, environmental friendliness, social acceptability, ethical alignment with the Company's business model and CSR strategy, cost-effectiveness, and minimisation of transportation-related impacts.

Depending on the asset category, the Company also promotes the procurement of energy-efficient products (such as LED lighting and star-rated air conditioners), BIS-certified safety equipment, standardised branded products, and compliance with applicable regulatory requirements. Further, the procurement process mandates competitive quotations, assessment of ESG considerations during asset selection, adherence to the approval matrix, avoidance of conflicts of interest, and a fair and transparent procurement process.

Business Responsibility & Sustainability Report (Contd.)

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 (d) Other waste

Waste Category	Process Description
(a) Plastics (including packaging)	NA
(b) E-waste	NA
(c) Hazardous waste	NA
(d) 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 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

L1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products or services? If yes, provide details.

NIC Code	Name of Product/ Service	% of Turnover	Boundary for which the Life Cycle Perspective / Assessment was conducted	Conducted by Independent External Agency? (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.	Web-link
Not Applicable						

L2. 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.

Product/Service	Description of Risk/Concern	Action Taken
Not Applicable		

L3. 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	FY 2025-26	FY 2024-25
	Recycled/Re-used Input Material to Total Material	Recycled / Re-used to Total Material
E-Waste (Refurbished)	2700 KG	573 KG

L4. Of the products and packaging reclaimed at end of life — amount (metric tonnes) reused, recycled, and safely disposed as per the following format:

Category	FY 2025-26			FY 2024-25		
	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

L5. Reclaimed products and their packaging materials (as % of products sold) for each product category

Product Category	Reclaimed Products & Packaging as % of Total Products Sold
NA	NA

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	4,433	4,433	100%	0	0%	-	-	4,433	100%	4,433	100%
-	Female	870	870	100%	0	0%	870	100%	-	-	870	100
-	**Total**	**5,303**	**5,303**	**100%**	**0**	**0%**	**870**	**16%**	**4,433**	**84%**	**5,303**	**100%**
Other than Permanent Employees												
-	Male	273	NA									
-	Female	144										
-	**Total**	**417**										

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	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Permanent Workers - Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Permanent Workers - Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than Permanent - Male	378	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than Permanent - Female	34	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than Permanent - Total	412	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

c. **Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:**

	FY 2025-26	FY 2024-25
Cost incurred on wellbeing measures as a % of total revenue of the Company	0.37%	0.40%

2. **Details of Retirement Benefits for Current Financial Year and Previous Financial Year.**

Benefits	FY 2025-26			FY 2024-25		
	No. of Employees Covered as % of Total Employees	No. of Workers Covered as % of Total Workers	Deducted & Deposited with Authority (Y/N/N.A.)	No. of Employees Covered as % of Total Employees	No. of Workers Covered as % of Total Workers	Deducted & Deposited with Authority (Y/N/N.A.)
PF	100%	NA	Yes	100%	NA	Yes
Gratuity	10.45%	NA	Yes	12.90%	NA	Yes
ESI	4.36%	NA	Yes	5.90%	NA	Yes
Others (specify)	NA	NA	-	-	NA	-

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, what 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.

The Company has adopted an Equal Opportunities Policy that reflects its commitment to providing a fair, inclusive and discrimination-free workplace. The Policy promotes merit-based recruitment, learning, development and career advancement, ensuring that employment-related decisions are based on an individual's abilities, qualifications and suitability for the role.

The Policy applies to prospective and existing employees, contractors and visitors, and promotes equal opportunity through non-discriminatory employment practices, equal pay for work of equal value, inclusive workplace practices and reasonable accommodation for persons with disabilities. It also provides for accessible grievance redressal, appointment of a Liaison Officer to oversee matters relating to persons with disabilities, maintenance of prescribed records, and periodic monitoring of equal opportunity practices to support an inclusive work environment.

The Policy is available to employees through the Company's HRMS portal and also available at 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	80.45%	51.61%	NA	NA
Female	75.86%	45.45%		
Total	**79.06%**	**49.32%**		

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details.

Category	Yes/No	Details of Mechanism
Permanent Workers	NA	We do not have permanent workers
Other than Permanent Workers	NA	All the grievances are handled by respective vendors
Permanent Employees	Yes	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	Fedfina does not have other than permanent employees

7. Membership of Employees and Workers in Association(s) or Unions recognised by the listed entity:

Category	FY 2025-26			FY 2024-25		
	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	NA					
- Female						
- Total						
Total Permanent Workers						
- Male	NA					
- Female						
- Total						

8. Details of training given to employees and workers:

Category	FY 2025-26					FY 2024-25				
	Total (A)	On Health & Safety Measures		On Skill Upgradation		Total (D)	On Health & Safety Measures		On Skill Upgradation	
		Number (B)	% (B/A)	Number (C)	% (C/A)		Number (E)	& (E/D)	Number (F)	% (F/D)
Employees										
Male	4,433	4,433	100%	4,327	97.61%	3,850	3,850	100%	3,559	92.44%
Female	870	870	100%	796	91.72%	718	718	100%	681	94.64%
Total	**5,303**	**5,303**	**100%**	**5,125**	**97.64%**	**4,568**	**4,568**	**100%**	**4,240**	**92.82%**
Workers										
Male	NA									
Female										
Total										

9. Details of Performance and Career Development Reviews of Employees and Workers

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
- Male	4,433	4,433	100%	3,850	3,850	100%
- Female	870	870	100%	718	718	100%
- Total	**5,303**	**5,303**	**100%**	**4,568**	**4,568**	**100%**

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Workers						
- Male	NA	NA	NA	NA	NA	NA
- Female	NA	NA	NA	NA	NA	NA
- Total	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

10. Health and safety management system:

Sub-question	Response
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?	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 in the following format (*Including contract workforce):

Safety Incident/Number	Category	FY 2025-26	FY 2024-25
Lost Time Injury Frequency Rate (LTIFR) per million-person hours	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/ill-health (excl. fatalities)	Employees	0	0
	Workers	-	-

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 programmes 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:

Category	FY 2025-26			FY 2024-25		
	Filed During the Year	Pending Resolution at End of Year	Remarks	Filed During the Year	Pending Resolution at End of Year	Remarks
Working Conditions	0	0	0	0	0	0
Health & Safety	0	0	0	0	0	0

14. Assessments for the Year

Category	% of your plants and offices that were assessed (by entity or statutory authorities orthird parties)
Health and safety practices	0%
Working Conditions	0%

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 formal health and safety assessments were conducted during the reporting year. Going forward, Fedfina may consider undertaking periodic health and safety assessments across its offices/branches to proactively identify potential risks, strengthen workplace safety practices, and support continuous improvement in employee health and well-being.

LEADERSHIP INDICATORS

L1. Does the entity extend any life insurance or any compensatory package in the event of death of — (A) Employees (Y/N) and (B) Workers (Y/N)? Provide details.

Employees (Y)

Workers (NA)

Business Responsibility & Sustainability Report (Contd.)

L2. 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 entered with various vendors ensures the deduction and submission of any relevant government dues. Furthermore, it performs a monthly GST reconciliation and takes necessary corrective actions.

L3. 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:

Category	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 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Employees	Not Applicable			
Workers				

L4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes / No)

No.

The Learning & Development team conducts training programmes on office productivity tools and other functional competencies to enhance employees' day-to-day effectiveness. The Company does not currently have a structured transition support programme, such as reskilling, redeployment, or outplacement assistance, for employees undergoing role or career transitions.

L5. 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%

L6. 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.

NA

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.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each group:

Stakeholder Group	Whether Identified as Vulnerable & Marginalised Group (Yes/No)	Channels of Communication (Email / SMS / Newspaper / Pamphlets / Meetings / Notice Board / Website / Other)	Frequency of Engagement (Annually / Half-yearly / Quarterly / Other)	Purpose and Scope of Engagement including key Topics & Concerns Raised during such engagement
Customers	No	• 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	• 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	We regularly connect with our employees through the following activities: - Training calendar & Induction – annual and at the time of onboarding 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
Government and Regulators	Yes	• Surveys • Face to face interactions • CSR activities	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	• Surveys • Face to face interactions • CSR activities	Annually	Our community engagement initiatives are designed as per the following: - Community need identification prior to planning of CSR initiatives/ programmes - Volunteering activities – as per CSR project requirements Impact assessment studies at the end of CSR programme period
Investors and Shareholders	No	• General Meetings with Members • Earnings calls • Email broadcasts and intimation • Individual meetings with financial media, shareholders and analysts • Email, SMS, Newspaper, Website	Others - Need-based / Quarterly / Annually	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	• 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

L1. 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.

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.

L2. 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 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.

L3. 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 programmes, and child welfare initiatives. These programmes 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, in the following format:

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Employees						
- Permanent	5,303	5,303	100%	4,568	4,568	100%
- Other than Permanent	-	-	-	NA		
Total Employees	**5,303**	**5,303**	**100%**	**4,568**	**4,568**	**100%**
Workers						
- Permanent	NA			NA		
- Other than Permanent	412	412	100%			
Total Workers	**NA**					

2. Details of Minimum Wages Paid to Employees and Workers:

Category	FY 2025-26					FY 2024-25				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		Number (B)	% (B/A)	Number (C)	% (C/A)		Number (E)	% (E/D)	Number (F)	% (F/D)
Employees										
Permanent										
- Male	4,433	0	0%	4,433	100%	3,850	0	0%	3,850	100%
- Female	870	0	0%	870	100%	718	0	0%	718	100%
Other than Permanent										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Workers										
Permanent										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than Permanent										
Male	378	NA	NA	378	100%	NA	NA	NA	NA	NA
Female	34	NA	NA	34	100%	NA	NA	NA	NA	NA

Business Responsibility & Sustainability Report (Contd.)

3. Details of Remuneration / Salary / Wages

a. Median Remuneration / Wages:

Category	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	8	35,95,000	2	33,20,000
Key Managerial Personnel	3	20,000,004	0	-
Employees other than BoD and KMP	4,430	4,95,000	870	4,09,992
Workers	NA	NA	NA	NA

b. Gross Wages Paid to Females as % of Total Wages Paid by the Entity:

	FY 2025-26	FY 2024-25
Gross wages paid to females as % of total wages	11.36%	11.40%

4. Do you have a focal point (Individual / Committee) responsible for addressing human rights impacts or issues? (Yes / No)

Yes.

Under our Human Rights Policy, the organisation has established a structured mechanism to address human rights impacts and issues. The responsibility is not limited to a single focal point but is managed through designated departments and committees, including:

1. Human Resources Department – acts as a primary point of contact for employee-related human rights concerns.
2. Prevention of Sexual Harassment (POSH) Committee – specifically addresses issues related to workplace harassment.
3. Grievance Redressal Committee – handles general employee grievances and concerns. This framework is further supported by associated policies, including the Employee Grievance Policy, POSH Policy, and HR Policies (Various policy available in HRIS), which collectively ensure systematic identification, escalation, and resolution of human rights-related issues.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company has established a structured grievance redressal framework to address concerns relating to human rights across its operations. Human rights standards are implemented through the Company's policies, processes and guidelines, with multiple internal channels available to enable the timely, fair and confidential resolution of grievances.

Employees, vendors, suppliers and customers may report actual or suspected human rights concerns through the Human Resources Department, Prevention of Sexual Harassment (POSH) Committees, and Grievance Redressal Committees. These mechanisms enable stakeholders to raise concerns confidentially and, where appropriate, anonymously without fear of retaliation. Reported grievances are reviewed and addressed in accordance with the Company's established policies and procedures.

To strengthen the effectiveness of these mechanisms, the Company also conducts regular awareness initiatives and employee engagement through mailers, team discussions and interactions with HR and business leaders, promoting awareness of human rights and encouraging early reporting and resolution of concerns.

Business Responsibility & Sustainability Report (Contd.)

6. Number of Complaints on the following made by Employees and Workers:

Category	FY 2025-26			FY 2024-25		
	Filed During the Year	Pending Resolution at End of Year	Remarks	Filed During the Year	Pending Resolution at End of Year	Remarks
Sexual Harassment	3	0	-	0	0	-
Discrimination at Workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced/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 2025-26	FY 2024-25
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	3	0
Complaints on POSH as a % of Female Employees / Workers	0.34%	0
Complaints on POSH Upheld	3	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

We are committed to fostering a safe, respectful and inclusive workplace where every employee is treated with dignity and respect. During FY 2025-26, we strengthened our Prevention of Sexual Harassment (POSH) Policy to further enhance our governance framework and align with evolving regulatory requirements and best practices. The revised Policy reinforces our commitment to ensuring a fair, transparent and confidential grievance redressal mechanism while strengthening safeguards for all employees across work-related environments.

Key enhancements introduced during the year include:

- Strengthened grievance redressal framework by introducing clearer procedures for complaint filing, inquiry, conciliation and appeal, ensuring greater procedural transparency and consistency. The legal heir filing process has now been explicitly defined.
- Expanded accessibility to the complaint mechanism by enabling complaints to be filed on behalf of an aggrieved person in specified circumstances, in accordance with the applicable legal framework.
- Enhanced governance and accountability through clearer roles and responsibilities of the Internal Complaints Committee (ICC), defined disciplinary actions for substantiated and malicious complaints, and a well-defined appellate mechanism.
- Broadened the scope of the Policy to explicitly cover work-related interactions beyond the Company's premises, including third-party locations, client sites, business travel and virtual work environments.
- Strengthened employee safeguards by enhancing confidentiality provisions, interim relief measures and procedural guidance to support a fair, impartial and sensitive resolution process.
- Improved implementation guidance through detailed procedural annexures, enabling greater consistency in the application of the Policy across the organisation.

These enhancements further strengthen our commitment to maintaining a workplace that is safe, equitable and free from harassment, while promoting trust, accountability and respect across our operations.

Business Responsibility & Sustainability Report (Contd.)

One of the key mechanisms we have institutionalised is compulsory POSH training during onboarding. Every new employee, irrespective of role or level, undergoes this training as part of their induction process. The programme is designed not only to familiarise them with the legal framework but also to instil a culture of sensitivity, respect, and zero tolerance toward harassment. By embedding this training at the very start of their journey with us, we reinforce our commitment to building a workplace where dignity and inclusivity are non-negotiable.

9. Do human rights requirements form part of your business agreements and contracts? (Yes / No)

No.

While human rights requirements do not currently form part of our standard business agreements and contracts, we have adopted a comprehensive Human Rights Policy that reflects our commitment to respecting and promoting internationally recognised human rights across our operations. The Policy is aligned with the Constitution of India, the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, and the National Guidelines on Responsible Business Conduct (NGRBC).

The Policy establishes our commitment to promoting equal opportunity, non-discrimination, prohibition of forced and child labour, prevention of workplace harassment, fair working conditions, freedom of association, workplace inclusion, protection of data privacy and accessible grievance redressal mechanisms. Going forward, we will continue to strengthen the integration of human rights considerations across our operations and evaluate opportunities to incorporate relevant human rights expectations within our engagement with third parties and business partners.

10. Assessments for the Year

Category	% of Plants and Offices 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 (specify)	0%

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Q10 above.

NA

LEADERSHIP INDICATORS

L1. Details of a business process being modified / introduced as a result of addressing human rights grievances / complaints:

NA

L2. 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.

L3. 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.

L4. Details on Assessment of Value Chain Partners:

Category	% 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/Involuntary Labour	0%
Wages	0%
Others (specify)	0%

L5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Q4 (L4) above.

NA

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

ESSENTIAL INDICATORS

1. Details of Total Energy Consumption (in Joules or multiples) and Energy Intensity in the following format:

Note: Indicate if independent assessment/evaluation/assurance by external agency was carried out (Y/N)? If yes, name the agency.

Parameter	FY 2025-26	FY 2024-25
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)	36,990.84	29,401.66
Total Fuel Consumption (E)	250.75	109.94
Energy Consumption through Other Sources (F)	-	-
Total Energy Consumed from Non-Renewable Sources (D+E+F)	37,241.59	29,511.6
Total Energy Consumed (A+B+C+D+E+F)	**37,241.59**	**29,511.6**
Energy Intensity per Rupee of Turnover (Total Energy Consumed / Revenue from Operations) (GJ/ Rupee Crores)	16.73	14.19
Energy Intensity per Rupee of Turnover Adjusted for Purchasing Power Parity (PPP)* (kJ/USD)	34.02	29.32
Energy Intensity in Terms of Physical Output	-	-
Energy Intensity (Optional) – the relevant metric may be selected by the entity	-	-

**The implied PPP conversion rate for India has been considered as 20.34 as sourced from the IMF database.*

***The Company currently does not procure renewable energy through on-site renewable energy generation or external renewable energy sources (such as renewable energy certificates or green power procurement). The Green Building certification achieved by the Company is based on design efficiency, resource optimisation, and other sustainability parameters, and does not indicate renewable energy consumption during the reporting period.*

Note: The increase in total energy consumption is primarily attributable to the expansion of the branch network during the reporting period. Additionally, based on operational requirements, certain branches remain functional during weekends or operate for extended hours to support business continuity and timely completion of activities, contributing to higher energy consumption.

Business Responsibility & Sustainability Report (Contd.)

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? (Y/N) 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, in the following format:

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency (Y/N); if yes, name of agency.

Parameter	FY 2025-26	FY 2024-25
Water Withdrawal by Source (in kilolitres)		
(i) Surface Water		
(ii) Groundwater		
(iii) Third Party Water	89,432	77,509
(iv) Seawater / Desalinated Water		
(v) Others		
Total Volume of Water Withdrawal (i+ii+iii+iv+v) (in kilolitres)	**89,432**	**77509**
Total Volume of Water Consumption (in kilolitres)	**89,432**	**77509**
Water Intensity per Rupee of Turnover (Total Water Consumption / Revenue from Operations) (KL / Crores)	40.16	37.27
Water Intensity per Rupee of Turnover Adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP* (KL / Million USD)	81.69	76.99
Water Intensity in Terms of Physical Output	-	-
Water Intensity (Optional) – the relevant metric may be selected by the entity	-	-

** The implied PPP conversion rate for India has been considered as 20.34 as sourced from the IMF database.*

4. Details Related to 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 agency.

Parameter	FY 2025-26	FY 2024-25
(i) To Surface Water – No Treatment	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.	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.
(i) To Surface Water – With Treatment (please specify level of treatment)		
(ii) To Groundwater – No Treatment		
(ii) To Groundwater – With Treatment (please specify level of treatment)		
(iii) To Seawater – No Treatment		
(iii) To Seawater – With Treatment (please specify level of treatment)		
(iv) Sent to Third-Parties – No Treatment		
(iv) Sent to Third-Parties – With Treatment (please specify level of treatment)		
(v) Others – No Treatment		
(v) Others – With Treatment (please specify level of treatment)		
Total Water Discharged (in kilolitres)		

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

6. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

   Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency (Y/N); if yes, name of agency.

Parameter	Please Specify Unit	FY 2025-26	FY 2024-25
NOx	-	-	-
SOx	-	-	-
Particulate matter (PM)	-	-	-
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others (specify)	-	-	-

7. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

<table>
<tr><th>Parameter</th><th>Unit</th><th>FY 2025-26</th><th>FY2024-25</th></tr>
<tr><td>Total Scope 1 Emissions
(Break-up: CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3 if available)</td><td>Metric tonnes CO_2e</td><td>338.92
<table>
<tr><th>Emission Type</th><th>Unit</th><th>Total Emission</th></tr>
<tr><td>CO_2</td><td rowspan="5">Metric Tonnes of CO_2e</td><td>10.76</td></tr>
<tr><td>CH_4</td><td>0.09</td></tr>
<tr><td>N_2O</td><td>0.07</td></tr>
<tr><td>HFCs – R22</td><td>256</td></tr>
<tr><td>HFCs – R32</td><td>72</td></tr>
</table></td><td>226.4</td></tr>
<tr><td>Total Scope 2 Emissions
(Break-up: CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3 if available)</td><td>Metric tonnes CO_2e</td><td>7,295.40</td><td>5,938</td></tr>
<tr><td>Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)</td><td>MT CO_2e /₹Crores turnover</td><td>3.43</td><td>2.96</td></tr>
<tr><td>Total Scope 1 & 2 Emission Intensity per Rupee of Turnover Adjusted for PPP (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)*</td><td>MT CO_2e / Million USD</td><td>6.97</td><td>6.12</td></tr>
<tr><td>Total Scope 1 & 2 Emission Intensity in Terms of Physical Output</td><td></td><td>-</td><td>-</td></tr>
<tr><td>Total Scope 1 & 2 Emission Intensity (optional) – the relevant metric may be selected by the entity</td><td></td><td>-</td><td>-</td></tr>
</table>

** The implied PPP conversion rate for India has been considered as 20.34 as sourced from the IMF database.*

Methodology Note: GHG emissions have been calculated in accordance with the GHG Protocol Corporate Standard, considering an operational control boundary. Scope 2 emissions have been estimated using the CEA FY 2022-23 grid emission factor of 0.71 kg CO_2/kWh. Emissions are expressed in CO_2e based on 100-year GWP values from IPCC AR5. The assessment boundary includes Fedfina's operational footprint comprising 757 branches across India for the reporting period

Remarks: The increase in Scope 2 emissions primarily attributable to the expansion of our branch network during the reporting year. Further, increased operational requirements during quarter-end periods, including extended branch operations on weekends and holidays, contributed to higher resource consumption while ensuring continuity of business activities. Scope 1 GHG emissions are expressed in CO_2 equivalent (CO_2e) using 100-year GWP factors from the IPCC AR5 methodology. Additionally, the increase in refrigerant emissions during FY 2025-26 was primarily driven by the addition of new AC/HVAC units across branches and offices, resulting in higher refrigerant usage

8. **Does the entity have any project related to reducing Greenhouse Gas emissions? If Yes, 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 to 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, in the following format:**

   Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency (Y/N); if yes, name of agency.

Parameter	FY 2025-26	FY 2024-25
Total Waste Generated (in Metric Tonnes)		
Plastic Waste (A)		
E-Waste (B)	2.7	0.57
Bio-Medical Waste (C)		
Construction and Demolition Waste (D)		
Battery Waste (E)		
Radioactive Waste (F)		
Other Hazardous Waste (G) — please specify		
Other Non-Hazardous Waste (H) — Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector		
Scrap Material		
Paper Waste	0.56	0.46
Total (A+B+C+D+E+F+G+H)	**3.26**	**1.03**
Waste Intensity per Rupee of Turnover (Total waste generated / Revenue from operations)	0.000000147	0.0005
Waste Intensity per Rupee of Turnover Adjusted for PPP (Total waste generated / Revenue from operations adjusted for PPP)	0.00293	0.001
Waste Intensity in Terms of Physical Output	-	-
Waste Intensity (Optional) - the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
(i) Recycled	1.9	0.573
(ii) Re-Used		
(iii) Other Recovery Operations		
Total	**1.9**	**0.573**

Parameter	FY 2025-26	FY 2024-25
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
(i) Incineration		
(ii) Landfilling		
(iii) Other Disposal Operations	1.65	0.46
Total	**1.65**	**0.46**

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy to reduce usage of hazardous and toxic chemicals in products/processes and 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 in the following format:

S. No.	Location	Type of Operations	Environmental Approval Conditions Complied (Y/N)	Reasons/Corrective Action if No
1.	Not Applicable. Fedfina does not have any operations/offices in/around ecologically sensitive areas.			

12. Details of Environmental Impact Assessments (EIA) of projects undertaken based on applicable laws, in the current financial year.

Name and Brief Details of Project	EIA Notification No.	Date	Conducted by Independent External Agency? (Yes/No)	Results communicated in Public Domain? (Yes/No)	Web Link
NA					

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 (Y/N). If not, provide details of all such non-compliances, in the following format:

The Company is compliant with all the environmental rules and regulations

S. No.	Specify Law / Regulation / Guideline which was not complied with	Provide the Details of Non-Compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective Action Taken, if any
1.	NA			

LEADERSHIP INDICATORS

L1. 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 2025-26	FY 2024-25
Water Withdrawal by Source (in kilolitres)		
(i) Surface Water	NA	
(ii) Groundwater		
(iii) Third Party Water		
(iv) Seawater / Desalinated Water		
(v) Others		
Total Volume of Water Withdrawal		

Parameter	FY 2025-26	FY 2024-25
Total Volume of Water Consumption (in kilolitres)	NA	
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		
(i) Into Surface Water — With Treatment - please specify level of treatment		
(ii) Into Groundwater — No Treatment		
(ii) Into Groundwater — With Treatment - please specify level of treatment		
(iii) Into Seawater — No Treatment		
(iii) Into Seawater — With Treatment - please specify level of treatment		
(iv) Sent to Third-Parties — No Treatment		
(iv) Sent to Third-Parties — With Treatment - please specify level of treatment		
(v) Others — No Treatment		
(v) Others — 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

L2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 3 Emissions (Break-up: CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3 if available)	Metric tonnes CO_2e	At present, the Company does not measure or disclose Scope 3 greenhouse gas emissions. Recognising the significance of value chain emissions in understanding our overall climate impact, we are committed to progressively strengthening our greenhouse gas accounting and reporting practices.	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)			

L3. With respect to the ecologically sensitive areas reported at Question 11 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

L4. 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, as per the following format:

Sr. No.	Initiative Undertaken	Details (Web-link if any)	Outcome
1.	-	-	-

L5. Does the entity have a business continuity and disaster management plan? Give details in 100 words / provide web link.

Yes.

At Fedfina, we recognise that operational resilience is fundamental to ensuring the continuity of our critical business operations and delivering uninterrupted services to our customers and other stakeholders. Our Business Continuity Management (BCM) Policy establishes a structured framework to prepare for, respond to and recover from disruptive events that may impact critical business processes, technology infrastructure and operational functions. The Policy aims to minimise operational, financial, legal and reputational impacts while enabling the timely restoration of essential business activities in compliance with applicable regulatory requirements.

The framework is supported by the following key elements:

- **Strong governance and oversight** through the Board of Directors, the IT Strategy Committee of the Board, the Operational Risk Management Committee, the Central Crisis Management Team and Business Continuity Teams across departments and branches.
- **Business Impact Analysis and Risk Assessment** to identify critical business processes, applications, operational dependencies and potential disruption scenarios, enabling effective continuity planning and prioritisation of recovery efforts.
- **Business continuity and disaster recovery strategies** that define recovery procedures, alternate operating arrangements, backup and archival mechanisms, and recovery timelines to facilitate the restoration of critical business functions and technology systems during disruptive events.
- **Crisis management and incident response protocols,** including clearly defined roles, responsibilities, communication and escalation procedures to support coordinated response and timely decision-making during emergencies.
- **Business continuity planning for outsourced activities**, with periodic assessment of business continuity capabilities of critical service providers and review of contingency arrangements for outsourced functions.
- **Periodic testing, validation and continuous improvement** through business continuity drills, disaster recovery exercises, employee awareness and training programmes, internal audits, and regular review of the Policy to ensure its continued effectiveness and alignment with evolving business and regulatory requirements.

Through this framework, we continue to strengthen our organisational resilience, enhance our preparedness for emerging risks and disruptions, and ensure the continuity of critical business operations while safeguarding the interests of our customers, employees and other stakeholders. Our BCM policy is available at: https://www.fedfina.com/corporate-governance/

L6. 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.

L7. 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.

L8. 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. We can evaluate the same as and when the need arises.

b. List the top 10 trade and industry chambers / associations (determined based on total members of such body) the entity is a member of / affiliated to:

S. No.	Name of Trade/Industry Chamber/Association	Reach (State/National)
1.	NA	NA

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities:

Name of Authority	Brief of Case	Corrective Action Taken
NA		

LEADERSHIP INDICATORS

L1. Details of Public Policy Positions Advocated by the Entity

S.No.	Public Policy Advocated	Method Resorted for Such Advocacy	Information in Public Domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link
1.	-	-	-	-	-

No formal or informal policy advocacy or regulatory stakeholder engagement activities were undertaken during FY 2025-26.

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

ESSENTIAL INDICATORS

1. Details of Social Impact Assessments (SIA) of projects undertaken 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 & Brief of Project	SIA Notification No.	Date of Notification	Conducted by Independent External Agency? (Yes/No)	Results in Public Domain (Y/N)	Web Link
NA					

2. Provide information on project(s) for which Ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

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 ₹)
1.	NA					

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

Category	FY 2025-26	FY 2024-25
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 in a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost (Place to be categorised as per RBI Classification System - rural / semi-urban / urban / metropolitan)

Location	FY 2025-26	FY 2024-25
Rural	3%	2%
Semi-Urban	8%	11%
Urban	51%	55%
Metropolitan	38%	32%

LEADERSHIP INDICATORS

L1. 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	Corrective Action Taken
NA	NA

L2. 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 (₹)
1.	While the Company did not undertake CSR initiatives in aspirational districts during the reporting year, we recognise the potential to contribute towards the development of underserved regions. We will continue to assess opportunities to incorporate aspirational districts into our future CSR programmes, wherever feasible and aligned with our CSR strategy and statutory requirements.		

3. Preferential procurement policy for marginalised/vulnerable groups:

Sub-question	Response
(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?	Although our primary focus is lending money, we uphold a commitment to non-discrimination for individuals striving to build their future. We prioritise and support women, people with disabilities, LGBTQ, and SC/ST individuals, ensuring that our choices adhere to quality and cost-effectiveness. Additionally, when possible, we favour local small-scale businesses 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.

L4. Details of benefits derived and shared from intellectual properties owned or acquired by the 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
1.	NA			

L5. 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 Case	Corrective Action Taken
NA		

L6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of Persons Benefitted	% from Vulnerable/ Marginalised Groups
1.	Cuddles Foundation- Nutritional outreach programme for the underprivileged children suffering from Cancer	3146	100%
2.	Samarthanam Trust- Facilitated Indian blind women cricket team	16	100%
3.	NAPS- Skill building programme through NAPS	400+	100%

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

LEADERSHIP 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 centre 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 / or Services as a % of Turnover from All Products / Services that carry information about:

Category	As a % of Total Turnover
Environmental and social parameters relevant to the product	NA
Safe and responsible usage	100%
Recycling and/or safe disposal	NA

3. Number of Consumer Complaints in Respect of the Following:

Category	FY 2025-26			FY 2024-25		
	Received During the Year	Pending resolution at End of Year	Remarks	Received During the Year	Pending resolution at End of Year	Remarks
Data Privacy	0	0	-	0	0	-
Advertising	NA	NA	NA	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of Essential Services	NA	NA	NA	0	0	-
Restrictive Trade Practices	NA	NA	NA	0	0	-
Unfair Trade Practices	NA	NA	NA	0	0	-
Other	1275	79	79 Complaints pending for resolution at the end of financial year 2025-26 was resolved in the subsequent months	493	6	06 Complaints pending for resolution at end of financial year 2024-25 was resolved in the subsequent month, i.e., April, 2025

4. Details of Instances of Product Recalls on Account of Safety Issues

Category	Number	Reasons for Recall
Voluntary Recalls	NA	NA
Forced Recalls	NA	NA

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.

In order to ensure a cyber-safe environment, Fedfina is required to put in place a Cyber Security Policy which is distinct and separate from the broader Information Security Policy, highlighting the risks from cyber threats and the measures to address / mitigate these risks. The Cyber Security Policy lays down safeguards that Fedbank Financial Services Limited (Fedfina) must apply to its information systems and assets to mitigate various cyber security risks. Fedfina shall implement security controls at all levels to protect the confidentiality, integrity and availability of information during processing, handling, transmission and storage.

Fedfina endeavours to identify the various resources, including people, processes, tools and technologies, which can be utilised to prevent, reduce or manage the risk associated with a Cyber Security incident.

Our cyber security policy is available at: https://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

NA

Business Responsibility & Sustainability Report (Contd.)

7. Provide details of any corrective actions taken or underway on issues relating to: Provide the following information relating to data breaches:

Category	Reasons for Recall
7a. Number of instances of data breaches	0
7b. Percentage of data breaches involving personally identifiable information (PII) of customers	0
7c. Impact, if any, of the data breaches	NA

LEADERSHIP INDICATORS

L1. 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.

L2. 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.

L3. 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.

L4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes / No / Not Applicable) If yes, provide details in brief.

Did your entity carry out any survey with regard to consumer satisfaction relating to major products / services of the entity, significant locations of operation or the entity as a whole? (Yes / No)

NA

Independent Auditor's Report

To

The Members of

Fedbank Financial Services Limited

Report on the audit of the Financial Statements

OPINION

1. We have audited the accompanying Financial Statements of Fedbank Financial Services Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2026, 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 policies and other explanatory information ('the Financial Statements').

2. 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 2026, and its Profit and Other Comprehensive Income, Changes in Equity and its Cash Flows for the year ended on that date.

BASIS FOR OPINION

3. 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

4. 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 – Financial Instruments.**	
	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' 'Note 3.6(j) to the Financial Statements: Impairment of Financial Assets and 'Note 44 to the Financial Statements: Risk Management'.	
	Subjective estimates: As at 31 March 2026, the Company has reported gross loan assets of Rs. 14,505.48 crores against which an impairment loss of Rs. 186.63 crores has been recognised.	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 (including refresh activity conducted during the period under audit). ➢ 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. Review of changes made to the macro scenarios and board approved overlay notes.

Independent Auditor's Report (Contd.)

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
	Under Ind AS 109, "Financial Instruments", allowance for impairment on loans are determined using expected credit loss ('ECL') estimation model. The Company updated its ECL policy in the year under audit. The revised ECL Model 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: • 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 additional provisions. • 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. Considering the significance of the above matter to the overall financial statements and extent of management's estimates and judgements involved, it requires significant auditor attention. Accordingly, we have identified this as a key audit matter.	➢ Assessing the design, implementation and operating effectiveness of key internal financial controls along with the monitoring process of overdue loans (including those which became overdue after the reporting date), measurement of provision, stage-wise classification of loans, identification of Non-Performing Assets ("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 Financial Statements. ➢ Involvement of Information technology experts in the audit to obtain comfort over data integrity and process of report generation through interface of various systems. Substantive verification ➢ 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. ➢ Testing the model calculations 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 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**	
	IT systems and controls 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. 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. 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.	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: ➢ Deployed our internal experts to carry out IT general Controls testing and identifying gaps, if any. ➢ Our other processes include: • Obtained an understanding of the Company's IT landscape, including core lending systems, accounting systems, interfaces, and reports relevant to financial reporting. • 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 including access management (user access provisioning, changes and deactivation), program change controls, and IT operations controls such as backups and job monitoring. • Evaluated segregation of duties within the IT environment and reviewed privileged access controls. • Testing of the system generated reports and accounting entries manually for core financial reporting matters (i.e. verification around the computer system) • Performed substantive procedures where control deficiencies or system limitations were noted, to compensate for any identified risks. • Evaluated the automated controls with reference to system interface with key financial applications that impact significant accounts and disclosures.

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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

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.

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.

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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

16. 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.

17. As required by Section 143(3) of the Act, we report that:

17.1. 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.

17.2. 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 18.8 below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

17.3. 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.

17.4. 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.

17.5. On the basis of the written representations received from the directors, none of the directors is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164(2) of the Act.

17.6. The modification relating to the maintenance of books of accounts and other matters connected therewith are as stated in the paragraph 17.2 above on reporting under Section 143(3)(b) and paragraph 18.8 below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

17.7. 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'.

17.8. 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.

18. 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:

18.1. The Company has disclosed the impact of pending litigations as at 31 March 2026 on its financial position in its Financial Statements – Refer Note 53 to the Financial Statements;

18.2. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

18.3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

18.4. 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.

18.5. 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.

18.6. 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 sub clause (i) and (ii) of Rule 11(e), as provided under para 18.4 and 18.5 above, contain any material misstatement.

18.7. 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.

18.8. Based on our examination, the company, has used accounting softwares for maintaining its books of account which , along with access management tools, as applicable, 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. For maintenance of Books of Accounts under Ind AS (Accounting Framework applicable to the Company), the feature of maintaining audit trail (edit log) was not enabled, however same was enabled effective April 2026.

Further, where audit trail (edit log) facility was enabled and operated, we did not come across any instance of audit trail feature being tampered with during the course of our audit.

Additionally, other than for the softwares where audit trail (edit log) facility was not enabled in the previous year, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

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: 26033494FGYDJC3158

Place: Mumbai
Date: 28 April 2026

Annexure 'A' to the Independent Auditor's Report on the Financial Statements of Fedbank Financial Services Limited for the year ended 31 March 2026

(Referred to in paragraph 16 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) 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, 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), hence reporting under paragraph 3(i)(c) of the Order is not applicable to the Company.

(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 difference between the quarterly returns or statements filed by the Company with such banks or financial institutions and the books of account of the Company is not material in nature.

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 advance in the nature of loans, guarantee or security to companies, firms, limited liability partnership or other parties during the year.

(c) & (d) The Company, being a Non-Banking Finance Company ("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 note 8.3 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) Based on our audit procedures and the information and explanation made available to us, 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.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186(1) of the Act with respect to the loans given and investments made. The Company has not provided any guarantee or security during the year.

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) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST. 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, , duty of customs, 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 2026 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 (Rs. In lakhs)	Period to which the amount relates	Due Date	Date of Payment	Remarks, if any
Tamil Nadu Tax on Professions, Trades, Callings and Employments Act, 1992	Profession Tax	7	April 24-September 25	Various Due dates	On Various due dates	Not paid till audit report date.

(b) In our opinion and according to the information and explanations given to us, there are no dues of provident fund, duty of customs, cess and any other statutory dues, which have not been deposited to/with the appropriate authority on account of any dispute. The Particulars of dues of Goods and Services tax and Income Tax which have not been deposited to/with the appropriate authority on account of any dispute are as follows:

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
Income Tax Act, 1961	Income Tax	32	AY 2011-12	Commissioner of Income Tax (Appeal)	
Income Tax Act, 1961	Income Tax	9	AY 2017-18	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, 2026 (Contd.)

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
Income Tax Act, 1961	Income Tax	62	AY 2022-23	Commissioner of Income Tax (Appeal)	
GST Act,2017	GST, Interest and Penalty.	23	FY 2020-21	Sales Tax Officer	Net of amount paid under protest
GST Act,2017	GST and Interest	32	FY 2021-22	Sales Tax Officer	Net of amount paid under protest
GST Act,2017	GST, Interest and Penalty.	9	FY 2021-22	Sales Tax Officer	Net of amount paid under protest

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) The Company does not have any subsidiaries, associates or joint ventures. Accordingly, paragraph 3(ix) (e) of the Order are not applicable to the company.

(f) The Company does not have any subsidiaries, associates or joint ventures. Accordingly, paragraph 3(ix) (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) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x) (b) of the Order is not applicable to the Company.

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. 48.13 to the Financial Statements

(b) In our opinion and according to the information and explanations given to us, no report under sub section (12) of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year and provided to us, when performing our audit.

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) In our opinion, 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) In our opinion, 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.

(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) In our opinion there are no CIC within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions 2016) and accordingly reporting under clause 3(xvi)(d) of the order is not applicable to the Company.

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 22 and 55 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.

Also, refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in Annual report is expected to be made available to us after the date of this auditor's report.

xx. In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx) (b) of the Order are not applicable to the Company.

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: 26033494FGYDJC3158

Place: Mumbai
Date: 28 April 2026

Annexure 'B' to the Independent Auditors' report on the Financial Statements of Fedbank Financial Services Limited for the year ended 31 March 2026

(Referred to in paragraph 17.7 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 2026 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 2026, 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 / Bank'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 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.

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 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: 26033494FGYDJC3158

Place: Mumbai
Date: 28 April 2026

Balance Sheet

As on 31st March, 2026

(₹ in Lakhs)

Particulars	Notes	As at 31st March, 2026	As at 31st March, 2025
I. ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	4	1,33,973	72,460
(b) Bank balances other than cash and cash equivalents	5	5,122	11,009
(c) Derivative financial instruments	6	21,502	58
(d) Receivables			
(i) Trade receivables	7(i)	727	565
(ii) Other receivables	7(ii)	2,240	1,366
(e) Loans	8	14,31,885	11,64,637
(f) Investments	9	40,167	40,419
(g) Other financial assets	10	20,736	8,671
Total Financial assets		**16,56,352**	**12,99,185**
(2) Non-financial assets			
(a) Current tax assets (net)	11	199	-
(b) Deferred tax assets (net)	12	938	1,070
(c) Property, Plant and Equipment	14 (1)	4,179	3,191
(d) Right of Use Assets	14 (4)	17,433	15,395
(e) Capital work in progress	14 (3)	177	28
(f) Intangible assets under development	14 (5)	27	64
(g) Other Intangible assets	14 (2)	362	292
(h) Other non- financial assets	13	7,811	5,745
Total Non-financial assets		**31,126**	**25,785**
TOTAL ASSETS		**16,87,478**	**13,24,970**
II. LIABILITIES & EQUITY			
(1) Financial liabilities			
(a) Derivative financial instruments	6	-	123
(b) Payables			
Trade payables	15		
(i) total outstanding dues of micro enterprises and small enterprises		4	24
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		906	849
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	1,73,031	50,022
(d) Borrowings (other than debt securities)	17	10,83,747	9,29,237
(e) Subordinated Liabilities	18	91,635	47,607
(f) Lease Liability	19	19,074	16,854
(g) Other financial liabilities	20	21,638	20,229
Total Financial liabilities		**13,90,035**	**10,65,102**
(2) Non-financial liabilities			
(a) Current tax liabilities (net)	21	-	1,161
(b) Provisions	22	1,983	1,381
(c) Other non-financial liabilities	23	2,850	2,590
Total Non-financial liabilities		**4,833**	**5,132**
Equity			
(a) Equity share capital	24	37,421	37,272
(b) Other equity	25	2,55,189	2,17,464
		2,92,610	**2,54,736**
TOTAL LIABILITIES AND EQUITY		**16,87,478**	**13,24,970**
Material accounting policy information and notes to the Financial Statements	3 - 60		

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

Parthasarathy Iyengar
Company Secretary
M.No. A21472

Hasmukh B Dedhia
Partner
Membership No. 033494

Parvez Mulla
MD & CEO
DIN: 08026994

Sonal Dave
Independent Director
DIN: 00017710

Place: Mumbai
Date: 28th April, 2026

Place: Mumbai
Date: 28th April, 2026

Statement of Profit & Loss

For the Year Ended 31st March, 2026

(₹ in Lakhs)

Particulars	Notes	For the year ended 31st March 2026	For the year ended 31st March 2025
I. Revenue from operations			
(a) Interest income	26	2,10,907	1,92,458
(b) Fee and commission income	27	9,669	11,171
(c) Net gain on fair value changes	28	1,784	2,558
Total Revenue from operations		**2,22,360**	**2,06,187**
II. Other income	**29**	301	1,795
III. Total Revenue		**2,22,661**	**2,07,982**
IV. Expenses			
(a) Finance costs	30	87,932	85,378
(b) Fees and commission expenses	31	(20)	1,850
(c) Impairment on financial instruments	32	11,527	21,636
(d) Employee benefits expense	33	44,393	39,030
(e) Depreciation, amortisation and impairment	14	5,447	4,885
(f) Other expenses	34	27,281	24,828
Total expenses		**1,76,560**	**1,77,607**
V. Profit before exceptional items and tax (III-IV)		**46,101**	**30,375**
VI. Exceptional items	60	-	-
VII. Profit before tax (V-VI)		**46,101**	**30,375**
VIII. Tax expenses:			
Current tax	**35**	**12,107**	**10,169**
(1) Current tax	35.1	12,125	10,122
(2) Short/(Excess) provision for earlier years	35.1	(18)	47
Deferred tax	**35**	**(366)**	**(2,312)**
IX. Profit for the year (VII-VIII)		**34,360**	**22,518**
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)		(58)	12
(ii) Tax effect on remeasurement gain/(loss) on defined benefit plans (OCI)		15	(3)
Total		**(43)**	**9**
(b) Items that will be reclassified to profit or loss			
(i) Fair value gain - OCI - Loans		(1,125)	5,609
(ii) The effective portion of gain on hedging instruments in a cash flow hedge		3,182	(2)
(iii) Tax effect on above (i) & (ii)		(512)	(1,457)
Total		**1,545**	**4,150**
Other Comprehensive Income		**1,502**	**4,159**
XI. Total Comprehensive Income (IX+X)		**35,862**	**26,677**
XII. Earnings per equity share			
(1) Basic (₹)	37	9.20	6.06
(2) Diluted (₹)	37	9.12	6.04
Face value per share (in ₹)		10.00	10.00
Material accounting policy information and notes to the Financial Statements	3 - 60		

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

Parthasarathy Iyengar
Company Secretary
M.No. A21472

Hasmukh B Dedhia
Partner
Membership No. 033494

Parvez Mulla
MD & CEO
DIN: 08026994

Sonal Dave
Independent Director
DIN: 00017710

Place: Mumbai
Date: 28th April, 2026

Place: Mumbai
Date: 28th April, 2026

Statement of Cash Flow

For the Year Ended 31st March, 2026

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	**46,101**	**30,375**
Adjustments for :		
Finance cost	87,932	85,378
Share based payment to employee	1,181	130
Depreciation	5,447	4,885
Interest income from Investment	(2,175)	(1,957)
Interest on Fixed Deposit	(1,624)	(1,555)
Loss on sale of tangible assets	26	34
Loss on sale of NCD	542	-
Profit on Sale Of Mutual Fund units (Net) - realised	(1,793)	(2,596)
Gain/(Loss) on fair valuation of mutual fund - unrealised	9	38
Security deposit - Fair Valuation	3	2
Effective interest rate (EIR) impact on Loans	1,329	(230)
Excess interest spread on Direct Assignment Transaction (net)	(742)	(6,594)
Impairment on financial instrument	10,985	21,636
Operating profit before working capital changes	**1,47,221**	**1,29,546**
Adjustments for working capital:		
- (Increase)/decrease in loans	(2,81,161)	(1,90,889)
- (Increase)/decrease in financial asset and non financial asset	(20,535)	(1,307)
- (Increase)/decrease in trade and other receivables	(445)	1,191
- Increase/(decrease) in trade payables	(119)	(185)
- Increase/(decrease) in provisions	544	444
- Increase/(decrease) in financial liabilities and non financial liabilities	1,546	(28,577)
Cash generated from/(used in) operating activities	**(1,52,949)**	**(89,777)**
Direct taxes paid (net of refund)	(13,467)	(7,975)
Net cash generated from/(used in) operating activities	**(1,66,416)**	**(97,752)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of tangible assets	(2,761)	(1,770)
Sale of tangible assets	-	13
Purchase of intangible assets	(240)	(61)
Sale/(Purchase) of Intangible assets under development	-	(64)
Investment in Government securities	(10,007)	(63,696)
Redemption of Government securities	-	60,543
Redemption/(Investment) of NCD	291	-
Investment in Mutual Fund	(20,46,198)	(20,55,997)
Redemption/(Investment) of SR's	(1,439)	-
Sale of Mutual Fund	20,59,790	20,96,688
Redemption of fixed deposit	16,617	5,006
Placement in fixed deposit	(23,074)	(10,309)
Interest on fixed deposits	2,105	1,251
Interest income from Investment	1,857	1,312
Net cash generated from/(used in) investing activities	**(3,060)**	**32,916**

Statement of Cash Flow

For the Year Ended 31st March, 2026 (Contd.)

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
C. CASH FLOW FROM FINANCING ACTIVITIES		
Debt Securities issued	2,86,000	99,500
Debt Securities repaid	(1,59,000)	(81,500)
Borrowings availed	7,89,643	6,34,333
Borrowings repaid	(6,35,735)	(4,49,157)
Subordinate borrowing availed	45,000	-
Finance Cost	(90,964)	(81,947)
Lease Payment (principal)	(3,458)	(3,128)
Lease Payment (interest)	(1,328)	(1,204)
Share application money pending allotment	16	-
Equity Shares Issued	149	333
Share Premium net of Share Issue Expenses	666	1,512
Net cash generated from/(used in) financing activities	**2,30,989**	**1,18,742**
Net increase/(decrease) in cash and cash equivalents	**61,513**	**53,906**
Cash and cash equivalents as at the beginning of the year	**72,460**	**18,554**
Closing balance of cash and cash equivalents (A+B+C)	**1,33,973**	**72,460**
Components of cash and cash equivalents:		
Cash on hand	1,058	654
Balances with banks		
- in current accounts	57,510	29,285
- in fixed deposit with maturity less than 3 months	75,405	42,521
Cash and cash equivalents	**1,33,973**	**72,460**

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 - 60

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

Hasmukh B Dedhia
Partner
Membership No. 033494

Place: Mumbai
Date: 28th April, 2026

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

C. V. Ganesh
Chief Financial Officer

Parthasarathy Iyengar
Company Secretary
M.No. A21472

Parvez Mulla
MD & CEO
DIN: 08026994

Sonal Dave
Independent Director
DIN: 00017710

Place: Mumbai
Date: 28th April, 2026

Statement of Change in Equity

As at 31st March, 2026

EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31st March, 2026		As at 31st March, 2025	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the reporting year	37,27,16,854	37,272	36,93,86,899	36,939
Changes in Equity Share Capital due to prior year errors	-	-	-	-
Changes in equity share capital during the current year	14,89,247	149	33,29,955	333
Balance at the end of the reporting year	**37,42,06,101**	**37,421**	**37,27,16,854**	**37,272**

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, 2025	**-**	**10,629**	**(2)**	**1,10,945**	**767**	**200**	**19,593**	**10**	**75,322**	**2,17,464**
Addition	16	-	-	666	1,181	-	-	-	-	1,863
Utilised (share issue expense)	-	-	-	-	-	-	-	-	-	-
Transferred from retained earnings	-	-	-	-	-	-	6,872	-	(6,872)	-
Transferred to securities premium	-	-	-	607	(607)	-	-	-	-	-
Impact of OCPRS due to redemption	-	-	-	-	-	-	-	-		-
Profit for the year	-	-	-	-	-	-	-	-	34,360	34,360
Remeasurement gain/(loss) on defined benefit plans	-	-	-	-	-	-	-	-	(43)	(43)
Fair value gain/(loss) on financial assets	-	(826)	2,371	-	-	-	-	-	-	1,545
Closing Balance as on 31st March, 2026	**16**	**9,803**	**2,369**	**1,12,218**	**1,341**	**200**	**26,465**	**10**	**1,02,767**	**2,55,189**

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

Statement of Change in Equity

As at 31st March, 2026 (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	
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**

Material accounting policy information and notes to the Financial Statements 3 - 60

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

Hasmukh B Dedhia
Partner
Membership No. 033494

Place: Mumbai
Date: 28th April, 2026

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

C. V. Ganesh
Chief Financial Officer

Parthasarathy Iyengar
Company Secretary
M.No. A21472

Parvez Mulla
MD & CEO
DIN: 08026994

Sonal Dave
Independent Director
DIN: 00017710

Place: Mumbai
Date: 28th April, 2026

Notes Forming Part of the Financial Statements

For the Year Ended 31st March, 2026

1 CORPORATE INFORMATION

Fedbank Financial Services Limited ('the Company') is a Public Limited Company incorporated on 17 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 28th April, 2026.

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 judgments

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 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, 2026 (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 5th November, 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.

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 it 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, 2026 (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;
- FVOCI - equity instruments;
- Fair Value Through Profit and Loss (FVTPL)

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

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 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.

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

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. 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 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.

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 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.

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

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 i: 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 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.

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

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.

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

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

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, 2026 (Contd.)

4 CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Cash on hand	1,058	654
Balances with banks		
- in current accounts*	57,510	29,285
- in fixed deposits with maturity less than 3 months	75,405	42,521
	1,33,973	**72,460**

5 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Fixed deposit with maturity of more than 3 months and less than 12 months		
- Free	-	41
- Under Lien*	5,122	10,968
	5,122	**11,009**

*During the year ended 31st March, 2026, Fixed deposit (principal) amounting to ₹ 5,000 Lakhs is lien marked for overdraft facilities with DCB Bank.

*During the year ended 31st March, 2025, Fixed deposit (principal) amounting to ₹ 10,264 Lakhs is lien marked for overdraft facilities with City Union Bank and DCB Bank.

6 DERIVATIVE FINANCIAL INSTRUMENTS

(₹ in Lakhs)

Part I	As at 31st March, 2026			As at 31st March, 2025		
	Notional amounts	Fair Value - Assets	Fair Value- Liabilities	Notional amounts	Fair Value - Assets	Fair Value- Liabilities
(i) Currency derivatives						
- Spot and forwards	6,411	160	-	11,494	53	-
- Currency futures	-	-	-	-	-	-
- Currency swaps	2,37,088	20,850	-	25,758	-	123
- Options purchased	-	-	-	-	-	-
- Options sold (written)	-	-	-	-	-	-
- Others	-	-	-	-	-	-
(ii) Interest Rate Derivatives						
- Forward rate agreements and interest rate swaps	1,148	492	-	27	5	-
- Options purchased	-	-	-	-	-	-
- Options sold (written)	-	-	-	-	-	-
- Futures	-	-	-	-	-	-
- Others	-	-	-	-	-	-
(iii) Credit Derivatives	-	-	-	-	-	-
(iv) Equity Linked Derivatives	-	-	-	-	-	-
(v) Other Derivatives	-	-	-	-	-	-
Total	**2,44,647**	**21,502**	**-**	**37,279**	**58**	**123**

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

6 DERIVATIVE FINANCIAL INSTRUMENTS (Contd.)

(₹ in Lakhs)

Part II	As at 31st March, 2026			As at 31st March, 2025		
	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	2,37,088	20,850	-	25,758	-	123
- Interest Rate Derivatives	1,148	492	-	27	5	-
- Credit Derivatives	-	-	-	-	-	-
- Equity Linked Derivatives	-	-	-	-	-	-
- Others	-	-	-	-	-	-
(iii) Net investment hedging	-	-	-	-	-	-
(iv) Undesignated derivatives	6,411	160	-	11,494	53	-
Total	**2,44,647**	**21,502**	**-**	**37,279**	**58**	**123**

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 31st March, 2026	As at 31st March, 2025
(i) Trade receivables		
Receivables considered good - Unsecured*	727	565
Trade Receivables which have significant increase in credit risk	-	593
	727	**1,158**
Less: Loss allowance	-	593
	727	**565**
(ii) Other receivables		
Receivables considered good - Unsecured (from related party)	7	-
Receivables considered good - Unsecured (from Others)	2,235	1,366
	2,242	**1,366**
Less: Loss allowance	2	-
	2,240	**1,366**
	2,967	**1,931**

*Includes unbilled revenue amounting to ₹ 400 Lakhs (at 31st March, 2025: ₹ 341 Lakhs)

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

7 RECEIVABLES (Contd.)

Outstanding as at 31st March, 2026 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	2,569	2,544	24	1	-	-
Undisputed trade & other receivable which have significant increase in credit risk	-	-	-	-	-	
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	**2,569**	**2,544**	**24**	**1**	**-**	**-**
Less: Loss Allowance	**(2)**	**(2)**	**-**	**-**	**-**	**-**
	2,567	**2,543**	**24**	**1**	**-**	**-**
Unbilled receivable	**400**					
	2,967					

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					

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, 2026 (Contd.)

8 LOANS

As at 31st March, 2026

(₹ in Lakhs)

	Amortised Cost	At Fair Value through other comprehensive income	Total
(i) Term Loans	11,52,348	2,98,200	14,50,548
Gross carrying amount of loans	11,52,348	2,98,200	14,50,548
Less: Impairment Loss Allowance	(18,663)	-	(18,663)
Total Net (A)	**11,33,685**	**2,98,200**	**14,31,885**
(i) Secured by tangible assets (Refer Note 44.1.2)	11,45,702	2,98,200	14,43,902
(ii) Covered by guarantees (Refer Note 44.1.2)	1,806	-	1,806
(iii) Unsecured	4,840	-	4,840
Total Gross (B)	**11,52,348**	**2,98,200**	**14,50,548**
Less: Impairment Loss Allowance	(18,663)	-	(18,663)
Total Net (B)	**11,33,685**	**2,98,200**	**14,31,885**
Loans in India			
(i) Public sector	-	-	-
(ii) Others (Includes loans given to private sector)	11,52,348	2,98,200	14,50,548
Total Gross (C)	**11,52,348**	**2,98,200**	**14,50,548**
Less: Impairment Loss Allowance	(18,663)	-	(18,663)
Total Net (C)	**11,33,685**	**2,98,200**	**14,31,885**

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) Covered by guarantees (Refer Note 44.1.2)	323	-	323
(iii) 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**

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, 2026. (31st March, 2025: Nil)

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

8 LOANS (Contd.)

8.2 Disclosures required as per Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Loans against collateral of gold jewellery (Gross)*	7,91,943	4,74,957
Total assets of the Company	16,87,478	13,24,970
Percentage of Loans against collateral of gold jewellery to Total assets of the Company	46.93%	35.85%

*Excluding Excess Interest spread

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 31st March, 2026	As at 31st March, 2025
Stage 1	11,12,245	7,77,298
Stage 2	22,225	42,637
Stage 3	17,878	19,475
Total	**11,52,348**	**8,39,410**

(b) Reconciliation of gross carrying amount of loan assets measured at amortised cost is given below:

(₹ in Lakhs)

	As at 31st March, 2026				As at 31st March, 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	7,77,298	42,637	19,475	8,39,410	7,05,986	42,384	16,193	7,64,563
Transfers to Stage 1	8,690	(7,877)	(813)	-	4,086	(3,242)	(844)	-
Transfers to Stage 2	(10,604)	10,827	(223)	-	(20,042)	20,417	(375)	-
Transfers to Stage 3	(6,987)	(5,774)	12,761	-	(7,766)	(3,383)	11,149	-
Assets derecognised (excluding write offs)	(5,24,722)	(16,265)	(7,087)	(5,48,074)	(3,78,940)	(23,330)	(6,141)	(4,08,411)
Asset written off	(1,205)	(1,556)	(6,949)	(9,710)	(2,679)	(1,292)	(700)	(4,671)
Loan Repaid	(41,116)	(894)	(497)	(42,507)	(1,06,856)	(1,952)	(2,089)	(1,10,897)
New assets originated or purchased	9,10,890	1,127	1,211	9,13,228	5,83,509	13,035	2,282	5,98,826
Gross carrying amount closing balance	**11,12,245**	**22,225**	**17,878**	**11,52,348**	**7,77,298**	**42,637**	**19,475**	**8,39,410**

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

8 LOANS (Contd.)

(c) Reconciliation of ECL balance of loan assets measured at amortised cost is given below:

(₹ in Lakhs)

	As at 31st March, 2026				As at 31st March, 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	3,681	6,074	9,450	19,205	1,962	4,167	3,258	9,387
Transfers to Stage 1	1,735	(1,458)	(277)	-	665	(470)	(195)	-
Transfers to Stage 2	(325)	413	(88)	-	(216)	293	(77)	-
Transfers to Stage 3	(351)	(1,786)	2,137	-	(136)	(619)	755	-
Assets derecognised (excluding write offs)	(3,778)	(1,308)	(3,366)	(8,452)	(768)	(1,344)	(988)	(3,100)
Assets written off	(61)	(1,694)	(6,017)	(7,772)	(2,245)	(820)	(250)	(3,315)
Loan Repaid	(2,915)	(890)	(2,895)	(6,700)	(3,176)	(2,356)	(2,882)	(8,414)
New assets originated or purchased	7,040	5,596	9,745	22,381	7,595	7,223	9,829	24,647
ECL allowance - closing balance	**5,026**	**4,947**	**8,689**	**18,663**	**3,681**	**6,074**	**9,450**	**19,205**

(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 31st March, 2026	As at 31st March, 2025
Stage 1	2,83,799	3,36,986
Stage 2	8,746	8,872
Stage 3	13,517	7,127
Total	**3,06,062**	**3,52,985**

(e) Reconciliation of gross carrying amount of loan assets measured at fair value through OCI allocated is given below:

(₹ in Lakhs)

	As at 31st March, 2026				As at 31st March, 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	3,36,986	8,872	7,127	3,52,985	2,27,329	1,565	335	2,29,229
Transfers to Stage 1	1,127	(921)	(206)	-	187	(86)	(101)	-
Transfers to Stage 2	(6,080)	6,257	(177)	-	(6,098)	6,098	-	-
Transfers to Stage 3	(5,730)	(2,697)	8,427	-	(5,149)	(194)	5,343	-
Assets derecognised (excluding write offs)	(1,11,467)	(1,570)	(2,441)	(1,15,478)	(29,452)	(993)	(37)	(30,482)
Asset written off	(1,617)	(2,602)	(3,201)	(7,420)	(1,981)	(592)	30	(2,543)
Loan Repaid	(70,021)	(355)	(178)	(70,555)	(96,436)	(1,519)	(1,852)	(99,807)
New assets originated or purchased	1,40,602	1,762	4,166	1,46,530	2,48,586	4,593	3,409	2,56,588
Gross carrying amount closing balance	**2,83,799**	**8,746**	**13,517**	**3,06,062**	**3,36,986**	**8,872**	**7,127**	**3,52,985**

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (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 31st March, 2026				As at 31st March, 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	3,616	2,221	2,715	8,552	1,745	345	70	2,160
Transfers to Stage 1	195	(136)	(59)	-	33	(15)	(18)	-
Transfers to Stage 2	(117)	147	(30)	-	(63)	63	-	-
Transfers to Stage 3	(173)	(470)	643	-	(56)	(35)	91	-
Assets derecognised (excluding write offs)	(2,442)	(439)	(941)	(3,822)	(250)	(260)	(8)	(518)
Assets written off	(40)	(1,022)	(1,335)	(2,397)	(763)	(229)	13	(979)
Loan Repaid	(361)	(13)	(1)	(375)	(692)	(1)	(4)	(697)
New assets originated or purchased	1,318	1,379	3,209	5,905	3,662	2,353	2,571	8,586
ECL allowance - closing balance	**1,994**	**1,668**	**4,201**	**7,863**	**3,616**	**2,221**	**2,715**	**8,552**

9 INVESTMENTS

9.1 At Amortised Cost:

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
NCD		
Investment in Non Convertible Debentures (NCD)	-	833
Less: Allowance for impairment loss	-	(625)
	-	**208**
G-Sec		
Investments in Government Securities at Amortised Cost	38,724	28,399
Less: Allowance for impairment loss	-	-
	38,724	**28,399**

9.2 At Fair Value Through Profit & Loss

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Mutual Funds (March 2026 - Units : No. 218 and Cost ₹ 4 Lakhs) (March 2025 - Units : No. 6,00,836 and Cost ₹ 11,803 Lakhs)	4	11,812
Investments in Security receipts of ARC (March 2026 - Units : No. 1,49,260 and Cost ₹ 1,439 Lakhs)	1,439	-
	1,443	**11,812**
Total Investments	**40,167**	**40,419**

Note: All the investments are held in India

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

10 OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Security Deposits	2,255	2,149
Full & final recovery from employee	99	2
Bank deposits with 12 months and more maturity (Refer Note 10.1 to 10.2)	18,382	6,520
	20,736	**8,671**

10.1. Fixed deposit (principal) amounting to Nil (March 2025- ₹ 793 Lakhs) was 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, 2026, Fixed deposit (principal) amounting to ₹ 18,100 Lakhs (31st March, 2025 : ₹ 5,560 Lakhs, Ujjivan Small Finance Bank) is lien marked for overdraft facilities which includes ₹ 5,560 Lakhs with Ujjivan Small Finance Bank, ₹ 5,000 Lakhs with Equitas Small Finance Bank, ₹ 2,500 Lakhs with Jana Small Finance Bank, ₹ 5,000 Lakhs with City Union Bank, ₹ 11 Lakhs with Bank of Baroda and ₹ 29 Lakhs with IDBI Bank.

11 CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Advance income taxes (net of provision for taxes)	199	-
	199	**-**

12 DEFERRED TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Deferred tax assets (net)	938	1,070
	938	**1,070**

13 OTHER NON-FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Input tax credit (Net)	1,742	1,594
Prepaid expenses	5,020	2,149
Advance to Suppliers	946	1,589
Advances to employees (other than loans)	103	49
Others	-	364
	7,811	**5,745**

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (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, 2025	**2,040**	**2,292**	**3,206**	**1,513**	**16**	**112**	**9,179**
Gross Block as at 1st April, 2024	(1,744)	(1,958)	(2,573)	(1,254)	(16)	(113)	(7,658)
Additions during year ended 31st March, 2026	**83**	**600**	**1,329**	**581**	**-**	**-**	**2,594**
Additions during year ended 31st March, 2025	**(364)**	**(433)**	**(638)**	**(333)**	**-**	**-**	**(1,768)**
Deductions during year 31st March, 2026	**3**	**1**	**4**	**1**	**-**	**-**	**9**
Deductions during year ended 31st March, 2025	**(68)**	**(99)**	**(5)**	**(74)**	**-**	**(1)**	**(247)**
Gross Block as at 31st March, 2026	**2,121**	**2,891**	**4,531**	**2,093**	**16**	**112**	**11,765**
Gross Block as at 31st March, 2025	**(2,040)**	**(2,292)**	**(3,206)**	**(1,513)**	**(16)**	**(112)**	**(9,179)**
Accumulated depreciation as at 1st April, 2025	**1,417**	**1,697**	**1,862**	**898**	**14**	**100**	**5,988**
Accumulated depreciation as at 1st April, 2024	(1,078)	(1,399)	(1,457)	(724)	(14)	(90)	(4,762)
Additions during year ended 31st March, 2026	**319**	**412**	**561**	**304**		**1**	**1,598**
Additions during year ended 31st March, 2025	**(402)**	**(378)**	**(409)**	**(226)**	**(0)**	**(11)**	**(1,426)**
Deductions during year 31st March, 2026	**0**	**0**	**0**	**0**	**-**	**-**	**0**
Deductions during year ended 31st March, 2025	**(63)**	**(80)**	**(4)**	**(52)**	**-**	**(1)**	**(200)**
Accumulated depreciation at 31st March, 2026	**1,737**	**2,110**	**2,423**	**1,202**	**14**	**101**	**7,586**
Accumulated depreciation at 31st March, 2025	**(1,417)**	**(1,697)**	**(1,862)**	**(898)**	**(14)**	**(100)**	**(5,988)**
Net block as at 31st March, 2026	**384**	**781**	**2,108**	**891**	**2**	**11**	**4,179**
Net block as at 31st March, 2025	**(623)**	**(595)**	**(1,344)**	**(615)**	**(2)**	**(12)**	**(3,191)**

14.2 INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Computer Software
Gross Block as at 1st April, 2025	**1,055**
Gross Block as at 1st April, 2024	(994)
Additions during year ended 31st March, 2026	**278**
Additions during year ended 31st March, 2025	**(62)**
Deductions during year ended 31st March, 2026	**-**
Deductions during year ended 31st March, 2025	**(1)**
Gross Block as at 31st March, 2026	**1,333**
Gross Block as at 31st March, 2025	**(1,055)**
Accumulated depreciation as at 1st April, 2025	**763**
Accumulated depreciation as at 1st April, 2024	(582)
Additions during year ended 31st March, 2026	**208**
Additions during year ended 31st March, 2025	**(181)**
Deductions during year ended 31st March, 2026	**0**
Deductions during year ended 31st March, 2025	**(0)**
Accumulated depreciation at 31st March, 2026	**971**
Accumulated depreciation at 31st March, 2025	**(763)**
Net block as at 31st March, 2026	**362**
Net block as at 31st March, 2025	**(292)**

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

14.3 CAPITAL WORK IN PROGRESS (CWIP)

(₹ in Lakhs)

Particulars	CWIP
Gross Block as at 1st April, 2025	**28**
Gross Block as at 1st April, 2024	(27)
Additions during year ended 31st March, 2026	**869**
Additions during year ended 31st March, 2025	**(417)**
Deductions during year ended 31st March, 2026	**720**
Deductions during year ended 31st March, 2025	**(416)**
Gross Block as at 31st March, 2026	**177**
Gross Block as at 31st March, 2025	**(28)**

14.3.1 Ageing of Capital Work in Progress (CWIP)

(₹ in Lakhs)

CWIP	Amount in CWIP - 31st March, 2026				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	177	-	-	-	**177**
Projects temporarily suspended	-	-	-	-	**-**

(₹ in Lakhs)

CWIP	Amount in CWIP - 31st 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	-	-	-	-	**-**

14.4 RIGHT-OF-USE (ROU) ASSET

(₹ in Lakhs)

Particulars	ROU
ROU as at 1st April, 2025	**15,395**
ROU as at 1st April, 2024	(11,249)
Additions during year ended 31st March, 2026	**5,679**
Additions during year ended 31st March, 2025	**(7,423)**
Deductions during year ended 31st March, 2026	**-**
Deductions during year ended 31st March, 2025	**-**
Amortisation during year ended 31st March, 2026	**3,641**
Amortisation during year ended 31st March, 2025	**(3,277)**
ROU as at 31st March, 2026	**17,433**
ROU as at 31st March, 2025	**(15,395)**

14.5 INTANGIBLE ASSET UNDER DEVELOPMENT

(₹ in Lakhs)

Particulars	Intangible Asset Under Development
Gross Block as at 1st April, 2025	64
Gross Block as at 1st April, 2024	-
Additions during year ended 31st March, 2026	27
Additions during year ended 31st March, 2025	(64)

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

14.5 INTANGIBLE ASSET UNDER DEVELOPMENT (Contd.)

(₹ in Lakhs)

Particulars	Intangible Asset Under Development
Deductions during year ended 31st March, 2026	64
Deductions during year ended 31st March, 2025	-
Gross Block as at 31st March, 2026	**27**
Gross Block as at 31st March, 2025	**(64)**

14.5.1 Ageing of Intangible Asset under development (IAUD)

(₹ in Lakhs)

CWIP	Amount in IAUD - 31st March, 2026				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	27	-	-	-	**27**
Projects temporarily suspended	-	-	-	-	**-**

(₹ in Lakhs)

CWIP	Amount in IAUD - 31st 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 31st March, 2026	As at 31st March, 2025
(i) Total outstanding dues of micro enterprises and small enterprises	4	24
(ii) Total outstanding dues to creditors other than micro enterprises and small enterprises	906	849
	910	**873**

15.1 Other payables

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
(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, 2026 from due date of payment

(₹ in Lakhs)

Particulars	Total	Less than 1 year	1 -2 years	2 -3 years	More than 3 year
MSME	4	4	-	-	-
Others	906	778	58	40	30
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

15 TRADE PAYABLES (Contd.)

Other Payable as at 31st March, 2026 from due date of payment

(₹ in Lakhs)

Particulars	Total	Less than 1 year	1 -2 years	2 -3 years	More than 3 year
Others	-	-	-	-	-

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	-	-	-

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:

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Principal amount remaining unpaid as at the end of the period	4	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.	-	-

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

16 DEBT SECURITIES

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
At amortised cost		
Secured		
Non-convertible redeemable debentures (refer note 16.1, 16.2, 17.4 & 17.5)	56,588	40,144
Unsecured		
Commercial paper (refer note 16.2, 16.3, 17.4 & 17.5)	1,22,500	10,000
Less: Unamortised discount	(6,057)	(122)
	1,73,031	**50,022**
Debt Securities in India	1,73,031	50,022
Debt Securities outside India	-	-
	1,73,031	**50,022**

16.1 Details of security cover provided for debt securities

(₹ in Lakhs)

Security Clause	31st March, 2026	31st March, 2025
Secured by First Pari Passu Charge by way of hypothecation of all book debt receivables, Current Assets and Investments	50,625	36,125
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	**50,625**	**36,125**
Unamortised Cost	(9)	(16)
Interest Accrued	5,972	4,035
Total	**56,588**	**40,144**

16.2 Contractual Terms of repayment of Debt Securities

(₹ in Lakhs)

Particulars	Interest Rate Range	31st March, 2026	31st March, 2025
Issued on Private Placement Basis			
I. Secured			
Repayable on Maturity			
Maturing within 1 year	7.25% to 8.40%	28,000	5,500
Maturing Between 1 year to 3 Years	7.25% to 8.40%	22,625	29,125
Maturing Between 3 year to 5 Years		-	1,500
Maturing more than 5 Years		-	-
Total Payable on Maturity		**50,625**	**36,125**
Unamortised Cost		(9)	(16)
Interest Accrued		5,972	4,035
Total Carrying amount		**56,588**	**40,144**

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

16 DEBT SECURITIES (Contd.)

(₹ in Lakhs)

Particulars	Interest Rate Range	31st March, 2026	31st March, 2025
II. Unsecured			
Repayable on Maturity			
Maturing within 1 year	7.30% to 7.82%	1,22,500	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		**1,22,500**	**10,000**
Unamortised Discount		(6,057)	(122)
Interest Accrued		-	-
Total Carrying amount		**1,16,443**	**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, 2026 was ₹ 1,37,500 Lakhs (31st March, 2025 - ₹ 57,500 Lakhs)

17 BORROWINGS (OTHER THAN DEBT SECURITIES)

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Term Loan At amortised cost		
Secured		
Term loan from Bank (other than related party)	5,68,211	5,63,264
Term loan from Related Party	1,06,413	1,02,963
External commercial borrowings (ECB)	2,38,236	25,669
Term loans from other Parties (refer note 2.43)	86,557	70,568
	9,99,417	**7,62,464**
Unsecured		
Term loans from Bank (refer note 2.43)	-	-
Term loans from other Parties (refer note 2.43)	-	2,515
	-	**2,515**
Loans repayable on demand		
Secured		
From Bank (other than related party)	78,330	1,58,254
From Related Party	6,000	6,004
	84,330	**1,64,258**
	10,83,747	**9,29,237**
Borrowings in India	8,45,511	9,03,568
Borrowings outside India (refer note 17.2)	2,38,236	25,669
	10,83,747	**9,29,237**

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

17 BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

17.1 Contractual terms of repayment of borrowings

(₹ in Lakhs)

Particulars	Interest Rate Range	31st March, 2026	31st March, 2025
I. Secured			
1. Repayable in Installments			
i. On monthly basis			
Maturing within 1 year	7.00% to 8.55%	31,776	52,792
Maturing Between 1 year to 3 Years	7.00% to 8.55%	21,041	2,250
Maturing Between 3 year to 5 Years	7.00% to 7.45%	4,733	-
Maturing more than 5 Years	7%	539	-
Subtotal (A)		**58,089**	**55,042**
ii. On quarterly basis			
Maturing within 1 year	6.25% to 9.10%	2,45,044	3,32,012
Maturing Between 1 year to 3 Years	6.25% to 9.10%	3,31,590	3,68,863
Maturing Between 3 year to 5 Years	7.00% to 9.10%	1,08,181	62,077
Maturing more than 5 Years	7.25% to 8.70%	4,487	8,253
Subtotal (B)		**6,89,302**	**7,71,205**
iii. On half-yearly basis			
Maturing within 1 year		-	-
Maturing Between 1 year to 3 Years		-	-
Subtotal (C)		**-**	**-**
iv. On Yearly basis			
Maturing within 1 year	8.10%	2,500	-
Maturing Between 1 year to 3 Years	8.10%	3,750	-
Maturing Between 3 year to 5 Years		-	-
Subtotal (D)		**6,250**	**-**
2. Repayable on Maturity			
Maturing within 1 year	7.05% to 7.90%	91,684	74,000
Maturing Between 1 year to 3 Years	7.45% to 7.61%	2,37,088	25,758
Maturing Between 3 year to 5 Years		-	-
Subtotal (E)		**3,28,772**	**99,758**
Unamortised Cost		(564)	(753)
Interest Accrued		**1,898**	**1,470**
Total Secured		**10,83,747**	**9,26,722**
II. Unsecured			
Repayable on Maturity			
Maturing within 1 year		-	-
Maturing Between 1 year to 3 Years		-	2,500
Maturing Between 3 year to 5 Years		-	-
Maturing more than 5 Years		-	-
Unamortised Cost		**-**	**(0)**
Interest Accrued		**-**	**15**
Total Unsecured		**-**	**2,515**

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

17 BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

17.2 During the year ended 31st March, 2026, the Company had availed total External Commercial Borrowing (ECBs) of USD 220 Million (March 2025 : USD 30 Million) for financing prospective borrower as per the ECB guidelines issued by Reserve Bank of India ("RBI") from time to time. The borrowing has an original 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 (31st March, 2025 : ₹ Nil). Such borrowings are currently carried at ₹ 6,250 Lakhs as at 31st March, 2026 (31st March, 2025: ₹ 11,250 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 (Principle)

Rate of Interest (%)	0-3 Years	3-5 Years	>5 Years	Total
7.43% to 7.61%	2,37,088	-	-	**2,37,088**

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	31st March, 2026	31st March, 2025
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	10,77,413	9,21,005
Overdraft Against Fixed Deposit	5,000	5,000
Subtotal	**10,82,413**	**9,26,005**
Adjustment to carrying value for unamortised cost and accrued interest	**1,334**	**717**
Total	**10,83,747**	**9,26,722**

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

18 SUBORDINATED LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
At amortised cost		
Unsecured		
Non-convertible redeemable debentures - Related Party	24,612	24,548
Non-convertible redeemable debentures - Others	67,023	23,059
	91,635	**47,607**

18.1 There is no subordinated liability measured at FVTPL or designated at FVTPL.

18.2 Contractual terms of repayment of subordinated liabilities

(₹ in Lakhs)

Particulars	Interest Rate Range	31st March, 2026	31st March, 2025
Issued on Private Placement Basis			
Repayable on Maturity			
Maturing within 1 year		-	-
Maturing Between 1 year to 3 Years	9.90%	25,000	-
Maturing Between 3 year to 5 Years	9.00%	20,000	25,000
Maturing more than 5 Years	8.85% to 8.90%	45,000	20,000
Total Payable on Maturity		**90,000**	**45,000**
Unamortised Cost		(1,210)	(153)
Interest Accrued		2,845	2,759
Total Carrying amount		**91,635**	**47,606**

19 LEASE LIABILITY

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Lease Liability *	19,074	16,854
	19,074	**16,854**

*Refer note 47 for the contractual maturities of lease liabilities

20 OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Assignee related payable	7,897	10,344
Employee related payable	6,378	3,594
Auction Related Payables	-	150
Commission Payable	1,653	2,366
Account Payable - Stale Cheque	723	620
Provision for expense	4,677	2,918
Other payables*	310	237
	21,638	**20,229**

*Includes auction deposit payable

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

21 CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Provision for taxation (net of advance tax)	-	1,161
	-	**1,161**

22 PROVISIONS

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Provision for Gratuity (Refer Note 38)	1,107	715
Provision for Compensated leave absences (Refer Note 38)	791	611
Provision for others	85	55
	1,983	**1,381**

23 OTHER NON-FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Advances from customers	1,829	1,737
Statutory dues payable	1,021	853
	2,850	**2,590**

24 EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
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:		
37,42,06,101 (Previous year 37,27,16,854) Equity Shares of ₹ 10 each fully paid up	37,421	37,272
	37,421	**37,272**

(a) Reconciliation of the number of shares outstanding and amount of share capital at the beginning and at the end of the period

Particulars	As at 31st March, 2026		As at 31st March, 2025	
	Number of Shares	Rupees in Lakhs	Number of Shares	Rupees in Lakhs
Balance at the beginning of the year	37,27,16,854	37,272	36,93,86,899	36,939
Add: ESOP exercised	14,89,247	149	33,29,955	333
Balance at the end of the year	**37,42,06,101**	**37,421**	**37,27,16,854**	**37,272**

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

24 EQUITY SHARE CAPITAL (Contd.)

(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.

(c) Details of equity shares held by shareholders holding more than 5% shares of the aggregate shares in the Company

Particulars	As at 31st March, 2026		As at 31st March, 2025	
	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)	60.79%	22,747	61.03%	22,747
- True North Fund VI LLP	7.26%	2,717	8.66%	3,229

(d) Details of equity shares held by Promoters in the Company

As at 31st March, 2026

Promoters Name	No. of Shares	Percentage Of Holding	% of changes during period ended 31st March, 2026
Federal Bank Limited	22,74,71,046	60.79%	(0.24%)

As at 31st March, 2025

Promoters Name	No. of Shares	Percentage Of Holding	% of changes during period ended 31st March, 2025
Federal Bank Limited	22,74,71,046	61.03%	(0.55%)

(e) Number of shares reserved for ESOPs

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Equity Shares of ₹ 10 fully paid up		
Number of shares reserved for ESOPs	1,05,51,341	72,56,836

25 OTHER COMPONENTS OF EQUITY

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Securities Premium	1,12,218	1,10,945
Share Application Money Pending Allotment	16	-
Employee stock option outstanding	1,341	767
Debt instruments through OCI	9,803	10,629
Statutory Reserve	26,465	19,593
General Reserve	10	10
Capital Redemption Reserve	200	200
Cash Flow Hedges Reserve	2,369	(2)
Surplus in the Statement of Profit and Loss	1,02,767	75,322
	2,55,189	**2,17,464**

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

25 OTHER COMPONENTS OF EQUITY (Contd.)

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.

b) Share Application Money Pending Allotment

Money received for share application for which allotment is pending.

c) 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.

d) Other Comprehensive Income

It represents the fair value gains/(losses) post tax on loans and investments.

e) Statutory Reserve

Statutory Reserve represents the Reserve fund created under Section 45-IC of the Reserve Bank of India Act, 1934.

f) General Reserve

The reserve is a distributable reserve maintained by the Company out of transfers made from annual profits.

g) Capital Redemption Reserve

Capital Redemption Reserve represents the reserve created for a sum equal to nominal value of the preference share redeemed.

h) Cash Flow Hedges Reserve

It represents the cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI.

i) 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.

REVENUE FROM OPERATIONS

26 INTEREST INCOME

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Interest on loans	1,96,762	1,73,517
Interest on fixed deposits	1,624	1,555
Income on direct assignment	10,198	15,231
Interest income from investments	2,175	1,957
Interest income on security deposit	148	198
	2,10,907	**1,92,458**

Note: No loans have been measured at FVTPL.

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

27 FEE AND COMMISSION INCOME

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Income From Distribution	4,083	5,915
Loan Servicing Fee	525	272
Other fee and charges	5,061	4,984
	9,669	**11,171**

28 NET GAIN ON FAIR VALUE CHANGES

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
a) Net gain on financial instrument at fair value through profit or loss	1,784	2,558
	1,784	**2,558**
b) Fair value changes:		
- Realised	1,793	2,596
- Unrealised	(9)	(38)
Total Net gain on fair value changes	**1,784**	**2,558**

29 OTHER INCOME

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Income from Provision of Facilities / Services	-	1,294
Interest On Income Tax Refunds	7	84
Miscellaneous Income*	294	416
	301	**1,795**

*Includes notice pay recoveries from employees, payables written back and modification gain on lease.

30 FINANCE COSTS

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Interest on borrowings (other than debt securities)	73,394	73,220
Foreign currency translation loss*	172	240
Interest on debt securities	7,127	8,403
Interest on subordinated liabilities	4,356	1,257
Interest on lease liability	1,328	1,204
Other interest expense	1,555	1,054
	87,932	**85,378**

*It represents net foreign exchange changes (loss) on foreign currency borrowings amounting to ₹ 279 Lakhs (31st March, 2025: ₹ 405 Lakhs) and mark to market gain on derivative instruments amounting to ₹ 107 Lakhs (31st March, 2025: Gain ₹ 165 Lakhs). This includes gain or loss on foreign currency transactions.

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

31 FEES AND COMMISSION EXPENSES

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Commission and brokerage	(20)	1,850
	(20)	**1,850**

During the year, the Company ceased its Distribution vertical which used to source business for Federal Bank for which fees and commission expenses were incurred by the Company. However, provision taken in previous year exceeded actual invoices paid in current year which led to release of excess provision in current year.

32 IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Loans measured at amortised cost*		
Bad debts (net of recovery)	8,352	3,151
ECL Provision	(537)	9,824
Loans measured at fair value through other comprehensive income*		
Bad debts (net of recovery)	5,023	1,564
ECL Provision	(689)	6,392
Investments measured at amortised cost*		
ECL Provision on Investment	(625)	375
Other assets*		
ECL Provision on Receivables	3	330
	11,527	**21,636**

*Note: Other than financial instuments measured at amortised cost and FVOCI, there are no financial instruments measured at FVTPL.

33 EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Salaries and wages	40,027	35,928
Contribution to provident and other funds (Refer note 38) (refer note 2.31)	1,799	1,650
Share based payments to employees (Refer note 46)	1,181	130
Staff welfare expenses	1,386	1,322
	44,393	**39,030**

34 OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Advertisement and business promotion	600	471
Auditors' remuneration (refer note below 34.1)	92	88
Commission and sitting fees to Directors*	170	165
Insurance	1,101	424

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

34 OTHER EXPENSES (Contd.)

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Legal and professional fees	4,237	3,997
Collection Agency Commission	2,389	2,581
Printing and stationery	609	407
Rates and taxes	653	174
Rent	681	956
Repairs and maintenance - Machinery	20	286
Technology cost	4,387	4,348
Electricity charges (refer note 2.40)	602	623
Corporate social responsibility ('CSR') (refer note 34.2)	584	473
Sourcing expenses	1,474	720
Office expenses	447	652
Postage and courier	609	603
Goods & service tax expenses	3,037	3,126
Travelling and conveyance	2,290	2,264
Recruitment charges	360	237
Servicing fees - Micro finance loans	-	5
Valuation charges	-	20
Housekeeping and security charges	1,596	1,310
Loss on sale of assets	26	34
Operational Loss	(36)	23
Securitisation expenses	1,162	669
Miscellaneous expenses	165	151
Penalty and Fines (Refer Note 48.22)	2	4
Listing Fees	24	17
	27,281	**24,828**

34.1 Auditors' remuneration*

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
For Statutory Audit	35	34
For Limited Review	41	42
For Other Matters	5	8
For Out of pocket expenses	11	4
	92	**88**

*Previous year figures includes remuneration paid to previous auditors.

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

34 OTHER EXPENSES (Contd.)

34.2 Corporate Social Responsibility Expenditure

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Amount required to be spent during the year	583	473
Amount approved by the Board to be spent during the year	583	473
Amount spent during the year		
(a) Construction / acquisition of asset	-	-
(b) On purpose other than (a) above	584	473
Excess / (shortfall)	1	-
Nature of activities	Nutritional outreach program for the underprivileged children suffering from Cancer, facilitate Indian blind women cricket team & Skill building program through NAPS	Nutrition to under privileged Children Suffering from Cancer, Reviving Livelihood - Enabling Women Entrepreneurs
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 31st March, 2026	For the year ended 31st March, 2025
Current Tax Expense		
Current Tax for the year	12,125	10,122
Current tax expense / (benefit) pertaining to prior years	(18)	47
	12,107	**10,169**

35.2 Deferred Taxes

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Change in deferred tax assets	(366)	(2,312)
Net deferred tax expense	(366)	(2,312)
Total income tax expense recognised in the year	**11,741**	**7,857**

35.3 Reconciliation of tax charge

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

35 INCOME TAXES (Contd.)

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Profit before income tax expense	46,101	30,375
Enacted tax rate in India	25.17%	25.17%
Income tax expense/ (benefits) calculated on above rate	11,603	7,645
Tax effect of amounts not deductible/not taxable in calculating taxable income		
Adjustment related to tax of prior years	(18)	47
Effect of Non-deductible expenses	156	165
Income tax expense	**11,741**	**7,857**

The effective income tax rate for the year ended 31st March, 2026 is 25.47% (31st March, 2025 is 25.87%).

35.4 Movement of Deferred tax assets / Liabilities

(₹ in Lakhs)

For the period ended 31st March, 2026	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	710	128	-	-	128	838
Provision for Employee benefits	329	248	15	-	263	592
Provision for Expected Credit Loss	6,438	76	-	-	76	6,514
Lease	530	98	-	-	98	628
Effective interest rate on Financial assets	434	334	-	-	334	768
Effective interest rate on Financial liabilities	476	126	-	-	126	602
Foreign currency translation gain/(loss)	103	9	-	-	9	112
Other timing differences	24	-	-	-	-	24
IPO Expense	345	(115)	-	-	(115)	230
Total Deferred Tax Assets	**9,387**	**905**	**15**	**-**	**920**	**10,306**
Deferred Tax Liabilities						
Interest income on NPA	47	-	-	-	-	47
Gain/(Loss) on fair valuation of mutual fund	4	(2)	-	-	(2)	2
Fair valuation of security deposit	59	37	-	-	37	96
Effective interest rate on Financial Liabilities	539	317	-	-	317	856
Fair Valuation of financial assets measured at FVOCI	3,657	-	512	-	512	4,169
Interest/Other Charges on Direct Assignment Transaction	4,011	187	-	-	187	4,198
Total Deferred Tax Liabilities	**8,316**	**539**	**512**	**-**	**1,051**	**9,368**
Total	**1,071**	**366**	**(497)**	**-**	**(132)**	**938**

(₹ in Lakhs)

For the period ended 31st 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 :						

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

35 INCOME TAXES (Contd.)

(₹ in Lakhs)

For the period ended 31st March, 2025	Deferred tax asset/ liability Opening	In Profit or Loss	In OCI	Directly in Equity	Total Movement	Deferred tax asset/ liability Closing
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
Fair Valuation of financial assets measured at FVOCI	-	-	-	-	-	-
Effective interest rate on Financial liabilities	333	143	-	-	143	476
Fair valuation of security deposit	-	-	-	-	-	-
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**

36 CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

(₹ in Lakhs)

Particulars	As at 1st April, 2025	As represented in Cash Flow Statement	Others#	As at 31st March, 2026
Debt securities	50,022	1,27,000	(3,991)	1,73,031
Borrowings (other than debt securities)	9,29,237	1,53,909	601	10,83,747
Sub ordinated liabilites	47,607	45,000	(972)	91,635
Lease Liabilities	16,854	(4,786)	7,006	19,074
	10,43,720	**3,21,123**	**2,644**	**13,67,487**

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

36 CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES (Contd.)

(₹ in Lakhs)

Particulars	As at 1st April, 2024	As represented in Cash Flow Statement	Others#	As at 31st 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
Sub ordinated liabilites	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**

#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.

37 EARNINGS PER SHARE ('EPS')

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Net Profit from operations attributable to equity holders (₹ in Lakhs)	34,360	22,518
Weighted average number of equity shares outstanding	37,35,44,548	37,14,91,902
Weighted average number of equity shares for Basic Earnings per share	**37,35,44,548**	**37,14,91,902**
Basic EPS (in ₹)	**9.20**	**6.06**
Number of shares for ESOP dilution	32,66,932	14,43,400
Weighted average number of equity shares for Diluted Earnings per share	**37,68,11,480**	**37,29,35,303**
Diluted EPS after ESOP (in ₹)	**9.12**	**6.04**
Earnings per share (in ₹)		
Basic Earnings per share	9.20	6.06
Diluted Earnings per share	9.12	6.04

[Nominal value of shares ₹ 10 each]

38 RETIREMENT BENEFIT PLANS

Defined Contribution Plan

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Provident Fund	1,776	1,621
Employee State Insurance	23	29
	1,799	**1,650**

The Company has contributed ₹ Nil (31st March,2025 is ₹ Nil) towards Gratuity trust during the year ended 31st March, 2026.

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 and compensated absences based on the following assumptions:-

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

38 RETIREMENT BENEFIT PLANS (Contd.)

(i) Actuarial assumptions

(₹ in Lakhs)

Particulars	GRATUITY		COMPENSATED ABSENCE	
	31st March, 2026	31st March, 2025	31st March, 2026	31st March, 2025
Mortality	IALM (2012-14) Ult.	IALM (2012-14) Ult.	IALM (2012-14) Ult.	IALM (2012-14) Ult.
Interest/ Discount rate	6.46%	6.37%	6.46%	6.37%
Rate of increase in compensation	6.50%	6.50%	6.50%	6.50%
Expected average remaining service	5.15	5.02	5.15	5.02
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%

(ii) Changes in the present value of obligation

(₹ in Lakhs)

Particulars	GRATUITY		COMPENSATED ABSENCE	
	31st March, 2026	31st March, 2025	31st March, 2026	31st March, 2025
Present value of obligation at the beginning of the year	1,012	745	611	465
Interest expense	61	48	33	27
Current service cost	442	354	158	163
Past service cost	185	-	158	-
Actuarial (gain) /loss	(35)	(130)	84	123
Benefits paid	(251)	(5)	-	-
Benefits paid by the Company	-	-	(252)	(167)
Present Value of obligation at the end of the year	**1,413**	**1,012**	**791**	**611**

(iii) Changes in the Fair value of Plan Assets

(₹ in Lakhs)

Particulars	GRATUITY		COMPENSATED ABSENCE	
	31st March, 2026	31st March, 2025	31st March, 2026	31st March, 2025
Fair value of plan assets at beginning of the year	297	278	-	-
Adjustment to Opening Fair Value of Plan Asset	(1)	-	-	-
Return on Plan Assets excl. interest income	(10)	5	-	-
Interest income	19	19	-	-
Contributions by Employer	-	-	252	167
Contributions by Employee	-	-	-	-
Benefits Paid	-	(5)	(252)	(167)
Fair Value of Plan Assets at the end of the year	**306**	**297**	**-**	**-**

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

38 RETIREMENT BENEFIT PLANS (Contd.)

(iv) Assets and liabilities recognised in the balance sheet

(₹ in Lakhs)

Particulars	GRATUITY		COMPENSATED ABSENCE	
	31st March, 2026	31st March, 2025	31st March, 2026	31st March, 2025
Present value of the obligation at the end of the year	1,413	1,012	791	611
Less: Fair value of plan assets at the end of the year	306	297	-	-
Net liability recognised	**(1,107)**	**(715)**	**(791)**	**(611)**
Recognised under provisions				
Current provisions	127	108	247	197
Non-current provisions	1,286	904	544	414

(v) Expenses recognised in the Statement of Profit and Loss

(₹ in Lakhs)

Particulars	GRATUITY		COMPENSATED ABSENCE	
	31st March, 2026	31st March, 2025	31st March, 2026	31st March, 2025
Current Service Cost	442	354	158	163
Past service cost	-	-	-	-
Net interest (income)/ expense	42	29	33	27
Past Service Cost-(vested benefits)	184		158	
Return on Plan Assets excluding net interest	-	-	-	-
Actuarial gain/loss on past employment benefit obligation	-	-	-	-
Net cost recognised in the current year	**668**	**383**	**349**	**190**
Included in note 33 'Employee benefits expense'				

(vi) Expenses recognised in the Statement of Other comprehensive income (OCI)

(₹ in Lakhs)

Particulars	GRATUITY		COMPENSATED ABSENCE	
	31st March, 2026	31st March, 2025	31st March, 2026	31st March, 2025
Actuarial (gain)/loss on post employment benefit obligation	(35)	(131)	84	123
Return on Plan Assets excluding net interest	10	(5)	-	-
Total measurement cost/(credit) for the year recognised in OCI	**(25)**	**(136)**	**84**	**123**

(vii) Reconciliation of Net asset / (liability) recognised:

(₹ in Lakhs)

Particulars	GRATUITY		COMPENSATED ABSENCE	
	31st March, 2026	31st March, 2025	31st March, 2026	31st March, 2025
Net asset / (liability) recognised at the beginning of the year	715	467	611	465
Adjustment to opening balance	1	-		
Contributions paid	-	-	(252)	(167)
Benefits paid directly by company	(251)	-	-	-

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

38 RETIREMENT BENEFIT PLANS (Contd.)

(₹ in Lakhs)

Particulars	GRATUITY		COMPENSATED ABSENCE	
	31st March, 2026	31st March, 2025	31st March, 2026	31st March, 2025
Amount recognised in other comprehensive income	(25)	(136)	84	123
Expenses recognised at the end of year	668	383	348	190
Mortality charges and taxes	-	-	-	-
Net asset / (liability) recognised at the end of the year	**1,107**	**715**	**791**	**611**

(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 31st March, 2026	1,255	1,603	1,581	1,270
PVO as at 31st March, 2025	903	1,143	1,127	914

(ix) Category of planned assets

Particulars	31st March, 2026	% Allocation	31st March, 2025	% Allocation
Gratuity Fund (Subscription to HDFC Life Insurance Company Limited)*	306	100%	297	100%
Net asset / (liability) recognised at the end of the year	306	100%	297	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	31st March, 2026	31st March, 2025
Weighted average duration of plan (in years)	11.23	10.66

(xi) Future commitments and pay-outs (GRATUITY)

(₹ in Lakhs)

Year	Pay-outs 31st March, 2026	Pay-outs 31st March, 2025
First	126.87	108.31
Second	110.56	69.22
Third	67.84	62.83
Fourth	44.14	32.72
Fifth	54.89	24.58
Six to Ten	214.88	157.85

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

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 15th November, 2024)
Subsidiary of Associate of Holding Company	Equirus Insurance Broking Private Limited (till 15th November, 2024)
Enterprises over which related party has significant influence	Perfios Account Aggregation Services Pvt Ltd
Key Managerial Personnel (KMP)	Parvez Mulla, Managing Director and CEO (w.e.f 11th November, 2024)
	Anil Kothuri, Managing Director and CEO (till 8th November, 2024)
	C V Ganesh, Chief Financial Officer
	S Rajaraman, Company Secretary (till 31st July, 2025)
	Parthasarathy Iyengar, Company Secretary (w.e.f 1st August, 2025)
	Balakrishnan Krishnamurthy, Chairman & Independent Director (till 27th September, 2024)
	Shyam Srinivasan, Non Executive Chairman (w.e.f. 25th September, 2024) and Non Executive Director
	Ashutosh Khajuria, Nominee Director (till 30th April, 2024)
	Gauri Rushabh Shah, Independent Director (till 12th February, 2025)
	Maninder Singh Juneja, Nominee Director
	Ramesh Sundararajan, Independent Director
	Sunil Satyapal Gulati, Independent Director
	Harsh Dugar (w.e.f. 1st May, 2024), Nominee Director
	Sonal Dave (w.e.f. 24th September, 2024), Independent Director
	Krishnan Venkat Subramanian (w.e.f. 30th November, 2024), Nominee Director
	Muralidharan Rajamani (w.e.f. 24th January, 2025), Independent Director
	Mona Mukund Bhide (w.e.f. 29th November, 2024), Independent Director

39.2 Transactions during the year with related parties:

(₹ in Lakhs)

Nature of Transactions	For year ended 31st March, 2026	For year ended 31st March, 2025
The Federal Bank Limited		
Income from distribution business	316	3,307
Servicing Fee Income on Securitisation	25	30
Interest Received on fixed deposits	3	-
Interest paid on Cash Credit Facility & Term Loan	7,812	8,482
MTM gain on Derivative Financial Instrument (asset)	1,448	-
Processing Fees	111	143
Interest on NCD	2,324	2,320
Brand Usage Charges	321	244
Service charge for CSGL Transactions	-	1
Term Loan repaid	26,486	25,578

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

39 RELATED PARTY DISCLOSURES (Contd.)

(₹ in Lakhs)

Nature of Transactions	For year ended 31st March, 2026	For year ended 31st March, 2025
Term Loan availed	30,000	55,000
Bank Charges paid	43	-
Cash Credit availed	-	-
Cash Credit repaid	-	-
WCDL availed	12,000	-
WCDL repaid	12,000	-
Perfios Account Aggregation Services Pvt Ltd		
IT Expenses	0	-
Key Managerial Personnel		
Investment in equity shares	191	490
Employee Stock Option Scheme - Key Management Personnel		
No.of Options granted under ESOS (in numbers)	13,04,248	37,25,000
No.of Options outstanding under ESOS (in numbers)	51,19,248	42,17,000

*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

39.3 Amount due (to) / from related parties:

(₹ in Lakhs)

Balance outstanding as at the year end	As at 31st March, 2026	As at 31st March, 2025
The Federal Bank Limited		
Current Account – Receivable/(Payable)	39,689	15,379
Borrowings		
- Term Loan	1,06,597	1,03,083
- WCDL	6,000	6,000
- Long Term Borrowings	23,470	23,470
- Derivative Financial Instrument (asset)	1,448	-
Account Receivable & Reimbursements	5	-
Account Payable & Reimbursements	-	157
Other Payable	-	4
Fixed Deposit	476	-
True North Fund VI LLP		
Other Payable	-	11

(₹ in Lakhs)

Maximum outstanding during the year	For year ended 31st March, 2026	For year ended 31st March, 2025
The Federal Bank Limited		
Current Account – Receivable/(Payable)	39,689	15,379
Account Receivable & Reimbursements	203	2,002
Borrowings		
- Term Loan	1,06,597	1,03,083
- WCDL	6,000	6,000
- Long Term Borrowings	23,470	23,470

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

39 RELATED PARTY DISCLOSURES (Contd.)

39.4 Details of salary and other emoluments to KMPs of the Company

(₹ in Lakhs)

S. No.	Key Management Personnel Compensation	For year ended 31st March, 2026	For year ended 31st March, 2025
(a.)	Short term employee benefits[1]	852	1,065
(b.)	Post employment benefits[2]	-	-
(c.)	Other long term benefits	-	-
(d.)	Termination benefits	-	-
(e.)	Share based payment[3]	-	-

Note -

1. Includes sitting fees paid to independent directors ₹ 108 Lakhs (March 2025 ₹ 72 Lakhs) and profit-linked commission paid to non executive directors ₹ 42 Lakhs (March 2025 Nil)
2. 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.
3. 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.

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). 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

Particulars	As at 31st March, 2026	As at 31st March, 2025
CRAR (%)	22.40	21.92
CRAR - Tier I Capital (%)	17.52	18.92
CRAR - Tier II Capital (%)	4.88	3.00
Amount of subordinated debts considered as Tier II capital (₹ in Lakhs)	66,417	31,960

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

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.

41.2 Fair value of financial assets and liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2026				
	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)]	1,33,973	1,33,973	-	-	-
Bank balances other than cash and cash equivalent [refer note 41.4(i)]	5,122	5,122	-	-	-
Trade Receivables [refer note 41.4(i)]	727	727	-	-	-
Other receivables [refer note 41.4(i)]	2,240	2,240	-	-	-
Loans and advances to customers	11,33,685	11,57,839	-	-	11,57,839
Financial investments	38,724	38,724	38,724	-	-
Other financial assets	20,736	20,736	-	20,736	-
Total	**13,35,207**	**13,59,361**	**38,724**	**20,736**	**11,57,839**
Financial assets measured at FVOCI					
Loans and advances to customers	2,98,200	2,98,200	-	-	2,98,200
Financial investments	-	-	-	-	-
Derivative financial instruments	21,342	21,342	-	21,342	-
Total	**3,19,542**	**3,19,542**	**-**	**21,342**	**2,98,200**
Financial assets measured at FVTPL					
Derivative financial instruments	160	160	-	160	-
Financial investments	1,443	1,443	4	1,439	-
Total	**1,603**	**1,603**	**4**	**1,599**	**-**
Financial liabilities measured at amortised cost					
Trade Payables [refer note 41.4(i)]	910	910	-	-	-
Other Payables	-	-	-	-	
Debt Securities	1,73,031	1,66,752	-	1,66,752	-

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

41 FAIR VALUE MEASUREMENT (Contd.)

(₹ in Lakhs)

Particulars	As at 31st March, 2026				
	Carrying Value	Fair Value	Fair value		
			Level 1	Level 2	Level 3
Borrowing other than debt securities	10,83,747	10,40,639	-	-	10,40,639
Subordinated Liabilities	91,635	63,561	-	63,561	-
Other financial liabilities	21,638	21,638	-	21,638	-
Total	**13,70,961**	**12,93,500**	**-**	**2,51,951**	**10,40,639**
Financial liabilities measured at FVOCI					
Derivative financial instruments	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

(₹ in Lakhs)

Particulars	As at 31st 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)]	565	565	-	-	-
Other receivables [refer note 41.4(i)]	1,366	1,366	-	-	-
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	**9,42,882**	**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 FVTPL					
Derivative financial instruments	123	123	-	123	-
Total	**123**	**123**	**-**	**123**	**-**

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

41 FAIR VALUE MEASUREMENT (Contd.)

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 (Amortised Cost)	These have been valued at amortised cost (refer note 41.4 for methodologies used for valuation).
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).

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.

41 FAIR VALUE MEASUREMENT (Contd.)

(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 asset measured at FVOCI is as below:

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Balance at the beginning of the year	3,44,432	2,27,069
Additions during the year	1,06,275	2,16,828
MTM gain recognised in OCI	(826)	4,152
MTM gain recognised in P&L	-	-
Realised during the year	(1,49,359)	(1,03,617)
Reclass to Amortised cost	(2,322)	-
Balance at the end of the year	2,98,200	3,44,432

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.

(₹ in Lakhs)

Assets	As at 31st March, 2026			As at 31st March, 2025		
	Within 1 year	After 1 year	Total	Within 1 year	After 1 year	Total
Financial Assets						
Cash and cash equivalents	1,33,973	-	1,33,973	72,460	-	72,460
Bank balance other than cash and cash equivalents	5,122	-	5,122	11,009	-	11,009
Derivative financial instruments	-	21,502	21,502	58	-	58
Trade receivables	726	1	727	565	-	565
Other receivables	2,240	-	2,240	1,366	-	1,366
Loans	9,01,178	5,30,707	14,31,885	6,21,461	5,43,176	11,64,637
Investments	4	40,163	40,167	11,812	28,607	40,419
Other financial assets	5,779	14,957	20,736	1,274	7,397	8,671
(2) Non-financial Assets						
Current tax assets (net)	-	199	199	-	-	-
Deferred tax Asset (net)	-	938	938	-	1,070	1,070
Property, Plant and Equipment	-	4,179	4,179	-	3,191	3,191
Capital work-in-progress	177	-	177	-	28	28
Intangible assets under development	27	-	27	-	64	64
Other Intangibles assets	-	362	362	-	292	292
Right of Use Assets	-	17,433	17,433	-	15,395	15,395
Other non-financial assets	3,686	4,125	7,811	5,174	571	5,745
Assets held for sale	-	-	-	-	-	-
Total Assets	**10,52,912**	**6,34,566**	**16,87,477**	**7,25,179**	**5,99,791**	**13,24,970**

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

42 MATURITY ANALYSIS OF ASSETS AND LIABILITIES (Contd.)

(₹ in Lakhs)

Assets	As at 31st March, 2026			As at 31st March, 2025		
	Within 1 year	After 1 year	Total	Within 1 year	After 1 year	Total
Liabilities						
Financial liabilities						
Derivative financial instruments	-	-	-	123	-	123
Trade Payables	782	128	910	849	24	873
Other Payables	-	-	-	157	-	157
Debt Securities	1,53,261	19,770	1,73,031	18,259	31,763	50,022
Borrowings (other than Debt securities)	3,72,895	7,10,852	10,83,747	3,70,761	5,58,476	9,29,237
Subordinated Liabilities	-	91,635	91,635	-	47,607	47,607
Lease Liability	3,488	15,586	19,074	3,082	13,772	16,854
Other financial liabilities	21,636	-	21,638	20,229	-	20,229
Non-Financial liabilities						
Current tax liabilities (net)	-	-	-	1,161	-	1,161
Provisions	374	1,609	1,983	305	1,076	1,381
Other non-financial liabilities	2,850	-	2,850	2,590	-	2,590
Total liabilities	**5,55,287**	**8,39,579**	**13,94,869**	**4,17,516**	**6,52,718**	**10,70,234**
Net	**4,97,624**	**(2,05,013)**	**2,92,608**	**3,07,665**	**(52,927)**	**2,54,736**

43 REVENUE FROM CONTRACTS WITH CUSTOMERS

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Type of Service		
Fees and commission income (refer note 27)	9,669	11,171
Other income	-	1,294
Total	**9,669**	**12,465**
Geographical market		
In India	9,669	12,465
Outside India	-	-
Total	**9,669**	**12,465**
Timing of recognition of revenue		
Performance obligation satisfied at a point in time	9,669	12,465
Performance obligation satisfied over a period in time	-	-
Total	**9,669**	**12,465**

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Contract receivables		
Trade receivables	709	1,064
Other receivable / (payable)	7	(157)
Total	**716**	**907**

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

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.
- 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 Stuctural 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 financials 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.

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

44 RISK MANAGEMENT (Contd.)

(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.

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 materialised 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 (i), 3.6 (j) 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.

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

44 RISK MANAGEMENT (Contd.)

Historical DPD data is utilised 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.

(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 quantitave 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 31st March, 2026			
	Retail	Structured Finance and corporate finance (Real Estate and Non Real Estate)	Financial Services	Total
Financial assets				
Cash and cash equivalent	-	-	1,33,973	1,33,973
Bank balances other than cash and cash equivalent	-	-	5,122	5,122
Derivative financial instruments	-	-	21,502	21,502
Trade Receivables	-	-	727	727
Other receivables	-	-	2,240	2,240
Loans and advances to customers	14,31,885	-	-	14,31,885
Financial investments	-	-	40,167	40,167
Other Financial Assets	-	-	20,736	20,736
Total	**14,31,885**	**-**	**2,24,467**	**16,56,352**

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

44 RISK MANAGEMENT (Contd.)

(₹ in Lakhs)

Industry Analysis	As at 31st 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	-	-	565	565
Other receivables	-	-	1,366	1,366
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**

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 31st March, 2026	As at 31st March, 2025	
Loans (at amortised cost)	11,47,508	7,98,580	**Property; book receivables, Gold jewellery and covered by guarantees**
Loans (at FVOCI)	2,98,200	2,62,059	
Total (A)	**14,45,708**	**10,60,639**	

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 31st March, 2026	**17,878**	**8,689**	**9,189**	**33,474**
As at 31st March, 2025	**19,475**	**9,450**	**10,025**	**39,175**

(₹ 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 31st March, 2026	**13,517**	**4,201**	**9,316**	**12,933**
As at 31st March, 2025	**7,127**	**2,715**	**4,412**	**7,683**

44.2 Liquidity Management

Liquidity risk arises because of the possibility that the Company might be unable to meet its payment.

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

44 RISK MANAGEMENT (Contd.)

44.2.1 Maturity pattern of certain items of assets and liabilities as at 31st March, 2026

(₹ 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									
Other than market borrowings	33,384	27,367	59,474	1,11,188	1,41,482	5,93,397	1,12,503	4,951	**10,83,746**
Market borrowings	25,902	17,170	629	25,730	83,831	47,524	20,000	43,881	**2,64,667**
Trade payables	228	228	455	-	-	-	-	-	**910.0**
Lease Liability	1,495	499	498	498	498	5,788	5,788	4,010	**19,074**
Other financial liabilities	18,233	3,405	-	-	-	-	-	-	**21,638**
Assets									
Advances	24,112	21,668	17,987	65,315	7,72,096	1,98,436	1,98,200	1,34,071	**14,31,885**
Investments	4	-	-	-	-	-	-	40,163	**40,167**

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									
Other than market borrowings	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**

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 31st March, 2026	Encumbered			Unencumbered		Total carrying amount
	Pledged as collateral	Contractually/ Legally restricted assets*	Others$	Available as collateral	Others#	
Cash and cash equivalent	-	-	-	1,33,973	-	1,33,973
Bank balances other than cash and cash equivalent	5,122	-	-	-	-	5,122
Derivative financial instruments	-	-	-	-	21,502	21,502
Trade Receivables	-	-	-	727	-	727
Other Receivables	-	-	-	2,240	-	2,240
Loans and advances to customers	-	-	12,95,740	1,36,145	-	14,31,885
Financial investments	-	-	-	40,167	-	40,167
Other Financial Assets	18,280	-	-	2,357	99	20,736
	23,402	**-**	**12,95,740**	**3,15,609**	**21,601**	**16,56,352**

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

44 RISK MANAGEMENT (Contd.)

(₹ in Lakhs)

As at 31st 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	-	-	-	565	-	565
Other Receivables	-	-	-	1,366	-	1,366
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**

*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.

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.

a) 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.

b) Interest Rate Risk :- Interest Rate Risk is the risk of change in market interest rates which might adversely affect the Company's profitability.

c) 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:

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

44 RISK MANAGEMENT (Contd.)

(₹ in Lakhs)

For the year ended	Increase/(Decrease) in basis points	Increase in profit after tax	Decrease in profit after tax
Loans			
Mar 31, 2026	**25/(25)**	**652**	**(652)**
Mar 31, 2025	**25/(25)**	**571**	**(571)**
Borrowings			
Mar 31, 2026	**25/(25)**	**(1,479)**	**1,479**
Mar 31, 2025	**25/(25)**	**(1,690)**	**1,690**

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).

44.3.4 Total Market Risk Exposure

(₹ in Lakhs)

Particulars	As at 31st March, 2026			As at 31st March, 2025		
	Carrying Amount	Traded Risk	Non-traded Risk	Carrying Amount	Traded Risk	Non-traded Risk
Financial Assets						
Cash and cash equivalent	1,33,973	-	1,33,973	72,460	-	72,460
Bank balances other than cash and cash equivalent	5,122	-	5,122	11,009	-	11,009
Derivative financial instruments	21,502	-	21,502	58	-	58
Trade Receivables	727	-	727	565	-	565
Other Receivables	2,240	-	2,240	1,366	-	1,366
Loans and advances to customers	14,31,885	-	14,31,885	11,64,637	-	11,64,637
Financial investments	40,167	38,728	1,439	40,419	40,211	208
Other Financial Assets	20,736	-	20,736	8,671	-	8,671
Total	**16,56,352**	**38,728**	**16,17,624**	**12,99,185**	**40,211**	**12,58,974**

(₹ in Lakhs)

Particulars	As at 31st March, 2026			As at 31st March, 2025		
	Carrying Amount	Traded Risk	Non-traded Risk	Carrying Amount	Traded Risk	Non-traded Risk
Financial Liabilities						
Derivative financial instruments	-	-	-	123	-	123
Trade payables	910	-	910	873	-	873
Other payables	-	-	-	157	-	157
Debt Securities	1,73,031	1,73,031	-	50,022	50,022	-
Borrowings other than debt securities	10,83,747	-	10,83,747	9,29,237	-	9,29,237
Subordinated liabilities	91,635	91,635	-	47,607	47,607	-
Lease Liability	19,074	-	19,074	16,854	-	16,854
Other Financial liabilities	21,638	-	21,638	20,229	-	20,229
Total	**13,90,035**	**2,64,666**	**11,25,369**	**10,65,102**	**97,629**	**9,67,473**

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

45 TRADE & OTHER RECEIVABLES

Provision matrix for Trade & Other Receivable

(₹ 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%**	**6.06%**	**0.00%**	**0.00%**	**0.07%**
As at 31st March, 2026	Estimated total gross carrying amount at default	2,911	33	24	1	2,969
	ECL Provision	-	(2)	-	-	(2)
	Net Carrying Amount	**2,911**	**31**	**24**	**1**	**2,967**
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**

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

46 ACCOUNTING FOR EMPLOYEE SHARE BASED PAYMENTS

Shareholders of the Company had approved "Fedbank Financial Services Limited Employee Stock Option Plan 2018" ("ESOP 2018 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.

Further, both the ESOP 2018 Plan and ESOP 2024 Plan were amended by Shareholders of the Company on 29th September, 2025.

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 and meeting such vesting conditions as may be mentioned in the grant letter, 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 31st March, 2026

Particulars	ESOS Scheme 2018		ESOS Scheme 2024	
	Options	**Weighted Average Exercise Price**	**Options**	**Weighted Average Exercise Price**
Options outstanding as at 1st April, 2025	35,31,836	65.44	37,25,000	95.60
Granted during the year	18,35,160	135.69	36,68,528	86.73
Exercised during the year	15,10,747	56.52	-	-
Forfeited/lapsed during the year	5,88,436	75.89	1,10,000	90.38
Options outstanding as at 31st March, 2026	32,67,813	107.26	72,83,528	91.21
Options exercisable	6,87,969	71.11	-	-

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

46 ACCOUNTING FOR EMPLOYEE SHARE BASED PAYMENTS (Contd.)

Movement in options outstanding under the Employee Stock Option Plan for the year ended 31st March, 2025

Particulars	ESOS Scheme 2018		ESOS Scheme 2024	
	Options	**Weighted Average Exercise Price**	**Options**	**Weighted Average Exercise Price**
Options outstanding as at 1st 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 31st March, 2025	35,31,836	65.44	37,25,000	95.60
Options exercisable	13,48,082	62.93	-	-

Following summarises the information about stock options outstanding as at 31st March, 2026.

Category	Weighted Average Exercise Price	Number of shares arising out of options	Weighted average remaining contractual life (in years)
Class A* (ESOS 2018)	107.26	32,67,813	2.04
Class B# (ESOS 2024)	91.21	72,83,528	2.41

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

*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 31st March, 2026		As at 31st March, 2025	
		ESOS Scheme 2018	**ESOS Scheme 2024**	**ESOS Scheme 2018**	**ESOS Scheme 2024**
Fair Value of Options at grant date	₹	6.50-62.97	18.11-34.04	6.50-43.86	20.63-31.19
Fair Value of Equity Shares at grant date	₹	42.11-158.24	86.23-95.60	42.11-107.18	95.60
Exercise Price	₹	30.00-158.24	86.23-95.60	30.00-107.18	95.60
Dividend Yield	%	0.00%	0.00%	0.00%	0.00%
Expected volatility	%	28.62%	23.99%	29.14%	23.63%
Risk free interest rate*	%	6.29%	6.25%	6.32%	6.56%
Expected life of the option*	Years	3.81	3.57	3.17	2.15

*The values in the above items are weighted average

The Company has recorded an employee compensation expense of ₹ 1,181 Lakhs in the Statement of Profit and Loss (₹ 130 Lakhs during the financial year ended 31st March, 2025 in the Statement of Profit and Loss). Refer note 33.

The Company carried Employee Stock Option reserve amounting to ₹ 1,342 Lakhs (₹ 767 Lakhs as at 31st March, 2025) in the Balance Sheet.

The total intrinsic value amounting to ₹ 1 Lakhs (₹ 34 Lakhs as at 31st March, 2025) 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.

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

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 31st March, 2026	As at 31st March, 2025
Opening Balance of ROU - Building	15,394	11,242
Net Addition during the year	5,679	7,422
Depreciation charges for the year	(3,641)	(3,270)
Total balance of ROU - Building	**17,433**	**15,394**

b) The changes in the carrying value of right of use assets - furniture for the year ended -

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Opening Balance of ROU - Furniture	-	7
Net Addition during the year	-	-
Depreciation charges for the year	-	(7)
Total balance of ROU - Furniture	**-**	**-**

c) The following is the movement in lease liabilities during the year ended -

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Opening Balance of Lease Liabilities	16,854	12,558
Addition during the year	5,353	6,859
Finance cost accrued during the year	1,328	1,204
Payment made during the year	(4,461)	(3,767)
Closing balance of lease liabilities	**19,074**	**16,854**

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 31st March, 2026	As at 31st March, 2025
Depreciation charge for right of use asset	3,641	3,277
Interest expense (included in finance cost)	1,328	1,204
Total	**4,969**	**4,481**

e) The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis as of -

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Less than one year	4,842	4,297
One to five years	14,163	13,861
More than five years	4,765	2,502
Total	**23,770**	**20,660**

f) Rental expense recorded for leases of low-value assets and short term leases was ₹ 564 Lakhs for the year ended 31st March, 2026. (For the year ended 31st March, 2025 : ₹ 361 Lakhs)

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

48 DISCLOSURES REQUIRED AS PER RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – REGISTRATION, EXEMPTIONS AND FRAMEWORK FOR SCALE BASED REGULATION) DIRECTIONS, 2025

The Reserve Bank of India, vide its circular reference RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 dated 28th November, 2025 outlined the regulatory guidance in relation to Ind AS financial statements. This included guidance for computation of 'owned funds' , 'net owned funds' and 'regulatory capital'.

48.01 Foreign Currency

The Company has entered into a foreign currency transaction during the year ended 31st March, 2026. The Company does not have any outstanding unhedged foreign currency exposure as at 31st March, 2026. The exposures are economically hedged.

48.02 Investments

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
(1) Value of investments		
(i) Gross value of investments		
(a) In India	40,167	41,044
(b) Outside India,	Nil	Nil
(ii) Provisions for depreciation		
(a) In India	-	625
(b) Outside India,	Nil	Nil
(iii) Net value of investments		
(a) In India	40,167	40,419
(b) Outside India,	Nil	Nil
(2) Movement of provisions held towards depreciation on investments		
(i) Opening balance	625	250
(ii) Add: Provisions made during the year	-	375
(iii) Less: Write-off/write-back of excess provisions during the year	(625)	-
(iv) Closing balance	-	625

48.03 Derivatives

a) Forward rate agreement/Interest rate swap

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
(i) The notional principal of swap agreements	2,44,646	37,279
(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	21,502	(65)

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

48 DISCLOSURES REQUIRED AS PER RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – REGISTRATION, EXEMPTIONS AND FRAMEWORK FOR SCALE BASED REGULATION) DIRECTIONS, 2025 (Contd.)

b) Exchange traded interest rate (IR) derivatives

(₹ in Lakhs)

Sr. No.	Particulars	As at 31st March, 2026	As at 31st March, 2025
(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

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 31st March, 2026		As at 31st March, 2025	
	Currency Derivatives*	Interest rate Derivative	Currency Derivatives*	Interest rate Derivative
(i) Derivatives (Notional Principal Amount)				
For Hedging*	2,43,499	1,148	37,252	27
(ii) Marked to Market Positions				
a) Assets (+)	21,502	-	58	-
b) Liability (-)	-	-	123	-
(iii) Credit Exposure	2,43,499	1,148	37,252	27
(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 31st March, 2026	As at 31st March, 2025
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	-	-

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

48 DISCLOSURES REQUIRED AS PER RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – REGISTRATION, EXEMPTIONS AND FRAMEWORK FOR SCALE BASED REGULATION) DIRECTIONS, 2025 (Contd.)

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
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	-	-
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, 2026 are given below:

(i) Details of non-performing assets (NPAs) transferred during the year is given below:

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
No. of accounts	814	1
Aggregate principal outstanding of loans transferred (₹ In Lakhs)	10,490	1,690
Weighted average residual tenor of the loans transferred (in months)	-	-
Net book value of loans transferred (at the time of transfer) *(₹ In Lakhs)	4,703	1,498
Aggregate consideration (₹ In Lakhs)	5,013	1,530
Additional consideration realised in respect of accounts transferred in earlier years	-	-

During the year ended 31st March, 2026 provisions* of ₹ 2,514 Lakhs (Previous Year ₹ 254 Lakhs) reversed to the profit and loss account on accounts of sale of NPA loans.

The above includes sale of financial assets amounting to ₹ 1,968 Lakhs (net of provisions) to asset reconstruction company trust (ARC Trust) for a consideration amount of ₹ 1,756 Lakhs, resulting in transfer of all risks and rewards of such financial assets. Such financial assets has been derecognised from the Company's financial statements in compliance with IndAS 109 – 'Financial Instruments' and as a result loss on derecognition has been recognised under "Net gain on derecognition of financial instruments under amortised cost category" amounting to ₹ 789 Lakhs (Aggregate principal outstanding of loans transferred of ₹ 2,545 Lakhs reduced by aggregate consideration amount of ₹ 1,756 Lakhs).

Subsequently, the Company acquired Security Receipts amounting to ₹ 1,493 Lakhs from the Arcil - Trust - 2026 - 007 comprising 85% (1,49,260 units) of the Security Receipts. These Security Receipts are recognised under Investments in Company's financial statements.

*includes principal outstanding and interest thereof

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

48 DISCLOSURES REQUIRED AS PER RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – REGISTRATION, EXEMPTIONS AND FRAMEWORK FOR SCALE BASED REGULATION) DIRECTIONS, 2025 (Contd.)

(ii) The Company has not transferred any Special Mention Account (SMA).

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

Particulars	As at 31st March, 2026	As at 31st March, 2025
Aggregate amount of Loan transferred (₹ In Lakhs)	2,51,363	2,34,852
Weighted average residual maturity (in months)	95	132
Weighted average holding period by originator (in months)	16	19
Retention of beneficial economic interest	0% to 10%	5% to 10%
Coverage of tangible security coverage (in %)	65%	81%
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, 2026, the Company has executed Seventeen (31st March, 2025 Twenty Five) 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.

48.05 Asset liability management maturity pattern of certain items of assets and liabilities

As at 31st March, 2026

(₹ 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	8,343	1,589	14,179	21,668	17,987	65,315	7,72,096	1,98,436	1,98,201	1,34,071	14,31,885
Investments	4	-	-	-	-	-	-	-	-	40,163	40,167
Borrowings	33,032	1,344	24,910	44,537	60,103	1,36,918	2,25,313	6,40,921	1,32,503	48,832	13,48,413

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	11,64,638
Investments	11,812	-	-	-	-	-	-	-	-	28,607	40,418
Borrowings	13,170	5,923	29,875	67,209	74,808	1,24,034	1,58,016	4,39,855	85,845	28,131	10,26,867

Note: Above Asset liability maturity pattern are prepared based on the guidelines issued by RBI on Asset liability management framework.

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

48 DISCLOSURES REQUIRED AS PER RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – REGISTRATION, EXEMPTIONS AND FRAMEWORK FOR SCALE BASED REGULATION) DIRECTIONS, 2025 (Contd.)

48.06 Capital to Risk Asset Ratio (CRAR)

Particulars	As at 31st March, 2026	As at 31st March, 2025
CRAR (%)	22.40	21.92
CRAR - Tier I Capital (%)	17.52	18.92
CRAR - Tier II Capital (%)	4.88	3.00
Amount of subordinated debts raised as Tier II capital (₹ in Lakhs)	66,417	31,960

48.07 Details of non-performing accounts purchased/sold

(a) Details of non-performing accounts purchased

(₹ in Lakhs)

Sr. No.	Particulars	As at 31st March, 2026	As at 31st March, 2025
(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

(b) Details of non-performing accounts sold

(₹ in Lakhs)

Sr. No.	Particulars	As at 31st March, 2026	As at 31st March, 2025
(i)	No. of accounts sold during the year	814	1
(ii)	Aggregate outstanding* (₹ in Lakhs)	10,490	1,690
(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 31st March, 2026	As at 31st March, 2025
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.	5,41,315	4,85,115
(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	85,230	76,490

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

48 DISCLOSURES REQUIRED AS PER RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – REGISTRATION, EXEMPTIONS AND FRAMEWORK FOR SCALE BASED REGULATION) DIRECTIONS, 2025 (Contd.)

(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	**6,26,545**	**5,61,605**

b) Exposure to Capital Market

(₹ in Lakhs)

	Particulars	As at 31st March, 2026	As at 31st March, 2025
(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
(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: (i) Category I (ii) Category II (iii) Category III	Nil	Nil
	Total exposure to Capital Market	**Nil**	**Nil**

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

48 DISCLOSURES REQUIRED AS PER RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – REGISTRATION, EXEMPTIONS AND FRAMEWORK FOR SCALE BASED REGULATION) DIRECTIONS, 2025 (Contd.)

48.09 Movement of credit impaired loans under Ind AS

(₹ in Lakhs)

Sr. No.	Particulars	As at 31st March, 2026	As at 31st March, 2025
(i)	Credit impaired loans under Ind-AS (Net) to Loans (Net) (%)	1.28%	1.22%
(ii)	Movement of credit impaired loans under Ind AS (Gross)		
	(a) Opening balance	23,888	16,457
	(b) Additions during the year	22,713	19,523
	(c) Reductions during the year	10,590	11,409
	(d) Written off (net of recoveries)	8,817	683
	(e) Closing balance	27,194	23,888
(iii)	Movement of Net impaired loans		
	(a) Opening balance	14,438	13,199
	(b) Additions during the year	10,831	8,939
	(c) Reductions during the year	3,964	7,267
	(d) Written off	2,800	433
	(e) Closing balance	18,505	14,438
(iv)	Movement of impairment loss allowance on credit impaired loans		
	(a) Opening balance	9,450	3,258
	(b) Additions during the year	11,882	10,584
	(c) Reductions during the year	6,626	4,142
	(d) Written off	6,017	250
	(e) Closing balance	8,689	9,450

48.10 Concentration of Loan, Exposure & Credit Impaired loans

(a) Concentration of Loan

(₹ in Lakhs)

Sr. No.	Particulars	As at 31st March, 2026	As at 31st March, 2025
(i)	Total advances to twenty largest borrowers	6,848	8,251
(ii)	Percentage of Twenty largest borrowers to Total advances	0.47%	0.70%

(b) Concentration of Exposure

(₹ in Lakhs)

Sr. No.	Particulars	As at 31st March, 2026	As at 31st March, 2025
(i)	Total exposure to twenty largest borrowers	6,848	8,251
(ii)	Percentage of exposure to twenty largest borrowers to Total Exposure	0.46%	0.69%

(c) Concentration of credit impaired

(₹ in Lakhs)

Sr. No.	Particulars	As at 31st March, 2026	As at 31st March, 2025
(i)	Total exposure of top four credit impaired accounts	942	1,976

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

48 DISCLOSURES REQUIRED AS PER RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – REGISTRATION, EXEMPTIONS AND FRAMEWORK FOR SCALE BASED REGULATION) DIRECTIONS, 2025 (Contd.)

(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, 2026			
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	14,50,548	27,194	1.87%
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%

(e) Intragroup Exposure

(₹ in Lakhs)

Sr. No.	Particulars	As at 31st March, 2026	As at 31st March, 2025
(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, 2026 and year ended 31st March, 2025 , 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, 2026 and year ended 31st March, 2025.

48.13 Fraud Reporting

The fraud detected and reported for the year ended 31st March, 2026 amounted to ₹ 110 Lakhs. (year ended 31st March, 2025: ₹ 509 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 31st March, 2026	For the year ended 31st March, 2025
1	Provision for depreciation on investment	-	375
2	Provision towards credit impaired loans	730	8,843
3	Provision towards income tax	12,107	10,169
4	Other provision and contingencies	3	-
5	Provision for standard loans (Stage 1 & 2)	(1,957)	7,373

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

48 DISCLOSURES REQUIRED AS PER RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – REGISTRATION, EXEMPTIONS AND FRAMEWORK FOR SCALE BASED REGULATION) DIRECTIONS, 2025 (Contd.)

48.16 Draw down from reserves

The Company has not made any draw down from reserves during the year ended 31st March, 2026 (31st March, 2025 - Nil).

48.17 Disclosure of complaints

(I) Summary information on complaints received by the Company from customers and from the Office of Ombudsman:

Sr. No.	Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Complaints from customers			
1	No. of complaints pending as at the beginning of the year	4	-
2	No. of complaints received during the year	1,054	369
3	No. of complaints disposed during the year	982	365
3.1	Of which, number of complaints rejected by the NBFC	272	59
4	No. of complaints pending as at the end of the year	76	4
Maintainable complaints from the Office of Ombudsman			
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman	221	124
5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	212	124
5.2	Of 5, number of complaints resolved through conciliation/mediation/ advisories issued by Office of Ombudsman	9	-
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, 2026

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	1	430	123%	37	-
II	Levy of Pre Payment Charges	2	91	203%	12	-
III	Rate of Interest Related	-	80	1233%	3	-
IV	Loan Recovery Related	-	68	258%	6	-
V	Loan Closure Related	-	63	530%	3	-

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

48 DISCLOSURES REQUIRED AS PER RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – REGISTRATION, EXEMPTIONS AND FRAMEWORK FOR SCALE BASED REGULATION) DIRECTIONS, 2025 (Contd.)

For the year ended 31st March, 2025

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	-	-

48.18 Registration obtained from Financial Sector Regulator

Regulator	Registration No.
Reserve Bank of India	Certificate of Registration No. N-16.00187 dt 24th August, 2010
Insurance Regulatory and Development Authority of India	Certificate of Registration No. CA0947 dt 10th 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 31st March, 2026	For the year ended 31st March, 2025	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+)	CRISIL Ratings Limited (CRISIL AA+/ Positive)	-
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	Long Term	Non convertible debentures - Subordinated Debt	ICRA Limited (ICRA AA+/ Stable)	-	-
10	Short Term	Commercial paper	ICRA Limited (ICRA A1+)	ICRA Limited (ICRA A1+)	-

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

48 DISCLOSURES REQUIRED AS PER RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – REGISTRATION, EXEMPTIONS AND FRAMEWORK FOR SCALE BASED REGULATION) DIRECTIONS, 2025 (Contd.)

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, 2026 (31st March, 2025 - 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	31st March, 2026	31st March, 2025
RBI	-	-
Goods and Service Tax (GST)	1	0
Provident Fund	-	1
BSE	-	1
Others	1	1
Total	**2**	**4**

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, 2026, 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 (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025

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, 2026. (31st March, 2025: 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, 2025: Nil)

48.26 Dividend Declared

The Company has not declared any dividend for the year ended 31st March, 2026. (31st March, 2025: Nil)

48.27 Pledged Securities

The Company has not given any loans against pledged securities during the year ended 31st March, 2026. (31st March, 2025: Nil)

48.28 Disclosure pursuant to Reserve Bank of India notification DNBS.CC.PD.No.356/03.10.01/2013-14 dated 8th January, 2014 pertaining to gold loans

Details of Gold auction conducted

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
No. of loan accounts	4,633	10,906
Principal Amount outstanding at the date of auction (₹ in Lakhs)	2,039	5,080
Interest, penalty and other charges amount outstanding at the date of auction (₹ in Lakhs)	2,756	1,564
Total value fetched (₹ in Lakhs)	4,401	8,348

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.

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

48 DISCLOSURES REQUIRED AS PER RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – REGISTRATION, EXEMPTIONS AND FRAMEWORK FOR SCALE BASED REGULATION) DIRECTIONS, 2025 (Contd.)

48.29 (A) 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 31st March, 2026	As at 31st March, 2025
	Liabilities side		
1	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid*:		
	(a) Debentures		
	- Secured	56,588	40,144
	- Unsecured	91,635	47,607
	(other than falling within the meaning of public deposits)		
	(b) Deferred Credits	-	-
	(c) Term Loans	9,99,417	7,64,979
	(d) Inter-corporate loans and borrowing	-	-
	(e) Commercial Paper	1,16,443	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)	84,330	1,64,257
	*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 s 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	14,45,708	10,60,639
	(b) Unsecured	4,840	1,23,203
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	-	-

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

48 DISCLOSURES REQUIRED AS PER RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – REGISTRATION, EXEMPTIONS AND FRAMEWORK FOR SCALE BASED REGULATION) DIRECTIONS, 2025 (Contd.)

(₹ in Lakhs)

Sr. No.	Particulars	As at 31st March, 2026	As at 31st March, 2025
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	4	11,812
	(iv) Government Securities	-	-
	(v) Others	-	-
	2 Unquoted		
	(i) Shares:		
	(a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and bonds	-	208
	(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	38,723.58	28,398.64
	(v) Others	-	-
	2 Unquoted		
	(i) Shares:		
	(a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others	1,439.42	-
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	-	-

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

48 DISCLOSURES REQUIRED AS PER RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – REGISTRATION, EXEMPTIONS AND FRAMEWORK FOR SCALE BASED REGULATION) DIRECTIONS, 2025 (Contd.)

(₹ in Lakhs)

Sr. No.	Particulars	As at 31st March, 2026	As at 31st March, 2025
	(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	14,45,708	10,60,639
	(ii) Unsecured	4,840	1,23,203
	Total	**14,50,548**	**11,83,842**
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)	40,167	40,419
	Total	**40,167**	**40,419**
8	Other Information:		
	(i) Gross Non-Performing Assets		
	(a) Related parties	-	-
	(b) Other than related parties	27,194	23,888
	(ii) Net Non-Performing Assets		
	(a) Related parties	-	-
	(b) Other than related parties	18,505	14,438
	(iii) Assets acquired in satisfaction of debt	-	-

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48 DISCLOSURES REQUIRED AS PER RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – REGISTRATION, EXEMPTIONS AND FRAMEWORK FOR SCALE BASED REGULATION) DIRECTIONS, 2025 (Contd.)

48.29 (B) Loans against gold and silver collateral

i) Details of loans extended against eligible gold and silver collateral

Particulars	As at 31st March, 2026				
	Loan Outstanding (₹ Lakhs)	% of Total Loans	Average Ticket Size (₹)	Average LTV Ratio (%)	Gross NPA (as % of Total Loans)
1. Opening balance of the FY 2025-26 [(a)+(b)]	**4,74,957**	**40%**	**1.45**	**70.67%**	**0.36%**
(a) Consumption loans	4,07,222	34%	1.47	70.81%	0.29%
of which bullet repayment loans	4,07,222	34%	1.47	70.81%	0.29%
(b) Income generating loans	67,735	6%	1.37	70.16%	0.07%
2. New loans sanctioned and disbursed during the FY 2025-26 [(c)+(d)]	**36,63,555**	**253%**	**1.95**	**71.30%**	**NA**
(c) Consumption loans	29,10,207	201%	2.00	71.47%	NA
of which bullet repayment loans	29,10,207	201%	2.00	71.47%	NA
(d) Income generating loans	7,53,348	52%	1.75	71.12%	NA
3. Renewals sanctioned and disbursed during the FY 2025-26	**20,01,649**	**138%**	**2.77**	**NA**	**NA**
4. Top-up loans sanctioned and disbursed during the FY 2025-26	**-**	**-**	**-**	**NA**	**NA**
5. Loans repaid during the FY 2025-26 [(e)+(f)]	**18,48,595**	**127%**	**1.58**	**NA**	**NA**
(e) Consumption loans	14,75,964	102%	1.62	NA	NA
of which bullet repayment loans	14,75,964	102%	1.62	NA	NA
(f) Income generating loans	3,72,630	26%	1.43	NA	NA
6. Non-Performing Loans recovered during the FY 2025-26 [(g)+(h)]	**2,273**	**0%**	**0.50**	**NA**	**NA**
(g) Consumption loans	1,850	0%	0.51	NA	NA
of which bullet repayment loans	1,850	0%	0.51	NA	NA
(h) Income generating loans	423	0%	0.46	NA	NA
7. Loans written off during the FY 2025-26 [(i)+(j)]	**-**	**-**	**-**	**NA**	**NA**
(i) Consumption loans	-	-	-	NA	NA
of which bullet repayment loans	-	-	-	NA	NA
(j) Income generating loans	-	-	-	NA	NA
8. Closing balance at the end of FY 2025-26 [(k)+(l)]	**7,91,943**	**55%**	**2.19**	**67.10%**	**0.22%**
(k) Consumption loans	6,63,168	46%	2.24	67.31%	0.17%
of which bullet repayment loans	6,63,168	46%	2.24	67.31%	0.17%
(l) Income generating loans	1,28,775	9%	2.01	66.38%	0.05%

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48 DISCLOSURES REQUIRED AS PER RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – REGISTRATION, EXEMPTIONS AND FRAMEWORK FOR SCALE BASED REGULATION) DIRECTIONS, 2025 (Contd.)

Particulars	As at 31st March, 2025				
	Loan Outstanding (₹ Lakhs)	% of Total Loans	Average Ticket Size (₹)	Average LTV Ratio (%)	Gross NPA (as % of Total Loans)
1. Opening balance of the FY 2024-25 [(a)+(b)]	**3,44,729**	**35%**	**1.07**	**68.93%**	**0.80%**
(a) Consumption loans	2,85,369	29%	1.09	68.93%	0.65%
of which bullet repayment loans	2,85,369	29%	1.09	68.93%	0.65%
(b) Income generating loans	59,359	6%	1.00	68.97%	0.15
2. New loans sanctioned and disbursed during the FY 2024-25 [(c)+(d)]	**20,18,418**	**170%**	**1.34**	**69.40%**	**NA**
(c) Consumption loans	16,14,388	136%	1.36	69.43%	NA
of which bullet repayment loans	16,14,388	136%	1.36	69.43%	NA
(d) Income generating loans	4,04,030	34%	1.25	69.37%	NA
3. Renewals sanctioned and disbursed during the FY 2024-25	**8,94,566**	**76%**	**1.84**	**NA**	**NA**
4. Top-up loans sanctioned and disbursed during the FY 2024-25	**7,507**	**1%**	**0.38**	**NA**	**NA**
5. Loans repaid during the FY 2024-25 [(e)+(f)]	**9,47,972**	**80%**	**1.01**	**NA**	**NA**
(e) Consumption loans	7,71,230	65%	1.03	NA	NA
of which bullet repayment loans	7,71,230	65%	1.03	NA	NA
(f) Income generating loans	1,76,742	15%	0.92	NA	NA
6. Non-Performing Loans recovered during the FY 2024-25 [(g)+(h)]	**7,307**	**1%**	**0.64**	**NA**	**NA**
(g) Consumption loans	5,889	0%	0.64	NA	NA
of which bullet repayment loans	5,889	0%	0.64	NA	NA
(h) Income generating loans	1,419	0%	0.64	NA	NA
7. Loans written off during the FY 2024-25 [(i)+(j)]	**-**	**-**	**-**	**NA**	**NA**
(i) Consumption loans	-	-	-	NA	NA
of which bullet repayment loans	-	-	-	NA	NA
(j) Income generating loans	-	-	-	NA	NA
8. Closing balance at the end of FY 2024-25 [(k)+(l)]	**4,74,957**	**40%**	**1.45**	**70.67%**	**0.36%**
(k) Consumption loans	4,07,222	34%	1.47	70.81%	0.29%
of which bullet repayment loans	4,07,222	34%	1.47	70.81%	0.29%
(l) Income generating loans	67,735	6%	1.37	70.16%	0.07%

Note:

(1) The Company has not granted any loans against silver collateral.

(2) % of Total Loans for all items has been calculated using closing total loans & advances as denominator except for opening balance % which is calculated using opening total loans & advances.

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For the Year Ended 31st March, 2026 (Contd.)

48 DISCLOSURES REQUIRED AS PER RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – REGISTRATION, EXEMPTIONS AND FRAMEWORK FOR SCALE BASED REGULATION) DIRECTIONS, 2025 (Contd.)

ii) Details of gold and silver collateral and auctions

(₹ in Lakhs)

Sr. No.	Particulars	As at 31st March, 2026	As at 31st March, 2025
(a)	Unclaimed gold or silver collateral at the end of the financial year (in grams)*	2,423.62	1,084.71
(b)	Number of loan accounts in which auctions were conducted	4,633.00	10,906.00
(c)	Total outstanding in loan accounts mentioned in (b)	2,910.40	6,853.37
(d)	Gold or silver collateral acquired during the FY due to default of loans (in grams)*	1,05,511.42	2,53,220.76
(e)	Gold or silver collateral auctioned during the FY (in grams)*	54,884.84	1,46,187.27
(f)	Recovery made through auctions during the FY	2,908.15	6,847.25
(g)	Recovery percentage:		
(h)	— as % of value of gold or silver collateral	92.38%	92.43%
(i)	— as % of outstanding loan	100%	100%

*Gross Weight

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For the Year Ended 31st March, 2026 (Contd.)

48 DISCLOSURES REQUIRED AS PER RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – REGISTRATION, EXEMPTIONS AND FRAMEWORK FOR SCALE BASED REGULATION) DIRECTIONS, 2025 (Contd.)

48.30 Disclosures as per Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 (Updated as on April 1, 2026)

(A) Comparison between provisions required under Income Recognition, Asset Classification and Provisioning and impairment allowances made under Ind AS 109

(₹ in Lakhs)

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	
		31st March, 2026	31st March, 2025	31st March, 2026	31st March, 2025	31st March, 2026	31st March, 2025	31st March, 2026	31st March, 2025	31st March, 2026	31st March, 2025
(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	13,92,070	11,10,670	4,924	3,585	13,87,146	11,07,085	5,435	4,287	(511)	(702)
	Stage 2	31,283	41,527	4,956	6,005	26,327	35,522	550	817	4,406	5,188
Sub Total		**14,23,353**	**11,52,197**	**9,880**	**9,590**	**14,13,473**	**11,42,607**	**5,985**	**5,104**	**3,894**	**4,487**
Non Performing Assets (NPA)											
Sub Standard	Stage 3	22,362	15,124	4,893	4,468	17,468	10,657	2,153	1,454	2,740	3,014
	Stage 1*	-	-	-	-	-	-	-	-	-	-
	Stage 2*	-	7,757	-	71	-	7,686	-	28	-	43
Doubtful (upto 1 year)	Stage 3	3,017	4,845	2,209	2,178	808	2,667	963	1,100	1,247	1,079
Doubtful (1 - 3 year)	Stage 3	1,013	3,467	897	2,456	116	1,011	864	1,195	33	1,261
Doubtful (more than 3 year)	Stage 3	182	45	162	33	20	12	165	37	(3)	(4)
Sub-total for Doubtful		4,212	8,357	3,267	4,667	944	3,689	1,991	2,331	1,277	2,335
Loss	Stage 3	621	406	622	409	(1)	(3)	622	409	-	-
Sub-total for NPA		27,193	31,644	8,782	9,615	18,411	22,029	4,767	4,222	4,017	5,392
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**	**13,92,070**	**11,10,670**	**4,924**	**3,585**	**13,87,146**	**11,07,085**	**5,435**	**4,287**	**(511)**	**(702)**
	Stage 2	**31,283**	**49,284**	**4,956**	**6,076**	**26,327**	**43,208**	**550**	**845**	**4,406**	**5,231**
	Stage 3	**27,194**	**23,888**	**8,782**	**9,544**	**18,412**	**14,344**	**4,767**	**4,194**	**4,016**	**5,349**
	Total	**14,50,548**	**11,83,842**	**18,662**	**19,205**	**14,31,884**	**11,64,637**	**10,751**	**9,326**	**7,911**	**9,879**

*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 it's staging analysis. Further, the Company has also considered Loan to Value (LTV) margin, empirical evidence of realisation 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, 2026 (Contd.)

48 DISCLOSURES REQUIRED AS PER RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – REGISTRATION, EXEMPTIONS AND FRAMEWORK FOR SCALE BASED REGULATION) DIRECTIONS, 2025 (Contd.)

(B) Disclosure 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.

Particulars	Number of Accounts as at 31st March, 2026	Total amount Outstanding as at 31st March, 2026 (in Lakhs)	Number of Accounts as at 31st March, 2025	Total amount Outstanding as at 31st March, 2025 (in Lakhs)
Accounts where 90 days rebuttal is done	0	0	2,656	3,110
Accounts linked to above	0	0	3,387	4,646
Total	**0**	**0**	**6,043**	**7,756**

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 31st March, 2026	
		Amount	% of total liabilities
1	Federal Bank Ltd	1,37,026	9.82%
2	State Bank of India Ltd	1,28,964	9.25%
3	Other Retailers	1,12,925	8.10%
4	HDFC Bank Ltd	98,880	7.09%
5	HSBC Ltd	95,553	6.85%
6	Bank of Baroda Ltd	79,607	5.71%
7	ICICI Bank Ltd	77,254	5.54%
8	SIDBI Ltd	61,236	4.39%
9	Bank of India Ltd	49,306	3.53%
10	Axis Bank Ltd	48,431	3.47%
11	Indian Bank Ltd	44,771	3.21%
12	IDBI Bank Ltd	40,972	2.94%
13	Indusind Bank Ltd	38,258	2.74%
14	UTI Mutual Fund	37,457	2.69%
15	Nippon India Mutual Fund	37,453	2.69%
16	Kotak Mahindra Bank Ltd	30,754	2.20%
17	Bajaj Finance Ltd	25,320	1.82%
18	Canara Bank Ltd	22,752	1.63%
19	Bandhan Bank Ltd	22,464	1.61%
20	Karnataka Bank Ltd	19,175	1.37%

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

48 DISCLOSURES REQUIRED AS PER RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – REGISTRATION, EXEMPTIONS AND FRAMEWORK FOR SCALE BASED REGULATION) DIRECTIONS, 2025 (Contd.)

(₹ in Lakhs)

Sr. No.	Significant counterparty*	As at 31st March, 2026	
		Amount	% of total liabilities
21	Anz Bank Ltd	17,997	1.29%
22	Punjab and Sindh Bank Ltd	15,752	1.13%
23	Kotak Mahindra Mutual Fund	14,829	1.06%
24	Punjab National Bank Ltd	14,713	1.05%
25	CITI Bank Ltd	14,567	1.04%

*Significant counterparty has been defined as exposure greater than 1%

b) Top 10 borrowings

(₹ in Lakhs)

Sr. No.	Significant counterparty	As at 31st March, 2026	
		Amount	% of total Borrowing
1	Federal Bank Limited	1,37,026	10.16%
2	State Bank of India Limited	1,28,964	9.56%
3	HDFC Bank Limited	1,12,925	8.37%
4	HSBC Bank	98,880	7.33%
5	Bank of Baroda	95,553	7.09%
6	ICICI Bank Limited	79,607	5.90%
7	SIDBI	77,254	5.73%
8	Axis Bank Limited	61,236	4.54%
9	Bank Of India	49,306	3.66%
10	Indian Bank	48,431	3.59%

c) Funding Concentration based on significant instrument/product

(₹ in Lakhs)

Sr. No.	Significant product	As at 31st March, 2026	
		Amount	% of total liabilities
1	Term Loan- Secured	10,39,416	74.52%
2	Short Term working Capital	44,330	3.18%
3	NCD - Unsecured	91,635	6.57%
4	NCD - Secured	56,588	4.06%
5	Commercial paper	1,16,443	8.35%
6	Term Loan- Unsecured	-	0.00%

d) Stock Ratio

Sr. No.	Significant counterparty	As at 31st March, 2026 %
1	Commercial Paper as % of Total Liabilities	8.34%
2	Commercial Paper as % of Total Assets	6.97%
3	Other Short Term Liabilities as % of Total Liabilities	32.26%
4	Other Short Term Liabilities as % of Total Asset	26.99%

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

48 DISCLOSURES REQUIRED AS PER RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – REGISTRATION, EXEMPTIONS AND FRAMEWORK FOR SCALE BASED REGULATION) DIRECTIONS, 2025 (Contd.)

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 31st 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%

b) Top 10 borrowings

(₹ in Lakhs)

Sr. No.	Significant counterparty	As at 31st March, 2025	
		Amount	% of total borrowings
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%

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

48 DISCLOSURES REQUIRED AS PER RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – REGISTRATION, EXEMPTIONS AND FRAMEWORK FOR SCALE BASED REGULATION) DIRECTIONS, 2025 (Contd.)

c) Funding Concentration based on significant instrument/product

(₹ in Lakhs)

Sr. No.	Significant counterparty*	As at 31st 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 31st 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%

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

49 DISCLOSURE OF RESTRUCTURED ADVANCES

(₹ in Lakhs)

Sr. No.	Type of restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Assets classification Details		Standard	Substandard	Doubtful	Loss	Total	Standard	Substandard	Doubtful	Loss	Total	Standard	Substandard	Doubtful	Loss	Total	Standard	Substandard	Doubtful	Loss	Total
1	Restructured Accounts as on 1st April, 2025 of the FY (opening figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	1	-	-	1	-	1	-	-	1
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	29	-	-	29	-	29	-	-	29
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	9	-	-	9	-	9	-	-	9
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Upgradations to restructured standard category during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Downgradations of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Write-offs of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Restructured Accounts as on 31st March, 2026 (closing figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	1	-	-	1	-	1	-	-	1
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	15	-	-	15	-	15	-	-	15
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	15	-	-	15	-	15	-	-	15

49 DISCLOSURE OF RESTRUCTURED ADVANCES (Contd.)

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

RBI vide its circular 2020-21/17 DOR.No.BP.BC/4/21.04.048/2020-21 dated 6th August, 2020 and vide circular DOR.STR.REC.12/21.04.048/2021-22 dated 5th May, 2021 has allowed a one-time restructuring of existing loans to MSMEs classified as 'standard' without any downgrade in the asset classification, subject to prescribed conditions

(₹ in Lakhs)

As at	No. of accounts restructured	Amount outstanding
31st March, 2026	2	9
31st March, 2025	5	322

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

(₹ in Lakhs)

Format-B — **As at March 2026**

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans	5,968	172	-	1,099	4,697
Corporate persons*	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**5,968**	**172**	**-**	**1,099**	**4,697**

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

(₹ in Lakhs)

Format-B — **As at March 2025**

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans	6,819	84	-	26	6,710
Corporate persons*	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**6,819**	**84**	**-**	**26**	**6,710**

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

50 During the year ended 31st March, 2026, based on assessment and approval of the Board, the Company has written off the loans and advances amounting to ₹ 11,343 Lakhs. (March 2025 - ₹ 3,958 Lakhs.)

51 LCR DISCLOSURE

(₹ in Lakhs)

	Particulars	As at 31st March, 2026		As at 31st December, 2025		As at 30th September, 2025		As at 30th June, 2025		As at 31st March, 2025	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
	High Quality Liquid Asset										
1	Total High Quality Liquid Assets (HQLA)	57,491	57,491	42,570	42,570	36,013	36,013	41,379	41,379	40,261	40,261
	Cash Outflows										
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	-	-	-	-	-	-	-	-	-	-
4	Secured wholesale funding	92,637	1,06,532	58,664	67,464	54,282	62,424	73,630	84,675	54,949	63,191
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	17,789	20,458	16,054	18,462	17,230	19,815	15,935	18,325	13,487	15,510
6	Other contractual funding obligations	20,758	23,871	22,729	26,138	18,127	20,846	17,167	19,742	17,849	20,526
7	Any other contingent outflows		-	-				3,518	4,046	7,211	8,292
8	**TOTAL CASH OUTFLOWS**	**1,31,184**	**1,50,861**	**97,447**	**1,12,064**	**89,639**	**1,03,084**	**1,10,250**	**1,26,788**	**93,496**	**1,07,520**
8B	**75% of (Weighted Cash Outflow)**		**1,13,146**		**84,048**		**77,313**		**95,091**		**80,640**
	Cash Inflows										
9	Secured lending	22,798	17,098	20,041	15,031	21,981	16,486	36,440	27,330	27,211	20,408
10	Inflows from fully performing exposures	-	-	-	-	-	-	-	-	-	-
11	Other cash inflows	1,87,597	1,40,697	1,63,535	1,22,651	2,01,843	1,51,382	1,98,236	1,48,677	1,36,011	1,02,008
12	**TOTAL CASH INFLOWS**	**2,10,395**	**1,57,796**	**1,83,576**	**1,37,682**	**2,23,824**	**1,67,868**	**2,34,676**	**1,76,007**	**1,63,221**	**1,22,416**
13	**TOTAL HQLA**		**57,491**		**42,570**		**36,013**		**41,379**		**40,261**
14	**TOTAL NET CASH OUTFLOWS**		**37,715**		**28,016**		**25,771**		**31,697**		**26,880**
15	**LIQUIDITY COVERAGE RATIO (%)**		**152%**		**152%**		**140%**		**131%**		**150%**
	Components of High Quality Liquid Asset										
1	**Cash and cash equivalents**	**19,161**		**9,884**		**7,894**		**12,980**		**9,912**	
2	**Investment in Government securities**	**38,330**		**32,686**		**28,118**		**28,399**		**30,349**	

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 Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025 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, 2026 (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 collateralised debt obligation.

The carrying amount of loans arising from financing activities along with the associated liabilities is as follows

(₹ in Lakhs)

Nature of Assets	As at 31st March, 2026		As at 31st March, 2025	
	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)

(₹ in Lakhs)

Sr. No.	Particulars	As at 31st March, 2026	As at 31st March, 2025
a.	**Claims against the Company not acknowledged as debt**		
1	Disputed Income Taxes (1)	-	-
2	Disputed Indirect Taxes(2)	93	31
3	Other Sums contingently liable for(3)	23	23
b.	**Guarantees excluding financial guarantees**		
	Bank Guarantee to National Stock Exchange in connection with the IPO	-	793
	Total	**116**	**847**

(1) The Assessing Officer has disagreed with the treatment of certain expenses in connection with the return of income tax filed by the Company and raised a demand of ₹ 32 Lakhs for AY 2011-12, the Company has received short refund amounting to ₹ 9 Lakhs and ₹ 62 Lakhs for AY 2017-18 and AY 2022-23 respectively. The same been challenged by the Company before the Commissioner of Income Tax (Appeals). However, the Company has made adequate provision in the books for the same and not disclosed above in contingent liability.

(2) The GST Department has disallowed various input tax credit claimed in GSTR 3B for non reconciliation with GSTR 2B/2A and Input tax credit which are already reversed u/r 38 by the Company amount combining to ₹ 24.64 Lakhs, ₹ 23.98 Lakhs and ₹ 44.53 Lakhs for FY 2017-18, 2020-21 and 2021-22 respectively, for Delhi, Gujarat, Uttar Pradesh and Maharashtra. The same has been challenged by the Company before the Appellate Authority of respective state.

(3) 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.

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

53 CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR) (Contd.)

(4) 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.

(5) 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 31st March, 2026	As at 31st March, 2025
1	Estimated amount of contracts remaining to be executed on capital accounts not provided for (Net of advances)	623	482
2	Other Commitments towards partly disbursed loans	25,130	13,653

55 CAPITAL AND LCR

(₹ in Lakhs)

Sr. No.	Particulars	As at 31st March, 2026			As at 31st March, 2025	Variance	Reason for Variance (if above 25%)
		Numerator	Denominator	Ratio	Ratio		
1	Capital to risk weighted asset ratio (CRAR)	3,27,456	14,62,024	22.40%	21.92%	2.19%	-
2	Tier I CRAR	2,56,115	14,62,024	17.52%	18.92%	(7.40%)	-
3	Tier II CRAR	71,341	14,62,024	4.88%	3.00%	62.67%	Fresh Subordinated debt availed during the year amounting to ₹ 450 Crores.
4	Liquidity Coverage Ratio	57,491	37,715	152.43%	149.78%	1.77%	

As at 31st March, 2025

(₹ in Lakhs)

Sr. No.	Ratios	Numerator	Denominator	Ratio
1	Capital to risk weighted asset ratio (CRAR)	2,59,393	11,83,526	21.92%
2	Tier I CRAR	2,23,847	11,83,526	18.91%
3	Tier II CRAR	35,546	11,83,526	3.00%
4	Liquidity Coverage Ratio	40,261	26,880	150%

Notes:

1. Capital to Risk Weighted Ratio has been computed as per relevant RBI Guidelines. (CRAR = [Tier I Capital + Tier II capital]/ Total Risk weighted Assets)

2. 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, 2026 (Contd.)

56 DISCLOSURE AS REQUIRED UNDER RULE 11(E) AND RULE 11(F) OF THE COMPANIES (AUDIT AND AUDITORS) RULES, 2014

1. 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).
2. 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.
3. 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

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) 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.

(iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iv) 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:

(a) 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

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(v) 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.

Notes Forming Part of the Financial Statements
For the Year Ended 31st March, 2026 (Contd.)

57 ADDITIONAL REGULATORY INFORMATION PURSUANT TO THE REQUIREMENT OF SCHEDULE III TO THE COMPANIES ACT 2013 (Contd.)

(vi) 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.

(vii) The Company have not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(viii) The Company has complied with the number of layers prescribed under the Companies Act, 2013, to the extent applicable.

(ix) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(x) No transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

58 The Government of India has codified 29 existing labour legislations into a unified framework comprising four Labour Codes, namely the Code on Wages, 2019; the Code on Social Security, 2020; the Industrial Relations Code, 2020; and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively referred to as the "New Labour Codes"). These Codes have been made effective from 21 November 2025 which has resulted into recognising incremental liability towards gratuity and leave encashment amounting to ₹ 391 Lakhs during the year

59 ₹ 0 Lakhs indicates values are lower than ₹ 0.5 Lakhs, where applicable.

60 Previous year numbers have been regrouped / reclassified, wherever considered necessary, to correspond with current year presentation.

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

Parthasarathy Iyengar
Company Secretary
M.No. A21472

Hasmukh B Dedhia
Partner
Membership No. 033494

Parvez Mulla
MD & CEO
DIN: 08026994

Sonal Dave
Independent Director
DIN: 00017710

Place: Mumbai
Date: 28th April, 2026

Place: Mumbai
Date: 28th April, 2026

Notes

FEDBANK
FINANCIAL SERVICES LIMITED

FEDBANK FINANCIAL SERVICES LIMITED

CIN: L65910MH1995PLC364635

REGISTERED & CORPORATE OFFICE: Unit No.1101, 11th Floor, Cignus, Plot No. 71A, Powai, Paspoli, Mumbai- 400087, Maharashtra, India

PHONE: 022-68520601 EMAIL: secretarial@fedfina.com **WEBSITE:** https://www.fedfina.com/

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the Thirty First Annual General Meeting (AGM) of the members of Fedbank Financial Services Limited (the **"Company"**) will be held on **Tuesday, 29th September, 2026 at 12.00 noon** (IST) through Video conferencing (**"VC"**) or Other Audio Visual Means (**"OAVM"**) to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2026, together with the Reports of the Board of Directors and the Auditors thereon.

2. To appoint a Director in place of Mr. Harsh Dugar (DIN: 00832748), who retires by rotation and being eligible, offers himself for re-appointment.

3. To appoint Joint Statutory Auditors of the Company and to fix their remuneration:

   Appointment of M/s. V Sankar Aiyar & Co., Chartered Accountants (ICAI Firm Registration Number: 109208W), as one of the Joint Statutory Auditors of the Company.

   To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014, and in accordance with Reserve Bank of India (Non-Banking Financial Companies – Statutory Audit) Directions, 2026 dated 31st July, 2026 ("RBI Directions"), including any statutory amendment(s), modification(s) thereto or re-enactment(s) thereof, from time to time and any other applicable laws, the approval of the Members of the Company be and is hereby accorded for the appointment of M/s. V Sankar Aiyar & Co., Chartered Accountants (ICAI Firm Registration Number: 109208W), as one of the Joint Statutory Auditors of the Company, for a period of three consecutive years i.e. FY 2026-27, FY 2027-28 and FY 2028-29, to hold office from the conclusion of this Annual General Meeting ("AGM") of the Company till the conclusion of the 34th AGM of the Company, at such remuneration and out-of-pocket expenses, as may be mutually agreed between the Board of Directors of the Company and the Joint Statutory Auditor, on the basis of the recommendation of the Audit Committee of the Board of Directors of the Company."

   "RESOLVED FURTHER THAT the Board, including the Audit Committee of the Board or any other person(s) authorised by the Board or Audit Committee in this regard, be and are hereby severally authorised on behalf of the Company, to do all such acts, deeds, matters and things as they may, in their absolute discretion deem necessary or desirable for such purpose and with the power to the Board including the Audit Committee of the Board of Directors to settle all questions, difficulties or doubts that may arise in regard to the implementation of the aforesaid Resolution, including but not limited to determination of roles and responsibilities / scope of work of the Joint Statutory Auditors, negotiating, finalising, amending, signing, delivering, executing the terms of appointment, including any contract or document in this regard, without being required to seek any further consent or approval of the Members of the Company."

SPECIAL BUSINESS:

4. **To approve the limits of Selling, Assignment, Securitisation of Receivables / Book debts of the Company upto an outstanding Principal Value of ₹ 12,000 Crores.**

   To consider and if thought fit, to pass the following resolution as a **Special Resolution:**

   "RESOLVED THAT in supersession of all the earlier resolutions passed by the members in this regard and pursuant to Section 180(1)(a) of the Companies Act, 2013 ("the Act") and other applicable provisions, if any, read with Rules made thereunder (including any statutory modification(s), amendment(s), or re-enactment(s) thereof, for the time being in force), the relevant regulations/directions as may be prescribed by the Reserve Bank of India from time to time and the relevant provisions of the Memorandum of Association and the Articles of Association of the Company, and other applicable laws, approval of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee(s) of the Board or any other persons to whom powers are delegated by the Board as permitted under the Act and / or Rules made thereunder) to sell / assign / securitise present and / or future substantial assets / receivables / book debts of the Company akin-to-Direct Assignment upto an outstanding Principal Value of ₹ 12,000 Crores (Rupees Twelve Thousand Crores Only) at any point of time to / in favour of banks / financial institutions, other eligible investing institutions and their subsidiaries, banks, mutual funds, trusteeship companies, trusts, Asset Reconstruction Companies and others including but not limited to body corporates (whether incorporated in India or not) and other entities falling under Indian Regulatory Jurisdiction (hereinafter referred to as "Lending Agencies") and trustees for the holders of Debentures / Bonds / other instruments in such form and manner as the Board may deem fit from time to time for the said purpose.

RESOLVED FURTHER THAT the Board be and is hereby authorised to negotiate, finalise and execute with the Lender(s) / Trustees / Financial Institutions / Asset Reconstruction Companies such documents / agreements / undertakings / indemnities / guarantees as may be required and to propose / accept any modifications to the terms and conditions thereto and to do all such acts, deeds and things as may be required, with power to settle all questions, difficulties or doubts that may arise in this regard, as it may in its sole and absolute discretion deem fit and to delegate all or any of their powers herein conferred to any Committee and / or Director(s) and / or Officer(s) of the Company, to give effect to this resolution."

5. **To approve increase in Borrowing limit of the Company from ₹ 18,000 Crores to ₹ 23,000 Crores.**

To consider and if thought fit, to pass the following resolution as a **Special Resolution:**

"RESOLVED THAT in supersession of all earlier resolutions passed by the members of the Company in this regard and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules made thereunder (including any statutory modifications or re-enactment thereof, for the time being in force), and the relevant regulations/Directions as may be prescribed by the Reserve Bank of India from time to time (including any amendment(s), modification(s) thereof) and the relevant provisions of the Memorandum of Association and the Articles of Association of the Company, and other applicable laws, the approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee(s) of the Board or any other persons to whom powers are delegated by the Board as permitted under the Act and / or rules made thereunder) to borrow from time to time, any sum or sums of monies for and on behalf of the Company in Indian and / or foreign currency, including but not limited to loan, facility, financial assistance, issue of partly /fully/ optionally convertible / non-convertible debentures / bonds (including subordinated or perpetual debentures or other forms of debt instruments), Tri-Party Repo Settlement (TREPS), issue of Commercial Papers (CPs), availing External Commercial Borrowings and all of the above on such terms and conditions as the Board may deem fit, notwithstanding that the money or monies to be borrowed, together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed aggregate of the paid-up share capital of the Company, its free reserves and securities premium, provided however, the total amount so borrowed (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed ₹ 23,000 Crores (Rupees Twenty Three Thousand Crores only) outstanding at any point of time on account of principal for and on behalf of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee(s) constituted / to be constituted by the Board, from time to time to exercise its powers conferred by this resolution thereof) be and are hereby authorised to do all such acts, deeds and things as may be required and to finalise the terms and conditions and execute all such agreements, documents, instruments applications etc., as may be required with power to settle all questions, difficulties or doubts that may arise in this regard as it may in its sole and absolute discretion deem fit and to sub-delegate all or any of their powers herein conferred to any Committee and / or Director(s) and / or Officer(s) of the Company, to give effect to this resolution."

6. **To approve increase in limit for creation of charge on the assets of the Company to secure its borrowings made / to be made by the Company.**

To consider and if thought fit, to pass the following resolution as a **Special Resolution:**

"RESOLVED THAT in supersession of all the earlier resolutions passed in this regard and pursuant to the provisions of sections 180(1)(a) and 180(1)(c) of the Companies Act, 2013 ("Act") and other applicable provisions, if any, of the Act and the Rules made thereunder (including any statutory modifications or re-enactment(s) thereof, for the time being in force), and the relevant Regulations / Directions as may be prescribed by the Reserve Bank of India from time to time (including any amendment(s), modification(s) thereof) and the relevant provisions of the Memorandum of Association and the Articles of Association of the Company, and other applicable laws, the approval of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee(s) of the Board or any other persons to whom powers are delegated by the Board as permitted under the Act and / or rules made thereunder) to create charge by way of mortgage(s) and / or hypothecation and/or lien or otherwise in addition to the existing mortgage(s) and/or hypothecation and / or lien created by the Company on any of movable and / or immovable properties / assets of the Company including receivables in the form of book debts, wherever situated both present and future on whole or substantially the whole of the undertaking(s) of the Company on such terms and conditions at such time(s) and in such form and manner, and with such ranking in terms of priority, as the Board in its absolute discretion thinks fit, as may be mutually agreed with the Lender(s), Debenture holders and providers of credit and debt facilities to secure the loans / borrowings / credit / debt facilities obtained or as may be obtained, or Debentures/ Bonds and other instruments issued/ to be issued by the Company to/ in favor of any bank(s) or bankers or Financial or other Institution(s), Mutual Fund(s), Foreign Institutional Investors (FIIs) or Security Trustee(s) or body(ies) corporate (whether incorporated in India or not) or Trustees for holders of Debentures / Bonds / other instruments, may exceed aggregate of the paid-up share capital of the Company, its free reserves and securities premium, provided however, the total amount so borrowed (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed ₹ 23,000 Crores (Rupees Twenty Three Thousand Crores Only) outstanding at any point of time on account of principal for and on behalf of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid, the Board be and is hereby authorised to determine, finalise, ratify, amend the terms and conditions for creation of charge by way of mortgages / hypothecation / lien, etc., to sub delegate all or any of its powers to any Committee and/ or Director(s) and/or Officer(s) of the Company from time to time and sign all applications, letters and documents, execute agreements, as deemed necessary in this connection and to settle any doubts, questions or difficulties that may arise in this regard and to do all acts, deeds or things as may be necessary to give effect to the foregoing."

7. **To approve fresh issuance of Non-Convertible Debentures on private placement basis not exceeding ₹ 2,500 Crores in one or more tranches.**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act"), Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014, SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Reserve Bank of India (Non-Banking Financial Company - Miscellaneous) Directions, 2025 and any other applicable RBI Directions, read with the Securities and Exchange Board of India's Master Circular for Issue and Listing of Non-Convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper (including any amendment(s), statutory modification(s), variation(s) or re-enactment(s) to any of the foregoing and other applicable guidelines, circulars, directions or laws) and other applicable laws, and the relevant provisions of the Memorandum of Association and the Articles of Association of the Company, and other applicable laws, the approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee(s) of the Board or any other persons to whom powers are delegated by the Board as permitted under the Act and / or rules made thereunder) to offer(s), issue, create and/or make invitation(s) to eligible persons to subscribe for all the kinds and types of Non-Convertible

Debentures ("NCDs") including but not limited to secured or unsecured, redeemable, listed or unlisted, cumulative or non-cumulative, fixed rate or market linked and/or hybrid instruments (not in nature of equity shares) including but not limited to non-convertible debentures/bonds qualifying as subordinated Tier II debts, Perpetual debt instruments which may or may not be classified as being additional Tier I or Tier II capital under the provisions of the RBI Master Directions on a private placement basis, in one or more tranches and/or series, not exceeding ₹ 2,500 Crores (Rupees Two Thousand Five Hundred Crores Only) during a period of one year from the date of this Annual General Meeting to banks, financial institutions, non-banking financial companies, corporates, Foreign Institutional Investors (FIIs), High Net-worth Individuals, Qualified Foreign Investors (QFIs), Qualified Institutional Buyers (QIBs), Foreign Portfolio Investors (FPIs), Insurance Companies and any other eligible investors authorised to invest in the securities on such terms and conditions including coupon, premium/discount, tenor etc., as the Board may from time to time determine and consider proper and most beneficial to the Company and within the overall limit of borrowing as approved by the members of the Company from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee(s) constituted / to be constituted by the Board, from time to time to exercise its powers conferred by this resolution thereof) be and are hereby authorised to do all such acts, deeds and things as may be required and to finalise the terms and conditions and execute all such agreements, documents, instruments applications etc., as may be required with power to settle all questions, difficulties or doubts that may arise in this regard as it may in its sole and absolute discretion deem fit and to sub-delegate all or any of their powers herein conferred to any Committee and / or Director(s) and / or Officer(s) of the Company, to give effect to this resolution."

8. To consider and approve amendment(s) to Fedbank Financial Services Limited Employees Stock Option Scheme – 2024 ("ESOP 2024") pursuant to Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

To consider and, if thought fit, to pass the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Regulations 6 and 7 and other applicable provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 read with all circulars and notifications issued thereunder **(SEBI (SBEB & SE) Regulations),** the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **(SEBI Listing Regulations),** pursuant to the provisions of Section 62(1)(b), and all other applicable provisions, if any, of the Companies Act, 2013, applicable rules made thereunder, (including any statutory modification(s) or any amendment(s) thereto or any substitution(s) or any re-enactment(s) thereof for the time being in force) and in accordance with the Memorandum and Articles of Association of the Company, and such other applicable guidelines/ regulations/ rules etc., which may be issued from time to time by the Securities and Exchange Board of India or any other relevant authorities, to the extent applicable and subject to any approvals, consents, permissions and sanctions of any authorities as may be required, and subject to any such conditions or modifications as may be prescribed or imposed by such authorities, if any, while granting such approvals, consents, permissions and sanctions, and which may be agreed to and accepted by the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall be deemed to include the Nomination and Remuneration Committee or any Committee constituted / to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), the consent of the Members of the Company be and is hereby accorded to the Board to modify and implement the amended **Fedbank Financial Services Limited Employees Stock Option Scheme – 2024 ("ESOP 2024")** as mentioned in the Explanatory Statement (Statement setting out material facts) accompanying this Notice and to increase the maximum number of Stock Options to 1,87,10,305 (One Crore Eighty Seven Lakhs Ten Thousand Three Hundred and Five) (i.e. ~5% of paid-up capital as on 31st March, 2026) by addition of 75,57,492 (Seventy Five Lakhs Fifty Seven Thousand Four Hundred and Ninety Two) Stock Options under the ESOP 2024 and approval of the Company be and is hereby further accorded to the Board/ Committee, to create, grant, offer, issue and allot at any time to or for the benefit of such person(s) designated as employees of the Company, including eligible Director(s) of the Company whether working in India or outside India, Stock Options under the ESOP 2024, not exceeding 1,87,10,305 (One Crore Eighty Seven Lakhs Ten Thousand Three Hundred and Five) Options, each Option giving the right but not obligation to the holder, to subscribe for cash, one fully paid Equity Share of ₹ 10/- (Ten) each of the Company, at such price, in such manner, during such period, in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board/ Committee in its absolute discretion and in accordance with the provisions of the law or regulations issued by the relevant Authority;

RESOLVED FURTHER THAT consent of the Members be and is hereby accorded to the Board/ Committee to formulate, amend/ modify, evolve, implement, administer, interpret, decide upon and bring into effect the amended ESOP 2024 on such terms and conditions as contained in the Explanatory Statement to this item in the Notice, including replacing 1,11,52,813 with 1,87,10,305 wherever it appears in the ESOP 2024, and to make any modification(s), change(s), variation(s), alteration(s) or revision(s) in the terms and conditions of the ESOP 2024 from time to time in conformity with the provisions of the Companies Act, 2013, the Memorandum and Articles of Association of the Company, the SEBI (SBEB & SE) Regulations and any other applicable laws, rules and regulations including but not limited to, amendment(s) with respect to Vesting Period and Vesting Schedule, Number of Options, Exercise Price, Exercise Period, Eligibility Criteria or Revise the ESOP 2024;

RESOLVED FURTHER THAT in case of any corporate action(s) such as bonus shares, split, consolidation, rights issue and buy-back of shares, merger, de-merger, spin-off, consolidation, amalgamation, sale of business or other re-organisation etc. requisite adjustments (which may include adjustments to the number of options under the ESOP 2024) shall be appropriately made, in a fair and reasonable manner, in accordance with the ESOP 2024;

RESOLVED FURTHER THAT if the Equity Shares of the Company are either sub-divided or consolidated, the number of Equity Shares arising out of and/or the price of acquisition payable by the employees under the ESOP 2024 shall automatically stand increased or reduced, as the case may be, in the same proportion as the present face value per equity share bears to the revised face value of the equity shares of the Company after such subdivision or consolidation, without affecting any other rights or obligations of the said grantees;

RESOLVED FURTHER THAT the Company shall comply with the disclosure and accounting policies prescribed from time to time under the SEBI (SBEB & SE) Regulations and any other applicable law, rules and regulations and shall use the fair value method or such other method as prescribed from time to time, to value its Options granted;

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot Equity Shares upon exercise of options from time to time in accordance with the ESOP 2024 and such Equity Shares shall rank pari passu in all respects with the then existing Equity Shares of the Company;

RESOLVED FURTHER THAT the Board be and is hereby authorised to take necessary steps for listing of the Equity Shares of the Company allotted from time to time under the ESOP 2024 on the Stock Exchanges, where the Equity Shares of the Company are listed, as per the provisions of the SEBI Listing Regulations, the SEBI (SBEB & SE) Regulations, and other guidelines, rules and regulations as may be applicable;

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, any Director(s) and/or the Key Managerial Personnel(s) be and are hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard at any stage including at the time of listing of securities, without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution."

9. Approval for entering into Material Related Party Transaction(s) with The Federal Bank Limited, the holding Company of the Company

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 read with the Rules framed thereunder, Regulations 2(1)(zc), 23 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), (including any statutory amendment(s) or re-enactment(s) thereof, for the time being in force, if any), and other applicable laws/ statutory provisions, if any, and the Company's Policy on Related Party Transactions, each as amended, and based on the approval/ recommendation of the Audit Committee / Board of Directors of the Company, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which expression shall include any Committee thereof or person(s) authorised by the Board), for entering into and / or continuing with arrangements / contracts / agreements / transactions (whether individual transaction or transactions taken together or series of transactions or otherwise), with The Federal Bank Limited ("Federal Bank"), the holding Company of Fedbank Financial Services Limited ("the Company" / "Fedfina"), being a related party of the Company, from the 31st Annual General Meeting till the 32nd Annual General Meeting to be held in calendar year 2027, whether by way of continuation(s) or renewal(s) or extension(s) or modification(s) of earlier arrangements / transactions or as fresh and independent transaction(s) or otherwise as mentioned hereunder and as set out in the explanatory statement annexed to this Notice, notwithstanding the fact that all such transactions, whether individually and/or in the aggregate, may exceed materiality threshold as may be applicable under laws/ Regulations from time to time, provided that such arrangement(s) / contract(s) / agreement(s) / transaction(s) shall be carried out at an arm's length basis and in the ordinary course of business of the Company:

i. To avail any loans or advances, credit facilities, or any other form of fund-based facilities, and/ or guarantees, letters of credit, or any other form of non-fund-based facilities, sanctioned up to an amount and on such terms and conditions (including rate of interest, security, tenure etc.) as permissible under applicable laws and relevant policies of the Company;

ii. Co-lending (CLM) limits for Loan-Against-Property (LAP) / Gold Loan;

iii. To sell loans or loan pools by way of assignment / securitisation of loans and servicing arrangements;

iv. Issuance of debt securities viz. non-convertible debentures of the Company to the Federal Bank for which Federal Bank may act as an arranger/ syndicate banker, including investment by Federal Bank as permitted by applicable laws;

v. To provide sales support services (including referral, sourcing and lead generation support services for banking and financial products) and collection services for fees;

vi. Placing fixed deposits and receipt of interest on fixed deposits;

vii. To make Brand royalty payment;

viii. Any other transactions/arrangements as provided in the explanatory statement including those entered in the course of business of the Company including maintaining current accounts with Federal Bank and payment of service charges for banking transactions;

RESOLVED FURTHER THAT the Board be and is hereby authorised to do, sign and execute all such documents, contracts, agreements, deeds and writings and to do all such acts, deeds, matters and things as may be deemed necessary, expedient and incidental to execution of such transactions and also to subdelegate all or any of its powers herein conferred on it as they may deem fit to any Committee of the Board and / or Director(s) and / or officer(s) / employee(s) of the Company/ any other person(s) to give effect to the aforesaid resolution and to settle all questions, difficulties or doubts that may arise in this regard;

RESOLVED FURTHER THAT all actions taken by the Board and/ or the Audit Committee in connection with any matter referred to or contemplated in this resolution, be and are hereby approved and confirmed in all respects."

10. Payment of Profit-linked Commission to the Independent Directors and Non-executive Chairman

To consider and, if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to Sections 149, 197, 198, and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Regulation 17(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") as amended (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), based on the recommendation of Nomination and Remuneration Committee and approval of the Board of Directors, approval of the Members of the Company be and is hereby accorded for the payment of ₹ 20 Lakhs per year for 2 years to each Independent Director (Present or Future) by way of Profit-linked Commission and ₹ 25 Lakhs per year for 2 years to Non-Executive Chairman (Present or Future) by way of Profit-linked Commission commencing from the Financial year

2026-27 till the end of the Financial year 2027-28 as the Board of Directors (hereinafter referred as "Board" which term shall include Nomination and Remuneration Committee) may determine from time to time based on the performance and quantum, proportion and manner determined by the Board for this purpose, provided that the total commission payable to all the Independent Directors (present or future) including the Non-executive Chairman in any financial year shall not exceed 1% of the net profits of the Company for the relevant financial year in terms of Section 197 of the Act and computed in the manner prescribed under Section 198 of the Act.

RESOLVED FURTHER THAT the above remuneration shall be in addition to the sitting fees for attending the meetings of the Board and/or other Committee meetings being paid to the Independent Directors and Non-Executive Chairman.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things including deciding on the manner of payment of profit-linked commission and settle all questions or difficulties that may arise with regard to the aforesaid resolution as it may deem fit and to execute any agreements, documents, instructions, etc. as may be necessary or desirable in connection with or incidental to give effect to the aforesaid resolution."

11. Alteration of existing Articles of Association of the Company

To consider and, if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 5, 14 and other applicable provisions of the Companies Act, 2013, the Rules made thereunder (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof, for the time being in force), the provisions of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the applicable regulations issued by Reserve Bank of India and in accordance with the enabling provisions of existing set of Articles of Association (AOA) of the Company, the consent of the Members of the Company be and is hereby accorded to alter the AOA of the Company, by way of substitution and/or deletion of the following Articles of the AOA, as set out below:

Clause	Action	Existing clause	Amended clause
2(q)	Delete	"THE SEAL" means the common seal of the Company	-
2(s)	Delete	"True North" means True North Fund VI LLP	-
2(t)	Delete	"True North Nominee Director" shall have the meaning ascribed to such term in Article 82(i) of these Articles	-
22(ii)(c)	Substitute	Every certificate shall be under the seal if any, and shall specify the shares to which it relates and the amount paid up thereon.	Every certificate shall specify the shares to which it relates and the amount paid-up thereon and shall be signed by two Directors or by a Director and the Company Secretary, wherever the Company has appointed a Company Secretary.
22(iv)	Delete	Every certificate shall specify the shares to which it relates and the amount paid-up thereon and shall be signed by two Directors or by a Director and the Company Secretary, wherever the Company has appointed a Company Secretary, and the common seal shall be affixed in the presence of the persons required to sign the certificate.	-

<table>
<tr><th>Clause</th><th>Action</th><th>Existing clause</th><th>Amended clause</th></tr>
<tr><td>82(i)</td><td>Delete</td><td>So long True North holds at least 5% (five percent) of the Shares ("True North Director Threshold") on a fully diluted basis, it shall be entitled to nominate 1 (one) Non-Executive Director on the Board ("True North Nominee Director"), and such True North Nominee Director shall, subject to applicable law, not be liable to retire by rotation, for so long as True North continues to meet or exceed the True North Director Threshold to nominate a Director on the Board</td><td>-</td></tr>
<tr><td>125(i) to 125(iii)</td><td>Delete</td><td>Common Seal
(i) The Board shall provide a common seal of the Company and they shall have power from time to time to destroy the same and substitute a new seal in lieu thereof and the Board shall provide for the safe custody of the seal.
(ii) The seal, shall not be affixed to any instrument except by the authority of a resolution of the Board or Committee constituted by the Board authorised by it in that behalf and in the presence of atleast one director or secretary or a power of attorney holder(s) or an officer(s) or such other person as the Board may appoint for the purpose (herein after referred to as 'Authorised Person'). The Authorised Person shall sign every such instrument to which seal of the Company is so affixed in his presence. Any instrument bearing the seal of the Company and issued by valuable consideration shall be binding on the Company notwithstanding any irregularities touching the authority to issue the same. The provisions of this article shall not apply to affixing of the Common Seal on Share Certificates/ Certificates of debentures.
(iii) On any other instrument affixing the Seal is optional unless otherwise prescribed by Act or specifically determined by the Board</td><td>-</td></tr>
</table>

RESOLVED FURTHER THAT the amended AOA of the Company, incorporating the aforesaid alterations, be and are hereby approved and adopted in substitution of the existing AOA to the extent of the amendments approved herein.

RESOLVED FURTHER THAT any one of the Directors or the Company Secretary of the Company be and is hereby severally authorised to do all such acts, deeds, matters and things, and to execute all such documents, writings and filings, as may be necessary, proper or expedient for giving effect to this Resolution, including filing of requisite forms and documents with the Ministry of Corporate Affairs, the Registrar of Companies, Mumbai, Maharashtra, and such other authorities as may be required."

By order of the Board of Directors
of Fedbank Financial Services Limited
Parthasarathy Iyengar
Company Secretary & Compliance Officer
Membership No. A21472

Mumbai, 25th August, 2026
Registered Office:
Unit No.1101, 11th Floor, Cignus, Plot No. 71A, Powai, Paspoli,
Mumbai- 400087, Maharashtra, India

NOTES:

1. In accordance with the provisions of the Act, read with the Rules made thereunder and General Circular No. 03/2025 dated 22nd September, 2025 issued by the Ministry of Corporate Affairs ("MCA"), and such other applicable circulars issued by MCA and SEBI ('the Circulars'), companies are allowed to hold AGM through video conference or other audio-visual means ("VC / OAVM") without the physical presence of members at a common venue. Accordingly, the AGM of the Company is being held through VC / OAVM, and transcript of the same shall be made available on the website of the Company. National Securities Depository Limited ("NSDL") will be providing facility for voting through remote e-Voting, for participation in the AGM through VC / OAVM and e-Voting during the AGM.

2. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 ("the Act"), in respect of the Special Business under Item nos. 4 to 11 set out above and the relevant details, pursuant to 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued and mandated by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM are also annexed to this Notice.

3. As the AGM will be conducted through VC/OAVM, the facility for appointment of proxy by the members is not available for this AGM and hence, the proxy form is not annexed to this Notice. Further, attendance slip including route map is not annexed to this Notice. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting as per point 1 of the General Guidelines of Shareholders mentioned in this notice.

4. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended) and the Circulars issued by the Ministry of Corporate Affairs dated 8th April, 2020, 13th April, 2020 and 5th May, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.

5. The Company has fixed Tuesday, 22nd September, 2026 as the **'Cut-off Date'** to record the entitlement of the shareholders to cast their voting through remote e-voting / e-voting during the AGM.

6. Any person who is not a member on the cut-off date should treat this notice for information purposes only.

7. The recorded transcript of the AGM will be hosted on the website of the Company.

8. The Members can join the AGM in the VC/OAVM mode 15 (fifteen) minutes prior to the scheduled time of the meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the scheduled time by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

9. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

10. In case of joint holders, the Member whose name appears as the first holder in the order of the names as per the Register of Members of the Company will be entitled to vote at the meeting.

11. If there is any change in the e-mail ID already registered with the Company, members are requested to immediately notify such change to the Registrar & Share Transfer Agent of the Company viz. MUFG Intime India Private Limited (formerly Link Intime India Private Limited) ("RTA") at rnt.helpdesk@in.mpms.mufg.com.

12. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with the Company's share transfer agent. In respect of shares

held in electronic/ demat form, the members may please contact their respective depository participant.

13. Members are requested to:

    a) Intimate to the Company/ Registrar and Share Transfer Agent, MUFG Intime India Private Limited (formerly Link Intime India Private Limited) (for shares held in physical form) and to their Depository Participants (DP) (for shares held in dematerialised form) the changes / updates, if any, in their registered email id, address, other details etc. at an early date;

    b) Quote ledger folio numbers / DP Identity and Client Identity Numbers in all their correspondences;

    c) Approach the Company for consolidation of folios, if shareholdings are under multiple folios;

    d) Members desirous of obtaining any information concerning the resolution are requested to address their questions to the Company at secretarial@fedfina.com at least 10 days before the date of the Meeting, to enable the information required to be made available, to the best extent possible.

14. The Company has appointed Mr. Dinesh Kumar Deora, (CoP No. 4119) or failing him Mr. Tribhuwneshwar Kaushik, (CoP No. 16207), Practicing Company Secretaries, partners of DM & Associates Company Secretaries LLP as the scrutiniser (the 'Scrutiniser') for scrutinising the remote e-voting process as well as e-voting at the AGM in a fair and transparent manner.

15. The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE

16. In compliance with the Circulars and Regulation 36(1)(a) of the SEBI Listing Regulations, the Notice of the AGM and the Annual Report for the Financial Year 2025-26 are being sent through electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. Members may note that Notice of the AGM and the Annual Report for the Financial Year 2025-26 will also be available on the Company's website at www.fedfina.com, websites of the Stock Exchanges, i.e., BSE Limited and The National Stock Exchange of India Limited at www.bseindia.com and https://www.nseindia.com respectively, and on the website of NSDL at https://www.evoting.nsdl.com.

    Further, in compliance with Regulation 36(1)(b) of the SEBI Listing Regulations, a letter providing the web-link, including the exact path, where Annual Report for the financial year 2025-26 is available is being sent to those Members whose e-mail address is not registered with the Company / Share Transfer Agent / Depository Participants / Depositories.

17. All documents referred to in the notice and in the accompanying explanatory statement are open for inspection at the registered office of the Company. The statutory registers which should be kept open for inspection of members under the Companies Act, 2013 are available for such inspection by the Members during the Annual General Meeting (AGM) by electronic mode. A certificate from Secretarial Auditor certifying the ESOP 2018 and 2024 are being implemented in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 will be available for inspection during the AGM. Members seeking to inspect such documents are requested to write on secretarial@fedfina.com.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Friday, 25th September, 2026 at 9.00 a.m. and ends on Monday, 28th September, 2026 at 5.00 p.m. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the cut-off date i.e. Tuesday, 22nd September, 2026, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Tuesday, 22nd September, 2026.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the **"Beneficial Owner"** icon under **"Login**" which is available under **'IDeAS'** section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at: https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 5. Shareholders/Members can also download NSDL Mobile App **"NSDL Speede"** facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing Myeasi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi / Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 1800-21-09911

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example: if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example: if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example: if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
   a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by e-mail to dmassociatesllp@gmail.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request to Mr. Sanjeev Yadav at evoting@nsdl.com

Process for those shareholders who wish to update their email ids or whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to secretarial@fedfina.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to secretarial@fedfina.com. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively, shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not cast

their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system.** After successful login, you can see link of "VC/OAVM" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at secretarial@fedfina.com. These queries shall be replied by the Company suitably by email.

6. Those shareholders who have pre-registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of the time for the AGM.

DECLARATION OF VOTING RESULTS

a) The Scrutiniser shall, immediately after the conclusion of voting at the AGM, count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-Voting and make, not later than two working days of conclusion of the Meeting, a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or to a person authorised by the Chairman in writing who shall countersign the same.

b) The Chairman or the person authorised by him in writing shall forthwith on receipt of the consolidated Scrutiniser's Report, declare the Results of the voting. The Results declared, along with the Scrutiniser's Report, shall be placed on the Company's website and on the website of NSDL immediately after the results are declared and communicated to the Stock Exchanges where the equity shares of the Company are listed.

c) Subject to the receipt of requisite number of votes, the Resolutions forming part of the Notice of Annual General Meeting shall be deemed to be passed on the date of the AGM i.e., 29th September, 2026.

OTHER INFORMATION

d) The Ministry of Corporate Affairs has taken a 'Green Initiative in Corporate Governance' by allowing Companies to send documents to their Members in electronic mode. To support this green initiative and to receive communications from the Company in electronic mode, Members who have not registered their e-mail addresses and are holding shares in physical form are requested to contact the RTA of the Company and register their e-mail address. Members holding shares in demat form are requested to contact their DPs. Members may please note that notices, annual reports, etc. will be available on the Company's website at www.fedfina.com. Members will be entitled to receive the said documents in physical form free of cost at any time upon request.

e) All correspondence relating to shares and dividend should be addressed to the Company's Registrars and Transfer Agents, viz: MUFG Intime India Private Limited (formerly Link Intime India Private Limited), C-101, Embassy 24/7, L.B.S. Marg, Vikhroli (West), Mumbai-400 083, Telephone No.: +91 810 811 6767, Fax: +91 22 4918 6060, e-mail: rnt.helpdesk@in.mpms.mufg.com

Explanatory Statement

The following Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (**"Act"**) read with rules framed thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"SEBI Listing Regulations"**), sets out all material facts relating to the business mentioned under Item Nos. 3 to 11 of the accompanying Notice dated 25th August, 2026

Item No. 3:

Pursuant to Reserve Bank of India (Non-Banking Financial Companies – Statutory Audit) Directions, 2026 dated 31st July, 2026, as amended (**"RBI Directions"**) the statutory audit for entities having an asset size of ₹ 15,000 Crores and above as at the end of previous year, should be conducted under the joint audit of a minimum of two audit firms. In accordance with the said Guidelines, the Statutory Auditors have to be appointed for a continuous period of three years, subject to the firm satisfying the eligibility norms each year and an audit firm would not be eligible for re-appointment in the same entity for six years after completion of full or part of one term of the audit tenure.

The Board of Directors of the Company ("Board"), at its Meeting held on 25th August, 2026, based on the recommendation of the Audit Committee, approved and recommended to the Members, the appointment of M/s. V. Sankar Aiyar & Co., Chartered Accountants (ICAI Firm Registration No. 109208W) as the Joint Statutory Auditors of the Company for a term of three consecutive years, commencing from the conclusion of the 31st Annual General Meeting ("AGM") until the conclusion of the 34th AGM, subject to the approval of the Members.

M/s. V. Sankar Aiyar & Co., Chartered Accountants, recommended for the appointment of the Joint Statutory Auditors of the Company do not have any common partners and they are not under the same network of M/s. KKC & Associates LLP, Chartered Accountants. Further the Board of Directors of the Company (including any Committee thereof), is authorised to finalise the work allocation amongst Joint Statutory Auditors of the Company, before the commencement of the statutory audit, in consultation with Statutory Auditors.

M/s. V. Sankar Aiyar & Co., Chartered Accountants, have conveyed their consent to act as the Joint Statutory Auditors of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139, 141, 142 and other applicable provisions, if any, of the Act and in compliance with the aforestated RBI Directions. The Joint Statutory Auditors have consented to the said appointment and confirmed that their appointment, if made, would be in compliance with the applicable provisions of the Act and the Rules framed thereunder, including the criteria provided under Sections 139 and 141 of the Act, read with applicable rules and the RBI Directions.

Information pursuant to Regulation 36(5) of SEBI Listing Regulations, the following details are mentioned below for the information of Members:

Proposed audit fee payable to auditors	The fees proposed to be paid to M/s. V. Sankar Aiyar & Co., Chartered Accountants, towards joint statutory audit (excluding applicable taxes and out of pocket expenses) for the first year shall be ₹ 45.25 Lakhs with authority to the Board (including any Committee thereof) to make changes as it may deem fit for the balance term.
Terms of appointment	M/s. V. Sankar Aiyar & Co., Chartered Accountants, is proposed to be appointed as Joint Statutory Auditors for three years i.e., from the conclusion of 31st AGM till the conclusion of 34th AGM.
Material change in fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change	Not applicable

Basis of recommendation and auditor credentials	The Audit Committee and the Board of Directors based on the credentials of the firm and partners, asset size of the Company and eligibility criteria prescribed under the Companies Act, 2013 and RBI Directions, recommends the appointment of M/s. V. Sankar Aiyar & Co., Chartered Accountants, as joint statutory auditors of the Company. **Profile:** Since 1952, VSA has been providing professional services. As a leading Chartered Accountancy firm is committed to maintaining professional ethics. VSA renders its professional service with a team of 17 dedicated partners and over 175 professionals, operating from strategically located offices in Mumbai, New Delhi, and Chennai. Mumbai headquarters serves as the central hub for seamless service delivery across New Delhi and Chennai. As a large and well-established Chartered Accountancy firm, VSA offers a comprehensive range of services, including audit assurance and attestation, tax services, Advisory, Regulatory Compliance and Valuation. With a deep understanding of the evolving Standards, Regulations and financial landscape, VSA provides expert guidance and solutions tailored to meet client's specific needs.

The Board recommends the ordinary resolution set out in Item No. 3 of the notice of AGM for approval of the Members.

None of the Directors, Key Managerial Personnel of the Company and/or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the accompanying Notice, except to the extent of their shareholding, if any, in the Company.

Item No. 4:

The Board of Directors in their meeting held on 25th August, 2026 have, subject to approval of shareholders of the Company, approved the limits of Selling, Assignment, Securitisation of present and/ or future receivables / book debts of the Company to banks / financial institutions, other investing agencies, Asset Reconstruction Companies and trustees for the holders of Debentures /Bonds and other instruments upto an outstanding Principal value upto ₹ 12,000 Crores (Rupees Twelve Thousand Crores Only) at any point of time.

Shareholders at the 30th AGM held on 29th September, 2025 had approved an outstanding principal value in this regard upto ₹ 10,000 Crores (Rupees Ten Thousand Crores Only) and the resolution at Item No. 4 of the Notice of this AGM shall supersede the said earlier resolution passed in this regard.

The sale/ assignment/ securitisation of the present and /or future receivables /book debts of the Company may result in disposal of undertaking as defined in the explanation to Section 180(1)(a) of the Companies Act, 2013 ("the Act"). As per the provisions of Section 180(1)(a) of the Act, the Board of Directors of the Company shall not sell, assign or securitise the receivables / book debts of the Company without the consent of the Members of the Company, accorded at the General Meeting by means of a Special Resolution.

Accordingly, the approval of the Members is being sought by way of a Special Resolution, authorising the Board of Directors to sell / assign / securitise substantial assets of present and /or future receivables / book debts of the Company upto an outstanding Principal value of ₹ 12,000 Crores (Rupees Twelve Thousand Crores Only) at any point in time to banks / financial institutions, other investing agencies, Asset Reconstruction Companies and trustees for the holders of Debentures /Bonds and other instruments in such form and manner as the Board may deem fit from time to time.

The Board recommends the Special resolution as set out at Item No. 4 of the accompanying Notice for the approval of the Members.

None of the Directors, Key Managerial Personnel of the Company and/or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the accompanying Notice, except to the extent of their shareholding, if any, in the Company.

Item Nos. 5 & 6

The Company, in the ordinary course of its business, may be required to avail various forms of borrowings to meet its funding requirements and support future business growth.

As per the provisions of Section 180(1)(c) and 180(1)(a) of the Companies Act, 2013 ("Act"), the Board of Directors of a Company shall not:

- borrow money, where the money to be borrowed, together with the money already borrowed by the

Company will exceed aggregate of its paid-up share capital, free reserves and securities premium, apart from temporary loans obtained from the Company's bankers in the ordinary course of business without the consent of the Members of the Company by means of a 'Special Resolution', and

- sell, lease or otherwise dispose of the whole or substantially the whole of its undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings, without the consent of the Members of the Company by means of a 'Special Resolution'.

Accordingly, in order to enable the Company to borrow funds as and when required and to secure such borrowings by creating mortgage(s), charge(s), hypothecation(s) and/or other security interest(s) on the movable and/or immovable properties and assets of the Company, whether present or future, the approval of the Members is being sought under Sections 180(1)(c) and 180(1)(a) of the Act by way of the Special Resolutions set out at Item Nos. 5 and 6 of the accompanying Notice.

Based on the funding requirements and growth plans of the Company, the Board of Directors, at its meeting held on 25th August, 2026, approved and recommended for the approval of the Members:

(a) an overall borrowing limit of ₹ 23,000 Crores (Rupees Twenty-Three Thousand Crores Only) outstanding at any point of time; and

(b) creation of mortgage(s), charge(s), hypothecation(s) and/or other security interest(s) on the assets of the Company to secure borrowings up to an aggregate amount not exceeding ₹ 23,000 Crores (Rupees Twenty-Three Thousand Crores Only).

The Members of the Company at the 30th Annual General Meeting held on 29th September, 2025, had approved the borrowing limits and the limits for creation of charge on the assets of the Company up to ₹18,000 Crores (Rupees Eighteen Thousand Crores Only). The resolutions proposed at Item Nos. 5 and 6 of this Notice shall supersede the said resolutions.

The Board recommends the Special resolutions as set out at Item Nos. 5 and 6 of the accompanying Notice for the approval of the Members.

None of the Directors, Key Managerial Personnel of the Company and/or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolutions set out at Item No. 5 and 6 of the accompanying Notice, except to the extent of their shareholding, if any, in the Company.

Item No. 7

In terms of Section 71 of the Companies Act, 2013 ("the Act") which deals with the issue of Debentures read with Section 42 of the Companies Act, 2013, which deals with the offer or invitation for subscription of Securities of the Company on private placement basis read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a Company can make private placement of its Debt Securities only after receipt of prior approval of its Members by way of a Special Resolution. Third proviso of Rule 14(1) of The Companies (Prospectus and Allotment of Securities) Rules, 2014 further provides that in case of an offer or invitation to subscribe for non-convertible debentures on private placement basis, it is sufficient if the Company obtains previous approval of its shareholders by means of a special resolution only once in a year for all the offers or invitations for such debentures during the year.

The Company had obtained the approval of members at the previous annual general meeting held on 29th September, 2025 for issuance of non-convertible debentures not exceeding ₹ 2,500 Crores (Rupees Two Thousand Five Hundred Crores Only) in one or more tranches on private placement basis which will expire at the end of one year from passing of the resolution.

In order to facilitate the raising of funds by way of issuance of Non-Convertible Debentures, it would be necessary to have the fresh approval of members in place. Accordingly, based on the recommendation of the Board of Directors in their Meeting held on 25th August, 2026 after assessing its fund requirements, it is proposed to offer, issue, create and/or make invitation(s) to eligible persons to subscribe for all the kinds and types of Non-Convertible Debentures ("NCDs") including but not limited to secured or unsecured, redeemable, listed or unlisted, cumulative or non-cumulative, fixed rate or market linked and / or hybrid instruments (not in nature of equity shares) including but not limited to non-convertible debentures / bonds qualifying as subordinated Tier II debts, Perpetual debt instruments which may or may not be classified as being additional Tier I or Tier II capital under the provisions of the RBI Master Directions in one or more tranches and/or series, not exceeding ₹ 2,500 Crores (Rupees Two Thousand Five Hundred Crores Only) on a private placement basis to banks, financial institutions, non-banking financial companies, corporates, Foreign Institutional Investors (FIIs), Qualified Foreign Investors (QFIs), Foreign Portfolio Investors (FPIs), Insurance Companies and any other investor authorised to invest in the securities, within the overall limit of borrowing as approved by the members pursuant to Section 180 (1)(c) of the Companies Act, 2013, from time to time, on the date of issue. This resolution enables the Company to offer or invite subscription for non-convertible debentures, as may be required by the Company, from time to time for a year from the conclusion of this Annual General Meeting.

The Board recommends the Special resolutions as set out at Item No. 7 of the accompanying Notice for the approval of the Members.

None of the Directors, Key Managerial Personnel of the Company and/or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolutions set out at Item No. 7 of the accompanying Notice, except to the extent of their shareholding, if any, in the Company.

Item No. 8

Employee Stock Options (ESOP's) are considered as an effective tool to attract and retain the best talent and also serve to attract, incentivise and motivate professionals and reward exceptional performance.

The Shareholders at their Meeting held on 19th September, 2024 approved an ESOP Pool of 3% of the paid-up equity share capital of the Company as on 22nd August, 2024 i.e. 1,11,52,813 (One Crore Eleven Lakhs Fifty-Two Thousand Eight Hundred and Thirteen) Options. Consequent to grants already made under the Scheme, the balance pool currently available for grant is limited, and considering the Company's growth trajectory, leadership requirements and future talent planning, it is considered appropriate to increase the ESOP pool to 5% of the paid-up equity share capital of the Company as on 31st March, 2026 i.e. 1,87,10,305 (an addition of 2% from 3%).

Pursuant to the approval of the Members by way of Special Resolution passed on 19th September, 2024, the Nomination and Remuneration Committee has granted 37,25,000 Options on 24th January, 2025, 4,05,000 Options on 2nd May, 2025 and 32,63,528 Options on 13th May, 2025, aggregating to 73,93,528 Options under the Fedbank Financial Services Limited Employees Stock Option Scheme, 2024 ("ESOP 2024"). Out of the said grants, 1,10,000 Options have lapsed. Accordingly, 38,69,285 Options remain available for grant out of the total pool of 1,11,52,813 (One Crore Eleven Lakhs Fifty-Two Thousand Eight Hundred and Thirteen) Options under ESOP 2024.

In line with the Company's philosophy of fostering a culture of employee ownership, supporting its long-term growth strategy and creating sustainable shareholder value by aligning the interests of employees with those of the Company, it is considered necessary to augment the pool of Employee Stock Options available for grant. The enhanced pool will enable the Company to attract, retain, reward and motivate high-performing employees and leadership talent.

Accordingly, pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors, at its Meeting held on 6th May, 2026, approved, subject to the approval of the Members, the modification of ESOP 2024 by increasing the existing option pool by 75,57,492 (Seventy-Five Lakhs Fifty-Seven Thousand Four Hundred and Ninety-Two) Options.

Upon such increase, the total number of Options available for grant under ESOP 2024 shall stand enhanced from 1,11,52,813 (One Crore Eleven Lakhs Fifty-Two Thousand Eight Hundred and Thirteen) Options to 1,87,10,305 (One Crore Eighty-Seven Lakhs Ten Thousand Three Hundred and Five) Options, subject to the approval of the Members.

Upon approval of the proposed modification and subject to the terms of ESOP 2024, the total pool of 1,87,10,305 (One Crore Eighty-Seven Lakhs Ten Thousand Three Hundred and Five) Options shall, upon vesting and exercise, be convertible into an equivalent number of fully paid-up Equity Shares of the Company having a face value of ₹10 (Rupees Ten) each.

Accordingly, the Company proposes to modify ESOP 2024 by increasing the existing Plan Pool by 75,57,492 (Seventy-Five Lakhs Fifty-Seven Thousand Four Hundred and Ninety-Two) Options. Consequently, the maximum number of Options available for grant under ESOP 2024 shall increase from 1,11,52,813 (One Crore Eleven Lakhs Fifty-Two Thousand Eight Hundred and Thirteen) Options to 1,87,10,305 (One Crore Eighty-Seven Lakhs Ten Thousand Three Hundred and Five) Options, subject to the approval of the Members.

Accordingly, it is proposed to amend Clause 3.2 of ESOP 2024 to increase the aggregate number of Options available for grant under the Scheme. Each Option granted under ESOP 2024 shall continue to be exercisable into one fully paid-up Equity Share of the Company having a face value of ₹10 (Rupees Ten) each, upon vesting and exercise, in accordance with the terms of ESOP 2024.

It may be noted that the additional Options proposed to be created shall vest in eligible employees in accordance with the vesting conditions, eligibility criteria and other terms and conditions specified under ESOP 2024. The proposed modification is not prejudicial to the interests of the existing Option grantees and will not adversely affect any Options already granted under ESOP 2024.

Since the approval of the Members is being sought for increasing the aggregate number of Options under ESOP 2024, the disclosures as prescribed under Part C of Schedule I read with Regulations 6 and 7 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB & SE Regulations") are provided in this Explanatory Statement.

Pursuant to Regulations 6 and 7 of the SEBI SBEB & SE Regulations and Section 62(1)(b) of the Companies Act, 2013, any variation in the terms of an employee stock option scheme previously approved by the Members requires the approval of the Members by way of a Special Resolution. Accordingly, the approval of the Members is being sought for the proposed modification of ESOP 2024 as set out in the Resolution at Item No. 8 of the accompanying Notice.

A statement of disclosure as required under Regulation 7(4) of the SEBI SBEB & SE Regulations is as follows:

Amendment of Clause 3.2 of ESOP 2024:

Existing clause	Proposed clause
3. Authority and Ceiling	3. Authority and Ceiling
3.2. The number of Options for grant under the new scheme is 1,11,52,813 (One Crore Eleven Lakhs Fifty Two Thousand Eight Hundred Thirteen only)	3.2. The number of Options for grant under the new scheme is 1,87,10,305 (One Crore Eighty-Seven Lakhs Ten Thousand Three Hundred and Five only)

Save and except as stated above, all the other terms and conditions of ESOP 2024 shall remain the same.

The beneficiaries of the proposed variation are all existing option grantees and such other employees/ option grantees to whom options may be granted in the future under ESOP 2024.

The Resolution is proposed pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013. Further, in terms of Regulation 7 and other applicable provisions of SEBI SBEB & SE Regulations, any variation or modification to an employee stock option scheme requires the approval of the Members by way of a Special Resolution, unless such variation or modification is required to comply with applicable laws or regulatory requirements. The proposed modifications to ESOP 2024 are not prejudicial to, and do not adversely affect, the interests of the existing Option grantees under the Scheme.

The Nomination and Remuneration Committee and the Board of Directors, at their respective meetings held on 6th May, 2026, approved the proposed modifications to ESOP 2024, subject to the approval of the Members.

The Company shall comply with the applicable accounting policies, disclosure requirements and Accounting Standards prescribed by the Central Government under Section 133 of the Companies Act, 2013, including the applicable Guidance Note(s) on Accounting for Share-Based Payments and such other requirements as may be prescribed from time to time.

A copy of the revised Scheme depicting above proposed modification in the Scheme will be available for inspection by the Members through the electronic mode by sending a request for the same to the Company Secretary at secretarial@fedfina.com.

None of the Directors, key managerial personnel of the Company and their relatives are, concerned or interested, financially or otherwise, in the Special resolution as set out at Item No. 8, except to the extent of their respective shareholding, if any, in the Company and number of Options which may be granted to them, if any, pursuant to implementation of the Scheme.

Recommendation of the Board: The Board of Directors recommends the passing of Special Resolution as set out at Item No. 8 of the accompanying Notice to the Shareholders for their approval.

The issue of the said Equity Shares of the Company would be well within the authorised share capital of the Company. As the aforesaid proposal will entail further issue of shares, consent of the Members is being sought pursuant to Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and as per Regulation 6 of the SEBI SBEB & SE Regulations, as amended from time to time.

The salient features of the Scheme set out as per SEBI SBEB & SE Regulations are as under:

Sr. No.	Particulars	Disclosure Details: ESOP 2024
1.	Brief description of the scheme(s).	The Scheme provides for grant of employee stock options ("Options") to the employees as permissible under the Companies Act, 2013 and the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. Upon vesting of Options, the eligible employees earn a right (but not obligation) to exercise the vested Options within the exercise period and obtain equity shares of the Company which shall be allotted by the Company subject to receipt of exercise price and satisfaction of any tax obligation arising thereon. The Nomination and Remuneration Committee (NRC) shall decide the number and timing of Options to be granted to the Employees, individually and in aggregate, from time to time. Each such Option shall confer a right upon the Employee to apply for 1 (one) Share of the Company, in accordance with the terms and conditions of ESOP 2024 and the Grant Letter. Further, the NRC shall have the right to issue different classes of Options, and determine the terms of each such class of Options in accordance with ESOP 2024. All questions of interpretation of the Scheme shall be determined by NRC as per terms of the Scheme and applicable laws.
2.	The total number of options to be offered and granted.	Originally approved 1,11,52,813 options convertible into 1,11,52,813 equity shares of face value of ₹ 10 each out of which 72,83,528 Stock Options (less lapsed options) are already granted in the manner prescribed. Subject to approval of shareholders, aforesaid pool is proposed to be increased to 1,87,10,305 options exercisable into 1,87,10,305 equity shares of face value of ₹ 10 each by addition of 75,57,492 options exercisable into 75,57,492 equity shares of face value of ₹ 10 each.
3.	Identification of classes of employees entitled to participate and be beneficiaries in the scheme(s).	Employee means: (i) an employee as designated by the Company, who is exclusively working in India or outside India; or (ii) a Director of the Company, whether a whole-time Director or not, including a non-executive Director who is not a Promoter or member of the Promoter Group, but excluding Independent Directors. (iii) an employee as defined in sub clause (i) or (ii), of a Group company of the Company including its subsidiary or its Associate Company, in India or outside India, or of its Holding Company, but does not include- (a) an employee who is a Promoter or a person belonging to the Promoter Group; or (b) a Director who, either himself or through his relative or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company.
4.	Requirements of vesting and period of vesting.	Options granted under ESOP 2024 shall vest not earlier than the minimum Vesting period of 1 (one year) and not later than the maximum vesting period of 4 years from the date of Grant and the options shall vest in equal proportion over each year of the vesting period. It is hereby clarified that a minimum vesting period of 1 (one) year shall not apply in case of Death or Permanent Disability.

Sr. No.	Particulars	Disclosure Details: ESOP 2024
5.	Maximum period (subject to regulation 18(1) and 24(1) of the regulations, as the case may be) within which the options shall be vested.	The Options granted shall vest in not more than 4 (four) years from the date of grant of such Options subject to conditions, if any, mentioned in the Grant Letter.
6.	Exercise price or pricing formula.	The Exercise Price for the Options granted under the Scheme as specified in the Grant Letter issued to the Employee which shall be not less than the Fair market value of shares of the Company as on the date of grant. Market value means the average of the opening and closing price on the recognised stock exchanges on which the shares of the Company are listed on the date immediately prior to the relevant date and which has recorded the highest trading volume as on the trading day
7.	Exercise period and process of exercise.	The Options may be exercised within 3 (three) years from the date of vesting of the Options. However, in case of death and permanent incapacity while in employment or service, the exercise period shall be up to a maximum of exercise period of 12 months commencing from the date of death or permanent incapacity, as the case may be. The exercise conditions for other categories are as mentioned in the Scheme. The Options will be exercised by the employees by a written application to the designated officer of the Company in such manner and on execution of such documents, as may be prescribed in this regard from time to time. The Option will lapse if not exercised within the specified exercise period.
8.	The appraisal process for determining the eligibility of employees for the scheme(s).	The Options shall be granted to the employees as per eligibility criteria determined by the NRC as it deems fit, from time to time, which may include attributes like past performance, achievement of key performance indicators, future potential, etc.
9.	Maximum number of options to be offered and issued per employee and in aggregate, if any;	The number of options that may be granted to identified employees shall not exceed 1% of the issued capital of the Company at the time of the grant of options under the Scheme. Prior approval of shareholders shall be obtained in case of grant of option to identified employees, during any one year, equal to or exceeding one per cent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant of option.
10.	Maximum quantum of benefits to be provided per employee under the scheme(s).	Apart from grant of Options as stated above, no monetary benefits are contemplated under the Scheme.
11.	Whether the scheme(s) is to be implemented and administered directly by the Company or through a trust.	The Scheme shall be implemented and administered directly by the Company. However, the Company may seek shareholders' approval in case of change of route of implementation is thought expedient in future.
12.	Whether the scheme(s) involves new issue of shares by the Company or secondary acquisition by the trust or both.	The Scheme contemplates new issue of shares by the Company

Sr. No.	Particulars	Disclosure Details: ESOP 2024
13.	The amount of loan to be provided for implementation of the scheme(s) by the Company to the trust, its tenure, utilisation, repayment terms, etc.	Not Applicable since the Scheme is proposed to be implemented directly by the Company
14.	Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the scheme(s).	Not Applicable since the Scheme is proposed to be implemented directly by the Company
15.	A statement to the effect that the Company shall conform to the accounting policies specified in regulation 15 of SEBI (SBEB & SE) Regulations.	The Company shall comply with the disclosure requirements and specifically as per Part G of Schedule I of the SEBI SBEB & SE Regulations and the accounting policies prescribed as per the Accounting Standards prescribed by the Central Government in terms of Section 133 of the Companies Act, 2013 including "Guidance Note on Accounting for Employee Share-Based Payments" issued by the Institute of Chartered Accountants of India (ICAI) or any modifications or re-enactment(s) thereof.
16.	The method which the Company shall use to value its options	To calculate the employee compensation cost, the Company shall use the fair value method for valuation of the Options granted as prescribed under Ind-AS 102 or under any relevant accounting standard as notified by appropriate authorities from time to time.
17.	Period of lock-in.	The shares arising out of exercise of vested Options would not be subject to any lock-in period after such exercise except such restrictions as prescribed under the applicable laws specifically in connection with or after listing of Company's shares.
18.	Terms and conditions for buyback, if any, of specified securities covered under these regulations	Subject to the provisions of the then prevailing applicable laws, the NRC shall determine the procedure for buy-back of Options granted under the Plan if to be undertaken at any time by the Company and the applicable terms and conditions thereof.
19.	Listing	Equity shares allotted pursuant to the exercise of the Scheme shall be listed on BSE Limited and National Stock Exchange of India Limited.

Item No. 9

The Shareholders of the Company through Postal Ballot Notice dated 28th April, 2025, accorded their approval for entering into and/or carrying out and/or continuing with material related party transaction(s) with The Federal Bank Limited ("Federal Bank") for FY 2025-26 which were in the ordinary course of business and on arm's length basis.

Further the Shareholders of the Company through Postal Ballot Notice dated 28th April, 2026, accorded their approval for entering into and/or carrying out and/or continuing with material related party transaction(s) with The Federal Bank Limited to be undertaken during FY 2026-27 and till one year from the effective date of passing of the resolution. SEBI amended Regulation 23 vide Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2025 dated 19th December, 2025 clarifying that the approvals taken at Annual General Meeting shall be valid till the next AGM.

Accordingly, in order to align the approval process with the annual general meetings of the Company, and to seek shareholder approvals at each AGM, the Company is placing the proposal for approval of members at the ensuing AGM. The approval sought covers the entering into and/or carrying out and/or continuing of material related party transactions with The Federal Bank Limited from the date of the 31st Annual General Meeting up to the date of the next Annual General Meeting of the Company.

The provisions of Regulation 23 of SEBI Listing Regulations, mandates prior approval of Members of the Company for all material related party transactions and subsequent material modifications as defined by the Audit Committee even if such transactions are in the ordinary course of the business of the concerned Company and at an arm's length basis. In terms of SEBI Listing Regulations, where the consolidated turnover of the listed entity is upto ₹ 20,000 Crores, a transaction with a related party shall be considered as a material related party transaction, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity. The annual turnover of the Company for the financial year 2025-26 is ₹ 2,227 Crores.

The Company is required to comply with Regulation 23 of the SEBI Listing Regulations with respect to material related party transactions proposed to be undertaken from the ensuing 31st Annual General Meeting till the 32nd Annual General Meeting to be held in calendar year 2027.

Furthermore, in accordance with the SEBI Master Circular dated 11th July, 2023 (as updated on 30th January, 2026) read with SEBI Circular dated 26th June, 2025 on "Minimum information to be provided for review of the Audit Committee and Shareholders for approval of a related party transaction" effective 1st September, 2025, the Management has structured the proposal to include all General Information and Specific Transaction Information disclosures.

Pursuant to the provisions of Section 188 of the Companies Act, 2013 ("the Act"), read with The Companies (Meetings of Board and its Powers) Rules, 2014 ("Rules"), the Company is required to obtain consent of the Audit Committee, Board of Directors and also prior approval of the Shareholders by way of Ordinary Resolution, in case certain transactions with related parties exceeds such sum as specified in the said Rules.

Most of the transactions undertaken by the Company with Federal Bank are in its capacity as a Scheduled Commercial Bank. However, as Federal Bank qualifies as a related party, the Company is placing the said transactions before the Shareholders for their approval.

Details of the proposed transactions with Federal Bank, being the holding company and a related party of the Company, which are likely to exceed the above-mentioned materiality thresholds, as follows:

Funded and non-funded facilities and issuance of debt securities -:

(a) **Funded and non-funded facilities:** The Company borrows money from various banks to meet the funding requirements of the Company and/or for general corporate purpose. Funded and non-funded facilities are availed by the Company in ordinary course of business from various banks on the basis of sanctioned amount and agreement entered with various banks, including Federal Bank in accordance with the policies of the Company uniformly applicable for all borrowing done by the Company. Type of facility, terms, end-use and tenure of the transaction, in each case, depends on the funding requirements of the Company and the prevailing market rates. The facilities are availed by the Company on the basis of competitive rates received for similar type of loans from other banks at that point in time. The interest payment and fee payment are consequential to the transactions originating out of principal transactions in the form of loan, guarantees, cash credit etc. Therefore, the quantum of such consequential transactions depends on the value of the principal transaction. Federal Bank is one of the large lenders in India and it is in the interest of the Company to have Federal Bank as one of the lenders to ensure high availability of resources. The transactions are undertaken to meet the funding requirements of the Company in accordance with the policies and procedures of the Company and are undertaken in the ordinary course of business on an arm's length basis and therefore, in the interest of the Company.

(b) **Issuance of debt securities:** The Company, in the ordinary course of its business, raises funds by way of issuance of debt securities depending upon the prevalent market conditions, cost of funds, tenor etc. through private placement in accordance with policies of the Company. The investment in Non-Convertible Debentures of the Company happens through Electronic Bidding Platform of Stock Exchanges as per the prescribed SEBI norms. The issuance would be made at the terms uniformly applicable to all investors (including Federal Bank). The interest payment and any fee are consequential to the principal transactions and would be in accordance with the terms of issue uniformly applicable to all investors. This is in furtherance of the fund raising activities of the Company and in the interest of the Company.

The value of transactions, for (a) and (b) above, proposed to be undertaken/ continued to be undertaken till the 32nd Annual General Meeting to be held in calendar year 2027 would be up to ₹ 1,500 Crores i.e. approx. 67.36% of annual turnover of the Company for the financial year 2025-26. The interest and processing fees on these transactions shall not exceed ₹ 150 Crores i.e. approx. 6.74% and ₹ 40 Crores i.e. approx. 1.80% respectively of annual turnover of the Company for the financial year 2025-26.

The transactions are undertaken to meet the funding requirements of the Company in accordance with the policies and procedures of the Company and are undertaken in the ordinary course of business on an arm's length basis and therefore, in the interest of the Company.

Assignment of Loan/ Securitisation

The Company may undertake to securitise, assign assets including receivables / book debts of the Company in favour of banks / financial institutions, other investing agencies and trustees for the holders of the debentures/ bonds/pass through certificates/ security receipts and other instruments in accordance with RBI regulations and policies of the Company. The Company may undertake securitisation / loan assignment transactions and other transactions with Federal Bank. Federal Bank is one of the large Banks in India and exposure to Federal Bank along with other lenders provides additional leverage to the Company to borrow from multiple sources. The Company may create fixed deposits with Federal Bank for the purpose of securitisation transaction at the reckoner rates published by the Federal Bank. The value of transactions proposed to be undertaken/ continued to be undertaken till the 32nd Annual General Meeting to be held in calendar year 2027 would be up to ₹ 1,000 Crores i.e. approx. 44.90% of annual turnover of the Company for the financial year 2025-26. The Company benefits from the securitisation / loan assignment transactions by raising funds at very competitive rates and is therefore, in the interest of the Company.

The transactions are undertaken in accordance with the policies and procedures of the Company and are undertaken in the ordinary course of business on an arm's length basis and therefore, in the interest of the Company.

Placing Fixed Deposits and receipt of interest on Fixed Deposits

The Company invests excess funds in fixed deposits as a liquidity management tool with various banks including Federal Bank. The fixed deposits are created as per the reckoner rates published by the Federal Bank. Since, the Company places the excess funds for short term and long term benefit at the best rates available, this transaction is in the interest of the Company. The value of transactions proposed to be undertaken/ continued to be undertaken till the 32nd Annual General Meeting to be held in calendar year 2027 would be up to ₹ 200 Crores i.e. approx. 8.98% of annual turnover of the Company for the financial year 2025-26. The interest on such fixed deposits shall not exceed ₹ 25 Crores i.e. approx. 1.12% of annual turnover of the Company for the financial year 2025-26.

The transactions are undertaken in accordance with the policies and procedures of the Company and are undertaken in the ordinary course of business on an arm's length basis and therefore, in the interest of the Company.

Maintaining Current Accounts with Federal Bank and payment of service charges for banking transactions

The Company maintains current account with various banks including Federal Bank for regular business activities of the Company. As the current accounts are maintained by the Company with Federal Bank for various regular business activities of the Company such as disbursements, collection, repayment of loans, interest, salary, vendor payments, etc., the value of the transaction cannot be ascertained. Banking charges are levied by Federal Bank in relation to the account maintained and banking services availed, basis standard terms and conditions as offered by Federal Bank to its customers. The value of the transaction may exceed the materiality threshold limits as per SEBI Listing Regulations. These transactions are regular business transactions of Company. Therefore, the transactions were in the interest of the Company.

The transactions are undertaken in accordance with the policies and procedures of the Company and are undertaken in the ordinary course of business on an arm's length basis and therefore, in the interest of the Company.

Hedging limit

The Company borrows money from various banks to meet the funding requirements of the Company and/or for general corporate purpose. To diversify Company's funding sources and take advantage of interest arbitrage opportunities between foreign currency and local currency borrowings, the Company avails External Commercial Borrowing from various banks. To protect / hedge against volatility in foreign currency and external benchmark interest rates, the Company enters into appropriate derivative contracts from various banks. Type of derivative contract, its terms, tenure, in each case, depends on the respective underlying External Commercial Borrowing as availed at the prevailing market rates. The Company may enter into such derivative contracts with Federal Bank on the basis of competitive rates received for similar type of derivative contracts from other banks at that point in time. Therefore, the quantum of such consequential transactions depends on various factors, however the net settlement of such derivative contracts will largely hedge the volatility in interest and principal payments of the underlying External Commercial Borrowing. Such transactions are undertaken to meet the hedging requirements of the Company in accordance with the policies and procedures of the Company and are undertaken in the ordinary course of business and therefore, in the interest of the Company. The value of transactions proposed to be undertaken/ continued to be undertaken till the 32nd Annual General Meeting to be held in calendar year 2027 would be up to ₹ 500 Crores i.e. approx. 22.45% of annual turnover of the Company for the financial year 2025-26.

The transactions are undertaken in accordance with the policies and procedures of the Company and are undertaken in the ordinary course of business on an arm's length basis and therefore, in the interest of the Company.

Syndication Fee

The Company engages Federal Bank for providing syndication and related financing services in connection with its External Commercial Borrowings (ECBs), domestic borrowings, and Tier II capital raises. In this regard, the Company proposes to pay syndication fees of up to ₹ 15 Crores i.e. approx. 0.67% of annual turnover of the Company for the financial year 2025-26. These transactions form part of the Company's regular financing activities and are undertaken in accordance with the policies and procedures of the Company and are undertaken in the ordinary course of business on an arm's length basis, with fees determined at rates comparable to those for similar syndication transactions.

CLM limits for LAP/Gold

The Company seeks approval for the value of transactions proposed to be undertaken/ continued to be undertaken till the 32nd Annual General Meeting to be held in calendar year 2027 aggregating up to ₹ 1,000 Crores, representing approximately 44.90% of the annual turnover of the Company for the financial year 2025-26, under co-lending arrangements for Loans Against Property (LAP) and Gold loans. The proposed transactions shall be carried out at rates comparable to those applicable to the Company's other co-lending partners. These limits are considered necessary to meet business requirements and support the Company's growth objectives.

The transactions are undertaken in accordance with the policies and procedures of the Company and are undertaken in the ordinary course of business on an arm's length basis and therefore, in the interest of the Company.

Fee income for referring /lead generation for bank products

The Company seeks approval for value of transactions proposed to be undertaken/ continued to be undertaken till the 32nd Annual General Meeting to be held in calendar year 2027 would be up to ₹ 25 Crores i.e. approx. 1.12% of annual turnover of the Company for the financial year 2025-26 relating to referral and lead generation services for bank products.

The transactions are undertaken in accordance with the policies and procedures of the Company and are undertaken in the ordinary course of business on an arm's length basis and therefore, in the interest of the Company.

Other transactions

The other transactions / arrangements with Federal Bank inter-alia are in the nature of fees, commission, brokerage, reimbursements, cash management services, rent, rental deposit, professional charges, Bharat Bill payment system services, software license any other income/expenses and other services such as depository participant, custodian services, investment banking related services etc. in furtherance towards the ordinary course of business of the Company.

All the aforesaid transactions are in furtherance of the business activities and are in accordance with the applicable laws, therefore, in the interest of the Company.

The aforementioned transactions, individually or in aggregate may cross the applicable materiality thresholds under Regulation 23 of the SEBI Listing Regulations. Accordingly, as per the SEBI Listing Regulations, prior approval of the Members is being sought for grant of authority to the Board of Directors (hereinafter referred to as the "Board", which term shall be deemed to include any Committee(s) constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this resolution) for all these arrangements / contracts / agreements / transactions to be undertaken (whether individual transaction or transactions taken together or series of transactions or otherwise) with Federal Bank, being the holding company and a related party of the Company, whether by way of continuation(s) or extension(s) or renewal(s) or modification(s) of earlier arrangements / contracts / agreements / transactions or as fresh and independent transaction(s) or otherwise, proposed to be undertaken/ continued to be undertaken till the 32nd Annual General Meeting to be held in calendar year 2027. Individually, brand royalty fee not exceeding ₹ 4 Crores i.e. ~0.18% of annual turnover of the Company for the financial year 2025-26. The royalty is determined based on brand usage value and comparable industry practices and the methodology is consistent with last two years.

All the above transactions are in the ordinary course of business of the Company and on an arm's length basis.

The Audit Committee of the Company (comprising of all Independent Directors) on 31st March, 2026 on the basis of relevant details provided by the Management in line with the requirements under SEBI Circular on RPTs Industry Standards, have reviewed and accorded their consent for entering into and/or carrying out and/or continuing with existing contracts / arrangements / transactions or modification(s) of earlier contracts / arrangements / transactions or as fresh and independent transaction(s) or otherwise [whether individually or series of transaction(s) taken together or otherwise] with Federal Bank, in the ordinary course of business and at arm's length basis for the aforesaid periods, subject to the approval of the Members of the Company.

Further, the Board at its Meeting held on 28th April, 2026, subject to the approval of the Members, has approved the Material related party transactions proposed to be undertaken with The Federal Bank Limited.

Accordingly, the Board has considered the proposal and recommends passing of the resolution contained in Item No. 9 of the Notice by way of an Ordinary Resolution.

Mr. K.V.S Manian, Non-Executive Nominee Director, Mr. Harsh Dugar, Non-Executive Nominee Director of the Company, are also the Director(s) of Federal Bank, and hence they and their relatives may be deemed to be concerned or interested in this Resolution.

None of the other Directors, Key Managerial Personnel of the Company or their relatives, are in any way, concerned or interested, financially or otherwise, in the resolution as set out at Item No. 9 of this Notice except to the extent of their employment/ nomination/ shareholding in the Company and in the entity mentioned above.

Federal Bank, shall be deemed to be interested in the proposed Resolution. The Members may please note that in terms of the provisions of the SEBI Listing Regulations, the related parties as defined thereunder (whether such related party is a party to the aforesaid transactions or not), shall not vote to approve resolution under Item No. 9.

The details as required under Regulation 23 of the SEBI Listing Regulations read with SEBI Master Circular bearing reference no. HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 issued on 11th July, 2023 (as updated on 30th January, 2026) and SEBI Circular on RPTs Industry Standards is as follows:

(a) **Information as placed before the Audit Committee in the format as specified in the RPT Industry Standards, to the extent applicable:** Refer below table titled as "Annexure – A".

(b) **Justification as to why the proposed transaction is in the interest of the listed entity, basis for determination of price and other material terms and conditions of RPT:** Refer below table titled as "Annexure – A".

(c) **Disclose the fact that the Audit Committee has reviewed the certificates provided by the CEO/ Managing Director/ Whole Time Director/ Manager and CFO of the Listed Entity as required under the RPT Industry Standards:** All relevant information pertaining to the proposed Related Party Transactions (RPTs) were placed before the Audit Committee as prescribed in SEBI Circular on RPTs Industry Standards. Furthermore, the Company has obtained Certificate from the Chief Executive Officer (CEO) and Chief Financial Officer (CFO), as required under the said SEBI Circular, confirming that the proposed transactions are in the best interest of the Company, which was also placed before the Audit Committee while taking their approval.

(d) **Disclosure that the material RPT or any material modification thereto, has been approved by the Audit Committee and the Board of Directors recommends the proposed transaction to the shareholders for approval:** The proposed material RPTs have been approved by the Audit Committee and the Board recommends the proposed transaction(s) to the Shareholders for approval.

(e) **Provide web-link and QR Code, through which shareholders can access the valuation report or other reports of external party, if any, considered by Audit Committee while approving the RPT:** The transactions at present do not contemplate any valuation. Valuation Report shall be obtained, if required.

(f) **The Audit Committee and Board of Directors, while providing information to the shareholders, can approve redaction of commercial secrets and such other information that would affect competitive position of listed entity and affirm that, in its assessment, the redacted disclosures still provides all the necessary information to the public shareholders for informed decision-making:** Not Applicable

(g) **Any other information that may be relevant:** All relevant / important information forms part of this statement setting out material facts pursuant to Section 102 of the Companies Act.

Item No. 10

As per the provisions of the Companies Act, 2013, a company may pay remuneration/commission to Non-Executive Directors up to a sum not exceeding one percent of the net profits of the Company. Further, the Act, inter alia, provides that if, in any financial year, a company has no profits or its profits are inadequate, it shall not pay its Non-Executive Directors, including Independent Directors, any remuneration except in accordance with the provisions of Schedule V of the Companies Act, 2013.

Regulation 17(6) of SEBI Listing Regulations, inter alia, provides that the Board shall recommend to the Members for their approval all fees other than sitting fees or compensation, if any, paid to the Non-Executive Directors (including Independent Directors).

The Independent Directors and the Non-Executive Chairman of the Company are highly accomplished professionals possessing substantial experience and expertise across diverse fields, including banking, business strategy, business development, corporate governance, finance and taxation, information security and technology, risk management, and other related areas. Their diverse backgrounds, knowledge and professional competencies significantly enhance the effectiveness of the Board and contribute to the Company's continued growth and long-term value creation. The Company derives immense benefit from their insights, guidance and expertise, which support informed decision-making and the achievement of strategic objectives.

The Independent Directors play a vital role in providing objective and independent perspectives on Board deliberations and ensuring robust governance and oversight. They actively participate, inter alia, in providing strategic direction to the Company, setting key performance indicators for the Company and senior management, strengthening compliance and governance standards, reviewing business performance, and overseeing risk management and regulatory compliance frameworks. They devote considerable time and attention to Board and Committee matters and make valuable contributions to various decision-making processes. Their experience, independent judgement and constructive advice continue to strengthen the Company's governance framework and support its sustainable growth and overall performance.

With the heightened emphasis on corporate governance standards and the expanding scope of duties & responsibilities entrusted to Non-Executive Directors under the Act and the SEBI Listing Regulations, their increased involvement in the committees of the Company is imperative.

The shareholders through Postal Ballot Notice dated 22nd October, 2024, had approved the payment of ₹ 18 Lakhs per year for 2 years to each Independent Director (Present or Future) by way of Profit-linked Commission and ₹ 22.50 Lakhs per year for 2 years to each Non-Executive Director (Present or Future) by way of Profit-linked Commission commencing from the Financial year 2024-25 till the end of the Financial year 2025-26.

In view of the substantial rise of non-executive directors' participation at the Board and Committee meetings and the higher responsibilities they are expected to bear on account of statutory & regulatory requirements, it is proposed to revise the commission to the Independent Directors to ₹ 20 Lakhs per annum and to the Non-Executive Chairman to ₹ 25 Lakhs per annum for a further period of 2 years i.e. FY 2026-27 and FY 2027-28.

The Board of Directors based on the recommendation of the Nomination and Remuneration Committee in its meeting held on 25th August, 2026, subject to the approval of the Members, approved payment of commission to the Independent Directors and the Non-Executive Chairman of the Company in the following manner:

a) To each of the Independent Directors: ₹ 20 Lakhs per year for 2 years

b) To the Non-Executive Chairman: ₹ 25 Lakhs per year for 2 years

Approval is sought for making these payments after the end of the financial years 2026- 27 and 2027-28, subject to the maximum limit of 1% of the net profits of the Company computed as per Section 198 of the Companies Act, 2013.

The information required to be provided in terms of Schedule V of the Companies Act, 2013 is given hereunder:

I. General information:

(1) Nature of industry: The Company is a Non-Banking Financial Company registered with RBI

(2) Date or expected date of commencement of commercial production: Not applicable.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not applicable.

(4) Financial performance based on given indicators:

Particulars of FY 2025-26	Amount in Lakhs
Revenue	2,22,360
Other Income	301
Total Income	2,22,661
Expenditure	1,76,560
Profit before Exceptional Items	46,101
Exceptional Items	-
PBT	46,101
Tax	11,741
PAT	34,360

(5) Foreign investments or collaborations, if any.: Nil

II. Information about the Director:

Particulars	Mr. Shyam Srinivasan	Mr. Sunil Satyapal Gulati	Mr. Ramesh Sundararajan
Background details, Job Profile and his/her suitability	Please refer the Directors Profile section	Please refer the Directors Profile section	Please refer the Directors Profile section
Past remuneration	Commission of ₹ 22.50 Lakhs and Sitting fees of ₹ 13,80,000 are paid for F.Y 2025-26 for attending the Board meetings and Committee meetings	Commission of ₹ 18.00 Lakhs and Sitting fees of ₹ 17,60,000 are paid for F.Y 2025-26 for attending the Board meetings and Committee meetings	Commission of ₹ 18.00 Lakhs and Sitting fees of ₹ 20,20,000 are paid for F.Y 2025-26 for attending the Board meetings and Committee meetings
Recognition or Awards	Nil	Nil	Nil
Remuneration Proposed	Sitting fees and Commission of ₹ 25 Lakhs per year for 2 years	Sitting fees and Commission of₹ 20 Lakhs per year for 2 years	Sitting fees and Commission of ₹ 20 Lakhs per year for 2 years
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Taking into consideration the size and nature of the Company, the profile of Mr. Shyam Srinivasan, the remuneration is commensurate with the Industry Benchmark.	Taking into consideration the size and nature of the Company, the profile of Mr. Sunil Satyapal Gulati, the remuneration is commensurate with the Industry Benchmark.	Taking into consideration the size and nature of the Company, the profile of Mr. Ramesh Sundararajan, the remuneration is commensurate with the Industry Benchmark.
Pecuniary relationship directly or indirectly with the Company, or relation with the managerial personnel [or other director], if any	None	None	None

Particulars	Ms. Sonal Dave	Ms. Mona Bhide	Mr. Muralidharan Rajamani
Background details, Job Profile and his/her suitability	Please refer the Directors Profile section	Please refer the Directors Profile section	Please refer the Directors Profile section
Past remuneration	Commission of ₹ 18.00 Lakhs and Sitting fees of ₹ 18,80,000 are paid for F.Y 2025-26 for attending the Board meetings and Committee meetings	Commission of ₹ 18.00 Lakhs and Sitting fees of ₹ 11,60,000 are paid for F.Y 2025-26 for attending the Board meetings and Committee meetings	Commission of ₹ 18.00 Lakhs and Sitting fees of ₹ 19,20,000 are paid for F.Y 2025-26 for attending the Board meetings and Committee meetings
Recognition or awards	Nil	Nil	Nil
Remuneration Proposed	Sitting fees and Commission of ₹ 20 Lakhs per year for 2 years	Sitting fees and Commission of ₹ 20 Lakhs per year for 2 years	Sitting fees and Commission of ₹ 20 Lakhs per year for 2 years
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Taking into consideration the size and nature of the Company, the profile of Ms. Sonal Dave, the remuneration is commensurate with the Industry Benchmark.	Taking into consideration the size and nature of the Company, the profile of Ms. Mona Bhide, the remuneration is commensurate with the Industry Benchmark.	Taking into consideration the size and nature of the Company, the profile of Mr. Muralidharan Rajamani, the remuneration is commensurate with the Industry Benchmark.
Pecuniary relationship directly or indirectly with the Company, or relation with the managerial personnel (or other director), if any	None	None	None

All the above mentioned Directors are persons of integrity and possess appropriate skills, expertise, knowledge and qualifications in their respective field which are beneficial to the interests of the Company.

III. Other Information:

1. Reasons for Loss or Inadequate profits: Members are hereby informed that the Company is proposing special resolution at item no. 10 so as to adhere with Section 197 read with Schedule V of the Companies Act, 2013. The Company has adequate profits for the Financial Year 2025-26. The resolution under Schedule V of the Act has been put forth as a precautionary measure, so as to mitigate any potential challenges that could affect the Company's financial stability, if any.
2. Steps taken or proposed to be taken for Improvement: Not applicable
3. Expected increase in productivity and profits in measurable terms: As mentioned above, the Management is continuing to implement the key strategies in our business for improvement to demonstrate improved financial efficiency in near future

The Company, as on date, is not in default in payment of dues to any bank or public financial institution or to non-convertible debenture holders or to any other secured creditor, and accordingly their prior approval is not required, for approval of the proposed special resolution.

No Director, Key Managerial Personnel (KMP) or their relatives except the Independent Directors and the Non-Executive Chairman to whom the resolution relates, are interested in or concerned, financially or otherwise, in passing the proposed resolution.

The Board recommends the special resolution as set out in Item no. 10 of this notice for the approval of members.

Item No. 11

The Articles of Association ("AOA") of the Company contain certain provisions which require revision to align them with the existing shareholding structure of the Company and the applicable provisions of the Companies Act, 2013 and other regulatory requirements.

a. Clauses 2 (q), (s) & (t) and 82(i)

   Pursuant to the amended Shareholders' Agreement dated 19th July, 2023 executed amongst The Federal

Bank Limited, True North Fund VI LLP ("True North") and the Company, certain rights, including the right to nominate one Director to the Board, were conferred upon True North and were accordingly incorporated in the AOA under Article 82(i) and related definitions.

True North has fully divested its shareholding in the Company (representing approximately 6.8644% of the paid-up equity share capital of the Company) through a block deal executed on the stock exchange mechanism on 12th May, 2026 and, consequently, has ceased to be a shareholder of the Company.

Accordingly, the rights available to True North under the AOA, including the right to nominate a Director on the Board, are no longer applicable. It is therefore proposed to delete the relevant provisions from the AOA and make consequential amendments thereto to align the AOA with the current shareholding structure and governance framework of the Company.

b. Clauses 22(ii)(c), 22 (iv) and 125.

Pursuant to the Companies (Amendment) Act, 2015, effective 29th May, 2015, the requirement relating to the mandatory use of a common seal by companies was made optional. Consequently, companies may execute documents in accordance with the applicable provisions of the Companies Act, 2013 without affixing a common seal.

The Company has continued to maintain a common seal on a voluntary basis. However, with a view to streamlining administrative processes and aligning the AOA with the extant provisions of law, it is proposed to remove the provisions relating to the common seal and make consequential amendments to the provisions relating to the issuance of share certificates.

The proposed amendments are intended to update and harmonise the AOA with the prevailing legal and regulatory framework and the existing governance structure of the Company. The proposed amendments are clarificatory in nature and do not affect the rights of the shareholders of the Company.

Based on the recommendation of the Board of Directors at its meeting held on 25th August, 2026, approval of the Members is sought for alteration of the AOA in the manner set out in the Resolution and the explanatory statement forming part of this Notice.

The key clauses of the Articles proposed to be substituted / deleted in the existing Articles of Association pursuant to the regulatory requirements is as follows:

Clause	Action	Existing clause	Amended clause
2(q)	Delete	"THE SEAL" means the common seal of the Company	-
2(s)	Delete	“True North” means True North Fund VI LLP	-
2(t)	Delete	“True North Nominee Director” shall have the meaning ascribed to such term in Article 82(i) of these Articles	-
22(ii)(c)	Substitute	Every certificate shall be under the seal if any, and shall specify the shares to which it relates and the amount paid up thereon.	Every certificate shall specify the shares to which it relates and the amount paid-up thereon and shall be signed by two Directors or by a Director and the Company Secretary, wherever the Company has appointed a Company Secretary.
22(iv)	Delete	Every certificate shall specify the shares to which it relates and the amount paid-up thereon and shall be signed by two Directors or by a Director and the Company Secretary, wherever the Company has appointed a Company Secretary, and the common seal shall be affixed in the presence of the persons required to sign the certificate.	-
82(i)	Delete	So long True North holds at least 5% (five percent) of the Shares (“True North Director Threshold”) on a fully diluted basis, it shall be entitled to nominate 1 (one) Non-Executive Director on the Board (“True North Nominee Director”), and such True North Nominee Director shall, subject to applicable law, not be liable to retire by rotation, for so long as True North continues to meet or exceed the True North Director Threshold to nominate a Director on the Board	-

Clause	Action	Existing clause	Amended clause
125(i) to 125(iii)	Delete	Common Seal (i) The Board shall provide a common seal of the Company and they shall have power from time to time to destroy the same and substitute a new seal in lieu thereof and the Board shall provide for the safe custody of the seal. (ii) The seal, shall not be affixed to any instrument except by the authority of a resolution of the Board or Committee constituted by the Board authorised by it in that behalf and in the presence of atleast one director or secretary or a power of attorney holder(s) or an officer(s) or such other person as the Board may appoint for the purpose (herein after referred to as 'Authorised Person'). The Authorised Person shall sign every such instrument to which seal of the Company is so affixed in his presence. Any instrument bearing the seal of the Company and issued by valuable consideration shall be binding on the Company notwithstanding any irregularities touching the authority to issue the same. The provisions of this article shall not apply to affixing of the Common Seal on Share Certificates/ Certificates of debentures. (iii) On any other instrument affixing the Seal is optional unless otherwise prescribed by Act or specifically determined by the Board	-

Pursuant to Section 14 and other applicable provisions of the Companies Act, 2013, alteration of the Articles of Association of a company requires the approval of the Members by way of a Special Resolution.

None of the Directors, Key Managerial Personnel of the Company and/or their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 11 of the accompanying Notice, except to the extent of their shareholding, if any, in the Company.

The Board recommends the Special Resolution set out at Item No. 11 of the Notice for approval of the Members.

Annexure-A

Part A

A (1) Basic details of the related party

S. No.	Particulars of the information	Information provided by the management
1	Name of the related party	The Federal Bank Limited
2	Country of incorporation of the related party	India
3	Nature of business of the related party	Banking Services

A (2) Relationship and ownership of the related party

S. No.	Particulars of the information	Information provided by the management
1	Relationship between the listed entity/subsidiary (in case of transaction involving the subsidiary) and the related party – including nature of its concern (financial or otherwise) and the following:	The Company is a listed subsidiary of the related party which is also a listed company.
	1. Shareholding of the listed entity/ subsidiary (in case of transaction involving the subsidiary), whether direct or indirect, in the related party.	Nil holding in related party
	2. Where the related party is a partnership firm or a sole proprietorship concern or a body corporate without share capital, then capital contribution, if any, made by the listed entity/ subsidiary (in case of transaction involving the subsidiary).	Not Applicable
	3. Shareholding of the related party, whether direct or indirect, in the listed entity/ subsidiary (in case of transaction involving the subsidiary)	60.79% held by The Federal Bank Limited in the Company as on 31st March, 2026

A (3) Details of previous transactions with the related party

S. No.	Particulars of the information	Information provided by the management
1	Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party during the last financial year.	Refer Annexure 1
	a. Nature of transactions	
	b. FY 2025-26	
	Explanation: Details need to be disclosed separately for listed entity and its subsidiary.	
2	Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party in the current financial year up to the quarter immediately preceding the quarter in which the approval is sought.	Refer Annexure 1
3	Any default, if any, made by a related party concerning any obligation undertaken by it under a transaction or arrangement entered into with the listed entity or its subsidiary during the last financial year.	Not Applicable

A (4) Amount of the proposed transactions(s)

S. No.	Particulars of the information	Information provided by the management
1	Amount of the proposed transactions being placed for approval in the meeting of the Audit Committee/ shareholders.	(i) Funded and non-funded facilities and issuance of debt securities: ₹ 1,500 Crores (ii) Assignment of Loan/ Securitisation: ₹ 1,000 Crores; (iii) Placing Fixed Deposits and receipt of interest on Fixed Deposits: Fixed Deposit placement upto ₹ 200 Crores and interest income on such fixed deposits is expected to be upto ₹ 25 Crores; (iv) Maintaining Current Accounts with Federal Bank and payment of service charges for banking transactions: The Company maintains current account with various banks including Federal Bank for regular business activities of the Company. As such current accounts are maintained by the Company for various regular business activities of the Company such as disbursements, collection, repayment of loans, interest, salary, vendor payments, etc. The value of the transaction may exceed the materiality threshold limits as per SEBI Listing Regulations. Banking charges are levied by Federal Bank in relation to the account maintained and banking services availed, basis standard terms and conditions as offered by Federal Bank to its customers; (v) Hedging limit: ₹ 500 Crores; (vi) Syndication Fee: ₹ 15 Crores; (vii) CLM limits for LAP/Gold: ₹ 1000 Crores; (viii) Fee income for referring / lead generation for bank products: ₹ 25 Crores; (ix) Other transactions: Actual value of the transactions will depend upon the business requirements. Individually, brand royalty fee not exceeding ₹ 4 Crores. Material terms and particulars are detailed above in the Explanatory Statement.
2	Whether the proposed transactions taken together with the transactions undertaken with the related party during the current financial year would render the proposed transaction a material RPT?	Yes
3	Value of the proposed transactions as a percentage of the listed entity's annual consolidated turnover for the immediately preceding financial year	Since the related party is a Scheduled Commercial Bank, the percentage of borrowings/deposits to the turnover is not a comparable metric. The computed value comes to approximately 200.22% considering fresh borrowing, repayments/ redemptions and time and demand deposits placed with the Bank

S. No.	Particulars of the information	Information provided by the management
4	Value of the proposed transactions as a percentage of subsidiary's annual standalone turnover for the immediately preceding financial year (in case of a transaction involving the subsidiary and where the listed entity is not a party to the transaction)	Not Applicable
5	Value of the proposed transactions as a percentage of the related party's annual consolidated turnover (if consolidated turnover is not available, calculation to be made on standalone turnover of related party) for the immediately preceding financial year, if available.	Since the related party is a Scheduled Commercial Bank, the percentage of borrowings/deposits to the turnover is not a comparable metric. The computed value comes to approximately 13.88%.
6	Financial performance of the related party for the immediately preceding financial year:	
	1. Turnover	₹ 32,136 Crores
	2. Profit After Tax	₹ 4,117 Crores
	3. Net worth **Explanations:** The above information is to be given on standalone basis. If standalone is not available, provide on consolidated basis.	₹ 38,705 Crores

A (5) Basic details of the proposed transaction

S. No.	Particulars of the information	Information provided by the management
1	Specific type of the proposed transaction (e.g. sale of goods/services, purchase of goods/services, giving loan, borrowing etc.)	i. Funded and non-funded facilities and issuance of debt securities ii. Assignment of Loan/ Securitisation iii. Placing Fixed Deposits and receipt of interest on Fixed Deposits iv. Maintaining Current Accounts with Federal Bank and payment of service charges for banking transactions v. Hedging limit vi. Syndication Fee vii. CLM limits for LAP/Gold viii. Fee income for referring /lead generation for bank products ix. Other transactions Material terms and particulars are detailed above in the Explanatory Statement.
2	Details of each type of the proposed transaction	Details are mentioned in the Explanatory Statement for the list of proposed Related Party Transactions for which the approval is being sought

	S. No.	Particulars of the information	Information provided by the management
	3	Tenure of the proposed transaction (tenure in number of years or months to be specified)	i. **Funded and non-funded facilities and issuance of debt securities:** As per terms of borrowing arrangement expecting to repayable upto 10 years (Processing fees only one time) ii. **Assignment of Loan/ Securitisation:** As per the remaining tenure of underlying loan asset pool being assigned /securitised iii. **Placing Fixed Deposits and receipt of interest on Fixed Deposits:** As per the liquidity position, expected to be placed for a tenure upto 2 years iv. **Maintaining Current Accounts with Federal Bank and payment of service charges for banking transactions:** In addition to other banks, the Company also maintains current account balances with Federal Bank at ongoing basis for business operations. v. **Hedging limit:** The Company may enter into derivative contract with Federal Bank, being counterparty bank. The terms and conditions of the derivative contracts are similar to the underlying transaction being hedged. vi. **Syndication Fee:** till the 32nd Annual General Meeting to be held in calendar year 2027 vii. **CLM limits for LAP/Gold:** till the 32nd Annual General Meeting to be held in calendar year 2027 viii. **Fee income for referring /lead generation for bank products:** till the 32nd Annual General Meeting to be held in calendar year 2027 ix. **Other transactions:** till the 32nd Annual General Meeting to be held in calendar year 2027 Material terms and particulars are detailed above in the Explanatory Statement.
	4	Whether omnibus approval is being sought?	Yes
	5	Value of the proposed transaction during a financial year.	₹ 4,459 Crores (including borrowings, repayments / redemptions and placement of time and demand deposits with bank)
		If the proposed transaction will be executed over more than one financial year, provide estimated break-up financial year-wise.	No
	6	Justification as to why the RPTs proposed to be entered into are in the interest of the listed entity	Most of the transactions undertaken by the Company with Federal Bank are in its capacity as a Scheduled Commercial Bank. However, as Federal Bank qualifies as a related party, the Company is placing the said transactions before the Shareholders for their approval. The related party transactions entered by the Company with The Federal Bank Limited are in the Ordinary course of business and are on an arm's length basis. It is further ensured that such transactions with The Federal Bank Limited are conducted as if it is with an unrelated party, so that there is no conflict of interest. It is ensured that the transactions undertaken are in the best interest of the Company while leveraging the benefits of being a subsidiary of one of the large lenders in India.

	S. No.	Particulars of the information	Information provided by the management
	7	Details of the promoter(s)/ director(s) / key managerial personnel of the listed entity who have interest in the transaction, whether directly or indirectly.	None except Nominee Directors of The Federal Bank Limited
		Explanation: Indirect interest shall mean interest held through any person over which an individual has control.	
		a. Name of the Director / KMP	Mr. K V S Manian and Mr. Harsh Dugar
		b. Shareholding of the director / KMP, whether direct or indirect, in the related party	Nil
	8	A copy of the valuation or other external party report, if any, shall be placed before the Audit Committee.	Not applicable
	9	Other information relevant for decision making.	Not applicable

Part B

B (1):	**Sale, purchase or supply of goods or services or any other similar business transaction and trade advances**		
	Disclosure only in case of transactions relating to sale, purchase or supply of goods or services or any other similar business transaction and trade advances		
	S. No.	**Particulars of the information**	**Information provided by the management**
	1	Bidding or other process, if any, applied for choosing a party for sale, purchase or supply of goods or services.	Not Applicable
	2	Basis of determination of price.	Arm's length (comparable with prices for similar transactions charged by other like banks)
	3	In case of Trade advance (of upto 365 days or such period for which such advances are extended as per normal trade practice) , if any, proposed to be extended to the related party in relation to the transaction, specify the following:	Not applicable
		a. Amount of Trade advance	
		b. Tenure	
		c. Whether same is self-liquidating?	
B (5)	**Disclosure only in case of transactions relating to borrowings by the listed entity or its subsidiary**		
	S. No.	**Particulars of the information**	**Information provided by the management**
	1	Material covenants of the proposed transaction	The commercials of the transaction are determined on a transaction-to-transaction basis. However, as per the last sanction, the following material covenants and commercials were agreed upon. The same is provided hereunder for reference: Threshold GNPA not to exceed 5.00%; NNPA not to exceed 4%; CRAR minimum of 16% throughout tenure of our loan
	2	Interest rate (in terms of numerical value or base rate and applicable spread)	The rate will be linked to the external benchmarks and will be comparable to our cost of borrowings from like banks
	3	Cost of borrowing Note: This shall include all costs associated with the borrowing	The rate will be linked to the external benchmarks and will be comparable to our cost of borrowings from like banks
	4	Maturity / due date	Up to and including ten (10) years

	S. No.	Particulars of the information		Information provided by the management
	5	Repayment schedule & terms		The repayment schedule and other commercial terms, including the instalment structure and interest servicing, shall be finalised on a transaction-by-transaction basis on mutually agreed terms between the lender and the borrower, consistent with the Company's approach for comparable transactions with unrelated parties in the ordinary course of business and on an arm's length basis.
	6	Whether secured or unsecured		Secured
	7	If secured, the nature of security & security coverage ratio		Term Loan: Pari-passu first charge on loan receivables with security cover between 1.10x - 1.15x
	8	The purpose for which the funds will be utilised by the listed entity/ subsidiary		Onward Lending
B (7)	**Disclosure only in case of transactions relating to payment of royalty**			
	S. No.	**Particulars of the information**		**Information provided by the management**
	1	Purpose for which royalty is proposed to be paid to the related party in the current financial year.		Brand Usage
		a.	For use of brand name / trademark	100%
		b.	For transfer of technology know-how	Not Applicable
		c.	For professional fee, corporate management fee or any other fee	Not Applicable
		d.	Any other use (specify)	Not Applicable
	2	(a)	The listed entity may confirm whether the parent company charges royalty at a uniform rate from all group companies in other jurisdiction.	Yes
		(b)	If No, furnish information below.	Not Applicable
		If royalty is paid to the parent company, disclose royalty received by the parent company from group entities in other jurisdiction:		Not Applicable
		•	Minimum rate of royalty charged along with corresponding absolute amount	
		•	Maximum rate of royalty charged along with corresponding absolute amount	Not Applicable
		Note: The disclosure shall be made on a gross basis (Cost to the Company), including taxes paid on behalf of the recipient of royalty.		
	3	Sunset Clause for Royalty payment, if any.		Not Applicable

Part C

C (4)	**Disclosure only in case of transactions relating to borrowings by the listed entity or its subsidiary**		
	S. No.	**Particulars of the information**	**Information provided by the management**
	1.	Debt to Equity Ratio of the listed entity or its subsidiary based on last audited financial statements Note: This shall not be applicable to listed banks/ NBFC/insurance companies/housing finance companies.	Not applicable being a listed NBFC
		a. Before transaction	
		b. After transaction	

	S. No.	Particulars of the information	Information provided by the management
	2	Debt Service Coverage Ratio of the listed entity or its subsidiary based on last audited financial statements Note: This shall not be applicable to listed banks/ NBFC/insurance companies/ housing finance companies.	Not applicable being a listed NBFC
		a. Before transaction	
		b. After transaction	
C(6)	**Disclosure only in case of transactions relating to payment of royalty**		
	S. No.	**Particulars of the information**	**Information provided by the management**
	1	Gross amount of royalty paid by the listed entity or subsidiary to the related party during each of the last three financial years	
		FY 2025-26	₹ 3.21 Crores
		FY 2024-25	₹ 2.44 Crores
		FY 2023-24	Nil
	2	Purpose for which royalty was paid to the related party during the last three financial years.	Brand Usage
		a. For use of brand name /trademark	100%
		b. For transfer of technology know-how	Nil
		c. For professional fee, corporate management fee or any other fee	Nil
		d. Any other use (specify)	Nil
	3	Royalty paid in last 3 FYs as % of Net Profits of previous FYs	
		FY 2025-26	0.70% of Net Profit before Tax
		FY 2024-25	0.80% of Net Profit before Tax
		FY 2023-24	Nil
	4	Percentage or Rate at which royalty has increased in the past 3 years, if any, vis-à-vis rate at which the turnover and profits after tax have increased during the same period.	Brand Usage Fee, Turnover and Net Profit after Tax has increased by 31.85%, 7.06% and 52.59% respectively in FY 2025-26 compared to previous year. Brand Usage Fee has been paid for the first time in FY 2024-25 and hence comparative change vis-à-vis previous year is not applicable.
	5	**Peer Comparison:** Listed entity or its subsidiary paying royalty for any purpose shall also disclose whether any relevant Industry Peer pays royalties for the same purpose, which is disclosed in its audited annual financial statements for the relevant period:	Since the Company has initiated brand usage fee expense in FY 2024-25, 3 years data is unavailable for peer comparison. HDB Financial Services Limited is a listed peer entity which pays license fee amount equivalent to 0.4% of the revenue from operation, net of finance cost related to the lending business. The Company pays license fee amount equivalent to 0.3% of interest income, net of finance expense.

Annexure 1

		FY 2024-25	FY 2025-26
Related Party	**Nature of Transaction**	**Amount (In Crores)**	**Amount (In Crores)**
The Federal Bank Limited	**(i) Income**		
	Recovery of expenses with markup incurred on behalf of Bank for sourcing distribution verticals products	33.07	3.16
	PTC service fees	0.30	0.25
	Interest received on fixed deposits	-	0.03
	Total	**33.37**	**3.44**
	(ii) Expenses incurred/paid		
	Interest paid on the Cash Credit / WCDL / Term Loan facility provided by Federal Bank	84.82	78.12
	Processing Fees	1.43	1.11
	Interest paid/accrued on the NCD facility provided by Federal Bank	23.20	23.24
	Service charge for CSGL Transactions	0.00	-
	Brand usage charges	2.44	3.21
	Bank Charges	-	0.43
		111.89	**109.55**
	(iii) Borrowing taken/Repaid		
	Term Loan repaid to Federal Bank	255.78	264.86
	Term Loan availed from Federal Bank	550.00	300.00
	Net Cash Credit / WDCL repaid to Federal Bank	-	-
		805.78	**564.86**
	Total	**951.03**	**674.41**

Additional Disclosure of Directors retiring by rotation and eligible for reappointment as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and secretarial standards on General Meetings (SS-2) issued by Institute of Company Secretaries of India as under:

Sr. No.	Particulars	Details
1.	Name of the Director	Mr. Harsh Dugar
2.	Date of Birth & Age	12th December, 1972, 53 years
3.	DIN	00832748
4.	Nationality	Indian
5.	Qualification(s)	Cost and Works Accountant (CWA) and Chartered Financial Analyst (CFA)
6.	A brief resume, Experience and Nature of his expertise in specific functional areas, Recognition or awards	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 to June 2023). He has been 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 Micro Finance ➢ 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. Dugar is a qualified Cost Accountant, having secured All India 6th rank. He has also qualified ICFAI's Chartered Financial Analyst programme, securing All India 1st rank.
7.	The skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Mr. Harsh Dugar has relevant skills, experience, and expertise in the areas of Banking, Economics, Governance, Compliance, Agriculture, Finance, Accountancy, Management, Credit, SSI, Retail Lending, SME Banking, Investment, Business Management
8.	Date of first appointment to the Board	1st May, 2024
9.	Relationship with any Director(s) or Manager or Key Managerial Personnel of the Company	None
10.	Terms and conditions of appointment	As per the terms of appointment, he is liable to retire by rotation as per the provisions of Section 152 of the Companies Act, 2013 and being eligible offers himself for reappointment.
11.	Remuneration sought to be paid	Not applicable
12.	Remuneration last drawn (in FY 2025-26)	Not applicable

Sr. No.	Particulars	Details
13.	The number of meetings of the Board attended during the financial year 2025-26	11 out of 11 meetings
14.	Shareholding in the Company including beneficial ownership	Nil
15.	Membership and Chairmanship in the Committees of the Board of the Company	Member of the following Committees: • Risk Management Committee • Business Development Committee
16.	Other Directorships, Membership/ Chairmanship of Committees of other Boards	The Federal Bank Limited - Executive Director **Committee Membership in The Federal Bank Limited:** • Credit Investment & Raising Capital Committee, • Stakeholders Relationship Committee, • Special Committee of the Board for monitoring and follow up of cases of Frauds • Corporate Social Responsibility
17.	Listed entities from which the Director resigned in the past three years	None

By order of the Board of Directors
of **Fedbank Financial Services Limited**

Parthasarathy Iyengar
Company Secretary & Compliance Officer
Membership No. A21472

Mumbai, 25th August, 2026

Registered Office:
Unit No.1101, 11th Floor, Cignus, Plot No. 71A, Powai, Paspoli,
Mumbai- 400087, Maharashtra, India

Directors Profile:

Mr. Shyam Srinivasan - Non-Executive Chairman

Shyam Srinivasan is one of India's most respected banking leaders, with a distinguished career spanning more than three decades in banking, financial services, governance, and institution building. Widely recognised for his strategic foresight, people-centric leadership, and transformational impact, he has played a pivotal role in shaping the evolution of modern banking in India.

Mr. Srinivasan began his career with leading global financial institutions, including Citibank and Standard Chartered Bank, where he built deep expertise across consumer banking, retail finance, and business strategy. He later brought this experience to Federal Bank, where he served as MD & CEO for fourteen years, leading one of the most remarkable transformation journeys in Indian banking.

Under his stewardship, Federal Bank evolved from a strong regional institution into a nationally recognised and digitally advanced financial services brand. The bank delivered sustained financial growth, strengthened asset quality through innovative underwriting and risk management practices, expanded its footprint across India, enhanced customer experience, and fostered a high-performance culture that inspired employees and created long-term value for stakeholders and communities.

A strong advocate of technology-enabled growth balanced with a human-centric ethos, Mr. Srinivasan spearheaded Federal Bank's digital transformation while preserving the institution's relationship-driven culture. Beyond business performance, he became widely admired for his ability to connect with employees through his weekly leadership blogs, which blended lessons from sports, current affairs, business, and popular culture into thought-provoking insights on leadership and life.

Following his retirement as MD & CEO of Federal Bank in 2024, Mr. Srinivasan continues to contribute significantly to the financial services ecosystem through a range of leadership, governance, and advisory roles. He serves as Non-Executive Chairman of Fedbank Financial Services Limited, is a Member of the Reserve Bank of India's Advisory Committee, a Senior Advisor and Board Director at TVS Capital Funds, and an Independent Director on the Board of ICICI Lombard General Insurance Company Limited. He also serves in several advisory and board positions across institutions, where his insights on strategy, governance, digital transformation, and leadership are highly valued.

In 2026, he added another dimension to his professional journey as an author with the publication of Better Never Stops, a book that distils lessons on leadership, personal growth, continuous learning, and the pursuit of excellence. The book reflects the philosophy that has guided his career: that progress is a journey of constant reinvention and improvement.

Mr. Srinivasan's contributions have been recognised through numerous prestigious awards and honours, including Business Standard Banker of the Year (2020), Forbes Icon of the Year (2025), the Distinguished Alumnus Award from the Indian Institute of Management Calcutta (2017), recognition among India's Top 50 Best Leaders in Times of Crisis (2021) by the Great Place to Work Institute, and the Financial Express Lifetime Achievement Award.

Mr. Sunil Gulati - Independent Director

Sunil Gulati holds a B.Tech degree from the Indian Institute of Technology, Delhi and is a Gold Medalist from the Indian Institute of Management, Ahmedabad. He serves as an Independent Director on the boards of Suryoday Small Finance Bank, SBI Mutual Fund Trustee Company, Kauvery Hospitals, Merisis Advisors and Perfios Account Aggregation Services, etc. Mr. Gulati is also a Director of Ambit Finvest and a Senior Advisor to Freo, Velocity Capital and WEH Ventures. He has previously served as an independent director of PNB MetLife India Insurance Ltd and Fincare Small Finance Bank amongst others. He is a member of the Mutual Fund Advisory Committee constituted by SEBI and has chaired various Working Groups constituted by SEBI for development and regulation of mutual funds.

He has experience in various sectors, including risk management, 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 has been part of the management teams at GE Capital, ING and Yes Bank in his banking career.

He has attended governance certification programs 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 holds a B.Tech. in Engineering from IIT Madras and an MBA from IIM Calcutta. He is an accomplished banking technology and operations leader with over three decades of experience across leading global financial institutions, including nearly 20 years in C-suite technology and operations leadership roles

During his career with Standard Chartered Bank, he spent over a decade as Chief Information Officer (CIO) and Head of Technology & Operations for the Philippines, Indonesia and Japan. In these roles, he was a member of the Country Management Committees and provided executive leadership for the technology and operations functions across these markets, with end-to-end responsibility for technology and operations delivery.

He subsequently spent nearly a decade with CIMB Bank, Malaysia, where he joined as Head of Group Technology and Senior Managing Director before assuming additional leadership responsibilities within the organisation. He led the Group's technology function and was a member of the digital transformation leadership team. He also served as a Director and Board Member of iCIMB Malaysia and iCIMB MSC Sdn. Bhd., the shared service subsidiaries of CIMB Bank Group.

Since 2021, he has been serving as Country Head of Zan Compute India, the Indian subsidiary of a U.S.-based technology company.

He brings to the Board deep expertise in banking technology and operations, core banking transformation, regulatory compliance, technology governance and digital transformation, complemented by extensive international leadership experience across Asia.

Ms. Sonal Dave - Independent Director

Ms. Sonal Dave is a Chartered Accountant (CA) and a finance professional with about four 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 an Independent Director on the Board of PPFAS Asset Management Private Limited. She is also the 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 and acquisitions, and restructuring. Ms. Bhide's practice revolves around Structured Finance, Derivatives and securities law.

She advises banks, financial institutions and MNCs, and has served as a director of the National Stock Exchange and other listed companies of repute which include GIC Housing Finance Limited, Vinati Organics Limited, Datamatics Global Solutions Limited, etc

In USA

- Ms. Bhide worked with an international law firm in Chicago, USA called Sedgwick, Detert Moran and Arnold
- Researched at the American Bar Foundation, at Chicago, USA on the following topics:
  - o SEC Regulations;
  - o Conflicts of interest; and
  - o Globalisation of the legal profession

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 and other Top leadership positions across institutions such as ICICI Bank, Dhanlaxmi Bank, L&T Financial Services and Edelweiss Tokio Life Insurance Company Limited. Besides Fedfina, he is an Independent Director in PGIM India Mutual Fund, Non-Executive Director in Acalvio Technologies Private Limited.

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 organisations 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 BFSI Subject Matter Expert in The Advertising Standards Council of India and is an Advisory Board member to Vindhya e-infomedia Private Limited.

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 and institutions.