



determined to **rise.**



7<sup>th</sup> ANNUAL REPORT



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# CHAIRMAN'S MESSAGE

This expansion in Indore is part of our broader long-term investment strategy to strengthen the organizational structure and enhance operational resilience. As part of this vision, we also plan to establish a new centre in the southern region of India, further diversifying our geographical footprint and creating capacity to support future growth. These new locations will play a vital role in supporting scalability, regional balance, and business continuity.

In parallel, we recognize the importance of investing in modern technology, tools, and applications to stay ahead of industry trends and meet the evolving needs of the Bank and its customers. Strengthening our digital backbone will be key to achieving operational excellence, improving productivity, and enabling data-driven decision-making.

FedServ has delivered a robust performance this year, recording a year-on-year growth of approximately 32% in both Profit After Tax (PAT) and Earnings Per Share (EPS). With this year's profit, our Reserves and Surplus have risen to 33.67 crores, enabling the Board to recommend a 100% dividend on equity shares for the first time, in addition to the dividend on preference shares.

FedServ surpassed a significant milestone last year, with its total employee strength crossing 2,000. As of March 31, 2025, the workforce stood at 2,070, underscoring the company's rapid expansion and strategic scaling across key operational domains. Support to Branch Banking Sales and Credit Card Sales provided by FedServ has been expanded during the period and as on date, 530 employees are working in these two processes.

Our Board of Directors has played a crucial role in guiding our corporate objectives, competitive position, and strategy. They have ensured effective implementation of approved policies, strategies, and plans, while maintaining statutory and regulatory compliance. The Board's commitment to transparency, ethical standards, and stakeholder interests has been instrumental in our success.

Looking ahead, we remain focused on our strategic goals and are committed to driving growth and innovation. We will continue to invest in our people, technology, and processes to ensure that we remain at the forefront of our industry. These long-term investments will enable us to create a robust, future-ready organization capable of delivering sustained value to all stakeholders.

Thank you once again for your continued support and trust. Together, we will achieve greater heights and create lasting value for all our stakeholders.

Warm Regards,

**Siddhartha Sengupta**

Chairman

Dear Shareholders,

I am delighted to connect with you and share significant insights regarding our journey and our vision for the future.

First and foremost, I want to extend my heartfelt gratitude for your unwavering support and trust in our company. Your commitment as stakeholders has been a cornerstone of our success, and I assure you that we are wholly dedicated to maximizing value for everyone involved. Over the past year, we have navigated numerous challenges, and I am proud to say that our organization has not only weathered these storms but has emerged stronger. Our resilience, adaptability, and steadfast focus on our strategic goals have been pivotal to our achievements.

The Company consistently maintains high standards in executing its assigned duties while offering a cost advantage to the parent Bank. Over the past year, FedServ has demonstrated strong performance, with detailed results presented throughout this report. Our efforts have been directed towards sustainable growth, innovation, and maintaining the highest standards of corporate governance. We have achieved significant milestones in this regard, considering the progress of our business and financial performance.

I have great pleasure in informing you about the successful establishment of a new centre in Indore during the previous financial year. The entire project—from space acquisition and customization to registration, statutory compliance, recruitment, and asset procurement—was executed within a record timeframe of just 86 days. The unit commenced operations with the Contact Centre vertical and is strategically positioned to support Business Continuity Planning (BCP) and drive cost optimization.

## Board of Directors as on March 31, 2025



**Mr. Siddhartha Sengupta**  
Chairman



**Mr. Venkateswaran  
Venkatraman**  
Non-Executive Director



**Mr. Johnsn K Jose**  
Non-Executive Director



**Mr. Rajanarayanan N**  
Additional  
Non-Executive Director



**Mr. Prashant Preman**  
President & Executive  
Director



## Senior Management as on March 31, 2025



**Mr. Varun K M**  
Head-Human Resources



**Mr. Stanley V John**  
Head-Contact Centre



**Mr. Rinu Jacob**  
Chief Financial Officer



**Mr. Aravind M**  
Head-Operational Risk and IS



**Mr. Anil P**  
Company Secretary



**Mr. Sijin Jose**  
Head-Compliance



## BOARD'S REPORT

To,  
The Members,  
Federal Operations and Services Limited  
Federal Towers, Aluva

Your directors have pleasure in presenting the Seventh Report of the Board of Directors of the Company together with audited Statement of Accounts and the Auditors' Report of your Company for the financial year ended March 31, 2025.

### FINANCIAL RESULTS

Particulars	Current Year 31.03.2025 (In ₹)	Previous Year 31.03.2024 (In ₹)
(a) Turnover	1,02,85,62,893	76,47,02,498
(b) Net Profit (before depreciation and tax)	14,04,49,291	10,65,61,603
Less : Depreciation	(5,12,42,463)	(3,47,92,903)
(c) Net Profit/(Loss) before tax	8,92,06,828	7,17,68,700
Less : Provision for Tax (including for deferred tax)	(1,00,88,138)	(1,19,33,997)
(d) Net Profit/(Loss) after tax	7,91,18,689	5,98,34,703

### FINANCIAL HIGHLIGHTS

- Federal Operations and Services Limited ("FedServ") is a wholly owned subsidiary company of The Federal Bank Limited devoted to providing Support and technology-oriented services. The Company was set up on October 26, 2018. The Company operates from Four locations - Kochi in Kerala, Visakhapatnam in Andhra Pradesh, Bengaluru in Karnataka and Indore in Madhya Pradesh.
- The Company provides services in respect of the operational activities of The Federal Bank Limited. The Company has

taken over 235 operational activities during the period up to March 31, 2025 The Company does not deal in loans and advances, neither does it accepts deposits.

- The total revenue of FedServ for the period ended on March 31, 2025 is ₹ 105.13 Crores. Out of the total revenue, ₹102.85 Crores pertains to support services provided by the Company to the Federal Bank Limited and ₹2.28 Crores relates to the indirect incomes. The Company had earned a net profit (after tax) of ₹7.91 Crores for the period ended March 31, 2025.

- ▶ The Net Worth of FedServ at the beginning of the year was ₹26.18 Crores and closing net worth of FedServ as on March 31, 2025 was ₹33.66 Crores.
- ▶ Your Company is planning to migrate more number of processes from Federal Bank in the upcoming year and expects to bring higher efficiency and effectiveness in the operational processes of the Bank.

## BOARD OF DIRECTORS:

As on March 31, 2025, the Board of your company consists of five Directors as follows:

S. No.	Name of Director	Designation	DIN
1.	Mr. Siddhartha Sengupta	Chairman and Non-Executive Director	08467648
2.	Mr. Venkateswaran Venkatraman	Non-Executive Director	09227554
3.	Mr. Narayanan Nair Rajanarayanan	Additional Non-Executive Director	10814577
4.	Mr. Johnson Koonamplakkal Jose	Non-Executive Director	08267398
5.	Mr. Prashant Preman	Whole-time Director	09134084

## BOARD MEETINGS DURING THE FINANCIAL YEAR

During the financial year 2024-25, the Board of Directors of the Company met Six (6) times on the following dates:

Board Meeting No.	Date of Meeting
Board Meeting no. 01/2024-25	April 17, 2024
Board Meeting no. 02/2024-25	April 29, 2024
Board Meeting no. 03/2024-25	July 11, 2024
Board Meeting no. 04/2024-25	October 24, 2024
Board Meeting no. 05/2024-25	January 23, 2025
Board Meeting no. 06/2024-25	March 27, 2025

The intervening gap between the two meetings was within the period as prescribed under the Companies Act, 2013.



Further, the status of attendance of Board Meeting by each Director is as follows:

Sl. No.	Name of Director	No. of Board Meetings Held	No. of Board Meetings Attended
1.	Mr. Siddhartha Sengupta	6	6
2.	Mr. Venkateswaran Venkatraman	6	6
3.	Mr. Kunhi Krishnan AjithKumar*	6	2
4.	Mr. Johnson Koonamplakkal Jose	6	6
5.	Mr. Narayanan Nair Rajanarayanan**	6	3
6.	Mr. Prashant Preman	6	6

\*Mr. Kunhi Krishnan AjithKumar resigned from the Board of Directors of the Company with effect from the close of business hours on June 19,2024.

\*\*The Board of the Company, at its meeting held on October 24,2024, had appointed Mr. Narayanan Nair Rajanarayanan as an additional non-executive director of the company.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Directors of the company were appointed in accordance with the provisions of Section 152 of the Companies Act, 2013. The details of changes in the Board during the financial year 2024-25 are provided below

S. No.	Name of the Director	Change	Date of Change
1.	Mr. Kunhi Krishnan AjithKumar	Cessation as a Director	w.e.f. close of business hours on June 19,2024
2.	Mr. Narayanan Nair Rajanarayanan	Appointment as an Additional Non-Executive Director	October 24,2024

As on March 31, 2025, the following Directors/Executives continued as the Key Managerial Personnel of the company:

S. No.	Name of KMP	Designation	DIN
1.	Mr. Prashant Preman	Whole-time director	09134084
2.	Mr. Rinu Jacob	Chief Financial Officer	NA
3.	Mr. Paiparambath Anil	Company Secretary	NA

## DETAILS OF FRAUD AS PER AUDITORS REPORT

There were no fraud cases detected and required to be reported during the year under review as per section 134(3) (ca), read with section 143(12) of the Companies Act, 2013

## BOARD'S COMMENTS ON QUALIFICATION, RESERVATION & ADVERSE REMARKS OR DISCLAIMER MADE BY:

### ▪ STATUTORY AUDITORS

M/s Varma and Varma, Chartered Accountants (Firm Registration No.0045325) were appointed as the Statutory Auditors of your Company at the Sixth Annual General Meeting of the company held on August 05, 2024 for a period 05 years from the date of the AGM. The Audit Report submitted by M/s Varma and Varma, Chartered Accountants, for FY 2024-25 does not contain any qualification, reservation or adverse remark.

### ▪ COST AUDITORS

The provisions of Section 148 of the Companies Act, 2013 regarding appointment of cost auditors are not applicable to the Company. The Company is also not required to maintain cost records as per the provisions of the Companies Act, 2013.

### ▪ SECRETARIAL AUDITORS

The provisions of Section 204 of the Companies Act, 2013 are not applicable to the Company.

## PARTICULARS OF INTER-CORPORATE LOANS & INVESTMENT UNDER SECTION 186 OF COMPANIES ACT, 2013

During the Financial Year 2024-25, the Company has not made any investments which comes under the purview of Section 186 of the Companies Act, 2013. The Company has not given any guarantee or security to any person or body corporate. Further the Company has not given or availed any loans from any entity.

## PARTICULARS OF RELATED PARTY TRANSACTIONS

Related party transactions that were entered into during the Financial Year 2024-25 were on arm's length basis and were in the ordinary course of business. There were no materially sig-

nificant related party transactions made by the Company which may have potential conflict with the interest of the Company. All Related Party Transactions were placed before the Board for its approval.

Accordingly, the disclosure in Form AOC-2 is not applicable to the company.

## STATE OF COMPANY'S AFFAIRS

The affairs of your Company are being managed in a fair and transparent manner. As on March 31, 2025, your company is providing 235 services to The Federal Bank Limited. Your Company is always focusing more on quality and strives to provide quality services to the Bank at the minimum cost.

## RESERVES

The amount of ₹7.49 Crores is proposed to be carried as profit in the Balance Sheet for the Financial Year ended March 31, 2025. It is not proposed to carry this amount into any specific reserve.

## DIVIDEND

Based on the Company's performance, the Directors have recommended a final dividend at the rate of 8.5% to the 8.5% non-Cumulative preference shareholders of the company. The directors also recommended dividend to the equity shareholders of the company at the rate of 100% on the paid-up equity capital (₹10/Equity Share) of the company.

## SHARE CAPITAL

The Authorised capital of the Company is ₹20 Crores divided into 50 lakh equity shares of ₹10 each and 150 lakh preference shares of ₹ 10/- each. The paid-up Equity Share Capital as on March 31, 2025, remained at ₹10 Crores divided into 50 lakh equity shares of ₹10/- each and 50 lakh preference shares of ₹10/- each. During the period under report, your Company has not issued any Sweat Equity shares, ESOP and/or Convertible Debentures. Total paid-up capital of the company as on 31.03.2025 is ₹10 Crores.

## COMPLIANCE WITH SECRETARIAL STANDARDS

During the year 2024-25, your Company has complied with

the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

### **MATERIAL CHANGES AND COMMITMENTS**

There have been no material changes or commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this Report.

### **PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO**

Pursuant to provisions of Section 134(3)(m) & Rule 8(3)(A) of Companies (Accounts) Rules, 2014, the details of energy conservation, technology absorption and foreign exchange earnings and outgo are given as Annexure-A to this report.

### **DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY**

The management of the Company has duly adopted the Broad Principles on Risk Management as per the requirement of the Companies Act, 2013. Further, the Company had taken adequate care in the development and implementation of Operational Risk Management Policy by identifying various elements of risk which may cause serious threat to the existence of the Company by way of identifying the operational risk, financial risk, compliance risk and information security risks.

### **DETAILS OF COMPANY'S CORPORATE SOCIAL RESPONSIBILITY**

The details of the CSR initiatives undertaken during the financial year ended March 31, 2025, and other details required to

be given under section 135 of the Companies Act, 2013 read with rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 are given in Annexure B forming part of this Report.

The CSR Policy and annual action plan of the company for FY 2024-25 are available on the website of the company at <https://www.fedserv.co.in>.

### **JOINT VENTURE/ ASSOCIATE OR SUBSIDIARY COMPANIES**

The Company does not have any Joint Venture/Associate or Subsidiary company as on March 31, 2025. The directors' Report has been prepared based on "Standalone Financial Statements of The Company." No company has become or ceased to be Fed-serv's subsidiary, joint ventures or associate company during the financial year 2024-25.

### **ORDERS PASSED BY REGULATORS/COURTS/ TRIBUNALS**

No significant and material orders impacting the going concern status and company's operations in future were passed by any regulators or courts or tribunals during the Financial Year 2024-25.

### **DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

As per the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and rules made there under, your Company has complied with the provisions relating to the constitution of Internal Complaints Committee as prescribed under the Act.

The details of the complaints received under the provisions of the act during the financial year 2024-25 is provided below.

No. of complaints received for the year FY 2024-25	2
No. of complaints disposed off during FY 2024-25	2
No. of cases pending for more than 90 days	NIL
No. of workshops/ awareness program against sexual harassment carried out	18
Nature of action taken by the employer/ District Officer	<p>1. In the first case, following the hearing, the employee tendered his resignation and was relieved from the services of the company with immediate effect, by waiving the notice period.</p> <p>2. In second case, the accused has formally issued an apology, following which the complainant has withdrawn the complaint.</p>

### COMPLIANCE WITH RESPECT TO THE PROVISIONS OF MATERNITY BENEFIT ACT, 1961

The company is in compliance with the provisions of Maternity Benefit Act, 1961.

### DEPOSITS

The Board states that no disclosure or reporting was required in respect of deposits as the Company does not accept any public deposits.

### INTERNAL FINANCIAL CONTROLS

Your company maintains an adequate financial control system, commensurate with the size, scale and complexity of its operations. Your Company has adequate Internal Financial Controls over financial reporting of the company, and such Controls were operating effectively throughout the financial year 2024-25.

### PARTICULARS OF EMPLOYEES

None of the employees who have worked throughout the year or a part of the financial year were getting remuneration in excess of the thresholds mentioned under Section 197(12) of the Act read with rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Further, the

names of top ten employees in terms of remuneration drawn is annexed as Annexure-C to this Report.

### NO CHANGES IN THE BUSINESS

The Company is engaged in the business of rendering support and technology-oriented services to the parent Bank. There has been no change in the business of the Company during the financial year ended on March 31, 2025.

### VIGIL MECHANISM

The provisions related to the establishment of Vigil Mechanism are not applicable to the Company.

### WEB LINK OF ANNUAL RETURN

The annual return of Company shall be published under "Downloads" Section on the website of the Company <https://www.fedserv.co.in>.

### APPLICABILITY OF RULE 4 OF COMPANIES (APPOINTMENT AND QUALIFICATION OF DIRECTORS) RULES, 2014

The Company is a wholly owned subsidiary of the Federal Bank Limited and hence Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014 is not applicable to the



Company. Accordingly, the Company is not required to appoint Independent Directors or constitute an Audit Committee and a Nomination and Remuneration Committee.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Companies Act, 2013, the Directors, to the best of their knowledge and belief, 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) The Directors had selected such accounting policies 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 the end of the financial year and of the profit and loss of the company for that period;
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors had prepared the annual accounts on a going concern basis;
- e) Clause (e) of section 134(5) is not applicable as the Company is not a listed Company; and
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR

No application was made, or any proceeding was pending under

the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the financial year

## THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF.

No valuation was done during the financial year.

## ACKNOWLEDGEMENT

Your directors wish to place on record their appreciation for the co-operation and support extended by the shareholders and other stakeholders. The directors also acknowledge with gratitude the dedicated efforts and valuable contribution made by all the employees of the Company.

For & on behalf of the Board of  
Federal Operations and Services Limited

Sd/-  
Mr. Siddhartha Sengupta (DIN: 08467648)  
Chairman of the Board

Place: Aluva, Kochi

Date: July 31, 2025

## ANNEXURE – A

### INFORMATION RELATING TO ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNINGS AND OUTGO FORMING PART OF DIRECTORS' REPORT IN TERMS OF SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014

#### (a) Conservation of energy

(i)	the steps taken or impact on conservation of energy	a) All the electrical equipments including Air Conditioners used by the company are energy efficient equipments.
		b) The Company is not using any fossil fuels in its operations.
		c) Design of the premises of the Company are in such a way that energy consumption is minimum.
(ii)	the steps taken by the company for utilizing alternate sources of energy	Presently the company is not using any alternate sources of energy. The Company may consider incurring of capital expenditure in future for generating energy from alternate sources for captive consumption.
(iii)	the capital investment on energy conservation equipments	Nil*

\*During the financial year 2024-25, the company has not incurred any capital expenditure for the acquisition of energy conservation equipments.

#### (b) Technology absorption

(i)	the efforts made towards technology absorption	The Company has not absorbed any technology from any external sources.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	Not Applicable
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	Not Applicable
	(a) the details of technology imported	Not Applicable
	(b) the year of import;	Not Applicable
	(c) whether the technology been fully absorbed	Not Applicable
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	Not Applicable
(iv)	the expenditure incurred on Research and Development	Not Applicable

#### (c) Foreign exchange earnings and Outgo

Foreign Exchange earned in terms of actual inflows during the year: Nil

Foreign Exchange outgo during the year in terms of actual outflows: Nil

Place: Aluva, Kochi

Date: July 31, 2025

For & on behalf of the Board of

Federal Operations and Services Limited

Sd/-

Mr. Siddhartha Sengupta (DIN: 08467648)

Chairman of the Board

## ANNEXURE B

### Annual Report on Corporate Social Responsibility Activities

#### [Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014]

#### 1. A brief outline of the company's CSR policy, including overview of projects or programs undertaken and a reference to the web-link to the CSR Policy and Projects or Programs.

The Company had framed a Corporate Social Responsibility policy as mandated under the provisions of Section 135 of the Companies Act, 2013. The company had also formulated an annual action plan for FY 2024-25 under which the CSR activities were carried out during FY 2024-25. The weblink for accessing the CSR policy and annual action plan is provided under heading no.3 of this report.

The projects undertaken during the year were within the broad framework of Schedule VII of the Companies Act, 2013. The Details of the CSR projects undertaken during FY 2024-25 is as follows.

Sl.no	Details of the project	Category	Project cost (In ₹)
Category A-Education and skill development (Total Budgeted amount Rs.4,00,000)			
1	Computers for St. Thomas HSS, Engandiyur	Projects with the objective of promoting education	2,44,850
2	Play Park for Govt UP School, Valavoor	Projects with the objective of promoting education	1,55,150
Total for the category (A)			4,00,000
Category B-Ensuring environmental sustainability and ecological balance (Total Budgeted amount Rs.2,01,000)			
3	No Fuel Incinerator for St. Thomas HSS, Engandiyur	Projects with the objective of ensuring environmental sustainability and ecological balance	75,000
4	No Fuel Incinerator &Electrical Napkin Incinerator for St. Antony's HSS, Moorkanad	Projects with the objective of ensuring environmental sustainability and ecological balance	70,000
5	No Fuel Incinerator &Electrical Napkin Incinerator for Home of Faith, Kakkanad	Projects with the objective of ensuring environmental sustainability and ecological balance	56,000
Total for the category (B)			2,01,000
Category C-Poverty Alleviation (Total Budgeted amount Rs.5,25,213)			
6	Furniture for Home of Faith, Kakkanad	Projects on Healthcare including preventive healthcare and Trauma-care in high-ways	27,900
7	Emergency Unit Renovation at Thrikkakara Municipal Co-Operative Hospital	Projects on Healthcare including preventive healthcare and Trauma-care in high-ways	4,28,554
8	Support for purchasing medicines for Mr. Sooryaraj	Projects on Healthcare including preventive healthcare and Trauma-care in high-ways	19,600
9	Support for purchasing medicines for Palliative Care Patients	Projects on Healthcare including preventive healthcare and Trauma-care in high-ways	50,000
Total for the category (C)			5,26,054
10.	Category D-Administrative Overheads		14,000
Cost of the CSR Projects for FY 2024-25(A+B+C+D)			11,41,054

## 2. Composition of the CSR Committee

Provisions related to the constitution of CSR committee is not applicable for FedServ since the CSR obligation for the Financial Year 2024-25 is below Rs.50 Lakhs.

## 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.

Since the CSR obligation during the financial year is not exceeding Rs.50 Lakhs, provisions related to the constitution of CSR committee is not applicable on the company. The CSR Policy and Annual Action plan for the FY 2024-25 is available on the website of the company under the tab "downloads".

The web link for accessing the CSR policy is provided below

<https://fedserv.co.in/download.html>

The web link for accessing the annual action plan for FY 2023-24 is provided below

<https://fedserv.co.in/download.html>

## 4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable

The provisions relating to impact assessment is not applicable for FedServ.

## 5. Details of CSR obligation for the Financial Year 2024-25

- Average net profit of the Company as per sub-section (5) of Section 135: Rs.5,70,10,626
- Two percent of average net profit of the Company as per sub-section (5) of section 135: Rs.11,40,213
- Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: Nil
- Amount required to be set off for the financial year, if any: Nil
- Total CSR obligation for the financial year [(b)+(c) -(d)]: Rs.11,40,213

## 6. Details of amount spent during the financial year 2024-25 on CSR activities

- Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): Rs.11,27,054.
- Amount spent in Administrative Overheads: Rs.14,000
- Amount spent on Impact Assessment, if applicable: Nil
- Total amount spent for the Financial Year [6(a)+6(b)+6(c)]: Rs.11,41,054
- CSR amount spent or unspent for 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) of the Act		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) of the Act		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
₹11,41,054	-	-	-	-	-



f. Excess amount for set off, if any:

Sr. No.	Particulars	Amount (in ₹)
	2	3
i	Two percent of average net profit of the Company as per Section 135(5)	₹11,40,213
ii	Total amount spent for the Financial Year	₹11,41,054
iii	Excess amount spent for the financial year [(ii)-(i)]	Nil
iv	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
v	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

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

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year (s)	Amount transferred to Unspent CSR Account under Section 135 (6) (in Rs.)	Balance Amount in Unspent CSR Account under Section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to a Fund as specified under Schedule VII as per second proviso Section 135(5), if any		Amount remaining to be spent in succeeding financial years (in Rs.)	Deficiency, if any
					Amount (in Rs.)	Date of transfer		
Not Applicable								

### 8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

<input checked="" type="checkbox"/> Yes.	<input type="checkbox"/> No.
--	------------------------------

If yes, enter the number of Capital assets created/ acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent (in ₹)	Details of entity/Authority/Beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
1	Computers for St. Thomas HSS, Engandiyur	680615	20-12-2024	2,44,850.00	NA	The headmaster	St. Thomas HSS, Engandiyur
2	Play Park for Govt UP School, Valavoor	686635	25-01-2025	1,55,150.00	NA	The headmaster	Govt UP School, Valavoor

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent (in ₹)	Details of entity/Authority/Beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
3	No Fuel Incinerator for St. Thomas HSS, Engandiyur	680615	24-12-2024	75,000.00	NA	The headmaster	St. Thomas HSS, Engandiyur
4	No Fuel Incinerator & Electrical Napkin Incinerator for St. Antony's HSS, Moorkanad	680711	15-12-2024	70,000.00	NA	The principal	St. Antony's HSS, Moorkanad
5	No Fuel Incinerator & Electrical Napkin Incinerator for Home of Faith, Kakkanad	682037	24-03-2025	56,000.00	NA	The Director	Home of Faith Charitable Society, Kakkanad
6	Furniture for Home of Faith, Kakkanad	682037	23-03-2025	27,900.00	NA	The Director	Home of Faith Charitable Society, Kakkanad
7	Renovated Emergency Unit at Thrikkakara Municipal Co-Operative Hospital	682030	28-03-2025	4,28,554.00	NA	Administrative Manager	Thrikkakara Municipal Co-Operative Hospital Ltd

Place: Aluva, Kochi  
Date: July 31, 2025

For & on behalf of the Board of  
Federal Operations and Services Limited  
Sd/-  
Mr. Siddhartha Sengupta (DIN: 08467648)  
Chairman of the Board

## ANNEXURE C

### DISCLOSURE UNDER RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Details of Top 10 employees in terms of Remuneration drawn during the FY 2024-25

Name, Qualification, and Age (in years)	Designation	Remuneration (in Rs)	Qualifications and Experience of the employee (in years)	Date of commencement of employment and Nature of Employment, whether contractual or otherwise	The last employment held by such employee before joining the company	The percentage of equity shares held by the employee in the Company within the meaning of remuneration	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager
R S Prasanth Nair, 41	Area Sales Manager	18,71,354.00	BCA, 17 Years	08/Aug/2023, Regular	HSBC Group	0	No
Rahul Nagpal, 37	Area Sales Manager	18,09,256.00	BA, 17 Years	29/Jun/2024, Regular	SBI Cards & Payment Services	0	No
Stanley V John, 44	Asst. Vice President	16,97,066.00	BA History, 20 Years	01/Dec/2020, Regular	Eben Telecom	0	No
Sagar Ramchandra Shinde, 33	Area Sales Manager	14,79,822.00	Master of Management Studies, 10 Years	03/Jun/2024, Regular	IDFC First Bank	0	No
Arjun C, 30	Fiorano Developer	14,73,910.00	MSC Computer Science, 7 Years	21/Dec/2022, Regular	Relifin Technologies	0	No
Manikandaboobathi Selvaraj, 36	Manager Collection (PLCC)	13,31,851.00	MBA, 10 Years	09/Aug/2023, Regular	Bajaj Finance Limited	0	No
Yadhu P Babu, 36	Software Engineer	12,62,992.00	Diploma in Computer Science and Engineering, 10 Years	25/Apr/2022, Regular	AABA Soft Technologies	0	No
Mohan Kumar K, 29	Credit Card Sales Manager	12,13,665.00	B.com, 6 Years	20/Apr/2023, Regular	Axis Bank	0	No
Varghese B Mathew, 38	Data Analyst	11,79,155.00	PG Diploma in Data Science, MBA, 15 Years	13/Mar/2023, Regular	BSNL	0	No
Avnish Man Singh, 35	Manager Collection (PLCC)	11,44,383.00	B.Com, 12 Years	05/Apr/2024, Regular	ICICI Bank	0	No



## INDEPENDENT AUDITOR'S REPORT

### To the Members of Federal Operations and Services Limited

Kochi

#### Report on the Audit of the Financial Statements

##### Opinion

We have audited the financial statements of Federal Operations and Services Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2025, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2025, and its profit, and its cash flows for the year ended on that date.

##### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards 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 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.

##### Information Other than the Financial Statements and Auditor's Report Thereon (Other Information)

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our Auditor's Report thereon. The Director's Report is expected to be made available to us after the date of this Auditor's Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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 during the course of our 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.

##### Responsibilities of Management and Those Charged with Governance for the Financial Statements

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 financial position, financial performance, cash flow statement of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate



accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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.

In preparing the financial statements, the management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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:

- 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.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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.
- 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider

quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

### Report on Other Legal and Regulatory Requirements

1. 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.
2. As required by Section 143(3) of the Act, we report that:
  - a) 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.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.
  - e) On the basis of the written representations received from the directors as on 31st March, 2025 taken on record by the Board of Directors, none of the directors is disqualified

as on 31st March, 2025 from being appointed as a director in terms of Section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial control over financial reporting.
- g) In our opinion and to the best of our information and according to the explanations given to us, no remuneration has been paid to the directors by the Company during the year and hence the reporting requirements under Section 197(16) of the Act is not applicable to the Company during the year.
- h) 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, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv.
    - a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note No.40 to the financial statements, no funds (which are material either individually or in the aggregate) 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 or entity, including foreign entity ("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;
- b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the Note No.40 to the financial statements ,no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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;
- c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The company has paid dividend on preference shares during the year and has complied with the provisions of Section 123 of the Act in respect of such payment.
- vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended 31st March, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

**For Varma & Varma**  
Chartered Accountants  
(FRN:004532S)

Sd/-

**Vivek Krishna Govind**  
Partner  
Membership No:208259

Place: Kochi-19  
Date : 28-04-2025  
UDIN: 25208259BMOING1185

## **ANNEXURE A REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF FEDERAL OPERATIONS AND SERVICES LIMITED FOR THE YEAR ENDED 31st MARCH, 2025**

1. a) A.) According to the information and explanations given to us and the records of the company examined by us, the company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
  - B.) According to the information and explanations given to us and the records of the company examined by us, the company is maintaining proper records showing full particulars of intangible assets.
  - b) According to the information and explanations given to us and the records of the company examined by us, the Property, Plant and Equipment of the Company have been physically verified by the management at reasonable intervals, which, in our opinion is reasonable having regard to the size of the Company and the nature of its business, and no material discrepancies have been noticed on such verification.
  - c) According to the information and explanations given to us and the records of the company examined by us, there are no immovable properties held by the Company and hence the reporting requirements under the Clause (i)(c) of Para 3 of the Order are not applicable at this stage.
  - d) According to the information and explanations given to us and the records of the company examined by us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year and hence the reporting requirements under the Clause (i)(d) of Para 3 of the Order is not applicable at this stage.
  - e) According to the information and explanations given to us and the records of the company examined by us, no proceedings have been initiated during the year or are pending against the Company as at 31st March, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
2. a) The Company has no inventories and hence the reporting requirements under Clause (ii)(a) of Para 3 of the Order are not applicable to the Company at this stage.
  - b) According to the information and explanations given to us and the records of the company examined by us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, at any point of time during the year, from banks or financial institutions on the basis of security of current assets and hence the reporting requirements under Clause (ii)(b) of Para 3 of the Order are not applicable to the Company.
  3. According to the information and explanations given to us and the records of the company examined by us the company has not made any investments in or provided any guarantee to companies, firms, limited liability partnerships, or any other parties.
  4. According to the information and explanations given to us and the records of the company examined by us, the company has not granted any loans or made any investment or given any guarantee or security during the year as stated in Section 185 and 186 of the Act. Accordingly, the reporting requirements under clauses (iv) of paragraph 3 of the Order are not applicable.
  5. The Company has not accepted any deposits or any amounts deemed to be deposits from the public during the year and hence, the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provision of the Act and the rules framed thereunder are not applicable.
  6. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for any of the services rendered by the Company at this stage.

7.

- a) As per the information and explanations furnished to us and according to our examination of the records of the company, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Goods and Services Tax, Duty of Customs, Cess and other statutory dues, as applicable to the company to the appropriate authorities during the year.

There are no arrears of undisputed statutory due outstanding as at the last day of the financial year for a period of more than six months from the date on which they become payable.

- b) According to the information and explanations given to us and the records of the Company examined by us, there are no disputed amounts due to be deposited of Sales Tax, Duty of Customs, Duty of Excise, Value Added Tax or Goods and Services Tax as at 31st March, 2025.

8. According to the information and explanations given to us and the records of the Company examined by us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 and hence the reporting requirements under clause (viii) of Para 3 of the Order is not applicable to the company.

9.

- a) The Company has not taken loans or borrowings from any lender and accordingly the reporting requirements under clause (ix)(a), (b), (c) and (d) of Para 3 of the Order is not applicable to the Company at this stage.
- b) The Company has not taken funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures and accordingly the reporting requirements under clause (ix)(e) of Para

3 of the Order is not applicable to the Company at this stage.

- c) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and accordingly the reporting requirements under clause (ix)(f) of Para 3 of the Order is not applicable to the Company at this stage.

10.

- a) According to the information and explanations given to us and the records of the Company examined by us, no moneys were raised by way of initial public offer or further public offer (including debt instruments) and accordingly the reporting requirement under the clause (x)(a) of Para 3 of the Order is not applicable to the Company at this stage.

- b) According to the information and explanations given to us and the records of the Company examined by us, the company has not made any preferential allotment or private placement of shares or fully or partly or optionally convertible debentures during the year and hence, the reporting requirements under clause (x)(b) of Para 3 of the Order are not applicable.

11.

- a) During the course of our examination of the books and records of the company carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud by the company or on the company, noticed or reported during the year, nor have been informed of such case by the Management.

- b) No report under Section 143(12) of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

- c) According to the information and explanations given to us and the records of the Company examined by us, the Company has not received whistle-blower complaints during the year and accordingly the reporting requirements under clause (xi)(c) of Para 3 of the Order is not applicable to the Company at this stage.
12. The company is not a Nidhi Company. Accordingly, the reporting requirements under clause (xii) (a), (b) and (c) of Para 3 of the Order are not applicable.
13. According to the information and explanations given to us and the records of the Company examined by us, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and the details of such transactions have been disclosed in Note No.28 to the financial statements as required by the applicable Accounting Standards.
14. In our opinion and based on our examination, the company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act, 2013. Accordingly, the reporting requirements under the clause (xiv) (a) and (b) of Para 3 of the Order are not applicable.
15. According to the information and explanations given to us and the records of the company examined by us, the company has not entered into any non-cash transactions with directors or persons connected with the directors. Accordingly, the reporting requirement under clause (xv) of paragraph 3 of the Order is not applicable.
16.
  - a) According to the information and explanations given to us and the records of the Company examined by us, the company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting requirement under clause (xvi) (a), (b) and (c) of Para 3 of the Order is not applicable.
  - b) According to the information and explanations given to us and the records of the Company examined by us, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016). Accordingly, the reporting requirement under clause (xvi) (d) of Para 3 of the Order is not applicable.
17. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
18. There has been no resignation of statutory auditors of the Company during the year and accordingly this clause is not applicable.
19. According to the information and explanations given to us and the records of the Company examined by us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and 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 indicating that 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.
20.
  - a) According to the information and explanations given to us and the records of the Company examined by us, there are no unspent amounts towards Corporate Social Responsibility (CSR) in respect of other than ongoing projects requiring a transfer to the Fund specified in Schedule VII to the Act in compliance with second proviso to Section 135(5) of the said Act. Hence, the reporting requirements under clause (xx) (a) of Para 3 of the Order are not applicable to the Company for the year.



- b) According to information and explanations given to us and the records of the Company examined by us, there are no unspent amounts towards Corporate Social Responsibility (CSR) on ongoing projects requiring a transfer to the special account in compliance with sub section (6) of Section 135 of the said Act. Hence, the reporting requirement under clause (xx) (b) of Para 3 of the Order are not applicable to the Company.
21. The Company does not have the requirement for preparation of consolidated financial statements and accordingly, the reporting requirement under clause (xxi) of Para 3 of the Order is not applicable.

**For Varma & Varma**  
Chartered Accountants  
(FRN:0045325)

Sd/-

Place: Kochi-19  
Date : 28-04-2025  
UDIN: 25208259BMOING1185

**Vivek Krishna Govind**  
Partner  
Membership No:208259

## **ANNEXURE B REFERRED TO IN PARAGRAPH 2(f) UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF FEDERAL OPERATIONS AND SERVICES LIMITED FOR THE YEAR ENDED 31st MARCH, 2025**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls system with reference to financial statements reporting of Federal Operations and Services Limited ("the Company") as of and for the year ended 31st March, 2025, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal controls with reference to financial statements 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. 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 respective 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**

Our responsibility is to express an opinion on the Company's internal financial controls systems with reference to financial statements reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance

Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the ICAI.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial statements reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial statements reporting and their operating effectiveness. Our audit of internal financial controls over financial statements reporting included obtaining an understanding of internal financial controls system with reference to financial statements reporting, 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.

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 system with reference to financial statements reporting.

### **Meaning of Internal Financial Controls with reference to Financial Statements Reporting**

A company's internal financial control system with reference to financial statements reporting 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 control system with reference to financial statements reporting includes 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 Financial Statements Reporting**

Because of the inherent limitations of internal financial controls system with reference to financial statements reporting,

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 system with reference to financial statements reporting to future periods are subject to the risk that the internal financial control system with reference to financial statements reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2025, based on the internal control 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.

**For Varma & Varma**  
Chartered Accountants  
(FRN:0045325)

Sd/-

**Vivek Krishna Govind**  
Partner  
Membership No:208259

Place: Kochi-19  
Date : 28-04-2025  
UDIN: 25208259BMOING1185

**FEDERAL OPERATIONS AND SERVICES LIMITED**  
**BALANCE SHEET AS AT 31st MARCH, 2025**  
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

Particulars	Note No.	As at 31st March, 2025	As at 31st March, 2024
<b>I. Equity and Liabilities</b>			
<b>(1) Shareholders' funds</b>			
(a) Share capital	2	1,000.00	1,000.00
(b) Reserves and surplus	3	2,366.86	1,618.15
		<b>3,366.86</b>	<b>2,618.15</b>
<b>(2) Non-current liabilities</b>			
(a) Long-term provisions	4	122.95	79.87
		<b>122.95</b>	<b>79.87</b>
<b>(3) Current liabilities</b>			
(a) Trade payables:-	5		
(A) total outstanding dues of micro enterprises and small enterprises; and		22.96	18.45
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		116.07	224.50
(b) Other current liabilities	6	760.85	605.50
(c) Short-term provisions	7	16.91	8.17
		<b>916.79</b>	<b>856.62</b>
<b>Total</b>		<b>4,406.60</b>	<b>3,554.64</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant & Equipment and Intangible assets	8		
(i) Property, Plant & Equipment		1,349.29	877.31
(ii) Intangible assets		4.08	3.39
(iii) Capital work-in-progress		-	83.04
(b) Deferred tax assets (net)	9	142.33	99.74
(c) Long-term loans and advances	10	110.10	56.77
(d) Other non-current assets	11	491.12	283.52
		<b>2,096.92</b>	<b>1,403.77</b>
<b>(2) Current assets</b>			
(a) Trade receivables	12	1,086.27	853.97
(b) Cash and cash equivalents	13	1,006.24	1,013.03
(c) Short-term loans and advances	14	217.17	200.16
(d) Other current assets	15	-	83.71
		<b>2,309.68</b>	<b>2,150.87</b>
<b>Total</b>		<b>4,406.60</b>	<b>3,554.64</b>

Significant accounting policies and Notes on Accounts (1 to 44)  
The accompanying notes form an integral part of the financial statements.

As per our separate report of even date attached

For and on behalf of the Board of Directors

Sd/-  
Anil Paiparambath  
Company Secretary

Sd/-  
Prashant Preman  
Director  
DIN: 09134084

Sd/-  
Rinu Jacob  
Chief Financial Officer

Sd/-  
Johnson K Jose  
Director  
DIN: 08267398

Place : Kochi-19  
Date : 28.04.2025

**FEDERAL OPERATIONS AND SERVICES LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2025**  
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

	Particulars	Note No.	For the year ended 31st March, 2025	For the year ended 31st March, 2024
I.	Revenue from operations	16	10,285.63	7,647.02
II.	Other income	17	227.82	204.14
III.	<b>Total Income (I+II)</b>		<b>10,513.45</b>	<b>7,851.16</b>
IV.	<b>Expenses:</b>			
	Employee benefits expense	18	6,801.76	4,266.30
	Depreciation and amortization expense	8	512.42	347.93
	Other expenses	19	2,307.18	2,519.23
	<b>Total Expenses</b>		<b>9,621.36</b>	<b>7,133.46</b>
V.	<b>Profit before tax (III-IV)</b>		<b>892.09</b>	<b>717.70</b>
	<b>Tax expense:</b>			
	(1) Current tax		131.49	121.66
	(2) Deferred tax		(42.60)	(20.90)
	(3) Tax for prior years		11.99	18.58
VI.	<b>Profit (Loss) for the period (V-VI)</b>		<b>791.21</b>	<b>598.36</b>
VII.	<b>Earnings per equity share (in Rupees):</b>	20		
	<b>Nominal value of share Rs. 10/-</b>			
	Basic/ Diluted		<b>15.82</b>	<b>11.97</b>

Significant accounting policies and Notes on Accounts (1 to 44)  
The accompanying notes form an integral part of the financial statements.

As per our separate report of even date attached

For and on behalf of the Board of Directors

Sd/-  
Paiparambath Anil  
Company Secretary

Sd/-  
Prashant Preman  
Director  
DIN: 09134084

Sd/-  
Rinu Jacob  
Chief Financial Officer

Sd/-  
Johnson K Jose  
Director  
DIN: 08267398

Place : Kochi-19  
Date : 28.04.2025

**FEDERAL OPERATIONS AND SERVICES LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2025**  
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

Particulars	For the Year Ended 31st March, 2025		For the Year Ended 31st March, 2024	
<b>A. Cash Flows from Operating Activities</b>				
Net Profit / (Loss) before taxation and exceptional items		892.09		717.70
<b>Adjustments for:</b>				
Interest Income	(5.46)		(7.58)	
Depreciation and amortization expense	512.42	506.96	347.93	340.35
<b>Operating Profit before Working Capital Changes</b>		<b>1,399.05</b>		<b>1,058.05</b>
<b>Adjustments for:</b>				
(Increase) / Decrease in trade receivables	(232.31)		(281.97)	
(Increase) / Decrease in loans and advances	(17.01)		(142.37)	
(Increase) / Decrease in other non-current assets	(207.60)		(10.07)	
(Increase) / Decrease in other current assets	83.71		28.84	
Increase / (Decrease) in trade payables	(103.91)		129.74	
Increase / (Decrease) in long term and short term provisions	51.81		16.58	
Increase / (Decrease) in other current liabilities	155.36	(269.95)	245.22	(14.04)
<b>Cash Generated from operations</b>		<b>1,129.10</b>		<b>1,044.01</b>
Income tax paid		(161.50)		(140.24)
<b>Net Cash from / (used) in Operating Activities</b>		<b>967.60</b>		<b>903.77</b>
<b>B. Cash Flows from Investing Activities</b>				
Interest Income	5.46		7.58	
Purchase of property, plant and equipments including Capital work in progress/ Capital Advances	(937.35)	(931.89)	(977.09)	(969.51)
<b>Net Cash from / (used) in Investing Activities</b>		<b>(931.89)</b>		<b>(969.51)</b>
<b>C. Cash Flows from Financing Activities</b>				
Dividend paid on preference shares	(42.50)	(42.50)	(42.50)	(42.50)
<b>Net Cash from / (used) in Financing Activities</b>		<b>(42.50)</b>		<b>(42.50)</b>
Net Cash from / (used) Operating Activities		967.60		903.77
Net Cash from / (used) in Investing Activities		(931.89)		(969.51)
Net Cash from / (used) in Financing Activities		(42.50)		(42.50)
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>		<b>(6.79)</b>		<b>(108.24)</b>

**FEDERAL OPERATIONS AND SERVICES LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2025**  
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

Particulars	For the Year Ended 31st March, 2025	For the Year Ended 31st March, 2024
Cash and Cash Equivalents at beginning of the period	1,013.03	1,121.27
Cash and Cash Equivalents at the end of the period	1,006.24	1,013.03
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>(6.79)</b>	<b>(108.24)</b>

Note : As on reporting date there are no deposits with maturity period greater than 12 months. These deposits can be withdrawn by the company at any point without prior notice or penalty on the principal and accordingly classified as cash and cash equivalents.

As per our separate report of even date attached

Place : Kochi-19  
Date : 28.04.2025

For and on behalf of the Board of Directors

Sd/-  
Paiparambath Anil  
Company Secretary

Sd/-  
Rinu Jacob  
Chief Financial Officer

Sd/-  
Prashant Preman  
Director  
DIN: 09134084

Sd/-  
Johnson K Jose  
Director  
DIN: 08267398



## **FEDERAL OPERATIONS AND SERVICES LIMITED**

### **NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

#### **1 SIGNIFICANT ACCOUNTING POLICIES, NOTES ATTACHED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2025**

##### **Corporate information**

Federal Operations and Services Limited ("the Company") is a public company domiciled in India and incorporated under the provisions of Companies Act, 2013. The company is a wholly-owned subsidiary of The Federal Bank Limited and is engaged in the business of carrying on back end operational activities and technology oriented services including support functions of the Bank and all related activities, processes, subprocesses, data processing services, data management services, transcription services, disaster recovery management services, payroll services, human resource services and activities carried on at help desk, benefits administration, training management activities, business and technology process outsourcing services, Sales, Collections and activities of Data Entry Operations etc.

##### **A. Basis of preparation of accounts**

Financial statements are prepared under the historical cost convention, on accrual basis in compliance with the provisions of the Companies Act 2013 and the Accounting standards specified under section 133 of the Companies Act, 2013, read with Companies (Accounts Standards) Rules, 2021. The Financial Statements are prepared on accrual basis and under the historical cost convention.

##### **B. Use of Estimates**

The preparation of financial statements in conformity with the generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and that also affect the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. The management believes that the estimates used in the preparation of the Financial Statements are prudent and reasonable. Any revisions to accounting estimates are recognised prospectively in current and future periods.

##### **C. Revenue Recognition**

###### **i Service Income**

(a) Revenue from operations is recognized as and when services are rendered, as per the terms of Master Service Agreement entered into by the Company.

###### **ii Other Income**

(a) Interest income is recognised on accrual basis using effective interest rate method.

(b) Dividend income is recognised when the company's right to receive is established

(c) Other incomes are recognised on accrual basis except when there are significant uncertainties

##### **D. Property, Plant and Equipment**

Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment in value if any. Cost includes purchase price, (inclusive of import duties and non refundable purchase taxes, after deducting trade discounts and rebates), other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

## FEDERAL OPERATIONS AND SERVICES LIMITED

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD...)

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components). The cost of replacement spares/ major inspection relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

On disposal of an item of property, plant and equipment, the differences between the disposal proceeds and its carrying amount is recognised in the Statement of Profit and Loss. The residual values, useful life and method of depreciation of property, plant and equipment are reviewed at each financial year and adjusted prospectively, if appropriate. Capital work in progress comprises of the cost of fixed asset that are not yet ready for their intended use at the reporting date.

#### E. Intangible Assets

Intangible assets are recorded at the cost of acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.

#### F. Depreciation

Depreciation is provided on Written Down Value Method in accordance with Schedule II of the Companies Act, 2013. The useful life adopted is as prescribed under Schedule II of the Companies Act 2013, except for the following assets for which a different useful life has been adopted on the basis of technical evaluation/management estimate, based on a review by the management at the year end:-

- (a) The cost of lease holds improvements are amortised on a straight line basis over the lease period.
- (b) Cost of license is capitalised as intangible asset and amortized over the license period. Also, the cost of software is capitalised as intangible asset and amortised on a straight line basis over the useful life of 5 years.
- (c) Assets individually costing Rs. 2,000/- or less are fully depreciated in the year of purchase.

#### G. Employee Benefits (AS 15)

##### i Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and the undiscounted amounts are recognized as expenses in the statement of Profit & Loss of the year in which the related services are rendered.

##### ii Defined Contribution Plan

The company has defined contribution plans for employees comprising of Provident Fund, Employee State Insurance and labour welfare fund. The contributions paid/payable to these plans during the year are charged to Statement of Profit & Loss for the Year.

##### iii Defined Benefit Plan

###### Gratuity

The company pays gratuity, a defined benefit plan, to employees who retire or resign. The Company provides gratuity to the eligible employees as a terminal benefit. These liabilities are determined on the basis of actuarial valuation under projected unit credit method at the Balance Sheet date. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss for the period in which they occur.

## **FEDERAL OPERATIONS AND SERVICES LIMITED**

### **NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD...)**

#### **H. Taxes on Income**

"Income tax is accounted in accordance with Accounting Standard on Accounting for Taxes on Income (AS-22), which includes current taxes and deferred taxes. Provision for current tax is made in accordance with the provisions of the Income Tax Act, 1961. Deferred Tax assets/liabilities representing timing differences between accounting income and taxable income are recognised to the extent considered capable of being reversed in subsequent years by applying tax rate substantially enacted as at the end of the year. Deferred tax assets are recognised only to the extent there is reasonable certainty that sufficient future taxable income will be available, except for deferred tax assets arising due to unabsorbed depreciation and losses".

#### **I. Borrowing costs**

As per AS 16, Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use are capitalized. Other borrowing costs are recognized as expenditure for the period in which they are incurred.

#### **J. Impairment of Assets**

As per AS 28, the company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. An asset is identified as impaired, when the carrying value of the asset exceeds its recoverable value. Based on such assessment, impairment loss, if any, is charged to the Profit & Loss Statement in the period in which, an asset is identified as impaired. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life. The impairment loss recognised in the prior accounting periods is reversed if there has been a change in the estimate of recoverable amount

#### **K. Government Incentives**

Grants and subsidies from the Government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with. When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Where the grant or subsidy relates to an asset, its value is deducted from the gross value of the assets concerned in arriving at the carrying amount of the related asset. Government grants in the form of non-monetary assets given at a concessional rate are accounted for on the basis of their acquisition cost.

#### **L. Earnings Per Share**

- i The company reports basic and diluted earnings per share in accordance with Accounting Standard 20 on "Earnings per Share". Basic earnings per share are computed by dividing the Net Profit or Loss for the year attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the period.
- ii Diluted earnings per share are computed by dividing the net Profit or Loss for the year attributable to equity share holders (after deducting attributable taxes) by the weighted average number of Equity Shares outstanding during the period as adjusted for the effects of all diluted potential Equity Shares outstanding as at the year end.

## **FEDERAL OPERATIONS AND SERVICES LIMITED**

### **NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD...)**

#### **M. Investments**

- i Investments that are readily realizable and intended to be held for not more than a year are classified as Current Investments. All other investments are classified as Long-Term Investments.
- ii Investments held as long-term investments are carried at cost comprising of acquisition and incidental expenses. Provision for diminution in value of investments, if any, is made if in the opinion of management, such diminution is other than temporary. Investments other than long-term investments are classified as current investments and valued at lower of cost or fair value.

#### **N. Leases**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating lease. Lease payments for assets taken on operating lease are recognized as an expense in the Statement of Profit and Loss as per the lease terms.

#### **O. Foreign currency transactions**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currency outstanding at the Balance Sheet date are translated at the applicable exchange rates prevailing at the year-end. The exchange gain/ loss arising during the year are adjusted to the Statement of Profit and Loss.

#### **P. Provisions, Contingent Liabilities and Contingent Assets**

As per AS 29, Provisions are recognised when the company has a present obligation as a result of a past event, for which it is probable that a cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the correct management estimates.

Contingent Liabilities are disclosed when the company has a possible obligation or a present obligation and it is probable that a cash flow will not be required to settle the obligation. Contingent assets are neither recognised nor disclosed in the accounts.

**FEDERAL OPERATIONS AND SERVICES LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

**2 Share capital**

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
<b>Authorised:</b>		
Equity Share Capital		
50,00,000 (50,00,000) Shares of Rs.10/- each	500.00	500.00
Preference Share Capital		
(1,50,00,000) Shares of Rs. 10/- each	1,500.00	1,500.00
	<b>2,000.00</b>	<b>2,000.00</b>
<b>Issued, Subscribed and Fully paid:</b>		
50,00,000 (50,00,000) Equity shares of Rs.10/- each	500.00	500.00
50,00,000 (50,00,000) 8.5% Preference shares of Rs.10/- each	500.00	500.00
	<b>1,000.00</b>	<b>1,000.00</b>

**2.1 Reconciliation of equity shares outstanding at the beginning and at the end of the financial year:**

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2025		As at 31st March, 2024	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the financial year	50,00,000	500.00	50,00,000	500.00
Add: Shares issued during the year	-	-	-	-
At the end of the financial year	50,00,000	500.00	50,00,000	500.00

**2.2 Reconciliation of preference shares outstanding at the beginning and at the end of the financial year:**

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2025		As at 31st March, 2024	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the financial year	50,00,000	500.00	50,00,000	500.00
Add: Shares issued during the year	-	-	-	-
At the end of the financial year	50,00,000	500.00	50,00,000	500.00

**FEDERAL OPERATIONS AND SERVICES LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD...)**  
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

### 2.3 Terms/Rights attached to Equity Shares

The company has only one class of equity shares having a par value of Rs.10 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 remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### 2.4 Terms/Rights attached to 8.5% Non Cumulative Non-participating Redeemable Preference Shares

8.5% Non Cumulative Non-participating Redeemable Preference Shares having a par value of Rs.10 per share are redeemable within a period of 10 years at the discretion of the Company. The preference shares do not have voting rights other than in respect of matters directly affecting it. Conversion to equity shares is not permitted.

### 2.5 Details of Shareholders holding more than 5% share in the Company at the end of the year:

(Amount in ₹Lakhs)

Name of Shareholder	As at 31st March, 2025		As at 31st March, 2024	
	%	Number of shares	%	Number of shares
<b>Equity shares:-</b>				
Federal Bank Limited	99.99	49,99,695	99.99	49,99,695
<b>Preference shares:-</b>				
Federal Bank Limited	100.00	50,00,000	100.00	50,00,000

### 2.6 Shares held by Holding Company

(Amount in ₹Lakhs)

Name of Shareholder	As at 31st March, 2025		As at 31st March, 2024	
	%	Number of shares	%	Number of shares
<b>Equity shares:-</b>				
Federal Bank Ltd., the Holding Company	99.99	49,99,695	99.99	49,99,695
<b>Preference shares:-</b>				
Federal Bank Ltd., the Holding Company	100.00	50,00,000	100.00	50,00,000

### 2.7 Shares held by Promoters

(Amount in ₹Lakhs)

Name of the promoter	No. of shares held		% of Total Shares	% change during the year
	As at 31st March, 2025	As at 31st March, 2024		
<b>Equity shares:-</b>				
Federal Bank Limited	49,99,695	49,99,695	99.99%	0%
<b>Preference shares:-</b>				
Federal Bank Limited	50,00,000	50,00,000	100%	0%

Note: Details of promoters is as per annual return filed with the Registrar of Companies.

**FEDERAL OPERATIONS AND SERVICES LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD...)**  
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

**3 Reserves and Surplus**

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
<b>Surplus in the Statement of Profit and Loss</b>		
Opening Balance	1,618.15	1,062.29
Add: Profit for the year as per Statement of Profit and Loss	791.21	598.36
Less: Preference dividend paid	(42.50)	(42.50)
<b>Closing balance</b>	<b>2,366.86</b>	<b>1,618.15</b>

**4 Long-term provisions**

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
<b>Provision for employee benefits</b>		
Provision for Gratuity (Refer Note 4.1 below)	122.95	79.87
	<b>122.95</b>	<b>79.87</b>

**4.1 Disclosures required under Accounting Standard 15 - "Employee Benefits" :**

**4.1.1. Defined Contribution Plans**

During the year, the following amounts have been recognised in the Statement of Profit and Loss on account of defined contribution plans:

(Amount in ₹ Lakhs)

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Employer's contribution to Provident Fund	380.34	250.42
Employer's contribution to Employee State Insurance	71.20	56.14
	<b>451.54</b>	<b>306.56</b>

**4.1.2 Defined Benefit Plans-Gratuity (Funded)**

(i) Actuarial Assumptions	As at 31st March, 2025	As at 31st March, 2024
Discount Rate	7.06% pa	7.02% pa
Superannuation Age	60 Years	60 Years
Expected return on plan assets	Funded	Funded
Salary escalation rate *	5.00% p.a.	5.00% p.a.
Mortality rate	IIAM 2012-15 (ULTIMATE)	IIAM 2012-15 (ULTIMATE)

\* The assumption of future salary increases takes into account inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market



**FEDERAL OPERATIONS AND SERVICES LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD...)**  
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

(Amount in ₹ Lakhs)

<b>(ii) Reconciliation of present value of obligation</b>	<b>As at 31st March, 2025</b>	<b>As at 31st March, 2024</b>
Present value of obligation at the beginning of the year	109.25	67.97
Current Service Cost	69.09	48.55
Interest Cost	7.03	4.75
Actuarial (gain)/loss	(10.08)	(11.37)
Benefits Paid	(19.41)	(0.65)
Curtailments	-	-
Settlements	-	-
Present value of obligation at the end of the year	155.88	109.25

(Amount in ₹ Lakhs)

<b>(iii) Reconciliation of fair value of plan assets</b>	<b>As at 31st March, 2025</b>	<b>As at 31st March, 2024</b>
Fair value of plan assets at the beginning of the year	28.25	-
Expected return on plan assets	2.84	-
Actuarial gain/(loss)	0.15	-
Contributions	19.41	28.90
Benefits paid	(19.41)	(0.65)
Assets distributed on settlement	-	-
Fair value of plan assets at the end of the year	31.24	28.25

(Amount in ₹ Lakhs)

<b>(iv) Description of Plan Assets</b>	<b>As at 31st March, 2025</b>	<b>As at 31st March, 2024</b>
Insurer Managed Funds	-	-

(Amount in ₹ Lakhs)

<b>(v) Net (Asset)/Liability recognised in the Balance Sheet as at year end</b>	<b>As at 31st March, 2025</b>	<b>As at 31st March, 2024</b>
Present value of obligation	155.88	109.25
Fair value of plan assets	31.24	28.25
Net present value of funded obligation recognised as (asset)/liability in the Balance Sheet	124.64	81.00

**FEDERAL OPERATIONS AND SERVICES LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD...)**  
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

(Amount in ₹ Lakhs)

(vi) Expenses recognised in the Statement of Profit and Loss	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Current service cost	69.09	48.55
Interest cost	7.03	4.75
Expected return on plan assets	(2.84)	-
Actuarial (gain)/ loss recognised in the year	(10.23)	(11.37)
Past service cost	-	-
Curtailment cost	-	-
Settlement cost	-	-
Total expenses recognised in the Statement of Profit and Loss for the year	63.05	41.93
Actual return on plan assets	2.23	-

The above disclosures are based on information furnished by independent actuary and relied upon by the auditors.

**4.2** The liabilities arising on account of leave encashment are short-term in nature as no leaves are eligible to be carried forward and therefore, no actuarial valuation is obtained for the same. The company follows calendar year for leave encashment and any liability arising for the short term are provided on the basis of management estimate.

## 5 Trade payables

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Trade Payables		
i) Total Outstanding dues of Micro Enterprises and Small Enterprises; and (Refer Note 5.1)	22.96	18.45
(ii) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	116.07	224.50
	<b>139.03</b>	<b>242.95</b>

**5.1** The company has been taking 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 above disclosures have been made on the basis of intimations received from some of the suppliers regarding their status under the said Act.

**5.2** Trade payables ageing schedule has been disclosed in Note No.29.

**5.3 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006**

**FEDERAL OPERATIONS AND SERVICES LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD...)**  
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

(Amount in ₹Lakhs)

The Company had sought confirmation from the vendors as to whether they fall in the category of Micro or Small Enterprises. Based on the information available, the required disclosure for Micro and small enterprises under the above Act is given below:

Particulars	As at 31st March, 2025	As at 31st March, 2024
a. Principal Amount due and remaining unpaid as at the year end.	-	-
b. Interest due thereon and remaining unpaid as at the year end.	-	-
c. Interest paid by the Company in terms of Section 16 of Micro, Small & Medium Enterprises Development Act, 2006 along with the amount of payment made to the supplier beyond the appointed day during the year.	-	-
d. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
e. Interest accrued and remaining unpaid as at the year end	-	-
f. Further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

**6 Other current liabilities**

Particulars	As at 31st March, 2025	As at 31st March, 2024
(a) Statutory dues	192.11	152.53
(b) Dues to employees	512.01	359.98
(c) Creditors for capital goods	1.40	48.23
(d) Retention money	14.29	3.72
(e) Security deposit	41.04	41.04
	<b>760.85</b>	<b>605.50</b>

**7 Short-term provisions**

(Amount in ₹Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Provision for Employee Benefits		
(i) Provision for Gratuity (Refer Note 4.1)	1.69	1.13
(ii) Provision for Leave Encashment (Refer Note 4.2)	15.22	7.04
	<b>16.91</b>	<b>8.17</b>

**FEDERAL OPERATIONS AND SERVICES LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD...)**  
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**8 Property, Plant & Equipment and Intangible assets**

(Amount in ₹Lakhs)

Particulars	GROSS BLOCK (At Cost)				DEPRECIATION/AMORTIZATION				NET BLOCK	
	As at 1st April, 2024	Additions	Disposals/ Adjust- ments	As at 31st March, 2025	As at 1st April, 2024	For the Year	Disposals/ Adjust- ments	As at 31st March, 2025	As at 31st March, 2025	As at 31st March, 2024
<b>(i) Property, Plant &amp; Equipment</b>										
Computer & Accessories	766.31	368.61	-	1,134.92	568.24	230.12	-	798.36	336.56	198.07
	(564.52)	(201.79)	(-)	(766.31)	(400.04)	(168.20)	(-)	(568.24)	(198.07)	(164.48)
Furniture and Fixtures	345.71	64.03	-	409.74	152.42	59.56	-	211.98	197.76	193.29
	(180.63)	(165.08)	(-)	(345.71)	(101.38)	(51.04)	(-)	(152.42)	(193.29)	(79.25)
Lease Hold Improve- ments	413.82	424.02	1.92	835.92	54.65	132.97	1.92	185.70	650.22	359.17
	(10.80)	(403.02)	(-)	(413.82)	(4.13)	(50.52)	(-)	(54.65)	(359.17)	(6.67)
Office Equipment	460.45	126.63	-	587.08	333.67	88.66	-	422.33	164.75	126.78
	(340.04)	(120.41)	(-)	(460.45)	(261.12)	(72.55)	(-)	(333.67)	(126.78)	(78.91)
<b>Total Tangible Assets</b>	<b>1,986.29</b>	<b>983.29</b>	<b>1.92</b>	<b>2,967.66</b>	<b>1,108.98</b>	<b>511.31</b>	<b>1.92</b>	<b>1,618.37</b>	<b>1,349.29</b>	<b>877.31</b>
	<b>(1,095.99)</b>	<b>(890.30)</b>	<b>(-)</b>	<b>(1,986.29)</b>	<b>(766.67)</b>	<b>(342.31)</b>	<b>(-)</b>	<b>(1,108.98)</b>	<b>(877.31)</b>	<b>(329.31)</b>
<b>(ii) Intangi- ble Assets</b>										
Computer Software	35.00	1.80	-	36.80	31.61	1.11	-	32.72	4.08	3.39
	(31.25)	(3.75)	(-)	(35.00)	(25.99)	(5.62)	(-)	(31.61)	(3.39)	(5.26)
<b>Total</b>	<b>2,021.29</b>	<b>985.09</b>	<b>1.92</b>	<b>3,004.46</b>	<b>1,140.59</b>	<b>512.42</b>	<b>1.92</b>	<b>1,651.09</b>	<b>1,353.37</b>	<b>880.70</b>
Previous year	(1,127.24)	(894.05)	(-)	(2,021.29)	(792.66)	(347.93)	(-)	(1,140.59)	(880.70)	(334.57)

**FEDERAL OPERATIONS AND SERVICES LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD...)**  
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

**(iii) Capital work-in-progress**

(Amount in ₹Lakhs)

Particulars	As at 1st April, 2024	Additions/ Adjustments	Disposals/ Adjustments	As at 31st March, 2025
(a) Leasehold Improvements	83.04	-	(83.04)	-
	(-)	(83.04)	(-)	(83.04)
<b>Total</b>	<b>83.04</b>	<b>-</b>	<b>(83.04)</b>	<b>-</b>
<b>Previous year</b>	<b>(-)</b>	<b>(83.04)</b>	<b>(-)</b>	<b>(83.04)</b>

**Capital work-in-progress Ageing**

(Amount in ₹Lakhs)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
	(83.04)	(-)	(-)	(-)	(83.04)
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>
<b>Previous Year</b>	<b>(83.04)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(83.04)</b>

**8.1** Leasehold improvements represent expenditure incurred on construction of additional structures and for making enduring modifications to the building taken on operating lease arrangements by the Company. These lease arrangements are treated as extendible to cover the estimated life of such structures/ modifications.

**9 Deferred tax assets (Net)**

(Amount in ₹Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
On difference between Written down value of fixed assets as per Income Tax Act and as per books	104.21	76.01
On other disallowances	38.12	23.73
	<b>142.33</b>	<b>99.74</b>
<b>Deferred tax assets</b>	<b>142.33</b>	<b>99.74</b>

**FEDERAL OPERATIONS AND SERVICES LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD...)**  
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

**10 Long-term loans and advances**

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
<b>Unsecured, considered good</b>		
Others loans and advances		
(a) Income tax (net)	74.80	56.77
(b) Capital advances	35.30	-
	<b>110.10</b>	<b>56.77</b>

**11 Other non-current assets**

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
<b>Unsecured, considered good</b>		
Security Deposit		
(i) Rent deposits	470.90	263.71
(ii) Other Deposit	20.22	19.81
	<b>491.12</b>	<b>283.52</b>

**12 Trade receivables**

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
<b>Unsecured, considered good</b>	1,086.27	853.97
	<b>1,086.27</b>	<b>853.97</b>

**12.1** Trade receivables represents amount receivable from the Holding Company: The Federal Bank Limited - Rs 1,086.27 Lakhs (Rs.853.97 Lakhs).

**12.2** Trade receivables ageing schedule has been disclosed in Note No.30

**13 Cash and cash equivalents**

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
<b>Balance with Banks :</b>		
In Current Accounts	1,006.24	898.35
In Deposits Accounts (Refer Note No.13.1)	-	114.68
	<b>1,006.24</b>	<b>1,013.03</b>

**13.1** In previous year, there are no deposits with maturity period greater than 12 months. These deposits can be withdrawn by the company at any point without prior notice or penalty on the principal and accordingly classified as cash and cash equivalents.

**FEDERAL OPERATIONS AND SERVICES LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD...)**  
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

**14 Short-term loans and advances**

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Unsecured, considered good		
Others		
(a) Advances recoverable in cash or in kind	129.21	113.02
(b) Advance to Employees	87.96	87.14
	<b>217.17</b>	<b>200.16</b>

**15 Other current assets**

(Amount in ₹ Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Unbilled Revenue	-	83.71
	<b>-</b>	<b>83.71</b>

**16 Revenue from operations**

(Amount in ₹ Lakhs)

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Sale of services		
Data processing and monitoring services	10,285.63	7,647.02
	<b>10,285.63</b>	<b>7,647.02</b>

**17 Other Income**

(Amount in ₹ Lakhs)

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Interest on fixed deposit	1.54	7.32
Interest on income tax refund	2.86	-
Interest on other deposits	1.06	0.26
Rental income	209.57	190.23
Miscellaneous income	12.79	6.33
	<b>227.82</b>	<b>204.14</b>



**FEDERAL OPERATIONS AND SERVICES LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD...)**  
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

**18 Employee benefits expense**

(Amount in ₹ Lakhs)

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Salaries & wages	5,941.34	3,687.95
Contribution to provident and other funds	555.62	375.49
Staff welfare expenses	304.80	202.86
	<b>6,801.76</b>	<b>4,266.30</b>

**19 Other expenses**

(Amount in ₹ Lakhs)

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Advertisement expenses	0.10	0.50
Corporate Social Responsibility (CSR) expenses (Refer Note No.32)	11.41	8.22
Insurance expenses	0.46	0.45
Internet and leased line connectivity charges	58.68	47.87
Office expenses	101.44	78.04
Payments to auditors (Refer Note No.19.1)	7.44	6.13
Postage and courier expenses	389.57	512.05
Power and fuel	188.84	159.07
Printing and stationery expenses	28.14	53.31
Professional and consultancy charges	48.13	29.78
Rates and taxes	8.13	2.17
Rent and maintenance (Refer Note No.22)	615.59	460.93
Repairs and maintenance	37.66	22.64
Royalty charges (Refer Note No.19.2)	45.88	-
Service charges	-	494.04
Sitting fees to directors	1.80	1.50
Software maintenance	48.32	39.88
Telephone expenses	274.18	214.10
Transportation expenses	425.66	370.69
Miscellaneous expenses	15.75	17.86
	<b>2,307.18</b>	<b>2,519.23</b>

**FEDERAL OPERATIONS AND SERVICES LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD...)**  
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

**19.1 Payments to Auditors**

(Amount in ₹ Lakhs)

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
a. As auditor	3.30	2.75
b. For taxation matters	2.16	1.73
c. For other matters	1.98	1.65
	<b>7.44</b>	<b>6.13</b>

**19.2** During the year, the holding company has entered into an agreement with the company to charge royalty for use of their name/ trademark including logo, etc. The said royalty has been determined as a percentage of revenue based on an independent professional valuation having regard to supply of like kind of services on an arm's length basis and other applicable factors.

**20 Earnings per equity share**

(Amount in ₹ Lakhs)

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Profit for the year as per Statement of Profit and Loss	791.21	598.36
Weighted Average Number of Equity Shares of Rs. 10/- each (fully paid-up)	50,00,000	50,00,000
<b>Earnings per share (Basic/Diluted) (In rupees)</b>	<b>15.82</b>	<b>11.97</b>

**21 Contingent Liabilities**

Particulars	As at 31st March, 2025	(Amount in ₹ Lakhs) As at 31st March, 2024
Incremental bonus not provided for in the books of account based on the Kerala High Court Stay Order (Refer Note 21.1)	649.85	344.68

**21.1** Incremental bonus calculated on the basis of minimum wages as against the maximum limit of Rs.7,000 considered by the company, is treated as contingent liability based on the legal advice received relying on various cases pending before the Honorable High Courts of various states challenging the 2015 amendment to Payment of Bonus Act, 1965. Further, there is no loss to the company due to the master service agreement in place with its holding company wherein the holding company makes payment with an additional 10% mark-up for the cost of services incurred.

**22** The company has taken certain premises under rental arrangements, which are in the nature of both cancellable and non-cancellable operating leases and have been debited to the Statement of Profit and Loss. The details of future minimum lease payable under non-cancellable operating leases for the year are as follows:

Particulars	For the Year Ended 31st March, 2025	For the Year Ended 31st March, 2024
Lease rentals recognized during the year	170.24	2.50
Lease obligations payable:		
a) Not later than one year	229.64	-
b) Later than one year but not later than five years	957.73	-
c) Later than five years	41.46	-

**FEDERAL OPERATIONS AND SERVICES LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD...)**  
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

**23 Earnings in Foreign Currency (On Accrual Basis) :** Nil

**24 Expenditure in foreign currency :-** Nil

**25 Details of Benami Property Held**

No proceedings have been initiated or pending against the Company for holding any benami property under Benami Transaction (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder in the financial year ended 31st March, 2025.

**26 Relationship with Struck off Companies**

The Company has not undertaken any transactions with companies struck off under section 248 of Companies Act, 2013 or section 560 of the Companies Act, 1956.

**27** In the opinion of the management, short term loans and advances and other current assets, have the value at which they are stated in the Balance Sheet, if realised in the ordinary course of business.

**28.** Disclosure of transactions with related parties as required by Accounting Standard– 18 on related party disclosures as prescribed by Companies (Accounting Standards) Rules, 2006.

**A. Related parties and nature of relationship**

Nature of Relationship	Name of Party
(a) Holding Company	The Federal Bank Limited
(b) Key Managerial Personnel	
(i) Independent Director	Siddhartha Sengupta
(ii) Director	Venkateswaran Venkatraman
(iii) Director	Rajanarayanan N
(iv) Director	Johnson K. Jose
(v) Whole Time Director	Prashant Preman
(vi) Chief Financial Officer	Rinu Jacob
(vii) Company Secretary	Anil Paiparambath

**B. Details of the transactions with the above parties during the year**

(Amount in ₹ Lakhs)

Particulars	Holding Company	Key Managerial Personnel	Total
Revenue from operations	10,285.63	-	10,285.63
	(7,647.02)	(-)	(7,647.02)
Service charges	-	-	-
	(494.04)	(-)	(494.04)
Sitting fees	-	1.80	1.80
	(-)	(1.50)	(1.50)
Rental income	209.57	-	209.57

**FEDERAL OPERATIONS AND SERVICES LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD...)**  
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

(Amount in ₹Lakhs)

Particulars	Holding Company	Key Managerial Personnel	Total
	(190.23)	(-)	(190.23)
Salary and other benefits	-	-	-
	(-)	(12.49)	(12.49)
Rental expense	15.96	-	15.96
	(0.60)	(-)	(0.60)
Reimbursement of expenses	84.75	-	84.75
	(107.80)	(-)	(107.80)
Dividend paid on preference shares	42.50	-	42.50
	(42.50)	(-)	(42.50)
Interest from fixed deposit	1.54	-	1.54
	(7.32)	(-)	(7.32)
Royalty charges (Refer Note 19.2)	45.88	-	45.88
	(-)	(-)	(-)

**C. Balance as at 31st March, 2025**

(Amount in ₹Lakhs)

Particulars	Holding Company	Key Managerial Personnel	Total
Sundry debtors	1,086.27	-	1,086.27
	(853.97)	(-)	(853.97)
Security deposit given	8.69	-	8.69
	(0.15)	(-)	(0.15)
Security deposit received	41.04	-	41.04
	(41.04)	(-)	(41.04)
Equity share capital	499.97	-	499.97
	(499.97)	(-)	(499.97)
Preference share capital	500.00	-	500.00
	(500.00)	(-)	(500.00)
Balance with bank in current account	1,006.24	-	1,006.24
	(898.35)	(-)	(898.35)
Balance with bank in deposit account	-	-	-
	(114.68)	(-)	(114.68)

\*previous year figure in the bracket.

**FEDERAL OPERATIONS AND SERVICES LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD...)**  
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

**29 Ageing of Trade Payable**

(Amount in ₹ Lakhs)

Particulars	Outstanding for following periods from the due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	22.96	-	-	-	22.96
	(18.45)	(-)	(-)	(-)	(18.45)
(ii) Others*	116.07	-	-	-	116.07
	(224.50)	(-)	(-)	(-)	(224.50)
(iii) Disputed dues – MSME	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
(iv) Disputed dues – Others	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
<b>Total</b>	<b>139.03</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>139.03</b>
<b>Total - Previous Year</b>	<b>(242.95)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(242.95)</b>

\* Includes year-end accruals amounting to Rs.23.63 Lakhs (Rs.140.01 Lakhs) grouped under less than 1 year, which are unbilled as on the reporting date.

**30 Ageing of Trade Receivable**

(Amount in ₹ Lakhs)

Particulars	Outstanding for following periods from the due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	1,086.27	-	-	-	-	1,086.27
	(853.97)	(-)	(-)	(-)	(-)	(853.97)
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
<b>Total</b>	<b>1,086.27</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,086.27</b>
<b>Total - Previous Year</b>	<b>(853.97)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(853.97)</b>

**FEDERAL OPERATIONS AND SERVICES LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD...)**  
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

**31 Accounting ratios**

Ratio	Note	Current Year	Previous Year	Variance (in %)	Reason for Variance/ Change exceeding 25%
Current Ratio	(a)	2.52	2.51	0.34%	-
Debt-Equity Ratio	(b)	-	-	-	The company does not have any debt.
Debt Service Coverage Ratio	(c)	-	-	-	The company does not have any debt.
Return on Equity Ratio	(d)	25.02%	23.75%	5.33%	-
Inventory turnover ratio	(e)	-	-	-	The company does not have any inventory.
Trade Receivables turnover ratio	(f)	10.60	10.73	(1.15%)	-
Trade payables turnover ratio	(g)	12.08	14.15	(14.61%)	-
Net capital turnover ratio	(h)	7.66	5.65	35.45%	Turnover has increased by higher margin than the average capital, compared to previous financial year.
Net profit ratio	(i)	7.69%	7.82%	(1.69%)	-
Return on Capital employed	(j)	26.53%	27.45%	(3.35%)	-
Return on investment	(k)	2.69%	2.42%	10.96%	-

Items included in numerator and denominator in computing the above ratios:

Ratios	Note	Numerator	Denominator
Current ratio	(a)	Current assets	Current liabilities
Debt-equity ratio	(b)	Long term and short term debts	Shareholders equity
Debt service coverage ratio	(c)	Earnings available for debt service	Debt service
Return on equity	(d)	Net profit after taxes	Average shareholders equity
Inventory turnover ratio	(e)	Cost of goods sold	Average inventory
Trade receivables turnover ratio	(f)	Net credit sales	Average accounts receivable
Trade payables turnover ratio	(g)	Net credit purchase	Average accounts payable
Net capital turnover ratio	(h)	Net sales	Average working capital
Net profit ratio	(i)	Net profit	Net sales
Return on capital employed	(j)	Earnings before interest and tax	Tangible net worth + Total debt + Deferred tax liability
Return on investment	(k)	Income from investments	Average investments

**FEDERAL OPERATIONS AND SERVICES LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD...)**  
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

**32 Note on Expenditure on Corporate Social Responsibility Activities**

- a) The gross amount required to be spent by the Company on Corporate Social Responsibility (CSR) related activities during the year ended 31st March, 2025 was ₹11.41 Lakhs (Previous year ₹8.22 Lakhs).
- b) The amount approved by the Board of the Company to be spent during the year was ₹11.41 Lakhs (Previous year ₹8.22 Lakhs).
- c) Amount spent/transferred to separate CSR unspent account during the year Nil (previous year Nil)
- d) Amount of expenditure incurred during the year :

(Amount in ₹Lakhs)

Particulars	For the Year Ended 31st March, 2025	For the Year Ended 31st March, 2024
- Construction/acquisition of any asset	-	-
- on purposes other than above	11.41	8.22

- e) Nature of CSR activities:

(Amount in ₹Lakhs)

Particulars	For the Year Ended 31st March, 2025	For the Year Ended 31st March, 2024
- Promotion of education and skill development	4.00	3.08
- Promoting health care including preventive	5.26	2.97
- Ensuring environmental sustainability	2.01	2.17
- Administrative overheads	0.14	-
<b>Total</b>	<b>11.41</b>	<b>8.22</b>

- f). There are no related party transactions in relation to CSR Expenditure.

**33 Undisclosed Income**

For the year ended March 31, 2025 there are no instances of transactions not recorded in the books of account, which have been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961.

**34** Estimated amount of contract remaining to be executed on capital account - Rs. Nil

**35 Segment Reporting**

The company is primarily engaged in providing banking operational services, technology oriented services and support functions to its holding company. Therefore, separate business segment information is not disclosed. Besides, the Company's operations are located only in India and hence, separate secondary geographical segment information is not disclosed.

**36** There are no loans or advances in the nature of loans granted to promoters, directors, KMPs and the related parties. All the transactions with the related parties, if any are current in nature.

**37** The company has not been declared as wilful defaulter by any bank or financial institution or other lender.

**38** There are no additional regulatory information to be reported as required under MCA Notification No.G.S.R. 207(E) dated 24th March, 2021 at this stage, other than the details furnished above.

**39** In the opinion of the Board of Directors of the company, the current assets, loans and advances are expected to realise in the ordinary course of business approximately the value at which they are stated in accounts.

**40** 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

**FEDERAL OPERATIONS AND SERVICES LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) 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."

**41** There are no charges on satisfaction of charges yet to be registered with Registrar of Companies as on 31st March, 2025.

**42** The company is in compliance with number of layers of companies, as prescribed under clause (87) of section 2 of the Act read with (restriction on number of layers) Rules, 2017.

**43** The company has not traded or invested in crypto currency or virtual currency during the year.

**44** Previous year figures unless otherwise stated are given within brackets and have been regrouped and recast wherever necessary.

As per our separate report of even date attached

Place : Kochi-19  
Date : 28.04.2025

For and on behalf of the Board of Directors

Sd/-  
Anil Paiparambath  
Company Secretary

Sd/-  
Prashant Preman  
Director  
DIN: 09134084

Sd/-  
Rinu Jacob  
Chief Financial Officer

Sd/-  
Johnson K Jose  
Director  
DIN: 08267398





**FedServ**  
FEDERAL OPERATIONS AND SERVICES LIMITED