

Date: 05.09.2023

To,
BSE Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street, Kala Ghoda
Fort, Mumbai, Maharashtra - 400 001

Scrip Code: 508980

Subject: Outcome of Board Meeting held today on 5th September, 2023.

Dear Sir/Madam,

The Board of Directors of the Company at its meeting held on today, 05th September, 2023 inter alia had considered the following matters:

1. The 39th Annual General Meeting of the Company to be held on 28th September, 2023 at 12.30 P.M through video conferencing (VC)/other Audio-Visual Means (OAVM) for the Financial Year ended on 31st March, 2023.
2. Approval of Notice for calling 39th Annual General Meeting (AGM) of the Company to be held on 28th September, 2023.
3. Approval of Annual Report for the Financial Year ended on 31st March, 2023.
4. Appointment of Mr. Suhas Bhattbhatt, Practicing Company Secretary, as a Scrutinizer for Remote E voting and voting during the AGM.
6. The dates of closure of Share Transfer Book and Register of Members from Friday, 22nd day of September, 2023 to Thursday, 28th day of September, 2023 (both days inclusive) for the purpose of 39th Annual General Meeting (AGM) of the Company to be held on Friday, 28th September, 2023.

Kindly take the above information for your records.

Thanking You

Yours Faithfully,

For Frontier Capital Limited



Mayur Naginadas Doshi
Director
DIN: 08351413

ANNUAL REPORT 2022-23



CORPORATE INFORMATION

Board of Directors	Mr. Hemendranath Choudhary – Executive Director
	Mr. Mayur Doshi – Non Executive Director
	Mr. Ashok Katra – Independent Director
	Mr. Sachin Khanolkar (up to 29.08.2023) – Independent Director
	Mr. Sonali Sasane (w.e.f 23.08.2022) - Non Executive Director
	Mr. Arshad Shaikh (w.e.f. 29.08.2023) - Independent Director

Key Managerial Personnel	Mr. Deepak Khandelwal – Company Secretary (w.e.f. 30.04.2023)
	Mr. Aniket Prabhu- Chief Financial officer (Upto 31.10.2022)

Statutory Auditors	M/s. A. C. Bhuteria & Co. Room10, 2nd Floor, 2, India Exchange Place Kolkata - 700001, India Phone: +913322306990 +913322317128. Email : info@acbhuteria.com Web:www.acbhuteria.com
Secretarial Auditors	M/s. S Bhattbhatt & Co. 520, Grand K10, Sarabhai Road, Vadodara -390007 Phone: 0265 -2333455 Email Id: sbhattbhattco@gmail.com
Registered office	Office No. 7, 2nd Floor, Readymoney Terrace, 167, Dr. A. B. Road, Worli, Mumbai – 400018, Maharashtra, India. Tel.:+918884256463 EmailId.:frontierleasing1984@gmail.com Website: http://www.frontiercapital.in
Registrar & Share Transfer Agent	LinkIntime India Private Limited C–101,247 park, LBS Marg, Vikhroli West, Mumbai– 400083 Tel: 022-49186270 Fax: 022-40986060 E-mail : rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in

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NOTICE

NOTICE is hereby given that the Thirty Ninth (39th) Annual General Meeting (AGM) of the members of Frontier Capital Limited will be held at 12.30 P.M. on Thursday, September 28, 2023 through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following:

ORDINARY BUSINESS:

1. To receive, consider and adopt audited Standalone Financial Statements of the Company for the financial year ended on March 31, 2023 and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Mayur Doshi (DIN: 08351413), liable to retire by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. Appointment of Mr. Arshad Riyaz Ahmed Sheikh (DIN: 09802058) as an Independent Director of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to provisions of sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (‘the Act’), including the Rules made thereunder read with Schedule IV to the Act and Regulation 17(1C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the ‘SEBI Listing Regulations’) and other applicable provisions of the SEBI Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Arshad Riyaz Ahmed Sheikh (DIN: 09802058) who was appointed by the Board of Directors, based on the recommendation of Nomination and Remuneration Committee, as an Additional Director under section 161(1) of the Act and Articles of Association of the Company, and in respect of whom a notice in writing by the member of the Company pursuant to section 160 of the Act has been received in the prescribed manner, be and is hereby appointed as an Independent Director of the Company for a term of five consecutive years, effective from August 29, 2023 up to August 28, 2028.

RESOLVED FURTHER THAT any one of the Directors of the Company or Company Secretary of the Company be and are hereby individually authorized to file necessary forms with the office of Registrar of Companies and to do all such acts, deeds and things as may be required in order to give effect to the above resolution. ”

Date: 05/09/2023

Place: Mumbai

**By order of the Board of
Frontier Capital Limited**

**Sd/-
Deepak Khandelwal
Company Secretary**

Notes:

1. The Ministry of Corporate Affairs (MCA), vide its General Circular No. 20/2020 dated May 05, 2020 General Circular No. 02/2021 dated January 13, 2021, General Circular No. 19/2021 dated December 08, 2021, Circular No. 21/2021 dated December 14, 2021, General Circular No.2/2022 dated May 05, 2022 and General Circular No. 11/2022 dated December 28, 2022 (“MCA Circulars”) and other applicable circulars issued by the Securities and Exchange Board of India (SEBI) including Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023, has permitted the Companies to conduct the Annual General Meeting (‘AGM’) through Video Conferencing (VC) or Other Audio Visual Means (OAVM) till September 30, 2023. In accordance with the said circulars of MCA, SEBI and applicable provisions of the Companies Act, 2013 (the ‘Act’) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the ‘SEBI Listing Regulations’), the 39th AGM of the Company shall be conducted through VC/OAVM (hereinafter called ‘AGM’). Central Depository Services (India) Limited (“CDSL”) will provide facility for voting through remote e-voting, participation in the AGM through VC/OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC/OAVM is explained at Note below and is also available on the website of the Company at www.frontiercapital.in.
2. In terms of sections 101 and 136 of the Act, read with the rules made thereunder, the listed companies may send the notice of AGM and the annual report, including financial statements, boards’ report, etc. by electronic mode. Pursuant to the said provisions of the Act read with MCA Circulars and SEBI Circular dated January 5, 2023, Notice of 39th AGM along with the Annual Report for F.Y. 2022-2023 is being sent only through electronic mode to those members whose email addresses are registered with the Company/depositories. Members may note that the Notice of the 39th AGM and Annual Report for F.Y. 2022-2023 will also be available on the Company’s website at www.frontiercapital.in, website of the stock exchanges i.e., BSE Ltd. (‘BSE’) at www.bseindia.com and on the website of CDSL at <https://www.evotingindia.com/>. In this notice, the term member(s) or shareholder(s) are used interchangeably.
3. The deemed venue for 39th AGM shall be the Registered Office of the Company at Office No. 7, 2nd Floor, Ready money Terrace, 167, Dr. A. B. Road, Worli, Mumbai – 400018, Maharashtra, India.
4. In terms of Section 152 of the Companies Act, 2013, Mr. Mayur Doshi, (DIN: 08351413), Director of the company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment/appointment at this AGM is annexed.
5. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from Friday, September 22, 2023 to Thursday, September 28, 2023 (both days inclusive).
6. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
7. Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of shareholders with effect from April 01, 2020. Accordingly, the Company is required to deduct tax at source from dividend subject to the approval of payment of dividend to shareholders. For the prescribed rates for various categories, shareholders are requested to refer to the Finance Act, 2020 and amendments thereof.
8. Dividends that are unclaimed/unpaid for a period of Seven Years are required to be transferred to the Investor Education and Protection Fund (“IEPF”) administered by the Central Government. Due dates of transferring

unclaimed and unpaid dividends declared by the Company for the financial year 2011-12, 2012-13, 2013-14, 2014-15 & 2015-16 (final dividend) and thereafter to IEPF are as follows:

Financial Year Ended	Date of Declaration of Dividend	Last date for claiming unclaimed dividend
31.03.2012	28.09.2012	05.11.2019
31.03.2013	20.09.2013	28.10.2020
31.03.2014	15.09.2014	23.10.2021
31.03.2015	25.09.2015	03.10.2022
31.03.2016	29.09.2016	07.10.2023

Members who have not encashed the dividend warrants so far in respect of the aforesaid periods, are requested to make their claim to Link Intime India Private Limited well in advance of the above due dates. It may be noted that once the amounts in the unpaid dividend accounts are transferred to IEPF, no claim shall lie against the IEPF or the Company in respect thereof and the Members would lose their right to claim such dividend.

9. To support the 'Green Initiative', the Company requests those Members who have not yet registered their e-mail address, to register the same directly with their DP, in case shares are held in electronic form and to the Company, in case shares are held in physical form. Further, members holding shares in electronic form are requested to notify the changes in the above particulars, if any, directly to their Depository Participants (DP).
10. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to sbhattbhattco@gmail.com with a copy marked to frontierleasing1984@gmail.com.
11. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
12. Pursuant to MCA General Circular No. 10/2022 dated December 28, 2022, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
13. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before September 15, 2023 (upto 05:00 P.M.) through email on frontierleasing1984@gmail.com. The same will be replied by the Company suitably.
14. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER FROM CDSL

1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.
2. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to atleast 1000 members on first come

first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.

3. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
4. The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- a) **The voting period begins at 9.00 A.M. on Monday, September 25, 2023 and ends at 5.00 P.M. on Wednesday, September 27, 2023. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date September 21, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.**
- b) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- c) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- d) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for **Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ul style="list-style-type: none"> <li data-bbox="427 394 1437 533">i. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsi website www.cdslindia.com and click on login icon & New System Myeasi Tab. <li data-bbox="427 544 1437 792">ii. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. <li data-bbox="427 804 1437 904">iii. If the user is not registered for Easi/Easiest, option to register is available at cdsi website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. <li data-bbox="427 916 1437 1122">iv. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL Depository	<ul style="list-style-type: none"> <li data-bbox="427 1144 1437 1503">v. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. <li data-bbox="427 1554 1437 1655">vi. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp <li data-bbox="427 1666 1437 2018">vii. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting

Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	viii. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

e) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- f) After entering these details appropriately, click on “SUBMIT” tab.
- g) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- h) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- i) Click on the EVSN for the relevant Frontier Capital Limited on which you choose to vote.
- j) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- k) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- l) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- m) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- n) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- o) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- p) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- q) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cDSLindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; frontierleasing1984@gmail.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at frontierleasing1984@gmail.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **15 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at frontierleasing1984@gmail.com. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.

10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.

2. For Demat shareholders -, please update your email id & mobile no. with your respective **Depository Participant (DP)**

3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective **Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.**

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts.

Item No. 3:

The Board of Directors has pursuant to Section 161(1) and second proviso to section 149(1) of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules 2014 and other applicable provision (including any modification or enactment thereof), if any, of the Companies Act 2013 read with the Articles of Association of the Company, Mr. Arshad Riyaz Ahmed Shaikh (DIN: 09802058) appointed as an Additional Director of the Company with effect from 29.08.2023 who hold office up to the ensuing Annual General Meeting.

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature for appointment of Mr. Arshad Riyaz Ahmed Shaikh (DIN: 09802058), for the office of Director of the Company. The matter regarding appointment of Mr. Arshad Riyaz Ahmed Shaikh (DIN: 09802058), as Non-Executive Independent Director was placed before the Nomination & Remuneration Committee, which recommends his appointment as Non-Executive Independent Director for a term of 5 years from the conclusion of this AGM till the conclusion of 39th AGM. The terms and conditions of appointment of Mr. Arshad Riyaz Ahmed Shaikh (DIN: 09802058), shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives is concerned or interested, financially or otherwise in the resolution of item no. 3.

The Board commends the special resolution set out at item no. 3 for the approval of the members of the company.

Brief Profile:

Name of the Director	Mr. Arshad Riyaz Ahmed Shaikh
Date of Birth	29/12/1984
Age	39
Qualification	Masters of General Management from LUISS University, Rome, Italy, and PhD in economics and management from University of Cafoscari Venezia, University of Padova, University of Verona, Rome, Italy
Experience	He is having more than 20 years of experience in the field of Economics, management, research and consulting
Nature of expertise in specific functional areas	Economics, management, research and consulting
Date of appointment	29/08/2023
Terms and conditions of Appointment	Appointed as an Independent Director of the company for a term of 5 (Five) years subject to the approval of shareholders of the company at ensuing General Meeting of the Company.
Shareholding in the company	NIL
Relationship with directors, Managers and other Key Managerial Personnel of the company	Not related to any director
Number of meetings of the board attended during the year	NIL
Number of membership in the committees	NIL

ANNEXURE TO THE EXPLANATORY STATEMENT

INFORMATION AS REQUIRED UNDER REGULATION 36(3) SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND IN TERMS OF THE SECRETARIAL STANDARD ON GENERAL MEETINGS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA CERTAIN ADDITIONAL DISCLOSURES IN RESPECT OF DIRECTORS BEING REAPPOINTED / APPOINTED:

Name of Director	Mayur Doshi
Date of Birth	08.12.1971
Date of Appointment	02.12.2021
Remuneration Last Drawn	Nil
Brief Resume	Mr. Doshi has more than 2.5 decade of Experience in the Field of Corporate Finance and Banking. He has worked with various companies in the field of Steel, Automobile, Merchant Exports, Real Estate and Online Education etc.
Qualification	M.B.A and M.Com from Bangalore University
Shareholding in the Company	Nil
List of Directorship In other Listed Entity	Nil
Membership and Chairmanship of Committees of other Listed entities (including only Audit Committee and Stakeholder's Relationship Committee)	Nil
No. of Board Meetings attended during the year	6
Term and Conditions of Re-Appointment	Same as before
Remuneration to be Paid	Nil
Pecuniary Relationship Directly or indirectly with the company, or relationship with the managerial personnel	Not Related

Name of Director	Mr. Arshad Riyaz Ahmed Shaikh
Date of Birth	29.12.1984
Date of Appointment	29.08.2023
Remuneration Last Drawn	Nil
Brief Resume	Mr. Arshad Riyaz Ahmed Shaikh holding a degree of Master of General Management from (LUISS) University, Rome, Italy, and pursued PhD in economics and management from University of Cafoscari Venezia, University of Padova, University of Verona, Rome, Italy. He is having almost 20 years of experience in the field of administration, management, market researching and consulting.
Qualification	Masters of General Management from LUISS University, Rome, Italy, and PhD in economics and management from University of Cafoscari Venezia, University of Padova, University of Verona, Rome, Italy
Shareholding in the Company	Nil
List of Directorship In other Listed Entity	Independent Director-Antarctica Limited
Membership and Chairmanship of Committees of other Listed entities (including only Audit Committee and Stakeholder's Relationship Committee)	Audit Committee Member- Antarctica Limited
No. of Board Meetings attended during the year	0
Term and Conditions of Re-Appointment	Appointed as an Independent Director of the company for a term of 5 (Five) years subject to the approval of shareholders of the company at ensuing General Meeting of the Company.
Remuneration to be Paid	Nil
Pecuniary Relationship Directly or indirectly with the company, or relationship with the managerial personnel	Not Related

Directors' Report

To,
The Members,
FRONTIER CAPITAL LIMITED

Your Directors are pleased to present the Thirty Ninth (39th) Annual report of your Company along with the Audited Standalone Accounts drawn for the financial year ended on March 31, 2023.

The Company's financial performance for the year under review along with previous year's figures is given hereunder:

FINANCIAL RESULTS:

Particulars	31-03-2023	31-03-2022
Revenue from Operations	31.23	111.11
Other Income	42.90	00.0
Total Income	74.13	111.11
Total Expenditure	49.90	27.52
Profit Before Tax	24.23	83.59
Provision for Taxation (Including Current tax, Deferred Tax & Income Tax of earlier Years)	4.18	-
Net Profit	28.41	83.59
Profit Brought Forward	28.41	83.59
Net Profit after profit attributable to minority shareholders	28.41	83.59
Item of other comprehensive income recognised directly in retained earnings - on defined benefit plan	00.0	00.0
Profit Available for Appropriation	28.41	83.59
APPROPRIATIONS:		
Transfer to reserve u/s 45-IC of RBI Act, 1934	5.68	16.72
Surplus Balance carried to Balance Sheet	22.73	66.87

BUSINESS PERFORMANCE:

The Company's revenue from operations for the financial year was Rs.31.23/- Lakhs and the previous year's revenue from operations of Rs.111.11 Lakhs. Net Profit (PAT) is Rs.28.41 Lakhs.

ANNUAL RETURN AS PER SECTION 92 (3) OF COMPANIES ACT 2013:

In pursuance to the provisions of Section 92(3) of the Companies Act, 2013 read with Rules made thereunder and amended time to time, the Annual Return of the Company for the Financial Year ended on March 31, 2023 is available on the website of the company i.e. www.frontiercapital.in and the web link of the same is <https://www.frontiercapital.in/investors-corner>

BOARD MEETINGS HELD DURING THE YEAR:

The Company had Six Board Meetings during the financial year under review:

Sr. No.	Date on Which Board Meetings were held	Total Strength of the Board	No. of Directors Present
1	31.05.2022	3	3
2	23.08.2022	4	4
3	02.12.2022	5	5
4	07.12.2022	5	5
5	14.02.2023	5	5
6	02.03.2023	5	5

DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of its knowledge and ability would like to state that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures;
- b) they had selected such accounting policies and applied them consistently and made judgments and estimates that were 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 the year under review;
- c) they 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) they had prepared annual accounts on a going concern basis;
- e) they had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively;
- f) They had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were in place were adequate and operating effectively.

COMPANY'S POLICY RELATING TO DIRECTOR'S APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES:

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished as attached to this report. "Annexure – 1". The weblink for the same is www.frontiercapital.in.

AUDITORS:

Statutory Auditors:

At the 36th Annual General Meeting held on December 10, 2020, the members had appointed M/s. A. C. Bhuteria & Co., Chartered Accountants (Firm Registration No. 303105E), Kolkata as Statutory Auditors for a term of Five years beginning from the conclusion of the 36th AGM till the conclusion of the 41st Annual General Meeting of the Company to be held in the financial year 2026.

There is no qualification, reservation or adverse remark raised by Statutory Auditor in Auditor's report for the year under review.

Secretarial Auditors:

In the Board Meeting held on March 02, 2023 M/s. S Bhattbhatt & Co., Practising Company Secretaries were appointed as Secretarial Auditor of the Company for the financial year 2022-23.

In pursuance to the provisions of Section 204 of the Companies Act, 2013 read with Rules framed thereunder and in compliance of Regulation 24A of Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("Listing Regulations") M/s. S Bhattbhatt & Co., Practising Company Secretaries, had conducted secretarial audit of the company for the financial year 2022-23. The Secretarial Audit Report is annexed which is forming part to this report as "Annexure – 2".

Remarks or Qualifications by Secretarial Auditors and comments from the Board.

1. The Company failed to maintain a Structured Digital Database as required by SEBI (PIT) Regulations, 2015 until December 2022, but has been in compliance since March 31, 2023. **Management Reply:** *The Company has purchased SDD Compliance Software from the outside agency and rectified this non-compliance by the end of the fourth quarter on March 31, 2023.*
2. Internal Auditor has not been appointed by the Company under section 138 of the Companies Act, 2013 for the F.Y. 2022-23; **Management Reply:** *The Company is looking for a suitable candidature.*
3. Intimation of Trading Window Closure not given to Designated Persons/Connected Persons for declaration of financial results for all the quarters during the F.Y. 2022-23; **Management Reply:** *The Designated Person of the Company was informed via phone by an Officer, with no corresponding email communication.*
4. Forms for some Board Resolutions passed during the F.Y. 2022-23 have not been filed with the ROC; **Management Reply:** *Due to technical issues with the Ministry of Corporate Affairs website, certain forms are pending for filing during the review period; however, it will be filed shortly with additional penalty.*
5. Newspaper Publication with respect to intimation of Board Meeting and financial results are not as per Regulation 47 of SEBI (LODR) Regulations, 2015; **Management Reply:** *Due to financial constraints, the company has opted for a cost-cutting approach and decided not to publish the results in newspapers. However, the results can be accessed on the Stock Exchange and company's website.*
6. Disclosure under Regulation 74(5) of SEBI (Depositories Participant) Regulation, 2018 for the quarter ended June, 2022 and September 2022 has not been submitted; **Management Reply:** *The non-submission of the Compliance Certificate pursuant to Regulation 74 (5) to BSE is attributed to the non-issuance of the Certificate by the RTA. This delay in obtaining the necessary Certificate from the RTA has resulted in the Company's inability to meet the regulatory requirement of submitting the Compliance Certificate within the prescribed timeframe.*
7. The Company has filed Annual Secretarial Compliance Report as per regulation 24A of SEBI (LODR) Regulations, 2015 with Stock Exchange with delay of 3 Days from the statutory time period. **Management Reply:** *Due to Non Availability of Qualified Staff the report was submitted with 3 days delay.*
8. The Company has submitted the PDF and XBRL utility of the Standalone Financial Results for the Quarter and year to date, ended March 31, 2022, June 30, 2022, September 30, 2022, and December 31, 2022, with delays of 1, 2, 36, and 16 days, respectively. **Management Reply:** *Regrettably, the company faced challenges in finalizing the results due to the unavailability of certain financial data. As a result, there was a delay in filing the results with the stock exchange.*
9. The company had made delay in submission of trading window closure letter for the quarter ended Dec 31, 2022. **Management Reply:** *Due to Non Availability of Qualified Staff the report was submitted with 3 days delay.*
10. It has been observed that the Company has maintained a functional website in accordance with the requirements of Regulation 46 of SEBI (LODR) Regulations, 2015. However, it should be noted that there are some pending documents that require updating on the website to ensure the availability of the latest information. **Management Reply:** *The Company has created a new website under a new domain, but requires additional time to ensure compliance with Regulation 46. It intends to update the website and provide a compliance report in the quarterly report to the stock exchange.*

11. In respect of filing of Annual Report under regulation 34 of SEBI (LODR) Regulations, 2015 for Financial Year 2021-22, the company fails to file the same with BSE Ltd within the time limit. **Management Reply:** *Due to Non Availability of Qualified Staff the report was submitted with 3 days delay.*
12. The Company has failed to Complied with Regulation 17(1) for the Quarter ended June 2022 and Sept 2022. **Management Reply:** *The Company has taken the necessary steps in compliance with the said Regulations, and as a result, the company is in compliance with the composition requirements.*
13. The Company has failed to Complied with Regulation 18(1) for the Quarter ended June 2022 and Sept 2022. **Management Reply:** *The Company has taken the necessary steps in compliance with the said Regulations, and as a result, the company is in compliance with the composition requirements.*
14. The Company has failed to Complied with Regulation 19(1) for the Quarter ended June 2022 and Sept 2022. **Management Reply:** *The Company has taken the necessary steps in compliance with the said Regulations, and as a result, the company is in compliance with the composition requirements.*
15. The company delayed in submission of the statement on shareholder complaints under Regulation 13(3) SEBI (LODR) Regulations 2015 for the Quarter ended December 2022. **Management Reply:** *Due to Non Availability of Qualified Staff the report was submitted with 3 days delay.*
16. The company delayed in submission of the Corporate Governance Report under Regulations 27(2) SEBI (LODR) Regulations 2015 for the Quarter ended December 2022. **Management Reply:** *Due to Non Availability of Qualified Staff the report was submitted with 3 days delay.*
17. The company delayed in submission of the shareholding pattern under Regulations 31 of SEBI (LODR) Regulations 2015 for the Quarter ended December 2022. **Management Reply:** *Due to Non Availability of Qualified Staff the report was submitted with 3 days delay.*
18. The company delayed in furnishing prior intimation under Regulations 29 (2) and (3) of SEBI (LODR) Regulations 2015 about the meeting of the board of directors. **Management Reply:** *Due to Non Availability of Qualified Staff the report was submitted with 3 days delay.*
19. Due to non-availability of documents/details related to transfer of unclaimed final dividend declared in 31st and 32nd AGM held on 25th September, 2015 and 29th September, 2016 along with its shares to IEPF Authority, we are not able to comment on status relevant compliances of the same. **Management Reply:** *The non-availability of documents and details attributed to the relocation of our registered office, which led to the misplacement of certain crucial information. We are actively engaged in locating and retrieving the necessary documentation to ensure compliance with the relevant regulations.*
20. The Intimation of appointment of Mr. Sachin Khanolkar and Mrs. Sonali Sasane has given to the Reserve Bank of India. However supportive documents including Annexure –III, Banker’s Report and Declaration of Directorship were not filed. **Management Reply:** *The Company informed to Reserve Bank of India regarding the appointment of director of Mr. Sachin Khanolkar and requested to RBI officer to provide check for submission of documents. However no reply was received from the Office of RBI.*

FRAUDS REPORTED BY THE AUDITOR:

During the year under review, no frauds have been reported by the Auditor (Statutory Auditor, Secretarial Auditor) to the Audit Committee / Board, under Section 143(12) of the Companies Act, 2013.

A STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION (6) OF SECTION 149:

The Company has received declarations from Mr. Sachin Khanolkar and Mr. Ashok katra, Independent Directors of the Company that they meet with the criteria of independence as prescribed under Subsection (6) of Section 149 of the Companies Act, 2013 read with Rule 6 (1) and (3) of Companies (Appointment and Qualifications of Directors) Rules, 2014 as amended from time to time and Regulation 16 & 25 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

All Independent Directors of your Company are registered with Indian Institute of Corporate Affairs as per the requirement of Section 149 of the Companies Act, 2013 and rules framed thereunder.

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, paid to them for the purpose of attending meetings of the Board / Committee of the Company.

MATTERS AS PRESCRIBED UNDER SUB-SECTIONS (1) AND (3) OF SECTION 178 OF THE COMPANIES ACT, 2013:

The Nomination & Remuneration Committee consists of three Independent Directors. The powers and function of the Nomination and Remuneration Committee is stated in the Nomination and Remuneration Committee Charter of Frontier Capital Limited. The Remuneration policy is available at the Web link:

<https://www.frontiercapital.in/investors-corner>.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

The loan made, guarantee given or security provided in the ordinary course of business by a NBFC registered with Reserve Bank of India are exempt from the applicability of provisions of Section 186 of the Act. As the Company being a NBFC registered with RBI the restrictions contained in the said provisions are not applicable to the Company.

PARTICULARS CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUBSECTION (1) OF SECTION 188:

All Contracts / Arrangements / Transactions executed by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis. The Audit Committee reviews all Related Party Transaction on quarterly basis. Particulars of such related party transactions described in Form AOC-2 as required under Section 134 (3)(h) of the Act, read with Rule 8(2) of the Companies (Accounts) Rules 2014, which is annexed herewith as "**Annexure – 3**".

AMOUNT, IF ANY, WHICH THE BOARD PROPOSES TO CARRY TO ANY RESERVES:

During the year under review Rs.5.68/- Lakhs transferred to statutory reserve under Section 45 IC of RBI Act, 1934.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY:

No material changes and commitments affecting the financial position of the Company during the period under review to the date of this Report. There has been no change in the nature of business of the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Conservation of Energy and Technology Absorption:

Since the Company is operating in service sector, the provisions of Section 134(3)(m) of the Companies Act, 2013 regarding conservation of energy and Technology Absorption are not applicable.

Foreign Exchange earnings and outgo

The Company has no Foreign Exchange earnings and outgo.

RISK MANAGEMENT:

The Company has constituted a Risk Management Policy which has been entrusted with responsibility to Board in overseeing the Company's Risk Management process and controls, risk tolerance and capital liquidity and funding and also setting the strategic plans and objections for the risk management and review of risk management of the company and also review the company's risk appetite and strategy relating to key risks, including credit risk, liquidity and funding risk, market risk, product risk and reputational risk, as well as guidelines, policies and processes for monitoring and mitigating such risks.

The Board takes responsibility for the overall process of the risk management in the organization. The business risk is managed through cross functional involvement and communication across businesses.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

The provisions relating to Corporate Social Responsibility under Section 135 of the Companies Act, 2013 and rules made thereunder are not applicable to the Company. Therefore, the Company has not developed and implemented any policy on Corporate Social Responsibility initiatives.

FORMAL EVALUATION OF THE PERFORMANCE OF THE BOARD, COMMITTEES OF THE BOARD AND INDIVIDUAL DIRECTORS:

Pursuant to the provisions of 134(3)(p) the Companies Act, 2013 and Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually including Independent Directors as well as the evaluation of the working of its Committees. The evaluation was carried on the basis of structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, level of engagement and participation, Board culture, execution and performance of specific duties, obligations and governance. The Board has expressed their satisfaction with the evaluation process.

In pursuant to Regulation 17(10) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the evaluation of Independent Directors were done by the entire board of directors which includes –

- (a) Performance of the directors; and
- (b) Fulfilment of the independence criteria as specified in the regulations and their independence from the management.

Criteria adopted for evaluation:

The Board shall evaluate the roles, functions, duties of Independent Directors (ID's) of the Company. Each ID shall be evaluated by all other directors' not by the Director being evaluated. The board shall also review the manner in which ID's follow guidelines of professional conduct. Further, in a separate meeting of Independent Directors, performance of non-independent directors, the Board as whole and the Chairman of the Company was evaluated.

(i) Performance review of all the Non-Independent Directors of the company on the basis of the activities undertaken by them, expectation of board and level of participation;

(ii) Performance review of the Chairman of the Company in terms of level of competence of chairman in steering the company;

(iii) The review and assessment of the flow of information by the Company to the board and manner in which the deliberations take place, the manner of placing the agenda and the contents therein;

(iv) The review of the performance of the directors individually, its own performance as well as evaluation of working of its committees shall be carried out by the board;

(v) On the basis of performance evaluation, it shall be determined by the Nomination and Remuneration Committee and the Board whether to extend or continue the term of appointment of ID subject to all other applicable compliances.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:

The Company has no subsidiaries, Joint Venture or associate company during the period under review within the meaning of Section 2(6) of the Companies Act, 2013.

The Company continues to be subsidiary of Inimitable Capital Finance Private Limited.

PARTICULARS OF EMPLOYEES:

The information required under section on 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are mentioned as per “Annexure –4”.

THE CHANGE IN NATURE OF BUSINESS:

The Company continues to carry out the same activities and during the period under review there is no change in the nature of business.

DISCLOSURE ABOUT RECEIPT OF ANY COMMISSION BY THE MANAGING DIRECTOR / WHOLE-TIME DIRECTOR FROM A COMPANY:

The Company has not paid any commission to the Managing Director / Whole-Time Director against any services during the period under review.

PUBLIC DEPOSITS:

The Company is Non - deposit taking Non-Banking Financial Company registered with Reserve Bank of India and is prohibited from accepting public deposits and therefore the Company has not accepted any deposits from public during the year under review and there was no public deposit outstanding as on March 31, 2023.

CAPITAL STRUCTURE:

During the year under review there was no change in the capital structure of the Company.

STATUTORY COMPLIANCE:

The Company has complied with Ind AS as prescribed under section 133 of the Companies Act, 2013. The Company has also complied with the directions issued by RBI from time to time.

COMPLIANCE WITH SECRETARIAL STANDARDS:

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

MATERIAL ORDER PASSED BY REGULATORS / COURTS / TRIBUNALS:

There was no material order passed by Regulators / Courts / Tribunals during the year under review impacting the going concern status and company's operations in future.

ADEQUACY OF INTERNAL FINANCIAL CONTROL:

Internal Financial Control remains an important component to foster confidence in a company's financial reporting, and ultimately, streamlining the process to adopt best practices. In pursuance to provisions of Section 134(5)(e) of the Companies Act, 2013 read with Rule 8(5)(viii) of Companies (Accounts) Rules, 2014 your Company has in place adequate

internal controls with reference to financial statements and are operating effectively. The Company has devised proper system of internal financial control which is commensurate with size and nature of Business.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):

Pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and the Articles of Association of the Company, Mr. Mayur Doshi is entitled to retire by rotation at the ensuing Annual General Meeting (AGM) and being eligible has offered himself for re-appointment.

New Independent Director

Pursuant to the provisions of Section 203 of the Companies Act, 2013 read with Rules of the Companies Act 2013, Mr. Deepak Khandelwal appointed as a Company Secretary and Compliance Officer with effect from 30th April, 2023.

REPORTS ON MANAGEMENT DISCUSSION ANALYSIS AND CORPORATE GOVERNANCE:

As required under the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, Management Discussion and Analysis Report and Corporate Governance Report are forming part to this Report annexed as **Annexure – 5** and **“Annexure – 6”**.

SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

Your Company is committed for creating and maintaining a secure work environment where its employees can work in an atmosphere free of harassment, exploitation and intimidation. To foster a positive workplace environment, free from harassment of any nature to empower women and protect them against sexual harassment, and as per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 (“POSH Act”) and Rules made thereunder, we have institutionalized the Anti-Sexual Harassment Initiative (ASHI) framework, through which we address complaints of sexual harassment at the all workplaces of the Company. Our policy assures discretion and guarantees non-retaliation to complainants. We follow a gender-neutral approach in handling complaints of sexual harassment and we are compliant with the law of the land where we operate.

We have also constituted a Special Complaints Committee to consider and address sexual harassment complaints in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, there were no incidences of sexual harassment reported.

DISCLOSURES PURSUANT TO RBI MASTER DIRECTION:

Pursuant to additional disclosure requirements as per RBI Circular No. RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23, is disclosed in the note no. 42 read with 43 of financial statements.

ACKNOWLEDGEMENT:

The Board of Directors wishes to express their heartfelt gratitude to the Reserve Bank of India and other regulatory authorities for their invaluable guidance and cooperation. Their support has been instrumental in enabling the Company to operate effectively within the regulatory framework. The Board also extends its sincere appreciation to all individuals who have placed their trust in the Company and its management. It is with deep gratitude that we acknowledge the loyalty and confidence of over one million customers across all the areas where we operate, as they have provided us with the opportunity to serve them.

For and on behalf of the Board of Directors of

FRONTIER CAPITAL LIMITED

Sd/-
Hemendranath Choudhary
Director
DIN: 06641774

Sd/-
Mayur Doshi
Director
DIN: 08351413

NOMINATION AND REMUNERATION POLICY

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of SEBI (LODR) Regulations, 2015, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

Definitions:

“Remuneration” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

“Key Managerial Personnel” means:

- i. Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- ii. Chief Financial Officer;
- iii. Company Secretary and
- iv. Such other officer as may be prescribed.

“Senior Managerial Personnel” mean the personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management, of rank equivalent to General Manager and above, including all functional heads.

Objective:

The objective of the policy is to ensure that

- ✓ the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- ✓ relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- ✓ remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Role of the Committee:

The role of the NRC will be the following:

- ✓ To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- ✓ To formulate criteria for evaluation of Independent Directors and the Board.
- ✓ To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- ✓ To carry out evaluation of Director’s performance.
- ✓ To recommend to the Board the appointment and removal of Directors and Senior Management. To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- ✓ To devise a policy on Board diversity, composition, size.
- ✓ Succession planning for replacing Key Executives and overseeing.
- ✓ To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- ✓ To perform such other functions as may be necessary or appropriate for the performance of its duties.

Appointment And Removal Of Director, Key Managerial Personnel And Senior Management:

- ✓ The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.
- ✓ A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- ✓ The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

Term / Tenure:

- i. **Managing Director/ Whole-Time Director:** The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- ii. **Independent Director:** An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

- iii. **Evaluation:** The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.
- iv. **Removal:** The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.
- v. **Retirement:** The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

Policy for remuneration to Directors/KMP/Senior Management Personnel:

- i. **Remuneration to Managing Director / Whole-time Directors:** The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.

The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

- ii. **Remuneration to Non- Executive / Independent Directors:** The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.

Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:

- The Services are rendered by such Director in his capacity as the professional; and
- In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Directors (other than Independent Directors).

- iii. **Remuneration to Key Managerial Personnel and Senior Management:** The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.

The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share-based payments to be made to Key Managerial Personnel and Senior Management.

The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.

The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

- iv. **Implementation:** The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.

The Committee may Delegate any of its powers to one or more of its members.

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

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

To,
The Members,
Frontier Capital Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Frontier Capital Limited (herein after referred to as "Company"). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the statutory compliances and expressing our opinion thereon.

We have verified the soft copies of records maintained by the Company. Based on our online verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Frontier Capital Limited ("the Company") for the financial year ended on March 31, 2023 and verified the provisions of the following acts, regulations and also their applicability as far as the Company is concerned during the period under Audit:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; Not Applicable during the period under review.
 - d. The Securities And Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; Not Applicable during the period under review.

- e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Debt Securities) Regulations, 2021; Not Applicable during the period under review.
 - f. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients; Not Applicable during the period under review.
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; Not Applicable during the period under review and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; Not Applicable during the period under review.
- vi. Reserve Bank of India Act, 1934

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

1. Secretarial Standards issued by the Institute of Company Secretaries of India.
2. Provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except the followings;

- *The Company failed to maintain a Structured Digital Database as required by SEBI (PIT) Regulations, 2015 until December 2022, but has been in compliance since March 31, 2023.*
- *Internal Auditor has not been appointed by the Company under section 138 of the Companies Act, 2013 for the F.Y. 2022-23;*
- *Intimation of Trading Window Closure not given to Designated Persons/Connected Persons for declaration of financial results for all the quarters during the F.Y. 2022-23;*
- *Forms for some Board Resolutions passed during the F.Y. 2022-23 have not been filed with the ROC;*
- *Newspaper Publication with respect to intimation of Board Meeting and financial results are not as per Regulation 47 of SEBI (LODR) Regulations, 2015;*
- *Disclosure under Regulation 74(5) of SEBI (Depositories Participant) Regulation, 2018 for the quarter ended June, 2022 and September 2022 has not been submitted;*
- *The Company has filed Annual Secretarial Compliance Report as per regulation 24A of SEBI (LODR) Regulations, 2015 with Stock Exchange with delay of 3 Days from the statutory time period.*
- *The Company has submitted the PDF and XBRL utility of the Standalone Financial Results for the Quarter and year to date, ended March 31, 2022, June 30, 2022, September 30, 2022, and December 31, 2022, with delays of 1, 2, 36, and 16 days, respectively.*
- *In respect of declaration of Financial Results, trading restriction period shall be made applicable from the end of every quarter till 48 hours after declaration of financial results. Hence, the company had made delay in submission of Trading window closure letter for the quarter ended Dec 31, 2022.*

- *It has been observed that the Company has maintained a functional website in accordance with the requirements of Regulation 46 of SEBI (LODR) Regulations, 2015. However, it should be noted that there are some pending documents that require updating on the website to ensure the availability of the latest information.*
- *In respect of filing of Annual Report under regulation 34 of SEBI (LODR) Regulations, 2015 for Financial Year 2021-22, the company fails to file the same with BSE Ltd within the time limit.*
- *The Company has failed to Complied with Regulation 17(1) for the Quarter ended June 2022 and Sept 2022.*
- *The Company has failed to Complied with Regulation 18(1) for the Quarter ended June 2022 and Sept 2022.*
- *The Company has failed to Complied with Regulation 19(1) for the Quarter ended June 2022 and Sept 2022.*
- *The company delayed in submission of the statement on shareholder complaints under Regulation 13(3) SEBI (LODR) Regulations 2015 for the Quarter ended December 2022.*
- *The company delayed in submission of the Corporate Governance Report under Regulations 27(2) SEBI (LODR) Regulations 2015 for the Quarter ended December 2022.*
- *The company delayed in submission of the shareholding pattern under Regulations 31 of SEBI (LODR) Regulations 2015 for the Quarter ended December 2022.*
- *The company delayed in furnishing prior intimation under Regulations 29 (2) and (3) of SEBI (LODR) Regulations 2015 about the meeting of the board of directors.*
- *Due to non-availability of documents/details related to transfer of unclaimed final dividend declared in 31st and 32nd AGM held on 25th September, 2015 and 29th September, 2016 along with its shares to IEPF Authority, we are not able to comment on status relevant compliances of the same.*
- *The Intimation of appointment of Mr. Sachin Khanolkar and Mrs. Sonali Sasane has given to the Reserve Bank of India. However supportive documents including Annexure –III, Banker’s Report and Declaration of Directorship were not filed.*

We further report that:

- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- (b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (c) All decisions at Board Meetings & Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or the Committees of the Board, as the case may be.

We further report that during the period under review;

- i. The Company has changed its registered office at Office No. 7, 2nd Floor, Ready-Money Terrace, Dr. A. B. Road, Worli, Mumbai – 400018 with effect from 31st May, 2022.
- ii. Mr. Sachin Khanolkar was appointed as an Additional Director with effect from 31st May, 2022.

- iii. Mrs. Sonali Sasane was appointed as an Additional Director with effect from 23rd August, 2022.
- iv. Mr. Aniket Prabhu was resigned from the post of Chief Financial officer and Company Secretary of the company with effect from 31st October, 2022.

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

We further report that during the audit period there are no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

FOR S BHATTBHATT & CO.

Sd/-

Suhas Bhattbhatt

Company Secretary in Practice

ACS No. 11975

C P No. 10427

Peer Review: 1660/2022

UDIN: A011975E000911225

Place: Vadodara

Date: 01/09/2023

This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report.

ANNEXURE A

To,
The Members
Frontier Capital Limited

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events, etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

FOR S BHATTBHATT & CO.

Sd/-

Suhas Bhattbhatt
Company Secretary in Practice
ACS No. 11975
C P No. 10427
Peer Review: 1660/2022
UDIN: A011975E000911225

Place: Vadodara

Date: 01/09/2023

FORM NO. AOC - 2
(PURSUANT TO CLAUSE (H) OF SUB-SECTION (3) OF SECTION 134 OF THE ACT AND RULE 8(2) OF THE COMPANIES
(ACCOUNTS) RULES, 2014)

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

- 1. Details of Contracts or Arrangements or Transactions not at Arm's length basis.** Frontier Capital Limited ("the Company") has not entered into any contract/arrangement/transaction with its related parties, which is not in ordinary course of business or at arm's length during FY 2022-23. The Company has laid down policies and processes/ procedures so as to ensure compliance to the subject section in the Companies Act ("the Act") and corresponding Rules. In addition, the process goes through internal and external checking, followed by quarterly reporting to the Audit Committee.

Sr. No.	Particulars	Details
1	Name(s) of the related party & nature of relationship	N.A.
2	Nature of contracts/arrangements/transaction	N.A.
3	Duration of the contracts/arrangements/transaction	N.A.
4	Salient terms of the contracts or arrangements or transaction including the value, if any	N.A.
5	Justification for entering into such contracts or arrangements or transactions.	N.A.
6	Date of approval by the Board	N.A.
7	Amount paid as advances, if any	N.A.
8	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	N.A.

- 2. Details of material Contracts or Arrangements or Transactions at Arm's length basis for the year ended on March 31, 2023.: NIL**

Particulars of Employees (pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended) Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rules made there under:

A. Information as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

1. The ratio of remuneration of each director to the median remuneration of employees of the Company for the financial year 2022-23: N.A.
2. The Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2022-23: Nil
3. The percentage increase in the median remuneration of employees in the financial year: Nil
4. The number of permanent employees on the roll of the Company: Nil
5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: N.A.

B. Information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

The Company does not have any employees who is drawing remuneration in excess of limit prescribed under section 197(12) of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

List of top ten employees in terms of remuneration drawn as on March 31, 2023:

1. Mr. Aniket Prabhu – Chief Financial officer and Company Secretary

Affirmation that the remuneration is as per the remuneration policy of the Company:

The Board of Directors of the Company affirmed that remuneration of all the Key Managerial Personnel of the Company are as per the Remuneration Policy of the Company.

For Frontier Capital Limited

Sd/-
Hemendranath Choudhary
Executive Director
(DIN: 06641774)

MANAGEMENT DISCUSSION & ANALYSIS

ECONOMIC OVERVIEW:

Global Economy:

Titled 'A Rocky Recovery', the IMF's World Economic Outlook – April 2023 reported that on the surface, the global economy appears poised for a gradual recovery from the devastation caused by the pandemic and, later, the conflict between Russia and Ukraine. The reopening of the Chinese economy has also contributed to the rebound and supply-chain disruptions have been unwinding, while the dislocations to energy and food markets caused by the war are receding. However, it also observed that below the surface turbulence is building, and the situation is quite fragile, as evidenced by the recent bout of banking instability.

The IMF forecast that global growth will bottom out at 2.8% in 2023 before rising modestly to 3.0% in 2024. It also expects global inflation to decrease, although more slowly than initially anticipated, from 8.7% in 2022 to 7.0% in 2023 and 4.9% in 2024.

Indian Economy:

Despite the distressed global economic landscape, the Indian economy is expected to grow at a robust 7% (in real terms) during the year ending March 2023, after posting a growth of 8.7% in FY 2021-22 according to the Economic Survey – 2023.

Some of the growth drivers were the credit growth to the MSME sector, which was remarkably high, at over 30.5% on average, during Jan-Nov 2022. The capex of the central government, which increased by 63.4% in the first eight months of FY 2022-23, was another growth driver of the Indian economy. The optimistic growth forecasts also stem from a number of positives like the rebound of private consumption, which led to a boost in production activity.

Outlook:

The Indian economy is expected to witness GDP growth of 6.0% to 6.8% in FY 2023-24, depending on the trajectory of economic and political developments globally, according to the Economic Survey 2023. The survey also projects a baseline GDP growth of 6.5% in real terms in FY 2023-24. The RBI projects headline inflation at 6.8% in FY 2022-23, which is outside its target range. A surge in the growth of exports in FY 2021-22 and the first half of FY 2022-23 resulted in acceleration in production.

INDUSTRY OVERVIEW:

Financial Services Industry:

The Indian financial services industry is a dynamic and evolving sector, poised for further growth and innovation. It is a vital component of the country's economy, providing a range of financial products and services to individuals and businesses alike. The sector has seen significant growth in recent years, expanding into segments that were previously underserved or overlooked in a bid to promote financial inclusion. The industry is diverse, with a mix of traditional players such as commercial banks, insurance companies, and NBFCs, along with newer entities such as payment banks and small finance banks. The sector is well-regulated by the RBI, which has also allowed fintech companies to enter the fray, bringing innovation and efficiency to the industry. The adoption of digital technology has been a game-changer, enabling organisations to enhance customer engagement and deliver services with speed and transparency.

According to IBEF, rising incomes in India are driving the demand for financial services across income brackets. Further, there are over 2,100 fintechs operating currently, positioning India to become one of the largest digital markets, aided by the rapid expansion of mobile and internet.

NBFCs in India:

The Non-Banking Financial Companies (NBFCs) sector plays a significant role in the Indian economy, providing credit to individuals, small and medium-sized enterprises, and rural areas, among others. NBFCs have emerged as a key segment in the financial sector, bridging the gap between banks and borrowers who are underserved or

excluded from traditional banking services. In recent years, the sector has witnessed significant growth, fuelled by a rise in demand for credit and the emergence of new players. The sector's resilience and ability to innovate have been tested during times of economic turmoil, such as the COVID-19 pandemic.

As the economy has moved past the impact of the pandemic, the NBFCs sector is anticipated to experience a substantial growth in both FY2023 and FY2024, following the rebound of the economy. ICRA Ratings predicts that during these fiscal years, the sector will witness a loan growth of 10-12% and a rise in profitability by 50 basis points. The PCA framework implemented by RBI has created a level playing field for NBFCs with banks, thus enhancing corporate governance and leading to sustainable growth in the sector.

Retail-focussed NBFCs are expected to grow by 12-14%, whereas housing finance companies are expected to grow at 10-12%, primarily due to an improvement in asset quality and an increase in overall credit demand. Microfinance and personal loans are likely to continue growing at a high pace and lead the growth chart.

The report reveals that the NBFC sector has witnessed an improvement in asset quality, with higher collections and a lower-than-anticipated share of restructured portfolio. ICRA envisages that the majority of stress from the restructured book is likely to be absorbed in FY 2022-23 and slippages are expected to remain range-bound.

The rising interest rates may put some pressure on net interest margins, but this impact has been offset by the limited rate hikes passed on to borrowers. With stable margins and moderation in credit cost, NBFCs are expected to report a return of 2.6-2.9% on managed assets in FY2023.

MSME Sector:

Micro, Small and Medium Enterprises (MSMEs) are a crucial contributor to the Indian economy, accounting for around 30% of the country's GDP, 48% of its exports, 95% of industrial units, and 40% of employment in India. There are approximately 633.9 lakh MSME units in the country. Despite facing unprecedented challenges due to the pandemic, the MSMEs in India have evolved, grown, and emerged stronger. Forward-looking businesses in the segment have adopted new technologies, digitisation, and branding via online channels, breaking out of traditional ways of doing business.

A recent survey titled 'MSME Digital Readiness Survey 2022' by PayPal revealed that 52% of small businesses saw a favourable influence of digitalisation on their business once economies reopened after two years of the pandemic. To enable smaller companies to raise capital through the stock markets, both the BSE and the NSE have established separate trading platforms called SME exchanges. The founder of MSME, a micro-advisory platform, expects over 10,000 companies to list on the SME Exchange in the next five to ten years. Moreover, the Union Budget 2023 has announced several proposals to promote inclusive development and faster growth in the entrepreneurship ecosystem of the nation.

Key proposals for the MSME sector include budget allocation of around Rs.22,140 crore, tax incentives, subsidies, Rs.10,000 crore fund for technology and infrastructure development, a national-level mentorship programme, easier access to credit, and reforms to reduce the credit cost. Furthermore, the budget has established funds for promoting entrepreneurship and enterprise development in traditional sectors like agriculture and handicrafts along with skill building, creating a more enabling environment for MSMEs.

COMPANY OVERVIEW:

Frontier Capital Limited was founded in 1984 and is a registered Non-Banking Finance Company (NBFC) regulated by the Reserve Bank of India (RBI). The Company operates out of Mumbai and specialises in providing retail financing services to the lower and middle-income groups of society. Over the past two and a half decades, Frontier Capital Ltd has been dedicated to serving the financially underserved masses across urban, semi-urban, and rural areas, both in the formal and informal sectors of the economy.

The Company's revenue from operations for the financial year was Rs.31.23/- Lakhs and the previous year's revenue from operations of Rs.111.11 Lakhs. Net Profit (PAT) is Rs.28.41 Lakhs.

Details of significant changes in Key Financial Ratios:

Ratio	Numerator	Denominator	Current Period	Previous Period	% Change	Reason
Capital to Risk-Weighted Assets Ratio	Tier 1 Capital + Tier 2 Capital	Risk-weighted Assets	91%	63%	44%	Increase in NOF and decrease in loans
Tier I CRAR	Tier 1 Capital	Risk-weighted Assets	91%	63%	44%	Increase in NOF and decrease in loans
Tier II CRAR	Tier 2 Capital	Risk-weighted Assets	0%	0%	-	The Company does not have any Tier II Capital.
Liquidity Coverage Ratio	Stock of High Quality Liquid Assets	Total Net Cash Outflows over the next 30 calendar days	2452%	55%	4339%	Increase in bank balance due to refund of loans

OPPORTUNITIES & THREATS:

The Company constantly monitors the external environments and internal situation so that it is aware of the opportunities and threats that emerge. This enables the Company to tap into the positive prospects that come its way while overcoming or bypassing the challenge of threats.

Opportunities:

- Diverse loan book and pan-India presence to accelerate growth
- Unique Business Model helps to minimise risk and operating cost
- Adequate capitalisation to support medium-term growth plans
- Brand recognition among lower income and middle income groups of the society spread across urban, semi urban and rural areas.
- Operates in underpenetrated business segment with huge growth potential
- Successful track record of catering to the MSME sector
- Initiatives by the Government to further boost MSME sector

Threats:

- Unpredictable policy changes by the Government
- Increasing competition from local and global players
- Higher exposure to semi-formal and informal sector customers

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has adequate internal controls and standardised operating processes that are envisaged to protect assets and business efficiency. The Company has established strong and well-entrenched internal control procedures commensurate with its size and operations and relevant to its broad domain of the lending business.

HUMAN RESOURCES:

The Company recognises the crucial role played by its employees in driving its growth and success. To this end, the Company prioritises providing a supportive work environment that fosters employee satisfaction and motivation to achieve both personal and professional goals. The Company has cultivated an inclusive work culture that values responsibility and instils a sense of pride in its employees, resulting in a high retention rate.

OUTLOOK:

NBFCs are becoming increasingly important players in the financial sector, as they cater to the needs of previously overlooked or underserved segments of the population. Their market share and product range are expected to expand as they target this vast and growing segment. Digital tools and technology are already being used by NBFCs to enhance their efficiency and customer outreach, and their clients will continue to use their services as they rise in economic status, provided they have positive experiences and are offered suitable products.

DISCLOSURE OF ACCOUNTING TREATMENT:

Till the quarter ended 31st December, 2022, the Company opted a prudent practice of amortising the income over the tenure of loans assigned instead of booking it upfront. This practice in management's view ensures true and fair financial position of the Company. The same is a deviation from the Ind AS 109 'Financial Instruments'. However, during the quarter ended March 31, 2023, the Company has received a directive from the Reserve Bank of India to book such gain upfront in the statement of profit and loss in accordance with Ind AS 109 instead of amortising it over the period of the underlying residual tenure of the assigned loan portfolio.

CAUTIONARY STATEMENT:

This document contains statements about expected future events, financial and operating results of Frontier Capital Ltd, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions, and other forward looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of the Company's Annual Report FY 2022-23.

REPORT ON CORPORATE GOVERNANCE

Report on Corporate Governance pursuant to Schedule V (C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) and forming Part of the Directors' Report for the year ended on March 31, 2023.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Your Company believes that effective Corporate Governance is not just the framework enforced by the regulation but it is supported through the principles of transparency, unity, integrity, spirit and responsibility towards the stakeholders, shareholders, employees and customers. Good Corporate Governance requires competence and capability levels to meet the expectations in managing the business and its resources and helps to achieve goals and objectives of the organization; It enhances long term Shareholders value through assisting the top management in taking sound business decisions and prudent financial management and achieving transparency and professionalism in all decisions and activities of the Company. The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as applicable, with regard to corporate governance and the Regulations of RBI for Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (the 'NBFC Regulations'), as applicable to the Company. Good Corporate Governance should provide proper incentives for the board and management to pursue objectives that are in the interests of the Company and its shareholders and should facilitate effective monitoring. The Company acutely and consistently reviews its systems, policies and internal controls with an objective to establish sound risk management system and impeccable internal control system.

BOARD OF DIRECTORS:

At the helm of the Company's Corporate Governance practice is its Board. The Board provides strategic guidance and independent views to the Company's senior management while discharging its fiduciary responsibilities. The Board also provides direction and exercises appropriate control to ensure that the Company is managed in a manner that fulfils stakeholder's aspirations and societal expectations.

CONSTITUTION OF BOARD:

The Company's policy encourages having an appropriate blend of independent and non-independent directors to maintain the independence of the Board and to separate the Board functions of governance and management.

- a) The Board of the Company comprises Five (5) Directors out of which one (1) is Promoter Non-Executive Director Non-Independent Director, one (1) is Woman Non-Executive Non-Independent Director, one (1) is Executive Director and Two (2) are Independent Directors as on March 31, 2023, the details of which are as below:

Sr. No.	Name of Director	Category
1	Mayur Nagindas Doshi	Non-Executive - Non Independent Director
2	Hemendranath Rajendranath Choudhary	Executive Director
3	Ashok Katra	Non-Executive - Independent Director,
4	Sachin Khanolkar	Non-Executive - Independent Director
5	Sonali Sasane	Non-Executive - Non Independent Director

- b) Names of the other listed entities where the person is a Director and the Category of Directorship: Nil
 c) The details of attendance of each Director at the Board Meeting and Annual General Meeting are given below:

Sr. No.	Name of Director	No. of Board Meeting held during the year
1	Mayur Nagindas Doshi	6
2	Hemendranath Rajendranath Choudhary	6
3	Ashok Katra	6

4	Sachin Khanolkar	5
5	Sonali Sasane	4

Sr. No.	Name of Director	Attended Previous AGM
1	Mayur Nagindas Doshi	Yes
2	Hemendranath Rajendranath Choudhary	Yes
3	Ashok Katra	Yes
4	Sachin Khanolkar	Yes
5	Sonali Sasane	Yes

List of Matrix/chart of special skill:

Sr. No.	Name of Director	Skills/Expertise identified by the Board	Specialization
1	Mayur Nagindas Doshi	Management & Governance Financial Services Integrity Ability to function as Team	Mr. Doshi has more than 2.5 decade of Experience in the Field of Corporate Finance and Banking. He has worked with various companies in the field of Steel, Automobile, Merchant Exports, Real Estate and Online Education etc.
2	Hemendranath Rajendranath Choudhary	Leadership Quality Commitment Future Vision & Innovation	Mr. H N Choudhary is a Master of Engineering in Computer-Aided Design and Computer-Aided Manufacturing. He has more than 2 years of experience in Non-Banking Financial Company. He is also associated with famous companies like Engo Tea Company Limited, A-One Parts and Services Limited, AMW Finance Limited and Asia Motorworks Limited.
3	Ashok Katra		Mr. Ashok katra is BSC, BGL, MBA (Finance) & has a vast experience in banking industry and achieved several path breaking milestones. He retired as General Manager of IDBI BANK and has over 35 years of banking and financial experience spanning across corporate banking, stressed asset management, Debt restructuring, special assets management and branch banking.
4	Sachin Khanolkar		Mr. Sachin Govind Khanolkar has over 22 years of experience in the field of Corporate finance, Banking, SAP Implementation, Accounting, Sales & Marketing. He has worked with various companies in the field of Steel trading, Automobile & Construction Equipment's manufacturing. He is a PGDFM (Post Graduate Diploma in Financial Management) from Mumbai University.

5	Sonali Sasane		Ms. Sonali Sasane has over 5 years of experience in the field of fundamental and technical analysis in financial markets. She has worked with various companies in the field of financial markets like Wipro, IBM, Eclinical works Pvt Ltd. Etc. She is a MBA in Finance and also Certified Decentralised Finance & Crypto Expert.
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Independent Directors and Evaluation of Directors and the Board:

In terms of Section 149 of the Companies Act, 2013 and rules made there under, the Company has Two Independent Directors in line with the Companies Act, 2013 and the provisions of Listing Regulations. The terms and conditions of appointment of Independent Directors and Code for Independent Directors are hosted on the website of the Company at www.frontiercapital.in. The Company has received necessary declaration from each Independent Directors under Section 149 (7) of the Companies Act, 2013 that they meet the criteria of independence laid down in Section 149 (6) of the Companies Act, 2013 along-with in compliance in Rule 6 (1) and (3) of Companies (Appointment and Qualifications of Directors) Rules, 2014 as amended from time to time and Regulation 25 (8) & (9) of Listing Regulations. With the objective of enhancing the effectiveness of the board, the Nomination and Remuneration Committee formulated the methodology and criteria to evaluate the performance of the board and of each director. The evaluation of the performance of the board is based on the approved criteria such as the board composition, strategic planning, role of the Chairman, non-executive directors and other senior management, assessment of the timeliness and quality of the flow of information by the Company to the board and adherence to compliance and other regulatory issues. A separate meeting of Independent Directors was held on March 30, 2023 to review the performance of Non- Independent Directors and Board as whole.

Familiarization Programme:

The Company has adopted the Familiarization Programme to familiarize Independent Directors of the Company. The Company has held programmes for the Independent Directors and some of such programmes carried out during the year were as under:

- Various presentations were made by the Executives, Statutory Auditor inter alia, about the business of the Company from time to time, on different functions and areas, with special reference to the nature of the industry in which these companies operate.
- Deliberations were held and presentations were made from time to time on major development in the areas of the Companies Act 2013, notifications including amendments in existing regulations issued by the Securities and Exchange Board of India (SEBI), and amendments in circular of Reserve Bank of India (RBI).
- Presentation related to the Risk Management Framework including technological risk, operational risk, financial risk, market risk, compliance risk, etc.;
- The regular meeting of the Independent Directors is being held with Executive Directors to interact with the strategy, operation and functions of the Company. Further, the Independent Directors are provided with opportunity to interact with the Management of the Company and help them to understand the Company's strategy, business model, operations, service and product offerings, markets, organization structure, finance, human resources, technology, quality, facilities and risk management and such other areas as may arise from time to time.

The Company conducted Four (4) programmes during the year 2022-23 and the time spent by Independent Directors was in the range of 1- 2 hours.

It may be noted further that the independent directors of the Company being persons of great eminence and expertise were already well conversant with the business and functioning of the Company, as also with other aspects referred to in the above-said regulation. Further, considering the variety of programmes conducted for the independent directors, the

particulars of number of programmes, numbers of hours spent in such programmes & such other details of familiarization programmes are not being provided separately.

Details of Committees:

A. **Audit Committee:**

The Company has formed Audit Committee in line with the provisions Section 177 of the Companies Act, 2013 and Regulation 18 of Listing Regulations. Audit Committee meetings are generally held once in a quarter for the purpose of recommending the quarterly / half yearly / yearly financial result and the gap between two meetings did not exceed one hundred and twenty days. Additional meetings are held for the purpose of reviewing the specific item included in terms of reference of the Committee. During the year under review, Audit Committee met 5 (five) times on May 31, 2022, August 23, 2022, December 02, 2022, December 07, 2022 and March 02, 2023.

The composition of the Committee and the details of meetings attended by its members are given below:

Name	Designation	No. of Meeting During the Year	
		Held	Attended
Ashok Katra	Chairperson	5	5
Mayur Doshi	Member	5	5
Sachin Khanolkar	Member	5	5

A. **Broad terms of Reference:**

The role of the audit committee shall include the following:

- 1) Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- 2) Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- 3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- 4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of subsection (3) of Section 134 of the Companies Act, 2013;
 - changes, if any, in accounting policies and practices and reasons for the same;
 - major accounting entries involving estimates based on the exercise of judgment by management;
 - significant adjustments made in the financial statements arising out of audit findings;
 - compliance with listing and other legal requirements relating to financial statements;
 - disclosure of any related party transactions;
 - modified opinion(s) in the draft audit report;
- 5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- 6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the

utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

- 7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
- 8) Approval or any subsequent modification of transactions of the listed entity with related parties;
- 9) Scrutiny of inter-corporate loans and investments;
- 10) Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- 11) Evaluation of internal financial controls and risk management systems;
- 12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- 14) Discussion with internal auditors of any significant findings and follow up there on;
- 15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- 16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- 18) To review the functioning of the whistle blower mechanism;
- 19) Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- 20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.
- 21) The Committee shall review compliance with the provisions of Securities and Exchange Board of Indian (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.
- 22) The Committee shall review & recommend any variation in the remuneration of CMD, CEO and CFO.

B. The audit committee shall mandatorily review the following information:

1. management discussion and analysis of financial condition and results of operations;
2. statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. management letters / letters of internal control weaknesses issued by the statutory auditors;
4. internal audit reports relating to internal control weaknesses; and

5. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

B. NOMINATION AND REMUNERATION COMMITTEE:

The Company has formed Nomination and Remuneration Committee in line with the provisions Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulations. Nomination and Remuneration Committee meetings are generally held for identifying the person who is qualified to become Director or Key Managerial Personnel and may be appointed in senior management and recommending their appointments and removal and also to review key result areas and key performance expected from the directors during the quarters and to review remuneration paid to the directors, key managerial personnel and senior management team. During the year under review, the members of Nomination and Remuneration Committee met 3 (Three) times on August 23, 2022, March 02, 2023 and March 20, 2023.

The composition of the Committee and the details of meetings attended by its members are given below:

Name	Designation	No. of Meeting During the Year	
		Held	Attended
Ashok Katra	Chairperson	3	3
Mayur Doshi	Member	3	3
Sachin Khanolkar	Member	3	3

Broad terms of reference:

- 1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- 2) formulation of criteria for evaluation of performance of independent directors and the board of directors;
- 3) To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.
- 4) To carry out evaluation of Director's performance.
- 5) To recommend to the Board the appointment and removal of Directors and Senior Management.
- 6) To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- 7) To devise a policy on Board diversity, composition, size.
- 8) To ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- 9) To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.
- 10) To oversee the framing, review and implementation of Compensation Policy as and when applicable.
- 11) To ensure 'fit and proper' status of proposed/ existing directors and that there is no conflict of interest in appointment of directors on Board of the company, KMPs and senior management.
- 12) To perform such other functions as may be necessary or appropriate for the performance of its duties.

Remuneration of Directors:

The Company has not entered into any pecuniary relationship or transactions with Non-Executive Directors of the Company.

Further, criteria for making payment, if any, to nonexecutive directors are provided under the Nomination and Remuneration Policy of the Company which is hosted on the website of the Company viz www.frontiercapital.in.

During the year under review, the Company has paid remuneration to Executive Directors of the Company, details of which are as under: Nil

During the year under review, the Company has paid Sitting fees to Non – Executive Independent Directors of the Company, details of which are as under: Nil

STAKEHOLDER’S RELATIONSHIP COMMITTEE:

The Company has constituted Stakeholder’s Relationship Committee in pursuance to the provisions of Section 178(5) of the Companies Act, 2013 and Regulation 20 of the Listing Regulations, mainly to focus on the redressal of Shareholders’ / Investors’ Grievances, if any, like Transfer / Transmission / Demat of Shares; Loss of Share Certificates; Non-receipt of Annual Report; Dividend Warrants; etc.

During the year under review, Stakeholder’s Relationship Committee 1 (One) times on March 20, 2023. The composition of the Committee and the details of meetings attended by its members are given below:

Name	Designation	No. of Meeting During the Year	
		Held	Attended
Ashok Katra	Member	1	1
Mayur Doshi	Member	1	1
Sachin Khanolkar	Chairperson	1	1

Name and designation of the Compliance Officer and the Investor Grievances Officer:

Mr. Deepak Khandelwal
Company Secretary and Compliance Officer
Office No. 7, Readymoney Terrece, 167, 2nd Floor,
Dr. AB Road, Worli, Mumbai, Maharashtra, 400018.

Broad terms of reference:

1. Resolving the grievances of the security holders including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
2. Review of measures taken for effective exercise of voting rights by shareholders;
3. The equity shares of the Company are compulsorily traded in electronic form on the stock exchanges and hence the handling of physical transfer of shares is minimal, the Company has no transfers pending at the closure of the financial year. The Committee shall also review services rendered by the Registrar & Share Transfer Agent;
4. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent; and
5. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

GENERAL BODY MEETINGS:

A. Annual General Meeting

Financial year	Date	Location of Meeting	Time	No. of Special Resolution Passed
2021-22	30.12.2022	Office No. 7, 2nd Floor, Readymoney Terrace, 167, Dr. A. B. Road, Worli Mumbai City MH 400018 IN	11.00 A.M.	4
2020-21	30.09.2021	1503, Lodha Supremus, Senapati Bapatmarg, Lower Parel West, Mumbai -400 013	11.00 A.M	1
2019-20	10.12.2020	1503, Lodha Supremus, Senapati Bapatmarg, Lower Parel West, Mumbai -400 013	11.00 A.M	Nil

Following Special Resolutions were passed through remote E-voting and e-voting during the meeting, as per the procedure prescribed under Section 108 & Section 109 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2011;

Resolution(s)	Details of Resolution(s)	Resolution Passed	To. No. of Votes in Favour	To. No. of Votes against	% of vote in favour	% of vote against
Special	To appoint Mr. Mayur doshi (DIN no. 08351413), as non - executive director of the company.	30 Dec 2022	12,523,536	0	100	0
Special	To appoint Ms. Sonali Sasane (DIN: 08079863), as non - executive director of the company.	30 Dec 2022	12,523,536	0	100	0
Special	To appoint Mr. Sachin Khanolkar (DIN No. 09428362), as Non-Executive Independent Director of the company.	30 Dec 2022	12,523,536	0	100	0
Special	To appoint Mr. Ashok Katra (DIN No. 07799527), as Non-Executive Independent Director of the company.	30 Dec 2022	12,523,536	0	100	0
Special	Re-appointment of Mr. Hemendra Nath Choudhary (DIN: 06641774) as a Whole-Time Director of the Company.	30 Sep 2021	11,611,762	0	100	0

MEANS OF COMMUNICATION:

Financial Results: The quarterly, half-yearly and annual results are published in widely circulating national and local newspaper and are displayed on the website of the Company www.frontiercapital.in.

Website: The Company's website www.frontiercapital.in contains a separate dedicated section namely "Investors" where shareholders information is available. The Annual Report of the Company is also available on the website of the Company www.frontiercapital.in in a downloadable form.

GENERAL SHAREHOLDERS INFORMATION:

Company Registration details: The Company is registered in the State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L65990MH1984PLC033128.

Registered Office: Office No. 7, 2nd Floor, Readymoney Terrace, 167, Dr. A. B. Road, Worli Mumbai City – 400018.

Date, time and venue of the 39th Annual General Meeting: 39th Annual General Meeting is to be held on Friday, September 22, 2023 at 11:30 A.M. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

Financial Year: Financial year is April 1, 2023 to March 31, 2024 and financial results will be declared as per the following schedule:

Particulars	Tentative Schedule
Quarterly Results:	
Quarter ending on June 30, 2023	On or before August 14, 2023
Quarter ending on September 30, 2023	On or before November 14, 2023
Quarter ending on December 31, 2023	On or before February 14, 2024
Annual Result of 2023-24	On or before May 30, 2024

Dividend Payment: The Company did not paid any dividend during the year.

Book closure date: The Register of Members and Share Transfer Books of the Company will be closed from Saturday, September 16, 2023 to Friday, September 22, 2023 (both days inclusive).

Listing on Stock Exchanges: The Company's Equity Shares are listed on the Bombay Stock Exchange. The details of the same are given below. The ISIN of the Company is INE977E01013. The Company Scrip Code is 508980.

Annual listing fees for the year 2023-2024 have been paid by the Company to BSE Ltd.

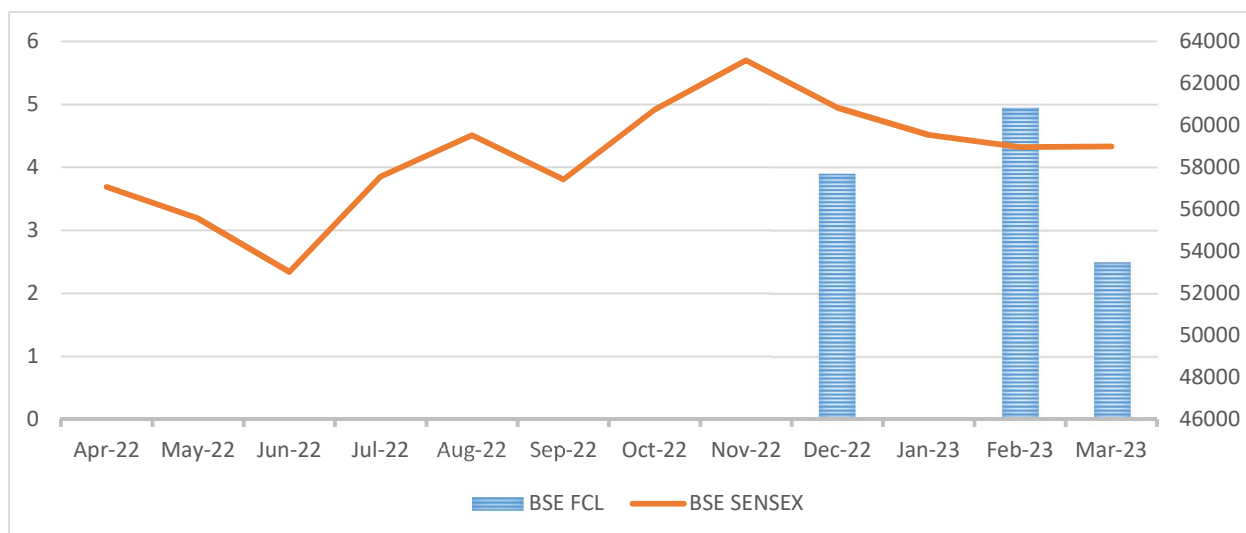
Market Price Data:

Month	Price of Company's Shares	
	High Price	Low Price
April-2022	0	0
May-2022	0	0
June-2022	0	0
July-2022	0	0
August-2022	0	0
September-2022	0	0
October-2022	0	0
November-2022	0	0
December-2022	3.9	3.9
January-2023	0	0
February-2023	4.95	4.09
March-2023	5.98	2.5

The performance of the equity share price of the Company at Stock Exchange at BSE is as under;

Month	FCL Share Price at BSE**	SENSEX**
April-2022	0	57060.87
May-2022	0	55566.41
June-2022	0	53018.94
July-2022	0	57570.25
August-2022	0	59537.07
September-2022	0	57426.92
October-2022	0	60746.59
November-2022	0	63099.65
December-2022	3.9	60840.74
January-2023	0	59549.9
February-2023	4.95	58962.12
March-2023	2.5	58991.52

** closing data on the last day of the month



Registrar & Transfer Agents:

LinkIntime India Private Limited, C-101,247 Park, LBS Marg, Vikhroli West, Mumbai- 400083.

Share Transfer Procedure:

All the physical transfers of shares are processed by the Registrar and Share Transfer Agents and are approved by the Stakeholders' Relationship Committee.

Pursuant to Regulation 40(9) of the Listing Regulations, the Company obtains a Certificate from a Practicing Company Secretary on yearly basis, for due compliance of share transfer formalities.

Pursuant to SEBI (Depositories and Participants) Regulations, 1996 and SEBI (Depositories and Participants) Regulations, 2018, a certificate have also been obtained from a Practicing Company Secretary for timely dematerialization of the shares of the Company and for conducting Secretarial Audit on a quarterly basis for reconciliation of the share capital of the Company. The Company files copy of these certificates with the stock exchange as required.

Shareholding as on March 31, 2023:

Category	No. of Shares held		Total No. of Shares	% of Holding
	Physical	Demat		
Promoter and Promoter Group	0	12493510	12493510	74.53
Mutual Funds	0	0	0	0.00
Banks/FI/Central Govt./State Govts/ Trusts & Insurance Companies	0	0	0	0.00
Foreign Institutional Investors/ Portfolio Investor	0	0	0	0.00
NRI	0	333	333	0.00
Foreign Nationals	0	0	0	0.00
Foreign Companies	0	0	0	0.00
Bodies Corporate	0	120243	120243	0.72
Clearing Member	0	55000	55000	0.33
Directors / Relatives of Director	0	0	0	0.00
Indian Public / HUF	0	4093077	4093077	24.42
Trusts	0	0	0	0.00
NBFCs registered with RBI	0	0	0	0.00
Alternate Investment Funds	0	0	0	0.00
Total	0	16762163	16762163	100.00

Dematerialization of Shares and Liquidity:

The Company's shares are traded in dematerialized form. All the Equity shares of the Company are dematerialized as on March 31, 2023. The Company's shares are traded on the 'BSE Limited'.

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE977E01013.

Outstanding GDRs/ADRs/Warrants or any convertible instrument, conversion and likely impact on equity:

There is no outstanding ADR/GDR, Warrants, or any other convertible instrument likely impact on equity.

Commodity Price Risk / Foreign Exchange Risk and Hedging:

Commodity Price Risk / Foreign Exchange Risk and Hedging is not applicable to the company.

Site location:

The Company is in service sector and does not have any Site / Plant locations. However, the Company operates from its Registered Office only.

Address of Correspondence: Office No. 7, Ready-money Terrace, 167, 2nd Floor, Dr. AB Road, Worli, Mumbai, Maharashtra, 400018.

Other Disclosures:

1. There were no materially significant Related Party Transactions and pecuniary transactions that may have potential conflict with the interest of the Company at large. The details of Related Party Transactions are disclosed in Notes to Financial Statements of this Annual Report. The Board has approved a policy for related party transactions which is uploaded on the website of the Company at www.frontiercapital.in
2. There has been some non-compliance during the period under review. The reason and explanations has been given by the management in its Board's Report.
3. The Company has established a vigil mechanism and accordingly framed a Whistle Blower Policy. The policy enables the employees to report to the management instances of unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct. Further the mechanism adopted by the Company encourages the Whistle Blower to report genuine concerns or grievances and provide for adequate safe guards against victimization of the Whistle Blower who avails of such mechanism and also provides for direct access to the Chairman of the Audit Committee, in exceptional cases. The functioning of vigil mechanism is reviewed by the Audit Committee from time to time. None of the Whistle blowers has been denied access to the Audit Committee of the Board. The Whistle Blower Policy of the Company is available on the website of the Company at www.frontiercapital.in
4. The Company has complied with all mandatory requirements laid down by the Regulation 27 of the Listing Regulations. The non-mandatory requirements complied with wherever requires and the same has been disclosed at the relevant places.
5. The Chief Executive Officer and the Chief Financial Officer have furnished a Certificate to the Board for the year ended on March 31, 2023 in compliance with Regulation 17(8) of Listing Regulations. The certificate is appended as an Annexure to this report. They have also provided quarterly certificates on financial results while placing the same before the Board pursuant to Regulation 33 of Listing Regulations.
6. A qualified Practicing Company Secretary carried out a reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The Secretarial Audit confirms that the total issued/paid up capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.
7. We have obtained a certificate from Practicing Company Secretary that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

8. There were no circumstances where board had no accepted any recommendation of any committee of the board during the year.
9. Total fees paid for the services to the statutory auditors is Rs.2, 95,000/- Lakh for the financial year 2022-23.
10. As per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has constituted a Special Complaints Committee. During the year 2022- 23, no complaints were received by the Committee.
11. With a view to regulate trading in securities by the directors and designated employees, the Company has adopted a Code of Conduct for Prohibition of Insider Trading www.frontiercapital.com
12. The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. It has obtained a certificate affirming the compliance of Conditions of Corporate Governance from Practising Company Secretary, CS Suhas Bhattbhatt and the same is attached to this Report.
13. The Company has executed the Listing Agreement with the BSE Ltd pursuant to Listing Regulations.
14. As required under Regulation 36(3) of the SEBI Listing Regulations, particulars of Director seeking appointment/re-appointment at the forthcoming AGM are mentioned and in the Annexure to the Notice of the 39th AGM.
15. In the preparation of the financial statements, the Company has followed the accounting policies and practices as prescribed in the Accounting Standards.
16. During the year under review, there were no complaint i.e. incidences of sexual harassment reported.
17. The Company has complied with all the mandatory requirements of the SEBI Listing Regulations including but not limited to the provisions of regulations 17 to 27 and 46(2)(b) to (i) of the said Regulations.

For Frontier Capital Limited

Sd/-
Ashok Katra
Chairman & Director
DIN: 07799527

Sd/-
Mayur Doshi
Director
DIN: 08351413

CERTIFICATE OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

I, Hemedranath Chaudhary, Director of FRONTIER CAPITAL LIMITED certify that:

We have reviewed the financial statements and the cash flow statement of the Company for the year ended March 31, 2023 and to the best of our knowledge and belief:

- i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
- ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- iii. To the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2023 which are fraudulent, illegal or violative of the Company's Code of Conduct.
- iv. We accept responsibility for establishing and maintaining internal control system and that we have evaluated the effectiveness of the internal control system of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal control system, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- v. We further certify that we have indicated to the auditors and the Audit Committee:
 - a. There have been no significant changes in internal control over financial reporting system during the year;
 - b. There have been no significant changes in accounting policies during the year except for the changes disclosed in the note no. 32 to the standalone financial statements; and
 - c. There have been no instances of significant fraud, of which we have become aware, involving management or any employee having a significant role in the Company's internal control system over financial reporting.

Sd/-

Hemendranath Choudhary

Director

DIN: 06641774

DECLARATION

I, Hemendranath Chaudhary, Director of Frontier Capital Limited hereby declare that as of March 31, 2023 all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct and Ethics for Directors and Senior Management Personnel laid down by the Company.

For and on behalf of the Board of Directors

Sd/-

Hemendranath Choudhary

Director

DIN: 06641774

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members,
Frontier Capital Limited
Office No. 7, 2nd Floor,
Readymoney Terrace, 167,
Dr. A. B. Road, Worli
Mumbai, Maharashtra-400018.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **FRONTIER CAPITAL LIMITED** having **CIN L65990MH1984PLC033128** and having registered office at Office No. 7, 2nd Floor, Readymoney Terrace, 167, Dr. A. B. Road, Worli, Mumbai, Maharashtra-400018 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Sub clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the following Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Details of Directors:

Sr. No.	Name of Directors	DIN	Date of Appointment in the Company
1	Mr. Hemendranath Rajendranath Choudhary	06641774	21/04/2016
2	Mrs. Sonali Mahesh Sasane	08079863	23/08/2022
3	Mr. Ashok Katra	07799527	15/03/2017
4	Mr. Mayur Nagindas Doshi	08351413	02/12/2021
5	Mr. Sachin Govind Khanolkar	09428362	31/05/2022

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

For S Bhattbhatt & Co
Practicing Company Secretaries

Date: 10.05.2023
Place: Vadodara

Sd/-
Suhas Bhattbhatt
Proprietor
A.C.S.: 11975 C.P.: 10427
UDIN: A011975E000284051
Peer Review No: 1660/2022

CERTIFICATE ON CORPORATE GOVERNANCE

(In terms of Regulation 34(3) and Schedule V (E) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

**To,
The Members,
FRONTIER CAPITAL LIMITED**

We have examined the compliance of conditions of Corporate Governance by **FRONTIER CAPITAL LIMITED** ('the Company'), **CIN: L65990MH1984PLC033128** having registered office at Office No. 7, 2nd Floor, Readymoney Terrace, 167, Dr. A. B. Road, Worli, Mumbai, Maharashtra-400018 for the year ended on March 31, 2023, as stipulated in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the company for ensuring compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we hereby certify that the Company has complied with the conditions of Corporate Governance to the extent applicable, as stipulated in the provisions specified in chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Listing Agreement of the said Company with stock exchange except as mentioned under:

- i. The company did not have any woman director during the period from 17.12.2021 to 22.08.2022 as required under Regulation 17(1)(a) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and company did not have an optimum combination of Executive and Non-Executive Directors as required under Regulation 17(1)(b) from 17.12.2021 to 22.08.2022.
- ii. The Composition of Audit Committee during the period 17.12.2021 to 22.08.2022 was not in compliance under the Regulation 18(1)(b) and 18(2)(b) of SEBI (LODR), 2015 as two-third directors of the committee was not independent directors for the period 17.12.2021 to 22.08.2022.
- iii. The Composition of Nomination and Remuneration Committee during the period 17.12.2021 to 22.08.2022 was not in compliance under the Regulation 19(1)(b) and (c) of SEBI (LODR), 2015 as two-third directors of the committee was not independent directors and all the directors of the committee are not non-executive for the period 17.12.2021 to 22.08.2022.
- iv. The Company has failed to file Annual Secretarial Compliance Report under the Regulation 24(A) of SEBI (LODR), 2015 with Stock Exchange within the statutory time period. The company has submitted the report with the delay of 03 days for the Year ended on March 2022.
- v. The Company has failed to submit Quarterly Compliance Report on Corporate Governance for the Quarter ended on December 2022 under the Regulation 27(2) of SEBI (LODR), 2015 with Stock Exchange within the statutory time period. As per the regulations, it should be filed within 21days from the end of every quarter. The company has submitted the report with the delay of 11 days for the Quarter ended on December 2022.
- vi. The Company has maintained the Functional website as per the requirement of Regulation 46 of SEBI (LODR) Regulations, 2015. However, it was observed that there are some pending documents that require updating on the website to ensure the availability of the latest information.

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

This certificate is issued solely for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose.

**For S Bhattbhatt & Co
Practicing Company Secretaries**

**Date: 10.05.2023
Place: Vadodara**

**Sd/-
Suhas Bhattbhatt
Proprietor
A.C.S.: 11975 C.P.: 10427
UDIN: A011975E000668653
Peer Review No: 1660/2022**

INDEPENDENT AUDITOR'S REPORT

TO

THE MEMBERS OF FRONTIER CAPITAL LIMITED

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS Financial Statements of FRONTIER CAPITAL LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Cash Flows and Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "their AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us the aforesaid Ind AS 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 31 March, 2023, its profit including other comprehensive profit, its cash flows and the changes in equity 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 Ind AS 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 Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Ind AS Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matter to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to the matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

Descriptions of Key Audit Matters are given below:

SI No.	Key Audit Matters	Auditor's Response
1.	Impairment of Financial Assets based on Expected Credit Loss ('ECL') <i>(as described in Note 3.5 of the Ind AS Financial Statements)</i>	- Read and assessed the Company's impairment provision policy and their compliance with Ind AS 109 and the governance framework approved by the Board of Directors pursuant to Reserve Bank

<p>Due to the significance of the judgments used in both classifications of loans into various stages as well as the computation of expected credit losses on such financial assets as per Ind AS 109, this has been considered as a key audit matter.</p> <p>Financial instruments, which include loans to customers, represent a significant portion of the total assets of the Company.</p> <p>The Company has gross loans aggregating 225.00 lakhs as at March 31, 2023</p> <p>Estimates regarding the impairment provision against loans are based on the expected credit loss model developed by the Company based on the guiding principles prescribed under IndAS 109. As stated, in the notes to the financial statements for the year ended March 31, 2023, the impairment provision is based on the expected credit loss model requires the management of the Company to make significant judgments in connection with related computation. These include:</p> <p>(a) Segmentation of the loan portfolio into homogenous pool of borrowers;</p> <p>(b) Identification of exposures where there is a significant increase in credit risk and those that are credit impaired;</p> <p>(c) Determination of the 12 month and life-time probability of default for each of the segments identified; and</p> <p>(d) Loss given default for various exposures based on past trends/ experience, management estimates etc.,</p> <p>Note 3.5 to the Ind AS Financial Statements explains the various matters that the management has considered for developing this expected credit loss model.</p>	<p>of India guidelines and directions issued from time to time.</p> <ul style="list-style-type: none"> - Understood the Company's key credit processes comprising granting, recording and monitoring of loans as well as impairment provisioning - Read and assessed the Company's impairment provisioning policy as per Ind AS 109 - Obtained an understanding of the Company's Expected Credit Loss ('ECL') methodology, the underlying assumptions and performed sample tests to assess the staging of outstanding exposures - Tested the ECL model, including assumptions and underlying computation - Assessed the Exposure at Default used in the impairment calculations on a test basis - Assessed the items of loans, credit related contingent items as at the reporting date which are considered in the impairment computation as at the reporting date.
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Information Other than the Ind AS financial statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, 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 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 of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 scepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the Ind AS 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 Companies Act, 2013, 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 Ind AS 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 Ind AS financial statements including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS 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 Ind AS 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Master Direction- Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 ("the Directions") issued by the Reserve Bank of India ("the Bank") in exercise of powers conferred by Section 45MA(1A) of the Reserve Bank of India Act, 1934 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we hereby report on the matters specified in paragraphs 3 and 4 of the said Directions to the extent applicable:

- i. The Company is engaged in the business of a non-banking financial institution and has duly obtained a Certificate of Registration (COR) from the Bank.
- ii. The Company has more than 50% of its assets in financial assets and earned more than 50% of its income from financial assets. In terms of its principal business criteria (financial asset/income pattern) as on 31 March, 2023, the Company is entitled to continue to hold CoR issued by the Bank.
- iii. The Company meets the Net Owned Fund requirement as laid down in the Master Direction Non- Banking Financial Company - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.
- iv. The Board of Directors of the company have duly passed a resolution for non-acceptance of the "Public Deposits" within the meaning of paragraph 3 (xv) of the Master Direction Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions 2016, for the financial year ended 31st March, 2023.
- v. The Company has not accepted any "Public Deposits" within the meaning of paragraph 3 (xv) of the Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions 2016, during the year ended 31st March, 2023.
- vi. The company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of Master Direction - Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.
- vii. The Company is not systematically important non-deposit taking NBFC as defined in Master Direction -Non-Banking Financial Company-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 & accordingly para 3(C)(iv) of the Directions is not applicable.

2. 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 the paragraph 3 and 4 of the Order to the extent applicable.

3. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the

explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

- i. 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.
- ii. 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.
- iii. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- iv. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) rules, 2014
- v. On the basis of the written representations received from the directors as on 31 March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- vi. With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- vii. 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:
 - a. The Company does not have any pending litigations which would impact its financial position.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company except Unpaid dividend of 18,331/-
 - d. (i) The management has represented that, to the best of its knowledge & belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies). including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of it's knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(iii) Based on such audit procedures we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that the representations made by management as stated in (i) and (ii) herein above, contain any material misstatement.

e. The Company has not declared or paid any dividend during the year.

f. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For A.C. Bhuteria & Co.
Chartered Accountants
Firm's Registration No. 303105E

Sd/-
Mohit Bhuteria
Partner

Place of Signature: Kolkata
Date: 29-05-2023

Membership No. 056832
UDIN: 23056832BGXQMR5421

Annexure 'A' to Independent Auditor's Report referred to In Paragraph 2 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

- i. (a) (A) In our opinion and according to the information and explanations given to us and based on examination of records we considered necessary, the Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.

(B) In our opinion and according to the information and explanations given to us and based on examination of records we considered necessary, the Company does not have any intangible assets Accordingly, para 3(1)(a)(B) of the Order is not applicable.

(b) In our opinion and according to the information and explanations given to us and based on examination of records we considered necessary, the Company has verified its property, plant and equipment during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies have been noticed on such verification.

(c) In our opinion and according to the information and explanations given to us and based on examination of records we considered necessary, the Company does not have any immovable property. Accordingly, paragraph 3(1)(c) of the Order is not applicable.

(d) In our opinion and according to the information and explanations given to us and based on examination of records we considered necessary, the Company has not revalued its Property, Plant and Equipment during the year. The Company does not have any Right of Use asset or intangible assets. Accordingly, para 3(1)(d) of the Order is not applicable.

(e) In our opinion and according to the information and explanations given to us and based on examination of records we considered necessary, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, para 3(e) of the Order is not applicable.

- ii. (a) In our opinion and according to the information and explanations given to us and based on examination of records we considered necessary, the Company does not have any inventory. Accordingly paragraph 3(ii)(a) of the Order is not applicable.

(b) In our opinion and according to the information and explanations given to us and based on the examination of records we considered necessary, the company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate from any bank or financial institutions on the basis of security of current assets, at any point of time during the year. Accordingly, para 3(i)(b) is not applicable.

- iii. In our opinion and according to the information and explanations given to us and examination of records we considered necessary, the Company has not provided any guarantee or security to Company, firm, Limited Liability Partnership and any other parties. The Company has not granted any loan or advances in nature of loan, secured or unsecured to Company or Limited Liability Partnership except one Partnership firm.

- a) The Company is a Non-Banking Finance Company registered with Reserve Bank of India under 45-IA of the Reserve Bank of India Act, 1934, having principal business of giving loans. Accordingly in our opinion, para 3(i)(a) of the Order is not applicable.
- b) In our opinion and according to the information and explanations given to us and based on examination of records we considered necessary, the terms and condition of the grant of all loans and advances in the nature of loans are not prejudicial to the company's interest. The Company has not made any investments.
- c) In our opinion and according to the information and explanations given to us and examination of records we considered necessary, the schedule of repayment of principal and payment of interest has been stipulated and the repayment and receipt are regular.
- d) In our opinion and according to the information and explanations given to us and examination of records we considered necessary, there are no amounts in respect of loans and advances in the nature of loans granted which are overdue for more than 90 days as at Balance Sheet date.

- e) The Company is a Non-Banking Finance Company registered with Reserve Bank of India under 45 IA of the Reserve Bank of India Act, 1934, having principal business of giving loans. Accordingly in our opinion, para 3(iii)(e) of the Order is not applicable.
- f) In our opinion and according to the information and explanations given to us and examination of records we considered necessary, the Company has not granted any loans and advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment Accordingly, para 3(iii)(f) of the Order is not applicable.

- iv. In our opinion and according to the information and explanations given to us and examination of records we considered necessary, the Company has complied with the provisions of Section 185 & Section 186 of the Companies Act 2013 in respect of loans made, as applicable. The Company has not made any investments or given any guarantee or security on behalf of any party.

- v. In our opinion and according to the information and explanations given to us and examination of records we considered necessary, the Company has not accepted deposits during the year and therefore the directives issued by the Reserve bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and the rules framed there under are not applicable to the Company.

- vi. In our opinion and according to the information and explanation given to us, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

- vii. (a) According to the information and explanations given to us and on the basis of our examination of the books and records of the Company, the company is not regular in depositing undisputed statutory dues and other material statutory dues with the appropriate authorities.
(b) In our opinion and according to the information and explanation given to us and examination of books and records, there are no dues of statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.

- viii. In our opinion and according to the information and explanation given to us and examination of books and records, there are no transactions that are not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, para 3(viii) of the Order is not applicable.

- ix. (a) In our opinion and according to the information and explanation given to us and examination of books and records, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender except for a sum of Rs. 0.86 Lakhs which is overdue for more than one year.

(b) In our opinion and according to the information and explanation given to us and examination of books and records, the Company has not been declared as wilful defaulter by any bank or financial institution or other lender.

(c) In our opinion and according to the information and explanation given to us and examination of books and records, the Company has applied loans for the purpose for which the loans were obtained.

(d) In our opinion and according to the information and explanation given to us and examination of books and records, and on overall examination of the Balance Sheet of the company, funds raised on short term basis have not been utilized for long term purposes.

(e) In our opinion and according to the information and explanation given to us and examination of books and records, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, para 3(ix)(e) of the Order is not applicable.

(f) In our opinion and according to the information and explanation given to us and examination of books and records, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, para 3(ix)(f) of the Order is not applicable.

x. (a) In our opinion and according to the information and explanation given to us and examination of books and records, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, para 3(x)(a) of the Order is not applicable.

(b) In our opinion and according to the information and explanation given to us and examination of books and records, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, para 3(x)(b) of the Order is not applicable.

xi. (a) In our opinion and according to the information and explanation given to us and examination of books and records, no fraud by the Company or on the Company has been noticed or reported during the year. Accordingly, para 3(xi)(a) of the order is not applicable.

(b) In our opinion and according to the information and explanation given to us and examination of books and records, no report under sub-section (12) of Section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, para 3(xi)(b) of the Order is not applicable. Rule by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors)

(c) In our opinion and according to the information and explanation given to us and examination of books and records, no complaints of any whistle blower has been received by the Company during the year. Accordingly, para 3(xi)(c) of the Order is not applicable.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, para 3(xii) of the Order is not applicable.

xiii. In our opinion and according to the information and explanation given to us and examination of books and records, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013, as applicable and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. (a) & (b) In our opinion and according to the information and explanation given to us and examination of books and records, the Company does not have internal audit system.

xv. In our opinion and according to the information and explanation given to us and examination of books and records, the Company has not entered into any non-cash transactions with directors or persons connected with him as specified under Section 192 of The Companies Act, 2013 Accordingly, para 3(xv) of the Order is not applicable.

xvi. (a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act 1934 as a Non-Banking Finance Company and the registration has been so obtained.

(b) In our opinion and according to the information and explanation given to us and examination of books and records, the Company has conducted Non-Banking Financial activities with a valid Certificate of Registration (COR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. The company has not conducted any Housing Finance activities.

(c) In our opinion and according to the information and explanation given to us and examination of books and records, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3(xvi)(c) of the Order is not applicable.

(d) In our opinion and according to the information and explanation given to us and examination of books and records, there is no Core Investment Company (CIC) in the group.

- xvii.** In our opinion and according to the information and explanation given to us and examination of books and records, the company has not incurred any cash losses in the current financial year and in the immediately preceding financial year.
- xviii.** In our opinion and according to the information and explanation given to us and examination of books and records, there has been no resignation of the statutory auditors during the year.
- xix.** In our opinion and according to the information and explanation given to us and examination of books and records we consider necessary, on the basis of the financial ratios, ageing and expected dates of realization 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, we are of the opinion that no material uncertainty exists as on the date of the audit and when they fall due within a period of one year from the balance sheet date.
- xx.** In our opinion and according to the information and explanation given to us and examination of books and records we consider necessary, the Company is not covered under Section 135 of the Companies Act, 2013. Accordingly, para 3(xx) of the Order is not applicable.
- xxi.** This being a standalone financial statement, reporting under para 3(xxi) of the Order is not applicable.

For A.C. Bhuteria & Co.
Chartered Accountants
Firm's Registration No. 303105E

Sd/-
Mohit Bhuteria
Partner

Place of Signature: Kolkata
Date: 29-05-2023

Membership No. 056832
UDIN: 23056832BGXQMR5421

Annexure 'B' to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (1) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to the financial statements of Frontier Capital Limited ("the Company") as of 31st March, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal financial control with reference to these financial statements 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 (ICAI), 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 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 Companies Act, 2013

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial 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 ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 institute of Chartered Accountants of India. 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 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 with reference to the financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 with reference to the financial statements.

Meaning of Internal Financial Controls with reference to the financial statements

A company's internal financial control with reference to the financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to the financial statements 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 disposition of the company's assets that could have a material effect on the Ind AS financial statements 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 Ind AS Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to the financial statements

Because of the inherent limitations of internal financial controls with reference to the financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the financial statements to future periods are subject to the risk that the internal financial control with reference to the financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at 31st March, 2023, based on the internal financial control with reference to the financial statements 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 A.C. Bhuteria & Co.
Chartered Accountants
Firm's Registration No. 303105E

Sd/-
Mohit Bhuteria
Partner

Place of Signature: Kolkata
Date: 29-05-2023

Membership No. 056832
UDIN: 23056832BGXQMR5421

FINANCIAL STATEMENTS FOR THE YEAR 2022-2023

Balance Sheet as at March 31, 2023			
			(` in Lakhs)
Particulars	Note No.	As at 31.03.2023	As at 31.03.2022
ASSETS			
1. Financial Assets			
a. Cash and Cash Equivalents	5	36.68	7.41
b. Bank balances other than Cash and Cash Equivalents	6	0.18	0.18
c. Loans	7	225.00	300.00
d. Other Financial Assets	8	31.34	25.11
Total Financial Assets		293.20	332.70
2. Non-Financial Assets			
a. Property, Plant and Equipment	9	-	-
b. Other Non-Financial Assets	10	1.31	-
Total Non-Financial Assets		1.31	-
TOTAL ASSETS		294.51	332.70
LIABILITIES AND EQUITY			
Financial Liabilities			
a. Payables			
(I) Trade Payables	11		
(i) Total outstanding dues of micro and small enterprises		6.51	10.16
(ii) Total outstanding dues of creditors other than micro and		42.69	19.74
(II) Other Payables	12	0.85	1.09
		6.96	38.50
		0.90	40.13
		57.91	109.62
Non-Financial Liabilities			
a. Current Tax Liabilities (Net)	15	-	2.87
b. Provisions	16	0.64	0.75
c. Other Non-Financial Liabilities	17	1.50	13.41
Total Non-Financial Liabilities		2.14	17.03
Equity			
a. Equity Share Capital	18	1,676.22	1,676.22
b. Other Equity	19	(1,441.75)	(1,470.17)
Total Equity		234.46	206.05
TOTAL LIABILITIES AND EQUITY		294.51	332.70
Significant Accounting Policies	3		

The accompanying notes are integral part of the financial statements.

For A.C. Bhuteria & Co.
Chartered Accountants

For and on behalf of Board of Directors of
Frontier Capital Limited

Sd/-

CA Mohit Bhuteria
Partner
Mem. No 056832
FRN 303105E
UDIN : 23056832BGXQMR5421
Kolkata, Dated 29th May, 2023

Sd/-

Hemendranath Choudhary
Director
DIN: 06641774

Sd/-

Deepak Khandelwal

Sd/-

Mayur Doshi
Director
DIN: 08351413

Statement of Profit & Loss For the year ended March 31, 2023			
(` in Lakhs)			
Particulars	Note No.	For the Year ended 31.03.2023	For the Year ended 31.03.2022
(I) Revenue from Operations			
- Interest Income	20	31.23	0.11
-Net Gain on derecognition of financial instruments under amortised cost category	21	-	111.00
Total Revenue from Operations (I)		31.23	111.11
(II) Other Income	22	42.90	-
(III) Total Income (I) + (II)		74.13	111.11
(IV) Expenses			
-Finance Costs	23	0.22	0.50
-Employee Benefits Expenses	24	4.20	7.20
-Depreciation and Amortisation Expenses	9	-	-
-Other Expenses	25	45.48	19.82
Total Expenses (IV)		49.90	27.52
(V) Profit before exceptional items and tax (III) - (IV)		24.23	83.59
(VI) Exceptional Items			
- Loss on Conversion of CCPS to Equity		-	-
(VII) Profit before tax (V) - (VI)		24.23	83.59
(VIII) Tax Expense			
-Current Tax		-	-
-Income Tax for earlier years		4.18	-
-Deferred tax		-	-
Net Tax Expense (VIII)			
(A) Profit for the year (VII) - (VIII)		28.41	83.59
(B) Other Comprehensive Income			
(i) Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		-	-
(ii) Other comprehensive income to be reclassified to profit or loss in subsequent periods:		-	-
Other comprehensive income/(loss) for the year (B)		-	-
Total Comprehensive Income for the year (A+B)		28.41	83.59
Earnings per equity share of 10 each	26		
-Basic (₹)		0.17	0.50
-Diluted (₹)		0.17	0.50
Significant Accounting Policies	3		

The accompanying notes are integral part of the financial statements.

Company Secretary

**For A.C. Bhuteria & Co.
Chartered Accountants**

**Sd/-
CA Mohit Bhuteria
Partner
Mem. No 056832
FRN 303105E
UDIN : 23056832BGXQMR5421
Kolkata, Dated 29th May, 2023**

**For and on behalf of Board of Directors of
Frontier Capital Limited**

**Sd/-
Hemendranath Choudhary
Director
DIN: 06641774**

**Sd/-
Deepak Khandelwal
Company Secretary**

**Sd/-
Mayur Doshi
Director
DIN: 08351413**

Cash Flow Statement For the Year Ended 31st March, 2023			
		(In lakhs)	
Particulars		Year Ended 31.03.2023	Year Ended 31.03.2022
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit/ (Loss) Before Exceptional Items and Tax	24.23	83.59
	Adjustments For :		
	Contingent Provision on Standard Assets written back	(0.11)	0.75
	Finance Cost	0.22	-
	Interest on Borrowings Other than Debt Securities	-	-
	Impairment Allowances	-	-
	Interest Income	(31.23)	(0.11)
	Interest on Income Tax Refund	-	-
	Operating Profit Before Working Capital Changes	(6.89)	84.23
	Movements in Working Capital		
	Decrease/ (Increase) in:		
	Loans	106.23	(74.89)
	Other Financial Assets	(6.23)	(24.57)
	Other Non-Financial Assets	-	-
	Payables		
	Trade Payables	19.30	3.41
	Other Payables	(0.24)	(15.47)
	Other Financial Liabilities	(39.23)	2.85
	Other Non-Financial Liabilities	(11.91)	1.72
	Cash Generated From Operations	61.03	(22.47)
	Direct Taxes Paid (Net)	-	-
	Interest Received	-	-
	Net Cash Flow From (Used In) Operating Activities	(A) 61.03	(22.47)
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Net Cash Flow From (Used In) Investing Activities	(B) -	-
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from Issue of Equity Shares	-	-
	Proceeds/(Repayment) from Borrowings	(31.54)	29.52
	Interest Paid on TDS	(0.22)	-
	Net Cash Flow From (Used In) Financing Activities	(C) (31.76)	29.52
	Net Increase in Cash & Cash Equivalents	(A+B+C) 29.27	7.05
	Cash & Cash Equivalents at the beginning of the Year	7.41	0.36
	Cash & Cash Equivalents at the end of the Year	36.68	7.41
	Significant Accounting Policies	3	

The accompanying notes are integral part of the financial statements.

Note:

- 1) Cash Flow Statement has been prepared under Indirect method in accordance with Indian Accounting Standard (Ind AS) 7 "Statement of Cash Flows".
- 2) Represents Cash & Cash Equivalents as indirected in Note No. 5 to the Financial Statements.
- 3) Debt Reconciliation Statement in accordance with IND AS 7 as under:

Particulars	<u>31.03.2023</u> (` in Lakhs)	<u>31.03.2022</u> (` in Lakhs)
<u>Opening Balances</u>		
Short Term Borrowings	38.50	8.98
<u>Movements</u>		
Short Term Borrowings	(31.54)	29.52
<u>Closing Balances</u>		
Short Term Borrowings	6.96	38.50

**For A.C. Bhuteria & Co.
Chartered Accountants**

Sd/-
CA Mohit Bhuteria
Partner
Mem. No 056832
FRN 303105E
UDIN : 23056832BGXQMR5421
Kolkata, Dated 29th May, 2023

**For and on behalf of Board of Directors of
Frontier Capital Limited**

Sd/-
Hemendranath Choudhary
Director
DIN: 06641774

Sd/-
Deepak Khandelwal
Company Secretary

Sd/-
Mayur Doshi
Director
DIN: 08351413

STATEMENT OF CHANGES IN EQUITY		
a) Equity Share Capital		(in Lakhs)
Equity Shares of 10/- each issued, subscribed and fully paid up		
Particulars	Amount	
Balance as at April 01, 2021	1,676.22	
Changes in equity share capital due to prior period errors	-	
Restated balance at the beginning of the year	1,676.22	
Changes in equity share capital during the year	-	
Balance as at March 31, 2022	1,676.22	
Changes in equity share capital due to prior period errors	-	
Restated balance at the beginning of the year	1,676.22	
Changes in equity share capital during the year	-	
Balance as at March 31, 2023	1,676.22	

b) Other Equity		(in lakhs)			
Particulars	Reserves & Surplus			Equity	Total
	Statutory reserve	General Reserve	Retained earnings	Component of Compound Financial Instrument	
Balance as at April 01, 2021	89.23	11.86	(2,566.20)	911.36	(1,553.75)
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance at the beginning of the year	89.23	11.86	(2,566.20)	911.36	(1,553.75)
Profit/ (Loss) for the year	-	-	83.59	-	83.59
Other Comprehensive Income	-	-	-	-	-
Transferred to statutory reserve	16.72	-	(16.72)	-	-
Balance as at March 31, 2022	105.95	11.86	(2,499.33)	911.36	(1,470.17)
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance at the beginning of the year	105.95	11.86	(2,499.33)	911.36	(1,470.17)
Profit/ (Loss) for the year	-	-	28.41	-	28.41
Other comprehensive income	-	-	-	-	-
Transferred to statutory reserve	5.68	-	(5.68)	-	-
Compulsory Convertible Preference Shares	-	-	-	-	-
Balance as at March 31, 2023	111.63	11.86	(2,476.60)	911.36	(1,441.75)

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached.

For A.C. Bhuteria & Co.
Chartered Accountants

For and on behalf of Board of Directors of
Frontier Capital Limited

Sd/-

CA Mohit Bhuteria
Partner

Mem. No 056832

FRN 303105E

UDIN : 23056832BGXQMR5421

Kolkata, Dated 29th May, 2023

Sd/-

Hemendranath Choudhary
Director

DIN: 06641774

Sd/-

Deepak Khandelwal
Company Secretary

Sd/-

Mayur Doshi
Director

DIN: 08351413

Notes forming part of the Financial Statements for the year ended March 31, 2023

1. Corporate Information

Frontier Capital Limited ("the Company") (CIN L65990MH1984PLC033128) is a public limited company domiciled in India. The Company is listed on Bombay Stock Exchange. The Company is a non- systemically important non-deposit taking non-banking finance company, engaged in the business of granting of loans and advances. The financial statements are presented in Rupees (₹) which is also functional currency of the Company. The standalone financial statements are approved for issue by the Company's Board of Directors on 29th May, 2023.

2. Statement of Compliance

The financial statements of the Company comply in all material aspects with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act. Any directions issued by the RBI or other regulators are implemented as and when they become applicable.

For all periods up to and including the year ended March 31, 2019, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). The financial statements for the year ended 31 March 2020 were the first the Company has prepared in accordance with Ind AS.

2.1 Basis of preparation

The financial statements have been prepared on a historical cost basis, except for certain financial assets and financial liabilities measured at fair value or amortised cost (refer accounting policy regarding financial instruments).

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lakhs, except when otherwise indicated.

The regulatory disclosures as required by Master Directions for Non-Banking Financial Company - Non- Systemically Important Non-Deposit taking Company Directions, 2016 issued by the RBI ('RBI Master Directions') to be included as a part of the Notes to Accounts are prepared as per the Ind AS financial statements, pursuant to the RBI notification on Implementation of Indian Accounting Standards, dated March 13, 2020.

2.1.1 Presentation of financial statements

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non- current) is presented in notes to the financial statements.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Company and/or its counterparties

3. Significant accounting policies

3.1 Financial instruments - initial recognition

3.1.1 Date of recognition

Financial assets and liabilities, with the exception of loans, debt securities, and borrowings are initially recognised on

the trade date, i.e., the date that the company becomes a party to the contractual provisions of the instrument. Loans are recognised when fund transfers are initiated to the customers' account or cheques for disbursement have been prepared by the company (as per the terms of the agreement with the borrowers). The company recognises debt securities and borrowings when funds reach the company.

3.1.2 Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at amortised cost, transaction costs are added to, or subtracted from, this amount.

3.1.3 Measurement categories of financial assets and liabilities

The company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at:

- Amortised cost

3.2 Financial assets and liabilities

3.2.1 Bank balances and Loans at amortised cost

The Company measures Bank balances and Loans at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The details of these conditions are outlined below.

Business model assessment

The SPPI test

As a second step of its classification process the Company assesses the contractual terms of financial to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

3.2.2 Equity instruments at FVOCI

The Company subsequently measures all equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity investments as equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments are never recycled to profit or loss. Dividends are recognised in profit or loss as dividend income when the right of the payment has been established, except when the company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI (Other Comprehensive Income). Equity instruments at FVOCI are not subject to an impairment assessment.

3.2.3 Debt securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR.

3.2.4 Undrawn loan commitments

Undrawn loan commitments are commitments under which, over the duration of the commitment, the company is required to provide a loan with pre-specified terms to the customer. Undrawn loan commitments are in the scope of the ECL requirements.

The nominal contractual value of undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded in the balance sheet. The nominal values of these commitments together with the corresponding ECLs are disclosed in notes.

3.3 Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in 2021-22 and 2022-23.

3.4 Derecognition of financial assets and liabilities

3.4.1 Derecognition of financial assets other than due to substantial modification

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, and only if, either:

- The Company has transferred its contractual rights to receive cash flows from the financial asset Or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities, when all of the following three conditions are met:

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- The company cannot sell or pledge the original asset other than as security to the eventual recipients
- The company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Company has transferred substantially all the risks and rewards of the asset Or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Company could be required to pay.

In case where transfer of a part of financial assets qualifies for de-recognition, any difference between the proceeds received on such sale and the carrying value of the transferred asset is recognised as gain or loss on de-recognition of such financial asset previously carried under amortisation cost category. The resulting interest only strip initially is recognised at FVTPL.

3.4.2 Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

3.5 Impairment of financial assets

3.5.1 Overview of the ECL principles

The Company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with loan commitments, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL) as outlined in Notes.

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Company categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

Stage 3: Loans considered credit-impaired. The company records an allowance for the LTECLs.

3.5.2 The Calculation of ECLs

The Company calculates ECLs to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The key elements of the ECL are summarised below:

PD: The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD: The Exposure at Default is an estimate of the exposure at a future default date (in case of Stage 1 and Stage 2), taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments. In case of Stage 3 loans EAD represents exposure when the default occurred.

LGD: The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

The mechanics of the ECL method are summarised below:

Stage 1: The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The company calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3: For loans considered credit-impaired, the Company recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Loan commitment: When estimating LTECLs for undrawn loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan. For an undrawn loan commitment, ECLs are calculated and presented under provisions.

3.5.3 Forward Looking Information

In its ECL models, the Company relies on a broad range of forward looking information as economic inputs, such as:

- GDP growth
- Unemployment rates

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are made as temporary adjustments.

3.5.4 Write-offs

Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference recorded as an expense in the period of write off. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

3.6 Restructured, rescheduled and modified loans

The Company sometimes makes concessions or modifications to the original terms of loans such as changing the instalment value or changing the tenor of the loan, as a response to the borrower's request. The Company considers the modification of the loan only before the loans gets credit impaired.

When the loan has been renegotiated or modified but not derecognised, the Company also reassesses whether there has been a significant increase in credit risk. The Company also considers whether the assets should be classified as Stage 3. Once an asset has been classified as restructured, it will remain restructured for a period of year from the date on which it has been restructured.

3.7 Recognition of interest income

3.7.1 The effective interest rate method

Under Ind AS 109 interest income is recorded using the effective interest rate ('EIR') method for all financial instruments measured at amortised cost. The EIR is the rate that discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

3.7.2 Interest Income

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account of fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the life of the loan.

3.8 Taxes

3.8.1 Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3.8.2 Deferred Tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.9 Property, Plant and Equipment

Property plant and equipment is stated at cost excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Depreciation on tangible property, plant & equipment is charged on written down value method over the useful life/remaining useful life of the asset as per Schedule II of the Companies Act 2013. Depreciation on assets purchased / acquired during the year is charged from the date of purchase / acquisition of the asset or from the day the asset is ready for its intended use. Similarly, depreciation on assets sold / discarded during the year is charged up to the date when the asset is sold / discarded. Intangible Assets consisting Softwares are amortised over the period of three years.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

3.10 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.11 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

Contingent liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

3.12 Dividends on ordinary shares

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Companies Act, 2013 in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

3.13 Determination of Fair value

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

- Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

- Level 2 financial instruments - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

- Level 3 financial instruments - Those that include one or more unobservable input that is significant to the measurement as whole.
- For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.
- The company evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary based on the facts at the end of the reporting period.

3.14 Recognition of Income

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable.

3.14.1 Interest on Overdue Balances and Other Charges

Overdue interest in respect of loans is recognised upon realisation.

3.14.2 Fee Income & Sale of Service

a) Fee income from loans are recognised upon satisfaction of following:

- i) Completion of service
- ii) and realisation of the fee income.

b) Servicing and collections fees on assignment are recognised upon completion of service.

3.15 Dividend Income

Dividend income (including from FVOCI investments) is recognised when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

3.16 Earnings per Share

Basic Earnings per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

3.17 Cash Flow Statement

Cash flows are reported using the indirect method, where by profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. For the purpose of the Statement of Cash Flows, cash and cash equivalents as defined above, net of outstanding bank overdrafts as they are considered an integral part of cash management of the company.

3.18 Cash and Cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

3.19 Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the lease term.

4. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Company's accounting policies, management has made the following judgements, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4.1 De-recognition of Financial instruments

The Company enters into securitisation transactions where financial assets are transferred to a structured entity for a consideration. The financial assets transferred qualify for derecognition only when substantial risk and rewards are transferred.

This assessment includes judgements reflecting all relevant evidence including the past performance of the assets transferred and credit risk that the Company has been exposed to. Based on this assessment, the Company believes that the credit enhancement provided pursuant to the transfer of financial assets under securitisation are higher than the loss incurred on the similar portfolios of the Company hence it has been concluded that securitisation transactions entered by the Company does not qualify de-recognition since substantial risk and rewards of the ownership has not been transferred. The transactions are treated as financing arrangements and the sale consideration received is treated as borrowings.

4.2 Fair value of Financial Instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where

this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility. For further details about determination of fair value please see Fair value note in accounting policy.

4.3 Impairment of Financial Asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of temporary adjustments as qualitative adjustment or overlays based on broad range of forward looking information as economic inputs

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

4.4 Provisions and other contingent liabilities

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

4.5 Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statement.

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material

accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

Notes forming part of the Financial Statements (Contd.) for the year ended March 31, 2023

5 CASH AND CASH EQUIVALENTS

(` in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Cash on hand	-	-
<u>Balances with banks</u>		
-In Current Accounts	36.68	7.41
Total	36.68	7.41

6 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(` in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
-In Deposit Accounts - Original maturity more than 3 months	-	-
-In earmarked accounts		
-In Unpaid Dividend Accounts	0.18	0.18
Total	0.18	0.18

7 LOANS

(` in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
At Amortised Cost		
(A) Unsecured		
(i) Term Loans	225.00	300.00
Total - Gross	225.00	300.00
Less: Impairment Allowance	-	-
Total - Net	225.00	300.00

All loans are in India granted to individuals or entities other than public sector.

An analysis of changes in the gross carrying amount and corresponding ECL allowances in relations to loans:

Particulars	Gross Carrying Value				Impairment Allowances			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Term Loans								
Opening as on April 01, 2021	299.27	-	-	299.27	-	-	-	-
New Assets Originated/ Increase in Existing Assets	300.00	-	-	300.00	-	-	-	-
Exposure de- recognised / matured / repaid	(299.27)	-	-	(299.27)	-	-	-	-
Closing as on March 31, 2022	300.00	-	-	300.00	-	-	-	-
Opening as on April 01, 2022	300.00	-	-	300.00	-	-	-	-
New Assets Originated/ Increase in Existing Assets/ Interest		-	-	-	-	-	-	-
Exposure de- recognised / matured / repaid	(75.00)	-	-	(75.00)	-	-	-	-
Closing as on March 31, 2023	225.00	-	-	225.00	-	-	-	-

Note: During the financial year ended March 31, 2022, the Company has sold/transferred all loans given to companies which are under 'Corporate Insolvency Resolution Process' to Innovative Commercial Private Limited at a consideration of ` 336 lakhs against outstanding amount of ` 1,260.10 lakhs against which the Company had already made a 100% provision.

8 OTHER FINANCIAL ASSET

(` in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Unsecured - considered good (unless otherwise stated)		
At amortised cost		
Receivables on account of Sale of Loans	-	25.00
Interest Receivables	31.34	0.11
Total	31.34	25.11

9 PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Vehicles	Total
Gross Carrying Amount		
Deemed cost as at April 01, 2021	14.00	14.00
Additions	-	-
Disposals	-	-
Gross carrying amount as at March 31, 2022	14.00	14.00
Additions	-	-
Disposals	-	-
Gross carrying amount as at March 31, 2023	14.00	14.00
Accumulated depreciation and impairment		
Balance as at April 01, 2021	14.00	14.00
Depreciation for the year	-	-
Depreciation on disposals	-	-
Balance as at March 31, 2022	14.00	14.00
Depreciation for the year	-	-
Depreciation on disposals	-	-
Balance as at March 31, 2023	14.00	14.00
Net Carrying amount		
As at April 01, 2021	-	-
As at March 31, 2022	-	-
As at March 31, 2023	-	-

10 OTHER NON FINANCIAL ASSET

(₹ in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Tax Deducted at source	1.31	-
Total	1.31	-

11 TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
(i) Total outstanding dues of micro and small enterprises	6.51	10.16
(ii) Total outstanding dues of creditors other than micro and small enterprises	42.69	19.74

(Refer Note 28)	49.20	29.90
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Disclosure of the amounts due for payment (On the basis of the information & records available with the Management).

The below given table relates to the financial year ended on 31st March, 2023.

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	6.51	-	-	-	6.51
(ii) Others	37.61	0.53	-	4.55	42.69
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-

The below given table relates to the financial year ended on 31st March, 2022.

Particulars	Outstanding for following periods from due date of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	3.78	3.78	2.60	-	10.16
(ii) Others	10.74	2.58	4.82	1.60	19.74
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-

12 OTHER PAYABLES

(₹ in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Other payables	0.85	1.09
	0.85	1.09

13 BORROWINGS (Other than Debt Securities) at amortised cost

(` in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
<u>Term Loans</u>	-	-
From Other Parties - Unsecured	6.96	38.50
	6.96	38.50

Note:

(i) Details of BORROWINGS	As at 31.03.2023	As at 31.03.2022
a) BORROWINGS (Other than Debt Securities) in India	6.96	38.50
b) BORROWINGS (Other than Debt Securities) outside India	-	-

ii) The Company has defaulted in the repayment of interest of ` 0.86 lakhs (Previous Year - ` 0.86 Lakhs) to its lenders.

iii) Details of repayment such as terms of repayment, interest rate and amount

As at 31.03.2023

Rate of Interest	Terms of Repayment	Amount Outstanding
0.00%	The Repayment of the entire facility shall be made on 31st March, 2023.	4.00
0.00%	The Repayment of the entire facility shall be made on or before 31st March, 2023.	2.96

As at 31.03.2022

Rate of Interest	Terms of Repayment	Amount Outstanding
7.50% p.a. Compounded Quarterly	The Repayment of the entire facility shall be made on 31st March, 2023.	4.00
0.00%	The Repayment of the entire facility shall be made on 31st March, 2023.	34.50

14 Other Financial Liabilities**(₹ in Lakhs)**

Particulars	As at 31.03.2023	As at 31.03.2022
Unpaid Dividend	0.04	0.04
Dues to Employees	-	9.48
Director Remuneration Payable	-	29.75
Interest accrued and due on borrowings	0.86	0.86
	0.90	40.13

15 Current Tax Liabilities (Net)**(₹ in Lakhs)**

Particulars	As at 31.03.2023	As at 31.03.2022
Provision for Income Tax (Net of Advance tax)	-	2.87
	-	2.87

16 Current Tax Liabilities (Net)**(₹ in Lakhs)**

Particulars	As at 31.03.2023	As at 31.03.2022
Contingent Provision on Standard Assets	0.64	0.75
	0.64	0.75

17 OTHER NON FINANCIAL LIABILITIES**(₹ in Lakhs)**

Particulars	As at 31.03.2023	As at 31.03.2022
Statutory Liabilities	1.50	13.41
	1.50	13.41

18 EQUITY SHARE CAPITAL

Particulars	As at 31.03.2023		As at 31.03.2022	
	Nos.	Amount	Nos.	Amount
AUTHORISED				
Equity Shares of 10 each with voting rights	2,00,00,000	2,000.00	2,00,00,000	2,000.00
Non-Convertible Redeemable Preference Shares of 1,000 each	50,000	500.00	50,000	500.00
	2,00,50,000	2,500.00	2,00,50,000	2,500.00
ISSUED				
Equity Shares of 10 each with voting rights	1,67,62,163	1,676.22	1,67,62,163	1,676.22
	1,67,62,163	1,676.22	1,67,62,163	1,676.22
SUBSCRIBED AND FULLY PAID UP CAPITAL				
Equity Shares of 10 each with voting rights	1,67,62,163	1,676.22	1,67,62,163	1,676.22
	1,67,62,163	1,676.22	1,67,62,163	1,676.22

a) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the year:

Particulars	As at 31.03.2023		As at 31.03.2022	
	Nos.	Amount	Nos.	Amount
Equity Shares				
At the beginning of the year	1,67,62,163	1,676.22	1,67,62,163	1,676.22
Add: Issuance of Equity Shares on Conversion of Compulsorily Convertible Preference Shares	-	-	-	-
Add: Shares issued during the year on Preferential Allotment	-	-	-	-
Outstanding at the end of the year	1,67,62,163	1,676.22	1,67,62,163	1,676.22

b) Terms/rights attached to Equity shares

The Company has only one class of equity shares having a par value of ` 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 the 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 share holders. Dividend declared towards equity shares will be subject to the approval of shareholder in the Annual General Meeting. The Company has not proposed any dividend for the year ended March 31, 2023.

c) Details of shareholding more than 5% shares in the Company

Particulars	% holding in the class	As at 31.03.2023		As at 31.03.2022	
		Nos.	% holding in the class	Nos.	% holding in the class
Inimitable Capital Finance Private Limited	69.00	1,15,66,610	69.00	1,15,66,610	69.00
Mr. Anirudh Bhuwalka	5.53	9,26,900	5.53	9,26,900	5.53
Mr. Atul Bhagwat	13.36	22,40,000	13.36	22,40,000	13.36
Mr. Vinay Kalantri	11.69	19,60,000	11.69	19,60,000	11.69

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

e) Details of Aggregate number of Fully Paid Equity Shares of ` 10 each held by the Promoters of the Company.

S.No.	Promoter's Name	31-03-2023		31-03-2022		% Change during the year
		No of shares held	% of total shares	No of shares held	% of total shares	
(i)	Inimitable Capital Finance Private Limited	1,15,66,610	69.00%	1,15,66,610	69.00%	0.00%
(ii)	Mr. Anirudh Bhuwalka	9,26,900	5.53%	9,26,900	5.53%	0.00%

19 OTHER EQUITY

(` in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Statutory Reserve (Refer Note a)		
Balance at the beginning of the year	105.95	89.23
Add: Amount transferred from retained earnings	5.68	16.72
Closing balance at the end of the year	11.63	105.95
General Reserve (Refer Note b)		
Balance at the beginning of the year	11.86	11.86

Add: Amount transferred from retained earnings	-	-
Closing balance at the end of the year	11.86	11.86
Equity Component of Compound Financial Instrument (Refer Note c)		
Balance at the beginning of the year	911.36	911.36
Add: Amount transferred from retained earnings	-	-
Closing balance at the end of the year	911.36	911.36
Retained Earnings (Refer Note d)		
Balance at the beginning of the year	(2,499.33)	(2,566.20)
Profit / Loss for the year	28.41	83.59
Less:		
Transfer to Statutory Reserve	(5.68)	(16.72)
Transfer to General Reserve	-	-
Closing balance at the end of the year	(2,476.60)	(2,499.33)
Total Other Equity	(1,441.75)	(1,470.17)

a) Statutory reserve represents the reserve created as per Section 45IC of the RBI Act, 1934, pursuant to which a Non-Banking Financial Company shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the Statement of Profit and Loss account, before any dividend is declared.

b) The general reserve is a free reserve, retained from Group's profits and can be utilized upon fulfilling certain conditions in accordance with statute of the relevant Act.

c) Equity Component of Compound Financial Instrument represents the amount of equity part of the Convertible Preference Shares which had been converted into Equity Shares during the Financial Year 2019-20.

d) Retained Earnings are the profits and losses that the company has earned / incurred till date, less any transfers to the Statutory Reserves and General Reserves.

20 INTEREST INCOME

Particulars	As at 31.03.2023	As at 31.03.2022
(i) Interest - on financial assets measured at amortised cost		
-Loans	31.23	0.11
Total (a)	31.23	0.11

a) Due to Company's nature of business and the type of contracts entered with the customers, the company does not have any difference between the amount of revenue recognized in the statement of profit and loss and the contracted price.

21 NET GAIN ON DERECOGNITION OF FINANCIAL INSTRUMENTS UNDER AMORTISED COST CATEGORY

Particulars	As at 31.03.2023	Year ended 31.03.2022
Net Gain on derecognition of financial instruments under amortised cost category	-	111.00
Total (a)	-	111.00

Note:

During the previous financial year, the Company has transferred/sold all loans (measured at amortised cost) given to companies which are under 'Corporate Insolvency Resolution Process' to Innovative Commercial Private Limited at a consideration of ` 336 lakhs against outstanding amount of ` 1,260.10 lakhs by way of direct assignment. The Company had already made a 100% provision.

As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been de-recognised from the Company's balance sheet.

The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain/(loss) on derecognition, per type of asset.

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Assignment		
Carrying amount of de-recognised financial assets	-	-
Sale Consideration	-	336.00
Gain on sale of the de-recognised financial assets	-	111.00

22 OTHER INCOME

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Contingent Provision on Standard Assets written back	0.11	-
Liability written back pursuant to settlement with parties	42.79	
	42.90	-

23 FINANCE COST

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Interest on financial liabilities measured at amortised cost		
-Borrowings Other than Debt Securities	-	-
Others		
-Interest on TDS	0.22	0.50
	0.22	0.50

24 EMPLOYEE BENEFITS EXPENSES

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Salaries, Bonus and Incentives	4.20	7.20
	4.20	7.20

25 OTHER EXPENDITURE

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Legal and Professional Charges	3.56	3.35
Auditors' Remuneration:		
For Audit Fees	2.95	2.95
For Other Services (Including LR Fees)	2.36	1.18
Listing & Custodial Fees	4.60	3.85
Travelling and Conveyance	0.38	1.91
Advertisement & Publicity Expenses	0.21	0.73
Penalty/Fines to BSE for Non-Compliance of Listing Obligation	28.96	5.00
Late Payment fees for TDS Returns	1.70	
Contingent Provision on Standard Assets	-	0.75
Miscellaneous Expenses	0.75	0.10

	45.48	19.82
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26 EARNINGS PER SHARE

(in Lakhs)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Profit After Tax (in lakhs)	28.41	83.59
Preference Dividend Paid (including tax thereon) (in lakhs)	-	-
Profit After Tax Attributable to Equity Shareholders (in lakhs)	28.41	83.59
Weighted Average Number of Equity Shares (Basic)	167.62	167.62
Add: Dilutive Effects	-	-
Weighted Average Number of Equity Shares (Diluted)	167.62	167.62
Earnings per Share - Basic ()	0.17	0.50
Earnings per Share - Diluted ()	0.17	0.50
Face Value Per Share ()	10	10
Note: Earnings per Share calculations are done in accordance with Ind AS 33 "Earnings per Share.		

27 INCOME TAX RECONCILIATION

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31st March 2023 and 31st March 2022 is, as follows:

Particulars	As at 30.09.2022	Year ended 31.03.2022
Accounting profit before tax from continuing operations	24.23	83.59
Income tax rate of 25.16% (March 31, 2022: 22.08%)		
<u>Effects of:</u>	6.10	18.46
Brought forward losses		

28 MICRO, SMALL & MEDIUM ENTERPRISES

Based on and to the extent of the information received by the company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, there are no amounts due to MSME as at 31st March 2023 and as at 31st March 2022.

The relevant particulars are furnished below:

Particulars	As at 31.03.2023	As at 31.03.2022
Principal amount due to suppliers under MSMED Act, as at the year end.	6.51	10.16
Interest accrued and due to suppliers under MSMED Act, on the above amount as at the year end.	NIL	NIL
Payment made to suppliers (other than interest) beyond the appointed day, during the year.	NIL	NIL
Interest paid to suppliers under MSMED Act (other than Section 16).	NIL	NIL
Interest paid to suppliers under MSMED Act (Section 16).	NIL	NIL
Interest due and payable to suppliers under MSMED Act, for payments already made.	NIL	NIL
Interest accrued and remaining unpaid at the year end to suppliers under MSMED Act.	NIL	NIL

29 SEGMENT INFORMATION

The Company is primarily engaged in the business of financing. All the activities of the company revolve around the main business. Further, the Company does not have any separate geographic segments other than India.

30 RELATED PARTY DISCLOSURES

List of Related Parties

- Holding Company : Inimitable Capital Finance Pvt. Ltd. (ICFPL)
- Key Managerial Personnel:
 - a) Mr. Hemendranath Rajendranath Choudhary (HRC)
 - b) Ms. Usha Sundar Iyengar (DP) [Resigned on 16-12-2021]
 - c) Mr. Ashok Katra (AK)
 - d) Mr. Aniket Naresh Prabhu (ANP)[upto 31-10-2022]
 - e) Mr. Mayur Doshi (MD)
- Enterprise where individuals referred in above point have significant influence:
 - a) AMW Auto Components Ltd - (AACL)
 - b) Frontier Digital Technologies Private Ltd - (FDTPL)
 - c) Riconia Estate Private Ltd - (REPL)

Note:

Related party relationships are as identified by the Management and relied upon by the Auditors.

The following transactions were carried out with related parties in the ordinary course of business.

PARTICULARS	Holding Company	KMP				INDIVIDUAL HAVING CONTROL AND RELATIVES OF SUCH INDIVIDUAL AND ENTERPRISES IN WHICH THEY HAVE SIGNIFICANT INFLUENCE			Total
		ICFPL	HRC	DP	ANP	AK	AACL	FDTPL	
Income									
Other Income	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)		(-)	(-)	(-)	(-)	-
Liabilities written back on settlement	-	26.20	1.86	3.36	1.42	-	-	-	32.84
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	-
Expenditure									
Interest on Borrowing	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)		(-)	(-)	(-)	(-)	-
Salary	-	-	-	4.20	-	-	-	-	4.20
	(-)	(-)	(-)	(7.20)	(-)	(-)	(-)	(-)	(7.20)
Directors' Sitting Fees	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)		(-)	(-)	(-)	(-)	-
Borrowings									
Repaid During the year	19.04								
- - -									
As at year end	-	-	-	-	-	-	-	4.00	4.00
	(19.04)	(-)	(-)		(-)	(-)	(-)	(4.00)	(23.04)

Interest Accrued and Due on Borrowings Payable as at year end	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	0.86 (0.86)	0.86 (0.86)
Directors' Remuneration Payable Payable as at year end	- (-)	- (29.75)	- (-)	- (9.47)	- (-)	- (-)	- (-)	- (-)	- (39.22)
Remuneration to key Managerial Personnel								(` in Lakhs)	
Nature of Transaction								31-03-2023	31-03-2022
Short Term Employee Benefits								4.20	7.20
Post employment Benefits								-	-
Others								-	-
								4.20	7.20

Note: The amount outstanding are unsecured and will be settled in cash.

31 CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)

Particulars	31.03.2023	31.03.2022
(i) Contingent Liabilities shall be classified as:		
(a) Claims against the company not acknowledged as debt;	NIL	NIL
(b) Guarantees excluding financial guarantees; and	NIL	NIL
(c) Other money for which the company is contingently liable	NIL	NIL
(ii) Commitments shall be classified as:		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for;	NIL	NIL
(b) Uncalled liability on shares and other investments partly paid;	NIL	NIL
(c) Other commitments (specify nature).	NIL	NIL

32 CHANGES IN PROVISIONS

(` in Lakhs)

Particulars	As at 31.03.2022	Additional Provision	Utilisation/Reversal	As at 31.03.2023
Provision for Contingencies	-	-	-	-
Impairment Provision/Allowances - Loans (Measured at amortised Cost)	-	-	-	-

Particulars	As at 01.04.2021	Additional Provision	Utilisation/Reversal	As at 31.03.2022
Provision for Contingencies	-	-	-	-
Impairment Provision/Allowances - Loans (Measured at amortised Cost)	-	-	-	-

33. CAPITAL MANAGEMENT

The company maintains an actively managed capital base to cover risks inherent in the business, meeting the capital adequacy requirements of Reserve Bank of India (RBI), maintain strong credit rating and healthy capital ratios in order

to support business and maximise shareholder value. The adequacy of the Company's capital is monitored by the Board using, among other measures, the regulations issued by RBI.

The company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities.

The company has complied in full with the capital requirements prescribed by RBI over the reported period.

a) Risk Management

The company has put in place a robust risk management framework to promote a proactive approach in reporting, evaluating and resolving risks associated with the business. Given the nature of the business, the company is engaged in, the risk framework recognizes that there is uncertainty in creating and sustaining value as well as in identifying opportunities. Risk management is therefore made an integral part of the company's effective management practice.

Risk Management Framework: The Company's risk management framework is based on (a) clear understanding and identification of various risks (b) disciplined risk assessment by evaluating the probability and impact of each risk (c) Measurement and monitoring of risks by establishing Key Risk Indicators with thresholds for all critical risks and (d) adequate review mechanism to monitor and control risks.

The company has a well-established risk reporting and monitoring framework. The in-house developed risk monitoring tool, Composite Risk Index, highlights the movement of top critical risks. This provides the level and direction of the risks, which are arrived at based on the two level risk thresholds for the identified Key Risk Indicators and are aligned to the overall company's risk appetite framework approved by the board. The company also developed such risk reporting and monitoring mechanism for the risks at business / vertical level. The company identifies and monitors risks periodically. This process enables the company to reassess the top critical risks in a changing environment that need to be focused on

Risk Governance structure: The Company's risk governance structure operates with a clearly laid down charter and senior management direction and oversight. The board oversees the risk management process and monitors the risk profile of the company directly as well as through a board constituted risk management committee.

The risk management division has established a comprehensive risk management framework across the business and provides appropriate reports on risk exposures and analysis in its pursuit of creating awareness across the company about risk management. The key risks faced by the company are credit risk, liquidity risk, interest rate risk, operational risk, reputational and regulatory risk, which are broadly classified as credit risk, market risk, operational risk, and liquidity risk.

b) Credit Risk

Credit risk arises when a borrower is unable to meet financial obligations to the lender. This could be either because of wrong assessment of the borrower's payment capabilities or due to uncertainties in future. The effective management of credit risk requires the establishment of appropriate credit risk policies and processes.

The company has comprehensive and well-defined credit policies which encompass credit approval process for all businesses along with guidelines for mitigating the risks associated with them. The appraisal process includes detailed risk assessment of the borrowers, physical verifications and field visits. The company has a robust post sanction monitoring process to identify credit portfolio trends and early warning signals. This enables it to implement necessary changes to the credit policy, whenever the need arises.

c) Market Risk

Market Risk is the possibility of loss arising from changes in the value of a financial instrument as a result of changes in market variables such as interest rates, exchange rates and other asset prices. The company's exposure to market risk is a function of asset liability management activities. The company is exposed to interest rate risk and liquidity risk.

The Company continuously monitors these risks and manages them through appropriate risk limits.

d) Concentration of Risk/Exposure

Concentration of credit risk arise when a number of counterparties or exposures have comparable economic characteristics, or such counterparties are engaged in similar activities or operate in same geographical area or industry sector so that collective ability to meet contractual obligations is uniformly affected by changes in economic, political or other conditions.

The Concentration of risk is managed by company for each product by its region and its subsegments.

e) Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events.

The operational risks of the company are managed through comprehensive internal control systems and procedures and key back up processes. In order to further strengthen the control framework and effectiveness, the company has established risk control self- assessment to identify process lapses by way of exception reporting. This enables the management to evaluate key areas of operational risks and the process to adequately mitigate them on an ongoing basis.

f) Liquidity Risk

Liquidity risk is defined as the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the company on acceptable terms. To limit this risk, management has arranged for diversified funding sources and adopted a policy of availing funding in line with the tenor and repayment pattern of its receivables and monitors future cash flows and liquidity. The company has developed internal control processes and contingency plans for managing liquidity risk.

34. a) Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the company's financial instruments that are not carried at fair value in the balance sheet. This table does not include the fair values of non-financial assets and non-financial liabilities.

Particulars	31.03.2023		31.03.2022	
	Carrying value	Fair Value Value	Carrying value	Fair value
Financial Assets				
Cash and Cash Equivalents	36.68	36.68	7.41	7.41
Bank balances other than Cash and Cash Equivalents	0.18	0.18	0.18	0.18
Loans	225.00	225.00	300.00	300.00
Other Financial Assets	31.34	31.34	25.11	25.11
Total Financial Assets	293.20	293.20	332.70	332.70
Payables				
(i) Trade Payables	49.20	49.20	29.90	29.90
(ii) Other Payables	0.85	0.85	1.09	1.09
Borrowings (Other than Debt Securities)	6.96	6.96	38.50	38.50
Other Financial Liabilities	0.90	0.90	40.13	40.13
Total Financial Liabilities	57.91	57.91	109.62	109.62

The Management assessed that cash and cash equivalents, bank balance other than Cash and cash equivalents, Loans, Other financial assets, payables, Borrowings and other financial liabilities approximates their carrying amount largely due to short term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values of financial assets or liabilities disclosed under level 2 category.

- i) The fair value of loans have estimated by discounting expected future cash flows using discount rate equal to the rate near to the reporting date of the comparable product.
- ii) The fair value of borrowings other than debt securities and subordinated liabilities have estimated by discounting expected future cash flows discounting rate near to report date based on comparable rate / market observable data.

Derivative financial instruments

There have been no transfers between the level 1 and level 2 during the period.

b) Summary of Financial assets and liabilities which are recognised at amortised cost

(₹ in Lakhs)

Particulars	As at	
	31.03.2023	31.03.2022
Financial Assets		
Cash and Cash Equivalents	36.68	7.41
Bank balances other than Cash and Cash Equivalents	0.18	0.18
Loans	225.00	300.00
Other Financial Assets	31.34	25.11
Financial Liabilities		
Borrowings (Other than Debt Securities)	6.96	38.50
Other Financial Liabilities	0.90	40.13

c) Fair Value Hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities

(` in Lakhs)

Particulars	As at 31-03-2023			As at 31-3-2022		
	Carrying Amount	Level of Input used in		Carrying Amount	Level of Input used in	
		Level 1	Level 3		Level 1	Level 3
Financial Assets						
At Amortised Cost						
Cash and Cash Equivalents	36.68	-	-	7.41	-	-
Bank balances other than Cash and Cash Equivalents	0.18	-	-	0.18	-	-
Loans	225.00	-	-	300.00	-	-
Other Financial Assets	31.34	-	-	25.11	-	-
Financial Liabilities						
At Amortised Cost						
Trade Payables	49.20	-	-	29.90	-	-
Other Payables	0.85	-	-	1.09	-	-
Borrowings (Other than Debt Securities)	6.96	-	-	38.50	-	-

Other Financial Liabilities	0.90	-	-	40.13	-	-
There have been no transfers between different levels during the period.						

35. MATURITY ANALYSIS

(₹ in Lakhs)

Particulars	Amount	Within 12 months	After 12 months
As on March 31, 2023			
Financial Assets			
Cash and Cash Equivalents	36.68	36.68	-
Bank balances other than Cash and Cash Equivalents	0.18	0.18	-
Loans	225.00	225.00	-
Other Financial Assets	31.34	31.34	-
Total Financial Assets	293.20	293.20	-
Non-Financial Assets			
Other Non-Financial Assets	-	-	-
Total Non-Financial Assets	-	-	-
Financial Liabilities			
Payables			
(i) Trade Payables	49.20	49.20	-
(ii) Other Payables	0.85	0.85	-
Borrowings (Other than Debt Securities)	6.96	6.96	-
Other Financial Liabilities	0.90	0.90	-
Total Financial Liabilities	57.91	57.91	-
Non-Financial Liabilities			
Current Tax Liabilities (Net)	-	-	-
Provisions	0.64	0.64	-
Other Non-Financial Liabilities	1.50	1.50	-
Total Non-Financial Liabilities	2.14	2.14	-
			(₹ in Lakhs)
Particulars	Amount	Within 12 months	After 12 months
As on March 31, 2022			
Financial Assets			
Cash and Cash Equivalents	7.41	7.41	-
Bank balances other than Cash and Cash Equivalents	0.18	0.18	-
Loans	300.00	300.00	-
Other Financial Assets	25.11	25.11	-
Total Financial Assets	332.70	332.70	-
Non-Financial Assets			
Other Non-Financial Assets	-	-	-
Total Non-Financial Assets	-	-	-
Financial Liabilities			
Payables			
(i) Trade Payables	29.90	29.90	-
(ii) Other Payables	1.09	1.09	-
Borrowings (Other than Debt Securities)	38.50	38.50	-
Other Financial Liabilities	40.13	40.13	-
Total Financial Liabilities	109.62	109.62	-
Non-Financial Liabilities			
Current Tax Liabilities (Net)	2.87	2.87	-

Other Non-Financial Liabilities	13.41	13.41	-
Total Non-Financial Liabilities	16.28	16.28	-

36. ANALYSIS OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY REMAINING CONTRACTUAL MATURITIES

Particulars	Upto 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	3 to 5 years	More than 5 years	Total
As on March 31, 2023								
Financial Assets								
Cash and Cash Equivalents	36.68	-	-	-	-	-	-	36.68
Bank balances other than Cash and Cash Equivalents	0.18	-	-	-	-	-	-	0.18
Loans	-	-	-	225.00	-	-	-	225.00
Other Financial Assets	31.34	-	-	-	-	-	-	31.34
Total Financial Assets	68.20	-	-	225.00	-	-	-	293.20
Non-Financial Assets								
Current tax assets (Net)	-	-	-	-	-	-	-	-
Property, Plant and Equipment	-	-	-	-	-	-	-	-
Other Non-Financial Assets	-	-	-	-	-	-	-	-
Total Non-Financial Assets	-	-	-	-	-	-	-	-
Financial Liabilities								
Payables								
(i) Trade Payables	-	49.20	-	-	-	-	-	49.20
(ii) Other Payables	-	0.85	-	-	-	-	-	0.85
Borrowings (Other than Debt Securities)	-	-	-	6.96	-	-	-	6.96
Other Financial Liabilities	-	0.90	-	-	-	-	-	0.90
Total Financial Liabilities	-	50.95	-	6.96	-	-	-	57.91
Non-Financial Liabilities								
Current Tax Liabilities (Net)	-	-	-	-	-	-	-	-
Provisions	-	-	-	-	0.64	-	-	0.64
Other Non-Financial Liabilities	1.50	-	-	-	-	-	-	1.50
Total Non-Financial Liabilities	1.50	-	-	-	0.64	-	-	2.14
Particulars	Upto 1	1 to 3	3 to 6	6 to 12	1 to 3	3 to 5	More	Total
As on March 31, 2022								
Financial Assets								
Cash and Cash Equivalents	7.41	-	-	-	-	-	-	7.41
Bank balances other than Cash								
Loans	300.00	-	-	-	-	-	-	300.00
Other Financial Assets	-	-	25.11	-	-	-	-	25.11
Total Financial Assets	307.59	-	25.11	-	-	-	-	332.70
Non-Financial Assets								
Current tax assets (Net)	-	-	-	-	-	-	-	-
Property, Plant and Equipment								
Other Non-Financial Assets	-	-	-	-	-	-	-	-
Total Non-Financial Assets	-	-	-	-	-	-	-	-
Financial Liabilities								

Payables								
(i) Trade Payables	-	29.90	-	-	-	-	-	29.90
(ii) Other Payables	-	1.09	-	-	-	-	-	1.09
Borrowings (Other than Debt Securities)	-	4.00	-	34.50	-	-	-	38.50
Other Financial Liabilities	-	40.13	-	-	-	-	-	40.13
Total Financial Liabilities	-	75.12	-	34.50	-	-	-	109.62
Non-Financial Liabilities								
Current Tax Liabilities (Net)	-	-	-	-	2.87	-	-	2.87
Provisions	-	-	-	-	-	-	-	-
Other Non-Financial Liabilities	13.41	-	-	-	-	-	-	13.41
Total Non-Financial Liabilities	13.41	-	-	-	2.87	-	-	16.28

37. Additional Regulatory Informations as required by the Schedule III of the Companies Act, 2013:

- (i) The Company does not have any immovable property (other than properties where the company is the lessee and the lease arrangements are duly executed in favour of the lessee) as at balance sheet date. Accordingly, disclosures as required under this para is not applicable.
- (ii) The Company does not have any investment property as at balance sheet date. Accordingly, disclosures as required under this para is not applicable.
- (iii) The Company has not revalued its Property, Plant and Equipment during the year. Accordingly, disclosures as required under this para is not applicable.
- (iv) The Company does not have any intangible assets as at balance sheet date. Accordingly, disclosures as required under this para is not applicable.
- (v) The Company has not granted any loans or advances in the nature of loan to promoters, directors, KMP and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, which are repayable on demand or without specifying any terms or period of repayment during the current and the previous year. Accordingly, disclosures as required under this para is not applicable.
- (vi) The Company does not have any capital work-in-progress as at balance sheet date. Accordingly, disclosures as required under this para is not applicable.
- (vii) The Company does not have any intangible asset under development as at balance sheet date. Accordingly, disclosures as required under this para is not applicable.
- (viii) There has been no proceeding initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and the rules made thereunder. Accordingly, disclosures as required under this para is not applicable.
- (ix) The Company has not taken any borrowings from banks or financial institutions on the basis of security of assets. Accordingly, disclosures as required under this para is not applicable.
- (x) The Company has not been declared as wilful defaulter by any bank or financial institution or other lender. Accordingly, disclosures as required under this para is not applicable.
- (xi) The Company has not entered into any transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the current and previous year. Accordingly, disclosures as required under this para is not applicable.
- (xii) There are no charges or satisfaction pending for registration with the Registrar of Companies beyond the statutory period by the Company. Accordingly, disclosures as required under this para is not applicable.

(xiii) The Company does not have any subsidiary/associate/joint venture and accordingly compliance with number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on Number of Layers) Rules, 2017 is not applicable.

(xiv) Ratios

Ratio	Numerator	Denominator	Current Period	Previous Period	% Change	Reason
Capital to Risk-Weighted Assets Ratio	Tier 1 Capital + Tier 2 Capital	Risk-weighted Assets	91%	63%	44%	Increase in NOF and decrease in loans
Tier I CRAR	Tier 1 Capital	Risk-weighted Assets	91%	63%	44%	Increase in NOF and decrease in loans
Tier II CRAR	Tier 2 Capital	Risk-weighted Assets	0%	0%	-	The Company does not have any Tier II Capital.
Liquidity Coverage Ratio	Stock of High Quality Liquid Assets	Total Net Cash Outflows over the next 30 calendar days	2452%	55%	4339%	Increase in bank balance due to refund of loans

(xv) No Scheme of Arrangements has been approved by the Competent Authority in terms of Sections 230 to 237 of the Companies Act, 2013 during the year. Accordingly, disclosures as required under this para is not applicable.

(xvi) (A) The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall: (i) 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 (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries. (B) The Company has not received any fund from any person(s) or entity (ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall: (i) 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 (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

38 Disclosure of Comparison of Provision as per IRAC Norms and ECL Pursuant to RBI Circular, Vide DNBS.PD.CC.NO.109/22.10.106/2019-20 Dated March 13, 2020 For the Year Ended March 31, 2023

(` in Lakhs)

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind As	Impairment allowance (provision) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) = (4) - (3)	(6)	(7) = (4) - (6)
Performing Assets						
Standard (including interest)	Stage 1	256.34	-	256.34	0.64	(0.64)

Non-Performing Assets (NPA)						
Substandard	Stage 2	-	-	-	-	-
Doubtful - upto 1 Year	Stage 3	-	-	-	-	-
1 - 3 Years (Unsecured)	Stage 3	-	-	-	-	-
More than 3 Years	Stage 3	-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal of NPA		-	-	-	-	-
Total	Stage 1	256.34	-	256.34	0.64	(0.64)
	Stage 3	-	-	-	-	-
Total		256.34	-	256.34	0.64	(0.64)

39 Disclosure On Moratorium – Covid 19 Regulatory Package – Asset Classification And Provisioning For The Year Ended March 31, 2020 In Pursuant To The Notification Vide DOR.NO.BP.BC.63/21.04.048/2019-20 Dated April 17, 2020:

<u>Particulars</u>		<u>Amount (' in lakhs)</u>
1.	Special Mention Accounts/ SMA Category loans wherein the moratorium was given	NIL
2.	Amount of loan where asset classification was extended	NIL
3.	Provisions made against the assets in (2) @ 5%	NIL
4.	Provisions adjusted against (3) above	NIL

40 Information as required in terms of Paragraph 18 of Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016:

Particulars	(Figures in ` in Lakhs)	
	Amount	Amount
	Outstanding	Overdue
Liabilities Side :		
1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:		
a) Debentures : Secured	-	-
: Unsecured	-	-
(Other than falling within the meaning of public deposits*)		
b) Deferred Credit	-	-
c) Term Loans	-	-
d) Inter Corporate Loans & Borrowings	7.82	-
e) Commercial Paper	-	-
f) Other Loans	-	-
Assets Side :		

2)	Break up of Loans and Advances including bills receivables [other than those included in (4) below] :		
a)	Secured		-
b)	Unsecured		256.34
3)	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		
i)	Lease assets including lease rentals under Sundry Debtors :		
	a) Finance Lease		-
	b) Operating Lease		-
ii)	Stock on hire including hire charges under Sundry Debtors		
	a) Assets on hire		-
	b) Repossessed Assets		-
iii)	Other loans counting towards AFC activities		
	a) Loans where assets have been repossessed		-
	b) Loans other than (a) above		-
4)	Break up of Investments :		
	Current Investments (Including Stock in Trade) :		
	Quoted :		
	a) Shares :		
	i) Equity		-
	ii) Preference		-
	b) Debentures & Bonds		-
	c) Units of Mutual Funds		-
	d) Government Securities		-
	e) Others (Please Specify)		-
	Unquoted :		
	a) Shares :		
	i) Equity		-
	ii) Preference		-
	b) Debentures & Bonds		-
	c) Units of Mutual Funds		-
	d) Government Securities		-
	e) Others - Fixed Deposits		-
	Long Term Investments :		
	Quoted :		
	a) Shares :		
	i) Equity		-
	ii) Preference		-
	b) Debentures & Bonds		-
	c) Units of Mutual Funds		-
	d) Government Securities		-
	e) Others (Please Specify)		-
	Unquoted :		
	a) Shares :		
	i) Equity		-

	ii) Preference		-
	b) Debentures & Bonds		-
	c) Units of Mutual Funds		-
	d) Government Securities		-
	e) Others		-
5)	Borrower group-wise classification of assets financed as in (2) and (3) above		
			(In Lakhs)
	Category	Secured	Unsecured
	Total		
	1. Related Parties** :		
	a) Subsidiaries	-	-
	b) Companies in the same group	-	-
	c) Other Related Parties	-	-
	2. Other than Related Parties	-	256.34
	TOTAL	-	256.34
	**Related parties in terms of AS-18 "Related Party relationships" have been certified by the management & relied upon by the Auditors.		
6)	Investors group - wise classification of all investments (Current and Long Term) in Shares and securities (both quoted and unquoted) :		
			(Figures in ` in Lakhs)
	Category	Market value / Break up or fair value or NAV	Book Value(Net of provision)
	1. Related Parties** :		
	a) Subsidiaries	-	-
	b) Companies in the same group	-	-
	c) Other Related Parties	-	-
	2. Other than Related Parties	-	-
	TOTAL	-	-
	Note: Investments whose market value whereof was not available, have been considered at book value for the purpose of calculation of market value.		
7)	Other Information		
	Particulars		(Figures in ` in Lakhs)
	a) Gross Non - Performing Assets		
	1. Related Parties	-	-
	2. Other than Related Parties	-	-
	b) Net Non - Performing Assets		
	1. Related Parties	-	-
	2. Other than Related Parties	-	-
	c) Assets Acquired in satisfaction of debt	-	-
	On consideration of prudence, Deferred Tax asset on business / capital losses available under the Income Tax Act has not been recognized.		

42. Additional disclosure requirements as per RBI Circular No. RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23

A) Exposure

1) Exposure to real estate sector- NIL

Particulars		Current Year	Previous Year
	Direct exposure		
	a) Residential Mortgages –		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits		
i)	b) Commercial Real Estate –		
	Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.		
	c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures –		
	i. Residential		
	ii. Commercial Real Estate		
	ii) Indirect Exposure		
	Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.		
	Total Exposure to Real Estate Sector		

2) Exposure to capital market- NIL

Particulars		Current Year	Previous Year
i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt.		
ii)	Advances against shares/bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds.		
iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security.		
iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances		
v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers.		
vi)			

	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources.		
vii)	Bridge loans to companies against expected equity flows / issues		
viii)	Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds.		
ix)	Financing to stockbrokers for margin trading		
x)	All exposures to Alternative Investment Funds:		
	(i) Category I		
	(ii) Category II		
	(iii) Category III		
	Total exposure to capital market		

3) Sectoral exposure-NIL

Sectoral	Current Year			Previous Year		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1	Agriculture and Allied Activities					
2	Industry					
	i)					
	ii)					
	Others					
Total of Industry (i+ii+...+Others)						
3	Services					
	i) Services	256.34		300.00		
	ii) Others					
Total of Industry (i+ii+...+Others)						
4	Personal					
	i)					
	ii)					
	Others					
Total of Industry (i+ii+...+Others)						
5	Others, if any (please specify)					

4) Intra-group exposures-NIL

Particulars		Curr	Previous
i)	Total amount of intra-group exposure	NIL	NIL
ii)	Total amount of top 20 intra-group exposures	NIL	NIL
iii)	Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	NIL	NIL

5) Unhedged foreign currency exposure-NIL

Particulars		Current Year	Previous Year
i)	Unhedged foreign currency exposures	NIL	NIL
ii)	Policies to manage currency induced risk- The company does not have any currency risk.		

B) Related Party Disclosure

Note: Related parties for this purpose are all related parties as per Indian Accounting Standards-24 notified under section 133 of Companies Act- 2013 and under Section 2(76) of the Companies Act -2013. (Refer Note No.-30)

42) C Disclosures of Complaints**1 Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman:**

SL.NO	Particulars	Current Year	Previous Year
Complaints received by the NBFC from its customers			
1.	Number of complaints pending at beginning of the year	NIL	NIL
2.	Number of complaints received during the year	NIL	NIL
3.	Number of complaints disposed during the year	NIL	NIL
3.1.	Of which, number of complaints rejected by the NBFC	NIL	NIL
4.	Number of complaints pending at the end of the year	NIL	NIL
Maintainable complaints received by the NBFC from Office of Ombudsman			
5.	Number of maintainable complaints received by the NBFC from Office of Ombudsman	NIL	NIL
5.1.	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	NIL	NIL
5.2.	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	NIL	NIL
5.3.	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	NIL	NIL
6.	Number of Awards unimplemented within the stipulated time (other than those appealed)	NIL	NIL

2 Top five grounds of complaints received by the NBFCs from customers:

	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Number of complaints pending beyond 30 days
Grounds of complaints					
Current Year					
Ground 1					
Ground 2					
Ground 3					
Ground 4			NIL		
Ground 5					
Previous Year					
Ground 1					
Ground 2					
Ground 3					
Ground 4					
Ground 5					

43. All amounts in the financial statements are in ₹ lakhs unless otherwise stated.