

**Dated:** 27<sup>th</sup> December, 2022

To,

The Manager — CRD,  
BSE Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort, Mumbai — 400 001.

**Scrip Code: 508980**

**Sub: Annual General Meeting and Book Closure**

Dear Sir/Madam,

Please note that, Company had applied for the extension for holding Annual general Meeting for the FY 2021-22 to the RoC and have received the approval of 3 month and 00 days for the same. Accordingly company can hold the Annual General Meeting for the FY 2021-22 upto 31<sup>st</sup> December, 2022.

The 38<sup>th</sup> Annual General Meeting of the Company will be held on Friday, 30<sup>th</sup> December, 2022 at registered office of the company, Office No. 7, 2nd Floor, Readymoney Terrace, 167 , Dr. A. B. Road, Worli, Mumbai - 400018, Maharashtra, India.

Further, pursuant to Regulation 34 of the Listing Regulations, please find enclosed herewith the Annual Report of the Company for the FY 2021-22 along with notice of AGM. The Company has commenced the dispatch of the Annual Report to the shareholders by permitted modes on 7<sup>th</sup> December, 2022.

The Register of Members and Share Transfer Books of the Company shall remain closed as mentioned hereunder:

Security Code	Type of Security	Book Closure		Record Date	Purpose
BSE: 508980	Equity	From 23.12.2022	To 30.12.2022	23.12.2022	Annual General Meeting

Yours faithfully

**For Frontier Capital Limited**



**Mayur Doshi**  
Chairman and Director  
DIN - 08351413



Encl.: As above

**Frontier Capital Limited**

Office No. 7, 2<sup>nd</sup> Floor, Readymoney Terrace, 167  
Dr. A. B. Road, Worli, Mumbai - 400018  
CIN: L65990MH984PLC033128

T : +91-88793 10051  
Email ID: frontierleasing1984@gmail.com



# FRONTIER CAPITAL LIMITED

Annual Report 2021-2022

<b>Board of Directors</b>	: Mr. Hemendranath N. Choudhary
	: Mr. Mayur Doshi
	: Mr. Ashok Katra
	: Mr. Sachin Khanolkar
	: Ms. Sonali Sasane
<b>Company Secretary</b>	: Mr. Aniket Naresh Prabhu (Upto 31/10/2022)
<b>Chief Financial Officer</b>	: Mr. Aniket Naresh Prabhu (Upto 31/10/2022)
<b>Statutory Auditors</b>	: M/s. A. C. Bhuteria & Co.  Room10, 2 <sup>nd</sup> Floor, 2, India Exchange Place Kolkata - 700001, India  Phone:+913322306990 +913322317128 Email : info@acbhuteria.com Web:www.acbhuteria.com
<b>Secretarial Auditors</b>	: M/S Kamran and Associates  C-120/370, Opposite Bombay Electric Works, Buxipur, Gorakhpur – 273001, Uttar pradesh, India.  Phone : +91 70717 57404/ +91 77848 22930 Email Id: <a href="mailto:kaaacs@@gmail.com">kaaacs@@gmail.com</a>
<b>Registered Office</b>	: Office No. 7, 2 <sup>nd</sup> Floor, Readymoney Terrace, 167, Dr. A. B. Road, Worli, Mumbai – 400018, Maharashtra, India  Tel.:+918879310051 EmailId.: <a href="mailto:frontierleasing1984@gmail.com">frontierleasing1984@gmail.com</a> Website:www.flflindia.com
<b>Registrar &amp; Share Transfer Agent</b>	: LinkIntime India Private Limited  C-101,247park,LBSMarg,VikhroliWest,Mumbai- 400083  Tel: 022-49186270 Fax: 022-40986060 E-mail : rnt.helpdesk@linkintime.co.in

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**NOTICE IS HEREBY GIVEN** that the Thirty Eighth Annual General Meeting of the Members of Frontier Capital Limited will be held on Friday, 30<sup>th</sup> December, 2022 at 11.00 A.M. IST at the registered office of the Company at Office No. 7, 2<sup>nd</sup>Floor, Readymoney Terrace, 167, Dr. A. B. Road, Worli, Mumbai - 400018 to transact the following business:

**ORDINARY BUSINESS -**

**1. ADOPTION OF ACCOUNTS:**

To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2022 together with the Reports of the Board of Directors' and Auditors' thereon.

**2. RETIRE BY ROTATION:**

To appoint a director in place of Mr. Hemendranath Choudhary, Director (DIN: 06641774) who retires by rotation and being eligible, offers himself for re-appointment.

**"RESOLVED THAT** Mr. Hemendranath Choudhary, Director (DIN: 06641774), who retire by rotation in terms of Section 152 of Companies Act, 2013 and being eligible be and is hereby re-appointed whose office shall be liable to retirement by rotation"

**SPECIAL BUSINESS -**

**3. APPOINTMENT OF , MR. MAYUR DOSHI (DIN NO. 08351413), AS NON - EXECUTIVE DIRECTOR OF THE COMPANY:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as ordinary resolution:

**"RESOLVED THAT** Mr. Mayur Doshi (DIN: 08351413) who was appointed as an Additional (Non-Independent and Non-Executive) Director of the Company by the Board of Directors on the recommendation of the Nomination & Remuneration Committee of the Company with effect from 2<sup>nd</sup> December 2021 pursuant to the provisions of Sections 152 and 161 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force), provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who holds office as such up to the date of ensuing Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing signifying intention to propose her candidature for the office of Director of the Company be and is hereby appointed as a Non-Independent Non-Executive Director of the Company for a period of 5 (five) years w.e.f 2<sup>nd</sup> December, 2021, who shall be liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and matters and things as in its absolute discretion it may consider necessary, expedient and desirable to give effect to this resolution."

**4. APPOINTMENT OF MS. SONALI SASANE (DIN: 08079863), AS NON - EXECUTIVE WOMAN DIRECTOR OF THE COMPANY:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as ordinary resolution:

**"RESOLVED THAT** Ms. Sonali Sasane (DIN: 08079863) who was appointed as an Additional Non-Executive Women Director of the Company by the Board of Directors on the recommendation of the Nomination & Remuneration Committee of the Company with effect from 23<sup>rd</sup> August 2022 pursuant to the provisions of Sections 152 and 161 of the Companies Act, 2013 read with Companies

(Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force), provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who holds office as such up to the date of ensuing Annual General Meeting of the Company and in respect of whom the Company has received a notice under section 160 of the Companies Act, in writing signifying intention to propose her candidature for the office of Women Director of the Company and is hereby appointed as a Non-Executive Women Director of the Company for a period of 5 (five) years w.e.f. 23<sup>rd</sup> August, 2022, who shall be liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to alter and vary the terms and conditions of the appointment and/or remuneration based on the recommendation of the Nomination & Remuneration Committee subject to the same not exceeding the limits specified under Section 197 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force).”

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and matters and things as in its absolute discretion it may consider necessary, expedient and desirable to give effect to this resolution.”

**5. APPOINTMENT OF MR. SACHIN KHANOLKAR (DIN NO. 09428362), AS AN INDEPENDENT DIRECTOR OF THE COMPANY:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as ordinary resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualifications of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’), on the recommendation of the Nomination & Remuneration Committee and approval of the Board of Directors for appointment of Mr. Sachin Khanolkar (DIN No. 09428362) as an Additional Director in the capacity of an Independent Director of the Company w.e.f. 23<sup>rd</sup> August, 2022, who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations and is eligible for appointment, and in respect of whom the Company has received a notice in writing in terms of Section 160(1) of the Act and who holds office as such up to the date of ensuing Annual General Meeting, be and is hereby, appointed as a Non-Executive Independent Director of the Company not liable to retire by rotation, to hold office for a period of five years with effect from 23<sup>rd</sup> August, 2022 to 22<sup>nd</sup> August 2027

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

**6. RE- APPOINTMENT OF MR. ASHOK KATRA (DIN NO. 07799527), AS AN INDEPENDENT DIRECTOR OF THE COMPANY:**

to consider and if thought fit, to pass with or without modification(s), the following resolution as special resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment

and Qualifications of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Regulation 16(1) (b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and in accordance with the provisions of Articles of Association of the Company Mr. Ashok Katra (DIN No. 07799527) Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act is eligible for re-appointment, and in respect of whom the Company has received a notice in writing in terms of Section 160(1) of the Act and who holds office as such up to the date of ensuing Annual General Meeting, be and is hereby, re-appointed as a Non-Executive Independent Director of the Company for a period of 5(five) consecutive years with effect from 15<sup>th</sup> March, 2022 to 14<sup>th</sup> March, 2027 who shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

## **7. APPROVAL FOR RELATED PARTY TRANSACTIONS**

To pass the following resolution as an ordinary resolution:

**RESOLVED That** pursuant to the provisions of Section 188 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the Company’s policy on Related Party transaction(s), approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with Asia Motorworks Holdings Limited and Inimitable Capital Finance Private Limited (Holding Company), a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for availing and granting the unsecured Loan facilities and Inter corporate Deposits or to borrow money, on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of Rs. 100 Lakhs for the financial year 2022-2023, provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm’s length basis and in the ordinary course of business of the Company.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company or to principal officer of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.

**For and on behalf of the Board of Directors**

**Sd/-**

**Mayur Doshi, Chairman**

Whole Time Director, DIN:08351413

Place: Mumbai

Date: 7<sup>th</sup> December, 2022

**Reg. Office:** Office No. 7, 2<sup>nd</sup>Floor, Readymoney Terrace, 167, Dr. A. B. Road, Worli Mumbai - 400018,

**CIN:** L65990MH1984PLC033128 **Email:**-frontierleasing1984@gmail.com

**Website:** www.flflindia.com **Tel:** +91 8879310051

**NOTES:**

1. The Explanatory Statement as required under Section 102 of the Companies Act, 2013 is annexed hereto and forms the part of this notice.
2. A Member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote, in case of poll only, on his/ her behalf and a proxy need not be a member of the Company.
3. The instrument appointing a proxy must be deposited with the Company at its Registered Office not less than 48 hours before the time for holding the Meeting.
4. A person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or Shareholder. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution/ authority as applicable.
5. The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) is Link Intime India Private Limited having their Registered Office at C – 101, 247 park, LBS Marg, Vikhroli West, Mumbai – 400 083.
6. The Register of Members and the Share Transfer Books of the Company shall remain closed from 23.12.2022 to 30.12.2022 (both days inclusive) for determining the name of members eligible for dividend on Equity and preference shares, if approved by the members at the ensuing Annual General Meeting.
7. All documents referred in the accompanying notice are open for inspection at the registered office of the Company on all working days between 11.00 a.m. to 1.00 p.m. up to the date of the Annual General Meeting.
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:

<b>Financial Year Ended</b>	<b>Date of Declaration of Dividend</b>	<b>Last date for claiming unpaid/unclaimed dividend</b>
31 <sup>st</sup> March, 2012	28 <sup>th</sup> September,2012	5 <sup>th</sup> November, 2019
31 <sup>st</sup> March, 2013	20 <sup>th</sup> September, 2013	28 <sup>th</sup> October, 2020
31 <sup>st</sup> March, 2014	15 <sup>th</sup> September, 2014	23 <sup>rd</sup> October, 2021
31 <sup>st</sup> March, 2015	25 <sup>th</sup> September, 2015	3 <sup>rd</sup> October, 2022
31 <sup>st</sup> March, 2016	29 <sup>th</sup> September, 2016	07 <sup>th</sup> October, 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. Pursuant to sections 101 and 136 of the Companies Act, 2013 read with the Rules framed thereunder, the Notice calling the Annual General Meeting along with the Annual Report 2021-22 would be sent by electronic mode to those Members whose e-mail addresses are registered with the Depository or the Company's Registrar and Transfer Agents.

Members are requested to support this Green Initiative by registering/ updating their e-mail addresses with the Depository Participant (in case of Shares held in dematerialised form) or with Link Intime India Private Limited (in case of Shares held in physical form).



10. Corporate Members are requested to send duly certified copy of the Board resolution pursuant to Section 113 of the Companies Act, 2013 authorizing their representative to attend and vote at the Annual General Meeting (including through e-voting).
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore requested to submit their PAN details to their respective Depository Participants with whom they have their demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar & Share Transfer Agents of the Company – Link Intime India Private Limited.
12. Members are requested to:
  - a. intimate to the Company’s Registrar and Transfer Agents, Link Intime India Private Limited, changes, if any, in their registered addresses at an early date, in case of Shares held in physical form;
  - b. intimate to the respective Depository Participant, changes, if any, in their registered addresses at an early date, in case of Shares held in dematerialized form;
  - c. quote their folio numbers/ Client ID/ DP ID in all correspondence; and
  - d. Consolidate their holdings into one folio in case they hold Shares under multiple folios in the identical order of names.
  - e. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.
  - f. Members/Proxies/Representatives are re-quested to bring the Attendance Slip enclosed in the Annual Report for attending the Meeting.
13. Voting through electronic means –
  - a. In compliance with the provisions of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and the Regulation 44 of the Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer e-voting facility to its Members in respect of the businesses to be transacted at the 38<sup>th</sup>Annual General Meeting (“AGM”). The Company has engaged the services of Central Depository Services (India) Limited (“CDSL”) as the Authorised Agency to provide e-voting facilities, on the resolutions mentioned in the notice of the 38<sup>th</sup>Annual General Meeting of the Company (the AGM Notice).
  - b. Members are requested to note that the business may be transacted through electronic voting system and the Company is providing facility for voting by electronic means.
  - c. The facility for voting through polling papers shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through polling paper.
  - d. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
  - e. The remote e-voting shall commence on Tuesday, 27<sup>th</sup>December,2022 (11.00 a.m.) and ends on Thursday, 29<sup>th</sup>December, 2022 (5.00 p.m.). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e.Friday, 23<sup>rd</sup>December, 2022, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
  - f. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. 23.12.2022.
  - g. A person, whose name is recorded in the Register of Members or in the Register of beneficial owners maintained by the depositories as on the cut-off date, i.e.23.12.2022only shall be entitled to avail the facility of remote e-voting and voting at Meeting through ballot papers.
  - h. The Board of Directors of the Company has appointed **CS KAMRAN SIDDIQUI, Proprietor of Kamran & Associates (Mem. No. F12038)**, Company Secretaries, as Scrutinizer to scrutinize the voting through polling papers and remote e-voting process in a fair and transparent manner.
  - i. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. 23.12.2022, may obtain the User ID and password by sending a request at helpdesk.evoting@cdsl.in. However, if the member is already registered with CDSL for remote e-voting then he can use his exiting user ID and password for casting the vote

through e-voting. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on [www.evotingindia.com](http://www.evotingindia.com) or contact CDSL at the following toll free no.: 1800-200-5533.

- j. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of conclusion of the Meeting, make a consolidated scrutinizer’s report and submit the same to the Chairman or person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith. The results declared along with the consolidated scrutinizer’s report shall be placed on the website of the Company and on the website of the CDSL <https://www.evotingindia.com/>.
- k. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting i.e. 30<sup>th</sup> December, 2022.

**The instructions for shareholders voting electronically are as under:**

- i. The voting period begins on from Tuesday, 27<sup>th</sup> December, 2022 (11.00 a.m.) and ends on Thursday, 29<sup>th</sup> December, 2022 (5.00 p.m.). During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, 23<sup>rd</sup> December, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iv. Click on Shareholders.
- v. **Now Enter your User ID**
- For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- vi. Next enter the Image Verification as displayed and Click on Login.
- vii. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- viii. If you are a first time user follow the steps given below:

**For Members holding shares in Demat Form and Physical Form**

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"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
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"> <li>• 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 as mentioned in instruction (iv).</li> </ul>

- ix. After entering these details appropriately, click on “SUBMIT” tab.

- x. Members holding shares in physical form will then directly reach the Company selection screen. However, members 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.
- xii. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xiii. Click on the 210907069,EVSN for Frontier Capital Limited on which you choose to vote.
- xiii. 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.
- xiv. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xv. 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.
- xvi. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xviii. 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.
- xix. *Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.*
- xx. Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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 should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - 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.
- xxi. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**Please follow all steps from Sl. no. (i) to sl. no. (xvii) above to cast vote**

**ANNEXURE TO THE NOTICE**

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013:

**Item No. 2 of the accompanying notice****Details of the Director Seeking re-appointment in the forthcoming Annual General Meeting (Pursuant to Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015**

Name of Director	Hemendranath R. Choudhary
Date of birth	1st October 1948
Date of appointment as director	30.09.2021
Remuneration last drawn	Nil
Qualification	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.
Shareholding in the Company (Equity shares of Rs. 10/- each)	Nil
List of Directorship in other listed entities	Nil
Membership/ Chairmanship of Committees of other listed entities	NA
Terms and Conditions of re-appointment	NA
Remuneration to be paid (if applicable)	Nil
Relationship with any Director (s) of the Company	NA

**Item No. 3: Regularization of Additional Director, Mr. Mayur Doshi (DIN No. 08351413), by appointing him as Non - Executive Director of the Company:**

The Board of Directors appointed Mr. Mayur Doshi (DIN No. 08351413) as an Additional Director, (Non-Executive Independent Director) of the Company with effect from 02/12/2021.

Pursuant to the provisions of Section 161(1) of the Act, he holds office up to the date of this AGM and is eligible to be appointed as a Non-executive Director. Further details of Mr. Mayur Doshi have been given in the Annexure to this Notice. The Board recommends the Resolution at Item No. 3 of this Notice for approval of the Members. Except for Mr. Mayur Doshi and his relatives, none of the Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, in the Resolution set out at Item No. 3 of this Notice

**Details of the Whole-Time Director Seeking re-appointment in the forthcoming Annual General Meeting (Pursuant to Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015) I. General Information**

Nature of industry	The Company is engaged in the business of a non-banking financial institution. The Company is not systematically important non-deposit taking NBFC.
Financial performance	During the period under review, the Company has earned total revenue of Rs. 111.11 Lakhs as against Rs. 27.28 Lakhs in the previous year. The profit after tax was Rs. 83.59 Lakhs as against the loss of Rs. 84.83 Lakhs in previous year.
Foreign collaboration or investments	NIL
<b>II. Information about appointee</b>	
Name of Director	Mayur Doshi
Date of birth	08.12.1971
Date of appointment	02.12.2021
Remuneration last drawn	NIL.
Experience/ Expertise in specific functional area/Brief Resume	Mr. Mayur Nagindas Doshi has over 28 years of experience in the field of Corporate finance and Banking, He has worked with various companies in the field of Steel trading, Automobile parts manufacturing, forging, Merchant exports, Real estate, and online Education. He has worked with diverse companies from a steel trading house, to OEM and also has worked with a start-up in the role of CFO. He is a MBA (Finance) from Bangalore University and also M.Com from Bangalore University.
Qualification	MBA - Finance
Shareholding in the Company (Equity shares of Rs. 10/- each)	NIL
List of Directorship in other listed entities	NIL
Membership/Chairmanship of Committees of other listed entities (includes only Audit Committee and Stakeholder's Relationship Committee)	NIL
No. of Board Meetings attended during the year	2
Terms and Conditions of re-appointment	Same as before
Remuneration to be paid (if applicable)	NIL
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel	Not related
<b>III. Other Information</b>	
Reasons of loss	NA
Steps taken for improvement	Issuing legal notices for recoveries and timely follow ups fro recoveries.
Expected Increase in profits	As soon as the Borrowers comes out of NPAs and reversals of provisions.

**Item No. 4: Regularization of Additional Director, Ms. Sonali Sasane (DIN: 08079863), by appointing him as Non - Executive Women Director of the Company:**

The Board of Directors appointed Ms. Sonali Sasane (DIN: 08079863), as an Additional Director, (Non-Executive Independent Director) of the Company with effect from 23/08/2022.

Pursuant to the provisions of Section 161(1) of the Act, she holds office up to the date of this AGM and is eligible to be appointed as Non-executive Director. Further details of Ms. Sonali Sasane have been given in the Annexure to this Notice. The Board recommends the Resolution at Item No. 4 of this Notice for approval of the Members. Except for Ms. Sonali Sasane and her relatives, none of the Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, in the Resolution set out at Item No. 4 of this Notice

<b>Details of the Whole-Time Director Seeking re-appointment in the forthcoming Annual General Meeting (Pursuant to Regulation 36(3) of the SEBI (Listing Obligations &amp; Disclosure Requirements) Regulations, 2015) I. General Information</b>	
Nature of industry	The Company is engaged in the business of a non-banking financial institution. The Company is not systematically important non-deposit taking NBFC.
Financial performance	During the period under review, the Company has earned total revenue of Rs. 111.11 Lakhs as against Rs. 27.28 Lakhs in the previous year. The profit after tax was Rs. 83.59 Lakhs as against the loss of Rs. 84.83 Lakhs in previous year.
Foreign collaboration or investments	NIL
<b>II. Information about appointee</b>	
Name of Director	Sonali Sasane
Date of birth	02.07.1991
Date of appointment	23.08.2022
Remuneration last drawn	NIL.
Experience/ Expertise in specific functional area/Brief Resume	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.
Qualification	MBA - Finance
Shareholding in the Company (Equity shares of Rs. 10/- each)	NIL
List of Directorship in other listed entities	NIL
Membership/Chairmanship of Committees of other listed entities (includes only Audit Committee and Stakeholder's Relationship Committee)	NIL
No. of Board Meetings attended during the year	NA
Terms and Conditions of re-appointment	Same as before
Remuneration to be paid (if applicable)	NIL

Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel	Not related
<b>III. Other Information</b>	
Reasons of loss	NA
Steps taken for improvement	Issuing legal notices for recoveries and timely follow ups fro recoveries.
Expected Increase in profits	As soon as the Borrowers comes out of NPAs and reversals of provisions.

**Item No. 5: Appointment of Mr. Sachin Khanolkar (DIN No. 09428362), as an Independent Director of the Company:**

Mr. Sachin Khanolkar (DIN: 09428362) was appointed as an Additional Director of the company on 23.08.2022 in terms of Section 161 (1) of the Companies Act, 2013 in the category of 'Non-Executive Independent' in terms of the Companies Act, 2013. Mr. Sachin Khanolkar, an Additional Director shall hold office up to the date of the ensuing Annual General Meeting of the Company or the last date on which annual general meeting should have been held, whichever is earlier and be eligible for appointment to the office of a Director at General Meeting in terms of Section 160 of the Companies Act, 2013.

Mr. Sachin Khanolkaris not disqualified from being appointed as an Independent Director in terms of Section 164 of the Act and has given his consent to act as Director (in the category of Independent Director). The Company has received a notice from a member under Section 160 of the Companies Act 2013, for appointment of Mr. Sachin Khanolkar for the office of Director in Independent category. The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Sachin Khanolkaras an Independent Director.

In order to ensure compliance with the provisions of Sections 149 and 152 of the Companies Act, 2013 read with Rules made there under and Schedule IV of the Act, it is proposed that approval of the shareholders be accorded for the appointment of Mr. Sachin Khanolkar as 'Non-executive Independent Director' for a term up to 5 (five) consecutive years commencing from 23.08.2022.

**Item No. 6: Appointment of Mr. Ashok Katra (DIN No. 07799527), as an Independent Director of the Company:**

The members at the Annual General Meeting held on 29<sup>th</sup> September, 2017 had approved the appointment of Mr. Ashok Katra (DIN No. 07799527) Independent Director of the company, whose terms were due to expire on 14<sup>th</sup> March, 2022

As per the provisions of section 149(10) read with schedule IV of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment by passing a special resolution for another term of upto five consecutive years on the Board of the Company.

Mr. Ashok Katra is not disqualified from being appointed as an Independent Director in terms of Section 164 of the Act and has given his consent to act as Director (in the category of Independent Director). The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Ashok Katra as an Independent Director.

In order to ensure compliance with the provisions of Sections 149 and 152 of the Companies Act, 2013 read with Rules made there under and Schedule IV of the Act, it is proposed that approval of the shareholders be accorded for the re-appointment of Mr. Ashok Katra as 'Non-executive Independent Director' for a term up to 5 (five) consecutive years commencing from 15.03.2022.

**Item No. 7: Approval for Related Party Transactions to pass the following resolution as an ordinary resolution:**

To ensure stability of business and operations of the Company in terms of compliances and other business expenditure, your Company proposes to enter into transaction(s) with Inimitable Capital Finance private Limited and Asia Motorworks Holdings Limited, which are the related parties of your Company.

The loan facilities or borrowings will be based on the requirement of the Company. The total value of the proposed transaction(s) could reach Rs. 100 Lakhs during financial year 2022-2023.

Section 188 of the Act and the applicable Rules framed thereunder provide that any Related Party Transaction will require prior approval of shareholders through ordinary resolution, if the aggregate value of transaction(s) amounts to 10% or more of the annual turnover of the Company as per last audited financial statements of the Company.

Hence, approval of the shareholders is being sought for the said Related Party Transaction(s) proposed to be entered into by your Company with Inimitable Capital Finance private Limited and Asia Motorworks Holdings Limited in the financial year 2022-2023.

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, particulars of the transaction(s) are as follows:

Sl.	Particulars	Remarks	Remarks
1	Name of the Related Party	Inimitable Capital Finance private Limited	Asia Motorworks Holdings Limited
2	Name of the Director or KMP who is related	NA	NA
3	Nature of Relationship	Holding Company	Sister concern
4	Nature, material terms, monetary value and particulars of the contract or arrangement	for availing and granting the unsecured Loan facilities or Inter corporate Deposits or to borrow money upto Rs. 50 Lakh	for availing and granting the unsecured Loan facilities or Inter corporate Deposits or to borrow money upto Rs. 50 Lakh
5	Any other information relevant or important for the members to take a decision on the proposed resolution	NA	NA

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, other than as mentioned above is concerned or interested, financially or otherwise, in the resolution. The Board of Directors recommends passing of the resolution as set out at item no. 7 of this Notice as an Ordinary Resolution.

**For and on behalf of the Board of Directors**

**Sd/-**

**Mayur Doshi, Chairman**

Whole Time Director, DIN:08351413

Place: Mumbai

Date: 7<sup>th</sup> December, 2022

**Reg. Office:** Office No. 7, 2<sup>nd</sup>Floor, Readymoney Terrace, 167, Dr. A. B. Road, Worli Mumbai - 400018,

**CIN:** L65990MH1984PLC033128 **Email:**-frontierleasing1984@gmail.com

**Website:** www.flfindia.com **Tel:** +91 8879310051



**DIRECTORS' REPORT**

**To,  
The Members,  
Frontier Capital Limited**

Your Directors have pleasure in presenting the 38<sup>th</sup> Director's Report of the Company and the Audited Financial Statements for the Financial Year (FY) ended 31<sup>st</sup> March 2022.

**1. AFFAIRS OF THE COMPANY:****A. Financial Results:****(Amount in Lakhs)**

<b>Particulars</b>	<b>31<sup>st</sup> March, 2022</b>	<b>31<sup>st</sup> March, 2021</b>
Income	111.11	27.28
Less: Expenses	27.52	115.70
Less: Exceptional Items	-	-
<b>Profit / (Loss) before tax</b>	<b>83.59</b>	<b>-84.83</b>
Less: Tax expenses (Including deferred tax and tax for earlier years)	-	-
<b>Profit / (loss) After Taxation</b>	<b>83.59</b>	<b>-84.83</b>
Less: Proposed Dividend	-	-
Less: Corporate Dividend Tax	-	-
Less: Transfer to Statutory Reserve	-	-
<b>Add: Balance Brought Forward from Last Year</b>	<b>-2566,20</b>	<b>-2481.37</b>
<b>Balance Carried Forward to Balance Sheet</b>	<b>-2499.33</b>	<b>-2566,20</b>

**B. Operations**

During the period under review, the Company has earned a total income of Rs. 111.11/- Lakhs as against Rs. 27.28/- Lakhs in the previous year. The profit before the tax was Rs. 83.59 Lakhs as against the loss of Rs. 84.83 Lakhs in previous year. The profit after tax was Rs. 83.59 Lakhs as against the loss of Rs. 84.83 Lakhs in previous year.

**C. Business review and outlook**

The details of the Company's affairs including its operations are more specifically given in the Management Discussion and Analysis Report, which is given in this Annual Report.

Outlook for the coming financial year continues to remain uncertain, with the COVID-19 situation evolving each day. Apart from agriculture and related activities, most other sectors of

the economy have been adversely impacted by the pandemic and are expected to show de-growth.

**D. Dividend**

The company has formulated a dividend distribution policy in compliance with regulation 43A of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 (Listing Regulations).

The Board of Directors of your company, after considering holistically the relevant circumstances and keeping in view the company's dividend distribution policy and loss incurred, has decided that it would be prudent, not to recommend any Dividend for the year under review.

**E. Transfer to Reserves**

The Company did not transfer any amount to reserves in view of the losses incurred by the Company during the year under review.

**F. Material changes and commitment if any affecting the financial position of the company occurred between the end of the financial year to which this financial statement relate and the date of the report**

No material changes and commitments affecting the financial position of the Company during the period from the end of the financial year on 31<sup>st</sup> March 2022 to the date of this Report. There has been no change in the nature of business of the Company.

**2. Share Capital**

As on 31<sup>st</sup> March, 2021, the paid up share capital of the company is Rs. 16,76,21,630 divided into 1,67,62,163 Equity shares of Rs. 10/- each.

No shares were issued and allotted in the FY 2021-22, hence there is no change in the paid up capital during the period under review.

As on 31<sup>st</sup> March, 2022, the paid up share capital of the company is Rs. 16,76,21,630 divided into 1,67,62,163 Equity shares of Rs. 10/- each.

**3. Management****A. Directors and Key Managerial Personnel:**

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. Hemendranath Choudhary is entitled to retire by rotation at the ensuing Annual General Meeting (AGM) and being eligible has offered himself for re-appointment.

Pursuant to Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') and Secretarial Standards on General Meeting (SS-2) issued by the Institute of Company Secretaries of India (ICSI), brief resume of the Director proposed to be re-appointed in the ensuing Annual General Meeting is annexed in Notice of 38<sup>th</sup> Annual General Meeting of the Company.

During the year 2021-22 following changes took place in the Board of Directors

- ✓ Mr. Mayur Doshi was appointed as Non-executive Director on 2<sup>nd</sup> December, 2021.
- ✓ Ms. Usha Iyengar resigned on 16<sup>th</sup> December, 2021.
- ✓ Mr. Ashok Katra was re-appointed in the meeting held on 14<sup>th</sup> February, 2022 w.e.f. 15<sup>th</sup> March, 2022 for the period of 5 years.

Following is the list of Directors and KMPs as on 31<sup>st</sup> March 2022.

Name	Begin date	DIN/PAN	Designation
HEMENDRANATH CHOUHARY	21/04/2016	06641774	Whole – Time Director
MAYUR DOSHI	02/12/2021	08351413	Non – Executive Director
ASHOK KATRA	15/03/2022	07799527	Independent Director
ANIKET NARESH PRABHU	31/08/2018	BPYPP3319B	Company Secretary and Chief Financial Officer

Following changes in the Board of Directors took place from 31<sup>st</sup> March, 2022 till date of the report.

- ✓ Mr. Sachin Khanolkar was appointed on 31<sup>st</sup> May, 2022 as Non-executive Director.
- ✓ Mr. Mayur Doshi was appointed as chairman of the Board in the meeting of the Board held on 23<sup>rd</sup> August 2022.
- ✓ Designation of Mr. Sachin Khanolkar was changed to independent Director on 23<sup>rd</sup> August, 2022.
- ✓ Ms. Sonali Sasane was appointed on 23<sup>rd</sup> August, 2022 as Non-executive Woman Director.
- ✓ Mr. Aniket Prabhu resigned from the post of CS and CFO on 31<sup>st</sup> October, 2022

#### B. Declaration by Independent Director:

All the Independent Directors have given declaration as required under the provisions of section 149(7) of the Companies Act, 2013 that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulations 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### C. Number of Board Meetings:

During the year under review, 5 Board Meetings were convened and held.

Name of the Director	DIN	Category	No. of Board Meetings attended during the year	Attendance at the last AGM
Mrs. Usha Iyengar	03447551	Non – Executive Women Director	4	Yes
Mr. H. N. Choudhary	06641774	Whole Time Director	5	Yes
Mr. Ashok Katra	07799527	Independent Director	5	Yes
Mr. Mayur Doshi	08351413	Non – Executive Women Director	1	No

**D. Audit Committee:**

- i. The Audit Committee functions according to its charter defines its composition, authority, responsibility and reporting functions in accordance with the Act, listing requirements and the regulations applicable to the Company and is reviewed from time to time.

As on 31<sup>st</sup> March, 2022, the Audit Committee comprised of three Directors viz. Mr. Ashok Katra (chairman), Mr. H. N. Choudhary and Mr. Mayur Doshi. All of them are financially literate and have relevant finance and/or audit exposure.

As on the Date of the Report, the Audit Committee comprised of three Directors viz. Mr. Ashok Katra (chairman), Mr. Sachin Khanolkar, Mr. Mayur Doshi and Ms. Sonali Sasane. All of them are financially literate and have relevant finance and/or audit exposure.

- ii. During the period under review, 5 Audit Committee meetings were held.
- iii. Each Board Meeting which considers financial results is preceded by meeting of Audit Committee Members along with Auditors.

Composition of the Audit Committee and attendance at its meetings during FY 2021-22 are as follows:

Composition	Meetings Attended
Mr. Ashok Katra (Chairman)	5
Mrs. Usha Iyenger	4
Mr. H.N. Choudhary	5
Mr. Mayur Doshi	1

**E. Company's Policy Relating to Directors Appointment And Remuneration**

Pursuant to the provisions of Section 178 of the Companies Act, 2013, the Board framed a Policy relating to the selection and appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration. The Policy includes criteria for determining qualifications, positive attributes and independence of a director and other matters. The same is attached herewith and marked as **Annexure 2**.

**F. Particulars of Employees**

Disclosure with respect to the ratio of remuneration of each Director to the median employees' remuneration as required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been appended as **Annexure 3** to this Report.

During the year under review, no employee was in receipt of remuneration exceeding the limits as prescribed under provisions of Section 197 of the Companies Act, 2013 read with Rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

In terms of Section 136 of the Act, the reports and accounts are being sent to the shareholders and others entitled thereto, excluding the said information which will be made available for

inspection by the shareholders at the Registered Office of the company during business hours on any working days of the Company up to the date of the ensuing Annual General Meeting. If any shareholder is interested in inspecting the same, such shareholders may write to the Company Secretary in advance

**G. Board Evaluation:**

Pursuant to the provisions of Sub Section (3), Section 134 of the Companies Act, 2013, the Board has carried out evaluation of its own performance, the directors individually as well as the working of its Audit Committee. The Board has devised questionnaire to evaluate the performance of each directors. Such questions are prepared considering the business of the Company and the expectations that the Board has from each of the Directors. The evaluation framework for assessing the performance of Directors comprises of the following key areas:

- ✓ Attendance of Board Meetings and Board Committee Meetings;
- ✓ Quality of contribution to Board deliberations;
- ✓ Strategic perspectives or inputs regarding future growth of Company and its performance;
- ✓ Providing perspectives and feedback going beyond information provided by the management.

**H. Remuneration Structure for Board and Senior Management:**

Composition of the Board of Directors of the Company reflects in-depth understanding of the Company, including its strategies, operations, financial condition and compliance requirements.

The remuneration is fixed considering various parameters such as qualification, expertise, experience, prevailing remuneration in the industry and financial position of the Company.

The Independent Directors and Woman Director do not draw any remuneration from the Company during the financial year 2021-22.

**I. Directors' Responsibility Statement:**

The board of directors have instituted / put in place a framework of internal financial controls and compliance systems, which is reviewed by the management and the relevant board committees, including the audit committee and independently reviewed by the internal, statutory and secretarial auditors.

Pursuant to section 134(5) of the Companies Act, 2013, the board of directors, confirm that:

- ✓ in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2022, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ✓ your directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2022 of the Company for that period;
- ✓ your directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for

safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- ✓ your directors had prepared the annual accounts on a going concern basis;
- ✓ your directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were opening effectively; and
- ✓ your directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **J. Internal Control Systems and Their Adequacy**

Pursuant to Rule (8)(5) of the Companies (Accounts) Rules, 2014 the Company has an internal control system, commensurate with the size, scale and complexity of its operations. The Company monitors and evaluates the efficacy and adequacy of internal control system in place, its compliance with operating systems, accounting procedures and policies.

During the year under review, no reportable material weakness in the operation was observed. Regular audit and review processes ensure that such systems are reinforced on an ongoing basis.

#### **4. Holding, Subsidiaries, Joint Ventures and Associate 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.

#### **5. Deposits:**

Your company has not accepted any Deposits during the financial year under review falling under provisions of Section 73 and 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

#### **6. Particulars of loans, Guarantees or Investments under Section 186 of the Companies Act, 2013**

Being a Non-Banking Finance Company, the provision of Section 186 of Companies Act, 2013 are not applicable to the Company.

#### **7. Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013:**

All Contracts/ Arrangements/ transactions entered by the Company during the Financial Year with related parties were on arm's length basis, in ordinary course of business and were in the compliance with the applicable provisions of the Act and the Listing Agreement.

There are no significant related party transactions made by the Company with Promoters, Directors, Key Managerial personnel or other designated persons as defined under Section 188 of the Companies Act, 2013.

Accordingly there are no material transactions that are required to be reported in **Form AOC 2** and as such do not form part of the report.

The Company has made adequate disclosures regarding related party transactions, contingent liabilities, and significant accounting policy in the Notes to Accounts as an integral part of the Balance Sheet and Statement of Profit & Loss.

**8. Corporate Social Responsibility Report (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.

**9. Particulars of Conservation of energy, technology absorption, foreign exchange earnings and outgo:**

Considering the nature of business activities of the Company, your Directors have nothing to report with respect to conservation of energy and technology absorption.

During the year under review, there were neither any foreign exchange earnings nor outgo.

**10. Business 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.

**11. Vigil Mechanism:**

The Vigil Mechanism/Whistle Blower Policy has been put in place in accordance with Section 177 of the Companies Act, 2013 for the Directors and Employees to report their genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The mechanism provides for adequate safeguards against the victimization of Director(s) and Employee(s) who avail of the mechanism. Directors and Employees may make protected disclosure under the policy to the Compliance Committee constituted by the Company to administer the internal code of business conduct. In exceptional cases, Directors and Employees have direct access to the Chairman of the Audit Committee. Further no personnel have been denied access to the Compliance Committee/ Chairman of the Audit Committee, as the case may be.

No complaints were received under whistle blower mechanism during the year under review.

The Company has adopted a Whistle Blower Mechanism Policy establishing vigil mechanism, to provide a formal mechanism to the Directors and employees to report their concerns about unethical

behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy. The policy provides for adequate safeguard against victimization of employees who avail the mechanism. No employee or directors of the Company has been denied access to the Audit Committee.

**12. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future:**

During the period under review, no significant or material order was passed by any regulatory authority or court or tribunals which may have bearing on going concern status or on operations of the company in future.

**13. Auditors:**

**A. Appointment of Auditors:**

Pursuant to the provision of Section 139(2) of the Act and the Rules framed thereunder, M/s A.C Bhuteria, Chartered Accountants, Kolkata (having FRN: 303105E) was appointed as the Statutory Auditors of the Company for a period of 5 years to hold office from the conclusion of the 36<sup>st</sup> Annual General Meeting held till the conclusion of the 41<sup>st</sup> Annual General Meeting to be held for the year ending 31<sup>st</sup> March, 2026.

The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as the Statutory Auditors.

**B. Remarks or qualifications by Statutory Auditors:**

There are no negative remarks or qualification from Statutory Auditors.

**C. Secretarial Auditors:**

Pursuant to the provisions of Section 204 of the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Kamran & Associates, Company Secretaries to undertake the Secretarial Audit of the company. The Report of the Secretarial Audit is annexed herewith as **Annexure - 1**.

**D. Remarks or qualifications by Secretarial Auditors and comments from the Board:**

i. Structured Digital Database as required under Regulation 3(6) of SEBI (PIT), 2015 not maintained by the Company as on March 31, 2022 and 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. 2021-22 –

Company is working or in talks with the RTA and other IT platforms to install Structured Digital Database for giving all the intimations required and for complying under SEBI (PIT), 2015 shall be made.

ii. Internal Auditor has not been appointed by the Company under section 138 of the Companies Act, 2013 for the F.Y. 2021-22 –

Company is looking for a suitable candidature.



- iii. Forms for some Board Resolutions passed during the F.Y. 2021-22 have not been filed with the ROC –  
Some of the RoC forms was not filed inadvertently
- iv. Website of the Company is not functional and requisites policies as per applicable provisions of the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and SEBI (PIT) Regulations, 2015 not available in the records of the Company; -  
Company have a website i.e. [www.flflindia.com](http://www.flflindia.com), but due to expiration of domain and servers. Company was unable to upload requisite information on the same. Once website is working, all the policies shall be uploaded in the due course.
- v. The Company has made delay in submission of its disclosure under SEBI (LODR) Regulation to BSE Limited –  
Company inadvertently failed to disclose the same with the stock exchange withing required time frame. Clarification on the same were duly submitted to the exchange.
- vi. Composition of Board, Audit Committee, Nomination & Remuneration Committee and Stakeholder Relationship Committee is not in accordance with Companies Act, 2013 and SEBI (LODR) Regulations, 2015 as on 31<sup>st</sup> March, 2022. –  
Due to COVID 19 pandemics and lockdowns, Company was not able to find right candidature to appoint as an Independent Director hence Composition in not in accordance with the regulations. However, Company have appointed Mr. Sachin Khanolkar (Independent Director), Mr. Mayur Doshi (Non-executive Director) and Mr. Sonali Sasane (Woman Director) on the Board of the Company, hence Composition of Board, Audit Committee, Nomination & Remuneration Committee and Stakeholder Relationship Committee is in accordance with Companies Act, 2013 and SEBI (LODR) Regulations, 2015 as on the date of the report;
- vii. Newspaper Publication with respect to intimation of Board Meeting and financial results are not as per Regulation 47 of SEBI (LODR) Regulations, 2015 –  
Due to lockdowns protocols from governments, intimations were delayed.
- viii. Disclosure under Regulation 74(5) of SEBI (Depositories Participant) Regulation, 2018 for the quarter ended December, 2021 has not been submitted –  
Company Missed the same inadvertently
- ix. Due to non-availability of documents/details related to transfer of unclaimed final dividend declared in AGM held on 20<sup>th</sup>September, 2013 along with its shares to IEPF Authority, we are not able to comment on status relevant compliances of the same –  
Due to COVID 19 pandemics, lockdowns and non-availability of signatories, Company was not able to gather required information in this matter and working on the same to comply with the applicable regulations.

**E. Internal Audit:**

Pursuant to provision of section 138 of the Companies Act, 2013 & Rule 13 of Companies (Accounts) Rules, 2014, management is in search for the right candidature to appoint as an internal auditor for Financial Year 2020-21.

**14. Secretarial Standards:**

Company complies with all applicable mandatory secretarial standards issued by Institute of Company Secretaries of India.

**15. Extract of the Annual Return:**

Pursuant to the provisions of Section 134(3)(a) and Section 92 of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, Annual Return of the Company as at 31<sup>st</sup> March, 2022 is uploaded on the website of the Company at [www.flflindia.com](http://www.flflindia.com)

**16. Other Compliance:****A. Reserve Bank of India:**

The Company is registered with RBI as an Asset Financing Non-Deposit Accepting NBFC. The Company has complied with and continues to comply with the applicable Regulations and Directions of the RBI and it does not carry on any activities other than those specifically permitted by the RBI.

**B. Accounts and Accounting Standards:**

The Company adheres to the Accounting Standards as prescribed under section 133 of the Companies Act, 2013 and Rule 7 of the Companies (Accounts) Rules, 2014 in the preparation of its financial statements and also to the guidelines prescribed by the RBI.

**C. Stock Exchanges – Compliance of Listing Agreements/ SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

The Company's shares are listed on the BSE Ltd. The Company has paid the requisite listing fees to the Stock Exchange. Further, the Company has demat connectivity with both the Depositories, NSDL and CDSL and paid Annual Fees to both the Depositories.

**D. Green Initiative:**

Section 136 of the Companies Act, 2013 and the Rules made there under allow the Company to send its financial statements by electronic mode to such members whose shareholding is in dematerialized format and whose email addresses are registered with Depository for communication purposes. As a responsible corporate citizen, the Company proposes to effect electronic delivery of the Annual Report of the Company in lieu of the paper form to the Members who have registered their email IDs with the Depositories. However, as a matter of practice, a physical copy of the Annual Report has also been sent to the members at their address registered with the Company and the Depository Participants.

A copy of this Annual Report along with the Annual Report of each of the Company for FY 2021-22 will be placed on the website of the Company.

**E. Prevention of Sexual harassment:**

The company has zero tolerance for sexual harassment at work place and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual harassment of women at workplace (prevention, prohibition ad Redressal) Act, 2013 and the rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. The Company is committed to provide equal opportunities to their race, caste, sex, religion, color, nationality, disability, etc. All women associates (permanent, temporary, contractual and trainees) as well as women visiting the company's office premises or women service providers are covered under this policy. All are treated with dignity with a view to maintain a work environment free of sexual harassment whether physical, verbal or psychological.

During Fiscal Year 2022, the Company has not received any complaint on sexual harassment.

**17. Management Discussion and Analysis Report (MDAR):**

Pursuant to regulation 34(2) of the Listing Regulations, Management Discussion and Analysis Report is attached in the Annexure 4

**18. Corporate Governance Report:**

A report on corporate governance as per the Listing Regulations is attached and forms part of this report Annexure 5. The report also contains the details as required to be provided on the composition and category of directors, number of meetings of the board, composition of the various committees, annual board evaluation, remuneration policy, criteria for board nomination and senior management appointment, whistle blower policy/vigil mechanism, disclosure of relationships between directors inter-se, state of company's affairs, etc.

**19. Acknowledgement:**

The Directors would like to place on record their gratitude for the valuable guidance and support received from the Reserve Bank of India, Securities and Exchange Board of India, Bombay Stock Exchange Limited and other Government and Regulatory Authorities and convey their appreciation to all the stakeholders, customers, bankers, lenders, vendors and all business associated for their valuable and continuous support and encouragement towards the conduct of the efficient operations of the company.

**For and on behalf of the Board of Directors**

**Sd/-**

**Sd/-**

**Hemendranath Choudhary**

**Mayur Doshi**

Whole - Time Director

Director

DIN:6641774

DIN: 08351413

Place: Mumbai

Date: 07.12.2022

**KAMRAN & ASSOCIATES****Company Secretaries**

**Regd. Office:** C-120/370, Opposite Bombay Electric Works, Buxipur,  
Gorakhpur – 273001, Uttar Pradesh, India

**Email:** [kaaacs@gmail.com](mailto:kaaacs@gmail.com)

**Tel:** +91 70717 57404/ +91 77848 22930

**FORM NO. MR.3****SECRETARIAL AUDIT REPORT**

For the Financial Year Ended 31<sup>st</sup> March, 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members

**FRONTIER CAPITAL LIMITED**

Add: Office No. 7, 2<sup>nd</sup> floor,

Readymoney Terrace, 167,

Dr. A. B. Road, Worli, Mumbai – 400018

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

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and 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 31<sup>st</sup> March, 2022 (**‘Audit Period’**) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (**the Act**) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (**‘SCRA’**) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

- (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 **(Not applicable to the Company during the audit period)**
- (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) Regulations, 2015;
  - (c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the audit period);**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the audit period);**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the audit period)** and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the audit period)**
  - (i) We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the following law applicable specifically to the Company;
    - Rules, regulations and guidelines issued by the Reserve Bank of India for Non-Deposit taking Non-Banking Financial Companies

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The 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:

1. Structured Digital Database as required under Regulation 3(6) of SEBI (PIT), 2015 not maintained by the Company as on March 31, 2022;
2. Internal Auditor has not been appointed by the Company under section 138 of the Companies Act, 2013 for the F.Y. 2021-22;
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. 2021-22;
4. Forms for some Board Resolutions passed during the F.Y. 2021-22 have not been filed with the ROC;
5. Website of the Company is not functional and requisites policies as per applicable provisions of the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and SEBI (PIT) Regulations, 2015 not available in the records of the Company;
6. The Company has made delay in submission of its disclosure under SEBI (LODR) Regulation to BSE Limited;
7. Composition of Board, Audit Committee, Nomination & Remuneration Committee and Stakeholder Relationship Committee is not in accordance with Companies Act, 2013 and SEBI (LODR) Regulations, 2015 as on 31<sup>st</sup> March, 2022.  
However, Company have appointed Mr. Sachin Khanolkar (Independent Director), Mr. Mayur Doshi (Non-executive Director) and Mr. Sonali Sasane (Woman Director) on the Board of the Company, hence Composition of Board, Audit Committee, Nomination & Remuneration Committee and Stakeholder Relationship Committee is in accordance with Companies Act, 2013 and SEBI (LODR) Regulations, 2015 as on the date of the report;
8. Newspaper Publication with respect to intimation of Board Meeting and financial results are not as per Regulation 47 of SEBI (LODR) Regulations, 2015;
9. Disclosure under Regulation 74(5) of SEBI (Depositories Participant) Regulation, 2018 for the quarter ended December, 2021 has not been submitted;
10. Due to non-availability of documents/details related to transfer of unclaimed final dividend declared in AGM held on 20th September, 2013 along with its shares to IEPF Authority, we are not able to comment on status relevant compliances of the same.

**We further report that:**

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

Adequate notice is given to all directors to schedule the Board Meetings and agenda items were sent at least seven days in advance except mentioned above 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.

All decisions at Board Meetings and Committee Meetings are carried out either unanimously or majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**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.

**For KAMRAN & ASSOCIATES  
Company Secretaries**

**SD/-**

**Kamran Siddiqui  
Proprietor  
Membership No. F12038  
C.P. No: 19707  
Place: Gorakhpur, Uttar Pradesh, India  
Date: 07/12/2022**

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**  
Add: Office No. 7, 2<sup>nd</sup> floor,  
Readymoney Terrace, 167,  
Dr. A. B. Road, Worli, Mumbai – 400018

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

1. Maintenance of secretarial and other records under applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.
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 procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
6. The Secretarial Audit report 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.
7. Due to lockdown in the state because of COVID-19, we were not able to personally visit at the office of the company for verification of documents physically and hence obtained all the documents, details, information in electronic mode and taken necessary explanations, clarifications and representations either telephonically or electronically whenever required.

**For KAMRAN & ASSOCIATES**  
**Company Secretaries**

**SD/-**

**Kamran Siddiqui**  
**Proprietor**  
**Membership No. F12038**  
**C.P. No: 19707**  
**Place: Gorakhpur, Uttar Pradesh, India**  
**Date: 07/12/2022**



## Annexure 2

**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:**

##### **A. 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.

##### **B. 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.

**C. 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.

**D. 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.

**E. 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:****A. Remuneration to Managing Director / Whole-time Directors:**

a) 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.

b) 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.

**B. Remuneration to Non- Executive / Independent Directors:**

a) 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.

b) 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.

c) 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.

d) 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.

e) 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).

**C. Remuneration to Key Managerial Personnel and Senior Management:**

a) 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.

b) 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.

c) 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.

d) 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.

**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.

**For and on behalf of the Board of Directors**

**Sd/-**

**Sd/-**

**Hemendranath Choudhary**

**Mayur Doshi**

Whole - Time Director

Director

DIN:6641774

DIN: 08351413

Place: Mumbai

Date: 07.12.2022

## Annexure 3

**Disclosure as per Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

<b>(i)</b>	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2021-2022 :-	
<b>Name of the Director</b>		<b>Ratio of remuneration to the median remuneration of the employees</b>
<b>Mr. Hemendranath Choudhary</b>		<b>NA</b>
<b>(ii)</b>	The percentage increase in remuneration of each director, CFO, CEO, Company Secretary or Manager, if any, in the financial year 2021-22.	There is no increase in the remuneration of the Whole-Time Director and Company Secretary during the FY 2021-22
<b>(iii)</b>	The percentage increase in the median remuneration of employees in the financial year 2021-22.	NA
<b>(iv)</b>	The number of permanent employees on the rolls of the company as on March 31 <sup>st</sup> , 2022.	Nil
<b>(v)</b>	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.	NA
We hereby confirm that the remuneration paid during the year is as per the remuneration policy of the Company and as adopted by the company.		

**For and on behalf of the Board of Directors**

**Sd/-**

**Sd/-**

**Hemendranath Choudhary**

**Mayur Doshi**

Whole - Time Director

Director

DIN:6641774

DIN: 08351413

Place: Mumbai

Date: 07.12.2022

## Annexure 4

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****A. INDUSTRY AND ECONOMIC SCENARIO:**

The financial year 2022 was quite eventful when the Indian economy started witnessing green shoots of recovery post the first wave of Covid19 pandemic, the second wave of Covid struck hard right from the beginning of FY 22. Unlike the nationwide lockdown during the first wave in FY 21, state level localised lockdowns and targeted containment strategy had a less pronounced impact on the economy. Rapid vaccination programme roll-out and Governmental support, led to upticks across a range of indicators, including the mobility index, direct tax collections, and electricity demand, reflect positive levels of economic growth.

The Government of India's renewed commitment with its continued investment in strengthening the country's infrastructure with proposal to fund infrastructure through PM Gati Shakti, Public Private Partnerships, is expected to boost the economic growth. RBI forecast for GDP growth for FY 23 is at 7.2% as against provisional estimate of GDP growth for FY 22 at 8.7%. India is likely to maintain its position as the fastest growing major economy. World Bank has also forecasted India's GDP growth for fiscal year 2022-23 above 7.0% Continuous uptick in High Frequency Indicators (HFIs) point towards economic recovery in India. Also, the Government's impetus on infrastructure development and domestic manufacturing is anticipated to further this growth, create more jobs and help build supply chain resilience

**B. NBFC INDUSTRY**

The Non-Banking Financial Companies (NBFCs) constitute a significant host of institutions that offer almost all banking services except for issuing self-drawn checks and demand drafts. As financial intermediaries, they are able to solicit funds from the public, whether directly or indirectly, and execute loans to parties having repayment capacity. This segment to which NBFCs provide services includes wholesale/retail merchants, small and medium-sized businesses, and sole proprietors. NBFCs are considered as an extension of banks, frequently offering financial help with a customer-centric focus. The pandemic has tested the resilience of NBFCs, but so far, the sector has emerged stronger with reasonable balance sheet growth, increased credit intermediation, higher capital, lower delinquency ratio and enlarged liquidity cushions. After the pandemic, initiatives such as a moratorium and asset categorization pause improved financial conditions and provided NBFCs time to weather the shock and channel loans to productive sectors to recover growth. Many NBFCs use strong credit risk assessment frameworks to assure credit quality. The Reserve Bank of India (RBI) has introduced scale-based regulation to enhance the regulatory oversight over the sector effective October 2022. To further strengthen the supervisory tools applicable to NBFCs, the Reserve Bank issued Prompt Corrective Action Framework for NBFCs effective October 2022. The PCA Framework's purpose is to allow Supervisory intervention at the appropriate time and to require the Supervised Entity to initiate and implement corrective measures in a timely manner in order to restore its financial health. This recent amendment of the Factoring Regulation Act can incentivise all NBFCs to boost the MSME sector. Many NBFCs have used the pandemic to reinvent their business models, realising the power of data analytics and big data in business applications. In this regard, many have tied up with FinTech firms to leverage on technological innovations. The recent action has been taken by the RBI to supersede the boards of NBFCs that have failed to repay their debts. This action

demonstrates the vigilance with which RBI monitors the sector in order to safeguard the interests of stakeholders and prevent negative consequences on the financial system.

### **C. FINANCIAL SERVICES SECTOR**

India's financial services sector comprises of commercial banks/co-operative banks, non-banking financial companies, insurance companies, pension / mutual funds and other various entities. India is expected to be fourth largest private wealth market globally by 2028.

The country's financial services sector consists of the capital markets, insurance sector and non-banking financial companies (NBFCs).

### **D. FINANCIAL AND OPERATIONAL PERFORMANCE (AS PER IND AS)**

There are no significant changes in key financial ratios of the Company for F.Y. 2021-22 as compared to F.Y. 2020-21. The Company has an internal control system, commensurate with the size, scale and complexity of its operations. The Company monitors and evaluates the efficacy and adequacy of internal control system in place, its compliance with operating systems, accounting procedures and policies.

### **E. SWOT ANALYSIS**

#### **Strengths**

- Unique relationship-based business model with extensive experience and expertise in credit appraisal and collection process
- Strong brand name
- A well-defined and scalable organizational structure based on product, territory and process knowledge
- Experienced senior management team
- Strong relationships with public, private as well as foreign banks, institutions and investors,

#### **Weakness**

- Business and growth directly linked with the GDP growth of the country
- Company's Customers-SRTOs and FTUs are more vulnerable to negative effects of economic downturn

#### **Opportunities**

- Growth in the commercial vehicles, passenger vehicles and tractors market
- Meeting working capital needs of persons in commercial vehicles eco-system
- Higher budgetary allocation by the Government to give boost to infrastructure sector involving construction of roads, new airports, ports etc. creating huge demand for Commercial Vehicle
- Cross selling of insurance products, invoice discounting etc.

#### **Threats**

- Competition from captive finance companies and small banks
- Ad-hoc policies on phasing out of older vehicles
- Inadequate availability of bank finance and upsurge in borrowing cost
- External risks associated with liquidity stress, political uncertainties, fiscal slippage concerns, etc.

**F. FUTURE STRATEGY**

The Board has determined the following medium-term and longterm strategies to achieve its corporate goals over a period of next 3-5 years:

- Further strengthening the leadership position in financing vehicles
- Further enhancing quality of loan portfolio Maintaining customer loyalty through winning relationship and customer satisfaction

The Board is also looking for potential investors and is open for takeover/Acquisition strategies.

**For and on behalf of the Board of Directors**

**Sd/-**

**Sd/-**

**Hemendranath Choudhary**

**Mayur Doshi**

Whole - Time Director

Director

DIN:6641774

DIN: 08351413

Place: Mumbai

Date: 07.12.2022



## Annexure 5

**CORPORATE GOVERNANCE REPORT**

Corporate governance is about commitment to values and ethical business conduct. It is also about how an organisation is managed viz., its corporate and business structure, its culture, policies and the manner in which it deals with various stakeholders. Timely and accurate disclosure of information regarding the financial position of the company, its performance and ownership forms part of the corporate governance.

The company believes that sound corporate governance practices are crucial to the smooth and efficient operation of a company and its ability to attract investment, protect the rights of its stakeholders and provide shareholder value. Everything the company does is defined and conditioned by the high standards of governance, which serve its values.

**BOARD OF DIRECTORS**

The corporate governance practices of the company ensure that the board of directors (the board) remains informed, independent and involved in the company and that there are ongoing efforts towards better governance to mitigate “non-business” risks.

The board is fully aware of its fiduciary responsibilities and recognizes its responsibilities to shareholders and other stakeholders to uphold the highest standards in all matters concerning the company and has empowered responsible persons to implement its broad policies and guidelines and has setup adequate review processes.

The board is committed to representing the long-term interests of the stakeholders and in providing effective governance over the company’s affairs and exercise reasonable business judgment on the affairs of the company.

**COMPOSITION**

The board has been constituted in a manner as per reg. 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and the Companies Act, 2013 (the Act). The board has a mix of executive / non-executive and independent directors, including a woman independent director to ensure proper governance and management. The board members have collective experience in diverse fields like banking and financial services, audit, finance, compliance and technology. The directors are elected based on their qualification and experience in varied fields. None of the directors are *inter-related*. Composition of the Board as on date of report is as follows:

<b>Name</b>	<b>DIN/PAN</b>	<b>Designation</b>
HEMENDRANATH CHOUDHARY	06641774	Whole – Time Director
MAYUR DOSHI	08351413	Non – Executive Director
ASHOK KATRA	07799527	Independent Director
SACHIN KHANOLKAR	09428362	Independent Director
SONALI SASANE	08079863	Non – Executive Woman Director

All the Directors are in compliance with the regulation 26 of the Listing Regulations and the Act. In the opinion of the board, the independent directors of the company fulfill the conditions specified in Listing Regulations and are independent of the management of the company.

### **BOARD MEETINGS**

The board meets at regular intervals with an annual calendar and a formal schedule of matters specifically reserved for its attention to ensure that it exercises full control over significant strategic, financial, operational and compliance matters. The board is regularly briefed and updated on the key activities of the business and is provided with briefings and presentations on operations, quarterly financial statements and other matters concerning the company. Besides, information about statutory compliance, minutes of all the subsidiary companies and committees of the board and information as required under the Listing Regulations are also provided to the directors on a quarterly basis. The board at every meeting also reviews the important regulatory changes and correspondence between two meetings.

During the year, the Board met 5 times. The company also provides the option to participate through video conferencing to enable the directors' participation at the meetings. All the members have attended all the Board meetings and other committees meetings during the year.

### **CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE**

Kamran & Associates has issued a certificate as required under the Listing Regulations, confirming that none of the directors on the board of the company has been debarred or disqualified from being appointed or continuing as director of companies by SEBI / Ministry of Corporate Affairs or any such statutory authority. A certificate to this effect has been enclosed with this report.

### **AUDIT COMMITTEE**

#### **Terms of Reference**

The committee acts as a link between the board, the statutory auditors and the internal auditors. The role of the audit committee includes overseeing the financial reporting process and disclosure of financial information, review of financial statements, adequacy of internal financial controls and risk management systems, review and approval of transactions with related parties, findings of internal audits / investigations, whistle blower policy, monitoring the usage of funds from issue proceeds, review the financial statements, compliance with the provisions of SEBI Prohibition of the Insider Trading Regulations at least once a financial year.

The committee also verifies the adequacy in the systems for internal controls, to grant approvals for related party transactions which are in the ordinary course of business and on an arm's length basis, scrutiny of inter-corporate loans and investments, besides recommending the appointment / removal of the statutory auditors, the internal auditors and fixing their remuneration and review of the effectiveness of audit process.

#### **Composition & Meetings**

As at 31 March, 2022 the committee comprised three directors. The committee comprised Mr. Ashok Katra, Independent Director as the chairman, Mr. Mayur Doshi and Mr. Hemendranath Choudhary as its members. The company secretary acts as the secretary to the committee. During the year, the committee met 5 times.

All members of audit committee have knowledge of financial management, audit and accounts. The statutory auditors, the internal auditors and senior management are invited to attend the meetings of the committee. The committee met the statutory auditors as well as internal auditors during the year.

## **NOMINATION AND REMUNERATION COMMITTEE**

### **Terms of Reference**

The role of the committee is to determine the company's policy on remuneration to executive directors and senior management, including periodic increments in salary. The committee is also empowered to determine the annual commission / incentives of the executive directors and the minimum remuneration of the executive directors in the event of inadequacy of profits besides implementing, remuneration including commission payable to non-executive directors, administering and monitoring the employee stock option plan / schemes of the company. The terms of reference inter alia includes the role of the committee to further consider and recommend persons who are qualified for board positions, evaluate directors performance prior to recommendation for re-appointments, identify persons who are qualified to be in senior management and recommend their appointments, remuneration payable and removal, formulate the criteria for determining qualifications, positive attributes and independence of a director and devising a policy on board diversity, determine whether to extend or continue the terms of appointment of independent director on the basis of the report of performance evaluation.

### **Composition & Meetings**

As at 31 March, 2022, the committee comprised Mr. Mayur Doshi as the chairman, Mr. Ashok Katra and Mr. Hemendranath Choudhary as its members.

### **Remuneration Policy**

The success of any organization in achieving good performance and governance depends on its ability to attract quality individuals on the board. The company has in place a remuneration policy which is guided by the principles and objectives as enumerated in section 178 of the Act.

Due to the negative cash flows and losses incurred in previous years, your company is not paying any Compensation to executive and non-executive directors.

## **STAKEHOLDERS' RELATIONSHIP COMMITTEE AND RISK MANAGEMENT COMMITTEE**

As on March 31, 2022 Mrs. Usha Iyengar is the Chairperson of the Committees with Mr. Ashok Katra and Mr. Mayur Doshi as members.

Committee has met once in the period concerned.

## **ATTENDANCE AT BOARD, COMMITTEE AND GENERAL MEETINGS**

All the Directors have attended all the meetings during the year including general meetings. During the year, the Annual General Meeting was held 30<sup>th</sup> September, 2021.

All the resolutions were passed with requisite majority by the shareholders.

All the General Meetings of the Company were held at the Registered Office only.

**POSTAL BALLOT**

During the year, the company had not passed any special resolutions through postal ballot, resolutions were passed with requisite majority by the shareholders.

**Proposed resolutions through postal ballot:**

No special resolution is proposed to be conducted through postal ballot.

**SECRETARIAL AUDIT**

The company annually conducts a secretarial audit by an independent practicing company secretary. For the year ended 31 March, 2022, Kamran & Associates, company secretaries, have conducted the secretarial audit and the certificate was placed before the board and attached to this report.

**RECONCILIATION OF SHARE CAPITAL AUDIT**

As required by the Securities and Exchange Board of India (SEBI), quarterly audit of the company's share capital is being carried out by an independent auditor with a view to reconcile the total share capital admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and held in physical form, with the issued and listed capital. The certificate issued by an independent practicing Chartered Accountant is submitted to the stock exchanges and is also placed before the board of directors.

**CEO/CFO CERTIFICATION**

Chief financial officer have given a compliance certificate to the board with regard to financial statements and internal control systems as contemplated under regulation 17(8) of the Listing Regulations.

**COMPLIANCE REPORT**

A detailed compliance report is placed before the board every quarter and highlights of the report is circulated to the board along with the agenda every quarter. The company secretary submits a compliance certificate to the board on a quarterly basis. The board reviews the compliance of all applicable laws every quarter and gives appropriate directions, wherever necessary.

**CODE OF CONDUCT**

The board has laid down a "Code of Conduct" for all the board members and the senior management of the company and the Code of Conduct has been posted on the website of the company. All directors and senior management personnel of the company have affirmed compliance with the Code of Conduct of the company for the year ended March 31, 2022, as envisaged in schedule V under regulation 34 (3) of the Listing Regulations.

**CODE FOR PREVENTION OF INSIDER TRADING**

The board has adopted a code to regulate, monitor and report trading by insiders in securities of the company. The code inter alia requires pre-clearance for dealing in the securities of the company and prohibits the purchase or sale of securities of the company while in possession of unpublished price sensitive information in relation to the company and during the period when the trading window is closed. The board has further approved the code for practices and procedures for fair disclosure of unpublished price sensitive information and policy governing the procedure of inquiry in case of actual or suspected leak of unpublished price sensitive information. The code has also been hosted on the website of the company.

**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

The certificate on compliance of corporate governance norms from a practicing company secretary is annexed to the report.

**DISCLOSURES****Related party transactions**

All transactions with related parties that were entered into during the financial year were in the ordinary course of business and were on an arm's length basis. There were no material transactions with related parties i.e., transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc., that may have potential conflict with the interest of company at large.

The board has put in place a policy on related party transactions and the same has been uploaded on the company's website (weblink:<http://www.flflindia.com>)

**Fee disclosures as required by clause 10(k), Part C, Schedule V of the Listing Regulations:**

Total fees for all services paid by the company on a consolidated basis, to M/s. A. C. Bhuteria and Company, statutory auditors of the company for the year ended 31 March, 2022, is Rs.2,50,000 for yearly audit and Rs.29,500 for Quarterly review report.

**Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

During the year, the company had not received any complaint under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**Whistle blower policy / vigil mechanism**

The company has established a whistle blower mechanism to provide an avenue to raise concerns. The mechanism provides for adequate safeguards against victimization of directors/employees / customers who avail of the mechanism and also for appointment of an ombudsperson who will deal with the complaints received.

During the year, no personnel have been denied access to the audit committee.

The policy is available on the website (weblink:<http://www.flflindia.com>).

**Penalties**

There were several penalties imposed on the company by stockexchange(s) on non-compliance of regulations with late filing during the last three years.

**COMPLIANCE WITH CORPORATE GOVERNANCE NORMS**

The company is looking for several candidatures to comply with all mandatory requirements of corporate governance norms as enumerated in chapter IV of the Listing Regulations. The requirements of regulation 17 to regulation 27 of the Listing Regulations and clauses (b) to (i) of the sub-regulation(2) of regulation 46.

Due to COVID 19 pandemic and lockdowns imposed by governments from March 2020, Board was finding it difficult to appoint candidates to comply with all the regulations of Listing Regulations.

However, Company have appointed requisite no. of Director before the date of this report as is in compliance with the SEBI (LODR) Regulations.

The company has also adopted the following discretionary requirements specified in Part E of Schedule II in terms of regulation 27(1) of the Listing Regulations:

- i. Modified opinion(s) in audit report: Company's financial statements have unmodified audit opinions.

### **MEANS OF COMMUNICATION**

The audited financial results, quarterly results and other major announcements like notices of board meetings, book closures were published in English and Marathi and are also available on the company's website [www.flfindia.com](http://www.flfindia.com). Press releases are given in the leading newspapers and also posted on the company's website.

### **MANAGEMENT DISCUSSION & ANALYSIS**

A management discussion & analysis forms part of the annual report.

### **GENERAL SHAREHOLDER INFORMATION**

A separate section on the above has been included in the annual report.

**For and on behalf of the Board of Directors**

**Sd/-**

**Sd/-**

**Hemendranath Choudhary**

**Mayur Doshi**

Whole - Time Director

Director

DIN:6641774

DIN: 08351413

Place: Mumbai

Date: 07.12.2022

## Annexure 6

Certificate from Company Secretary in Practice

**KAMRAN & ASSOCIATES**  
**Company Secretaries****Regd. Office:** C-120/370, Opposite Bombay Electric Works, Buxipur,  
Gorakhpur – 273001, Uttar Pradesh, India**Email:** [kaaacs@gmail.com](mailto:kaaacs@gmail.com)**Tel:** +91 70717 57404/ +91 77848 22930**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**Add: Office No. 7, 2<sup>nd</sup> floor,  
Readymoney Terrace, 167,  
Dr. A. B. Road, Worli, Mumbai – 400018

We have examined the relevant records, information, forms, returns and disclosures received from the Directors of **M/s. Frontier Capital Limited** having CIN: **L65990MH1984PLC033128** and having registered office at Office No. 7, 2<sup>nd</sup> floor, Readymoney Terrace, 167, Dr. A. B. Road, Worli, Mumbai – 400018. (hereinafter referred to as **'the Company'**) produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number ( **'DIN'**) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that, none of the Directors on the Board of the Company as stated below have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority for the financial year ending on March 31, 2022.

Sr. No.	Name of the Directors	DIN	Date of appointment in Company	Date of Resignation, if any
1.	Usha Sundar Iyengar	03447551	01/04/2015	16/12/2021
2.	Hemendranath Choudhary	06641774	21/04/2016	NA
3.	Ashok Katra	07799527	15/03/2017	NA
4.	Mayur Doshi	08351413	02/12/2021	NA

**Reg. Office: Office No. 7, 2<sup>nd</sup> Floor, Readymoney Terrace, 167, Dr. A. B. Road, Worli, Mumbai – 400018**

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

**For KAMRAN & ASSOCIATES  
Company Secretaries**

**SD/-**

**Kamran Siddiqui  
Proprietor  
Membership No. F12038  
C.P. No: 19707  
Place: Gorakhpur, Uttar Pradesh, India  
Date: 07/12/2022**



## Annexure 7

**Independent certificate on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of SEBI (LODR) Regulations, 2015, as amended**

**KAMRAN & ASSOCIATES**  
**Company Secretaries**

**Regd. Office:** C-120/370, Opposite Bombay Electric Works, Buxipur,  
Gorakhpur – 273001, Uttar Pradesh, India

**Email:** [kaaacs@gmail.com](mailto:kaaacs@gmail.com)

**Tel:** +91 70717 57404/ +91 77848 22930

**CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

**To**  
**The Members of**  
**FRONTIER CAPITAL LIMITED**

We have examined the compliance of conditions of Corporate Governance by **FRONTIER CAPITAL LIMITED (“the Company”)** for the year ended on March 31, 2022 as stipulated in Regulations 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the 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 and representations made by the management, we certify that the Company to the extent applicable, has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 except mentioned in the Secretarial Audit Report issued by us.

We further state that such compliance 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 KAMRAN & ASSOCIATES**  
**Company Secretaries**

SD/-

**Kamran Siddiqui**  
**Proprietor**  
**Membership No. F12038**  
**C.P. No: 19707**

**Place: Gorakhpur, Uttar Pradesh, India**  
**Date: 07/12/2022**

**General Shareholders Information****Registered Office:**

Office No. 7, 2<sup>nd</sup> Floor, Readymoney Terrace, 167, Dr. A. B. Road, Worli, Mumbai – 400018  
Company does not have any other branches.

**Corporate Identity Number (CIN):**

L65990MH984PLC033128

**Annual General Meeting:**

Annual General Meeting of the Company will be held on 30<sup>th</sup> December, 2022 at 11.00 am at the registered office of the Company

**Financial Year:**

1 April to 31 March.

**Dividend payment date:**

The Board has not declared any Dividend for the year.

**Listing on Stock Exchanges:**

Equity Shares:

BSE Limited

Floor 25, Phiroze Jeejeebhoy Towers Dalal Street,  
Fort, Mumbai - 400 001.

**Stock Code : 511243**

**ISIN:**

The ISIN for the equity shares of the company has been us INE977E01013.

**Debt Securities:**

Company does not have any debt securities issued and listed.

**Payment of Listing fees:**

The listing fees for equity shares FY 2022 were not paid to the stock exchanges.

**Share price data:**

Shares of the Company are listed but not traded during last three years on the stock exchange. Price of the shares is Rs. 3.72 with same 52 week High and low. Securities are not suspended during last 3 years.

**Registrar & Share Transfer Agent:**

Link Intime India Private Limited

C – 101, 247 park, LBS Marg, Vikhroli West, Mumbai – 400 083

Tel: 022-4918 6270

Fax: 022-40986060

E-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

**Share Transfer System:**

Effective 1 April, 2019 SEBI has disallowed listed companies from accepting request for transfer of securities which are held in physical form. The shareholders who continue to hold shares in physical form after this date, will not be able to lodge the shares with company / its RTA for further transfer. Shareholders shall mandatorily convert them to demat form if they wish to effect any transfer. Only the

requests for transmission and transposition of securities in physical form, will be accepted by the company / RTA.

All the shares of the Company are in demat form.

**Nomination facility:**

The company is accepting nomination forms from shareholders in the prescribed form. All those who are desirous of making a nomination are requested to contact the RTA.

**Details of complaints received and redressed:**

During the year, No investor service complaint was received and are pending as at 31 March, 2022.

**Contact details of the designated official for assisting and handling investor grievances:**

In terms of regulation 46(2)(k) of the Listing Regulations, the contact details of the designated official for assisting and handling investor grievances are as below:

**Mr. Mayur Doshi, Chairman of the Board**

Office No. 7, 2ndFloor, Readymoney Terrace, 167, Dr. A. B. Road, Worli, Mumbai – 400018

Email ID: [frontierleasing1984@gmail.com](mailto:frontierleasing1984@gmail.com), Phone: +91 88793 10051

**Credit Rating:**

Company has not obtained any credit rating during the year.

**Distribution of Shareholding as on 31 March, 2022:**

Sl. No.	Category	No. of holders	%	No. of shares	%
1	1 - 5	5	16.12	166,93,510	99.59
2	5 - 31	26	83.88	68,653	0.41
	TOTAL	31	100.00	167,62,163	100.00

**Shareholding Pattern:**

Category	No. of shares	%
Promoter and promoter group	124,93,510	74.53
Resident Individuals and others	42,68,653	25.47
TOTAL	167,62,163	100.00

**For and on behalf of the Board of Directors**

Sd/-

Sd/-

**Hemendranath Choudhary**

**Mayur Doshi**

Whole - Time Director

Director

DIN:6641774

DIN: 08351413

Place: Mumbai

Date: 07.12.2022

**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 31<sup>st</sup> March 2022, 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 "the Ind 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, 2022, 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	<p><b>Impairment of Financial Assets based on Expected Credit Loss ('ECL')</b> (as described in Note 3.5 of the Ind AS Financial Statements)</p> <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. Financial instruments, which include loans to customers, represent a significant portion of the total assets of the Company. The Company has gross loans aggregating ₹300 lakhs as at March 31, 2022.</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, 2022, 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>	<ul style="list-style-type: none"> <li>- 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 of India guidelines and directions issued from time to time.</li> <li>- Understood the Company's key credit processes comprising granting, recording and monitoring of loans as well as impairment provisioning</li> <li>- Read and assessed the Company's impairment provisioning policy as per Ind AS 109</li> <li>- 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</li> <li>- Tested the ECL model, including assumptions and underlying computation</li> <li>- Assessed the Exposure at Default used in the impairment calculations on a test basis</li> <li>- 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</li> <li>- Enquired with the management regarding significant judgments and estimates involved in the impairment computation and additional management overlay provision arising from the effects of the COVID-19 pandemic, and evaluated the reasonableness thereof;</li> </ul>

**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, make 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<sup>st</sup> March, 2022, 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, 2022.
- 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, 2022.
- 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, 2016 (“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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2022 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 ` 4,300/-.

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 its 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.

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

Chartered Accountants

Firm's Registration No. 303105E

**Sd/-**

**Bikas Kumar Burnwal**

Partner

Membership No. 311785

UDIN: 22311785AKAAMY9745

Place of Signature: Kolkata

Date: 31-05-2022

**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(i)(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 a regular programme of physical verification of its property, plant and equipment by which property, plant and equipment are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and 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(i)(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(i)(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(i)(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(ii)(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(iii)(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.

According to the information and explanations given to us and on the basis of our examination of the books and records of the Company, no undisputed amounts payable in respect of income tax, cess and other material statutory dues were in arrears as at 31st March 2022 for a period of more than six months from the date they became payable, except for Service tax payable under reverse charge mechanism amounting to ` 18,600/-, Professional Tax of ` 15,400/-, TDS of ` 9,94,770/- (out of which ` 5,43,633/- has been paid in 24.05.2022) and Goods and Services Tax of ` 2,70,000/-.

- (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.
- (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.
- (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.

**(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 report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- (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/-

**Bikas Kumar Burnwal**

Partner

Membership No. 311785

UDIN: 22311785AKAAMY9745

Place of Signature: Kolkata

Date: 31-05-2022

**Annexure 'B' to the Independent Auditors' Report****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to the financial statements of **Frontier Capital Limited** ("the Company") as of 31st March, 2022 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 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, 2022, 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/-****Bikas Kumar Burnwal**

Partner

Membership No. 311785

UDIN: 22311785AKAAMY9745

Place of Signature: Kolkata

Date: 31-05-2022

Balance Sheet as at March 31, 2022			(` in Lakhs)	
Particulars	Note No.	As at 31.03.2022	As at 31.03.2021	
<b>ASSETS</b>				
<b>1. Financial Assets</b>				
a. Cash and Cash Equivalents	5	7.15	0.36	
b. Bank balances other than Cash and Cash Equivalents	6	0.44	0.44	
c. Loans	7	300.00	225.00	
d. Other Financial Assets	8	25.11	0.54	
<b>Total Financial Assets</b>		<b>332.70</b>	<b>226.34</b>	
<b>2. Non-Financial Assets</b>				
a. Property, Plant and Equipment	9	-	-	
<b>Total Non-Financial Assets</b>		<b>-</b>	<b>-</b>	
<b>TOTAL ASSETS</b>		<b>332.70</b>	<b>226.34</b>	
<b>LIABILITIES AND EQUITY</b>				
<b>Financial Liabilities</b>				
a. Payables				
(i) Trade Payables	10			
(ii) Total outstanding dues of micro and small enterprises		10.16	-	
(iii) Total outstanding dues of creditors other than micro and small enterprises		19.74	26.49	
(II) Other Payables	11			
(i) Total outstanding dues of micro and small enterprises		-	-	
(ii) Total outstanding dues of creditors other than micro and small enterprises		1.09	16.56	
b. Borrowings (Other than Debt Securities)	12	38.50	8.98	
c. Other Financial Liabilities	13	40.13	37.28	
<b>Total Financial Liabilities</b>		<b>109.62</b>	<b>89.31</b>	
<b>Non-Financial Liabilities</b>				
a. Current Tax Liabilities (Net)	14	2.87	2.87	
b. Provisions	15	0.75	-	
c. Other Non-Financial Liabilities	16	13.41	11.69	
<b>Total Non-Financial Liabilities</b>		<b>17.03</b>	<b>14.56</b>	
<b>Equity</b>				
a. Equity Share Capital	17	1,676.22	1,676.22	
b. Other Equity	18	(1,470.17)	(1,553.75)	
<b>Total EQUITY</b>		<b>206.05</b>	<b>122.47</b>	
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>332.70</b>	<b>226.34</b>	
<b>Significant Accounting Policies</b>		<b>3</b>		
<b>The accompanying notes are integral part of the financial statements.</b>				
<b>As per our report of even date attached.</b>				

For A.C. Bhuteria &amp; Co.

Chartered Accountants  
CAI Firm Regn No. 303105E

Sd/-

**Bikas Kumar Burnwal**Partner  
Membership No: 311785  
Date: 31.05.2022, Place: Kolkata

For and on behalf of the Board of Directors of

**Frontier Capital Limited**

Sd/-

**Hemendranath R. Choudhary**Whole Time Director  
DIN: 06641774  
Date: 31.05.2022, Place: Mumbai

Sd/-

**Mayur Doshi**Director  
DIN: 08351413

Sd/-

**Aniket N. Prabhu**CS and CFO  
ACS: 55634



<b>Statement of Profit &amp; Loss</b>			
<b>For the year ended March 31, 2022</b>			(` in Lakhs)
<b>Particulars</b>	<b>Note No.</b>	<b>For the Year ended 31.03.2022</b>	<b>For the Year ended 31.03.2021</b>
<b>(I) Revenue from Operations</b>			
- Interest Income	19	0.11	27.28
-Net Gain on derecognition of financial instruments under amortised cost category	20	111.00	-
<b>Total Revenue from Operations (I)</b>		<b>111.11</b>	<b>27.28</b>
<b>(II) Other Income</b>	21	-	3.59
<b>(III) Total Income (I) + (II)</b>		<b>111.11</b>	<b>30.87</b>
<b>(IV) Expenses</b>			
-Finance Costs	22	0.50	1.15
-Employee Benefits Expenses	23	7.20	19.13
-Depreciation and Amortisation Expenses	9	-	-
-Other Expenses	24	19.82	95.42
<b>Total Expenses (IV)</b>		<b>27.52</b>	<b>115.70</b>
<b>(V) Profit before exceptional items and tax (III) - (IV)</b>		<b>83.59</b>	<b>(84.83)</b>
<b>(VI) Exceptional Items</b>			
- Loss on Conversion of CCPS to Equity		-	-
<b>(VII) Profit before tax (V) - (VI)</b>		<b>83.59</b>	<b>(84.83)</b>
<b>(VIII) Tax Expense</b>			
-Current Tax		-	-
-Deferred tax		-	-
<b>Net Tax Expense (VIII)</b>			
<b>(A) Profit for the year (VII) - (VIII)</b>		<b>83.59</b>	<b>(84.83)</b>
<b>(B) Other Comprehensive Income</b>			
(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:		-	-
<b>Other comprehensive income/(loss) for the year (B)</b>		-	-
<b>Total Comprehensive Income for the year (A+B)</b>		<b>83.59</b>	<b>(84.83)</b>
Earnings per equity share of ` 10 each	25		
-Basic (₹)		0.50	(0.51)
-Diluted (₹)		0.50	(0.51)
<b>Significant Accounting Policies</b>	3		
<b>The accompanying notes are integral part of the financial statements.</b>			
<b>As per our report of even date attached.</b>			

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

Chartered Accountants  
CAI Firm Regn No. 303105E

Sd/-  
**Bikas Kumar Burnwal**  
Partner  
Membership No: 311785  
Date: 31.05.2022, Place: Kolkata

Sd/-  
**Hemendranath R. Choudhary**  
Whole Time Director  
DIN: 06641774  
Date: 31.05.2022, Place: Mumbai

**For and on behalf of the Board of Directors of**

**Frontier Capital Limited**

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

Sd/-  
**Aniket N. Prabhu**  
CS and CFO  
ACS: 55634

**Cash Flow Statement For the Year Ended 31st March, 2022(` in Lakhs)**

Particulars		Year Ended 31.03.2022	Year Ended 31.03.2021
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	<b>Net Profit/ (Loss) Before Exceptional Items and Tax</b>	<b>83.59</b>	<b>(84.83)</b>
	<b>Adjustments For :</b>		
	Contingent Provision on Standard Assets	0.75	-
	Interest on Borrowings Other than Debt Securities	-	0.30
	Impairment Allowances	-	75.24
	Interest Income	(0.11)	(27.28)
	Interest on Income Tax Refund	-	-
	<b>Operating Profit Before Working Capital Changes</b>	<b>84.23</b>	<b>(36.57)</b>
	<b>Movements in Working Capital</b>		
	Decrease/ (Increase) in:		
	Bank balances other than Cash and Cash Equivalents	-	0.00
	Loans	(74.89)	(0.98)
	Other Financial Assets	(24.57)	0.25
	Other Non-Financial Assets	-	-
	Payables		
	Trade Payables	3.41	7.95
	Other Payables	(15.47)	7.10
	Other Financial Liabilities	2.85	12.83
	Other Non-Financial Liabilities	1.72	4.86
	<b>Cash Generated From Operations</b>	<b>(22.73)</b>	<b>(4.54)</b>
	Direct Taxes Paid (Net)	-	-
	Interest Received	-	-
	<b>Net Cash Flow From (Used In) Operating Activities (A)</b>	<b>(22.73)</b>	<b>(4.54)</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	<b>Net Cash Flow From (Used In) Investing Activities (B)</b>	<b>-</b>	<b>-</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from Issue of Equity Shares	-	-
	Proceeds/(Repayment) from Borrowings	29.52	4.68
	Interest Paid	-	-
	<b>Net Cash Flow From (Used In) Financing Activities (C)</b>	<b>29.52</b>	<b>4.68</b>
	<b>Net Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>6.79</b>	<b>0.13</b>
	<b>Cash &amp; Cash Equivalents at the beginning of the Year</b>	<b>0.36</b>	<b>0.23</b>
	<b>Cash &amp; Cash Equivalents at the end of the Year</b>	<b>7.15</b>	<b>0.36</b>
		-	-

**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 indicated in Note No. 5 to the Financial Statements.

3) Debt Reconciliation Statement in accordance with IND AS 7 as under:

	<b>31.03.2022</b> <b>(` in Lakhs)</b>	<b>31.03.2021</b> <b>(` in Lakhs)</b>
<u>Opening Balances</u>		
Short Term Borrowings	8.98	4.00
<u>Movements</u>		
Short Term Borrowings	29.52	4.98

Closing Balances		
Short Term Borrowings	38.50	8.98
<b>As per our report of even date attached.</b>		

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

Chartered Accountants  
CAI Firm Regn No. 303105E

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

Sd/-

**Bikas Kumar Burnwal**

Partner  
Membership No: 311785  
Date: 31.05.2022, Place: Kolkata

Sd/-

**Hemendranath R. Choudhary**

Whole Time Director  
DIN: 06641774  
Date: 31.05.2022, Place: Mumbai

Sd/-

**MayurDoshi**

Director  
DIN: 08351413

Sd/-

**Aniket N. Prabhu**

CS and CFO  
ACS: 55634

STATEMENT OF CHANGES IN EQUITY					
<b>a) Equity Share Capital</b>					
<b>Equity Shares of ` 10/- each issued, subscribed and fully paid up</b>					<b>( ` in Lakhs)</b>
<b>Particulars</b>					<b>Amount</b>
<b>Balance as at April 01, 2020</b>					<b>1,676.22</b>
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					-
<b>Balance as at March 31, 2021</b>					<b>1,676.22</b>
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					-
<b>Balance as at March 31, 2022</b>					<b>1,676.22</b>
<b>b) Other Equity</b>					
					<b>( ` in Lakhs)</b>
<b>Particulars</b>	<b>Reserves &amp; Surplus</b>			<b>Equity Component of Compound Financial Instrument</b>	<b>Total</b>
	<b>Statutory reserve</b>	<b>General Reserve</b>	<b>Retained earnings</b>		
<b>Balance as at April 01, 2020</b>	<b>89.23</b>	<b>11.86</b>	<b>(2,481.37)</b>	<b>911.36</b>	<b>(1,468.92)</b>
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance at the beginning of the year	89.23	11.86	(2,481.37)	911.36	(1,468.92)
Profit/ (Loss) for the year	-	-	(84.83)	-	(84.83)
Other Comprehensive Income	-	-	-	-	-
Transferred to statutory reserve	-	-	-	-	-
<b>Balance as at March 31, 2021</b>	<b>89.23</b>	<b>11.86</b>	<b>(2,566.20)</b>	<b>911.36</b>	<b>(1,553.75)</b>
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)	-	-
Compulsory Convertible Preference Shares	-	-	-	-	-
<b>Balance as at March 31, 2022</b>	<b>105.95</b>	<b>11.86</b>	<b>(2,499.33)</b>	<b>911.36</b>	<b>(1,470.17)</b>
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  
CAI Firm Regn No. 303105E

Sd/-

**Bikas Kumar Burnwal**

Partner  
Membership No: 311785  
Date: 31.05.2022, Place: Kolkata

Sd/-

**Hemendranath R. Choudhary**

Whole Time Director  
DIN: 06641774  
Date: 31.05.2022, Place: Mumbai

Sd/-

**Mayur Doshi**

Director  
DIN: 08351413

Sd/-

**Aniket N. Prabhu**

CS and CFO  
ACS: 55634

**For and on behalf of the Board of Directors of**

**Frontier Capital Limited**

## **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 31.05.2022.

## **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."

### **2.1.2 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 recognized 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 Company determines its business model at the level that best reflects how it manages Company's financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

#### **"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 2018-19 and 2019-20.

### **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."

### **3.6 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.

### **3.7 Restructured, rescheduled and modified loans**

"The Company sometimes makes concessions or modifications to the original terms of loans such as changing the installment 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."

### **3.8 Recognition of interest income**

#### **3.8.1 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.

#### **3.8.2 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.

### **3.9 Taxes**

#### **3.9.1 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."

#### **3.9.2 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."

### **3.10 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."

### **3.11 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."

### **3.12 Retirement and Other Employee Benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

### **3.13 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.

### **3.14 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.

### **3.15 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, maximising the use of relevant observable inputs and minimising 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."

### **3.16 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. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the company satisfies a performance obligation."

#### **3.16.1 Interest on Overdue Balances and Other Charges**

Overdue interest in respect of loans is recognised upon realisation.

#### **3.16.2 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."

#### **3.17 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.

#### **3.18 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."

**3.19 Segment Information**

"The accounting policies adopted for Segment reporting are in line with the accounting policies of the company with the following additional policies:

Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the Segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to Segments on a reasonable basis have been included under "Un-allocable".

Assets and liabilities have been identified to segments on the basis of their relationship to the operating activities of the Segment. Assets and liabilities, which relate to the enterprise as a whole and are not allocable to Segments on a reasonable basis have been included under "Un-allocable".

**3.20 Equity Investment in Subsidiaries and associates**

Investment in Subsidiaries and Joint Ventures are carried at Cost in the Separate Financial Statements as permitted under Ind AS 27.

**3.21 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."

**3.22 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.

**3.23 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."

**3.24 Trade receivables**

The company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated for changes in the forward- looking estimates.

**4. Significant accounting judgments, 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 Standard issued but not yet effective**

"Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards: There is no such notification which would have been applicable from April 1, 2022."

#### **4.6 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 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below:

Ind AS 16 – Property Plant and Equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets - The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material."



<b>5 CASH AND CASH EQUIVALENTS</b>		<b>( ` in Lakhs)</b>	
<b>Particulars</b>		<b>As at</b>	<b>As at</b>
		<b>31.03.2022</b>	<b>31.03.2021</b>
Cash on hand		-	-
<i>Balances with banks</i>			
	-In Current Accounts	7.15	0.36
<b>Total</b>		<b>7.15</b>	<b>0.36</b>

<b>6 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS</b>		<b>( ` in Lakhs)</b>	
<b>Particulars</b>		<b>As at</b>	<b>As at</b>
		<b>31.03.2022</b>	<b>31.03.2021</b>
	-In Deposit Accounts - Original maturity more than 3 months	-	-
	-In earmarked accounts		
	-In Unpaid Dividend Accounts	0.44	0.44
<b>Total</b>		<b>0.44</b>	<b>0.44</b>

<b>7 LOANS</b>		<b>( ` in Lakhs)</b>	
<b>Particulars</b>		<b>As at</b>	<b>As at</b>
		<b>31.03.2022</b>	<b>31.03.2021</b>
<b>At Amortised Cost</b>			
<b>(A) Unsecured</b>			
	<b>(i) Term Loans</b>	300.00	300.24
<b>Total - Gross</b>		<b>300.00</b>	<b>300.24</b>
<b>Less: Impairment Allowance</b>		-	(75.24)
<b>Total - Net</b>		<b>300.00</b>	<b>225.00</b>

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
<b>Term Loans</b>								
<b>Opening as on 01/04/2020</b>	<b>271.99</b>	-	-	<b>271.99</b>	-	-	-	-
New Assets Originated/ Increase in Existing Assets	<b>27.28</b>	-	-	<b>27.28</b>	-	-	<b>75.24</b>	<b>75.24</b>
Exposure de-recognised / matured / repaid	-	-	-	-	-	-	-	-
<b>Closing as on 31/03/2021</b>	<b>299.27</b>	-	-	<b>299.27</b>	-	-	<b>75.24</b>	<b>75.24</b>
				-				
<b>Opening as on 01/04/2021</b>	<b>299.27</b>	-	-	<b>299.27</b>	-	-	<b>75.24</b>	<b>75.24</b>
New Assets Originated/ Increase in Existing Assets/ Interest	<b>300.00</b>	-	-	<b>300.00</b>	-	-	-	-
Exposure de-recognised / matured / repaid	<b>(299.27)</b>	-	-	<b>(299.27)</b>	-	-	<b>(75.24)</b>	<b>(75.24)</b>
<b>Closing as on 31/03/2022</b>	<b>300.00</b>	-	-	<b>300.00</b>	-	-	-	-

**Note:**

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.

<b>8 OTHER FINANCIAL ASSET</b>		<b>( ` in Lakhs)</b>	
<b>Particulars</b>		<b>As at</b>	<b>As at</b>
		<b>31.03.2022</b>	<b>31.03.2021</b>
Unsecured - considered good (unless otherwise stated)			

<b>At amortised cost</b>		
Receivables on account of Sale of Loans	25.00	-
Interest Receivables	0.11	-
Other advances	-	0.54
	<b>25.11</b>	<b>0.54</b>

<b>9 PROPERTY, PLANT AND EQUIPMENT</b>		<b>(` in Lakhs)</b>	
<b>Particulars</b>		<b>Vehicles</b>	<b>Total</b>
<b>Gross Carrying Amount</b>			
<b>Deemed cost as at April 01, 2020</b>		<b>14.00</b>	<b>14.00</b>
Additions		-	-
Disposals		-	-
<b>Gross carrying amount as at March 31, 2021</b>		<b>14.00</b>	<b>14.00</b>
Additions		-	-
Disposals		-	-
<b>Gross carrying amount as at March 31, 2022</b>		<b>14.00</b>	<b>14.00</b>
<b>Accumulated depreciation and impairment</b>			
<b>Balance as at April 01, 2020</b>		<b>14.00</b>	<b>14.00</b>
Depreciation for the year		-	-
Depreciation on disposals		-	-
<b>Balance as at March 31, 2021</b>		<b>14.00</b>	<b>14.00</b>
Depreciation for the year		-	-
Depreciation on disposals		-	-
<b>Balance as at March 31, 2022</b>		<b>14.00</b>	<b>14.00</b>
<b>Net Carrying amount</b>			
As at April 01, 2020		-	-
As at March 31, 2021		-	-
<b>As at March 31, 2022</b>		<b>-</b>	<b>-</b>

<b>10</b>	<b>TRADE PAYABLES</b>	<b>(` in Lakhs)</b>	
<b>Particulars</b>		<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
(i)	Total outstanding dues of micro and small enterprises	10.16	-
(ii)	Total outstanding dues of creditors other than micro and small enterprises	19.74	26.49
	(Refer Note 27)		
		<b>29.90</b>	<b>26.49</b>
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, 2022.			<b>(` in Lakhs)</b>
	<b>Particulars</b>	<b>Outstanding for following periods from due date</b>	<b>Total</b>

		of transaction				
		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	-	-	-	-	-
(iv)	Disputed Dues - Others	-	-	-	-	-

11	OTHER PAYABLES	( ` in Lakhs)	
	Particulars	As at 31.03.2022	As at 31.03.2021
	(i) Total outstanding dues of micro and small enterprises	-	-
	(ii) Total outstanding dues of creditors other than micro and small enterprises	1.09	16.56
	(Refer Note 27)		
		<b>1.09</b>	<b>16.56</b>

12	BORROWINGS (Other than Debt Securities) at amortised cost	( ` in Lakhs)	
	Particulars	As at 31.03.2022	As at 31.03.2021
	<u>Term Loans</u>		
	From Other Parties - Unsecured	38.50	8.98
		<b>38.50</b>	<b>8.98</b>
	<b>Note:</b>		
	<b>(i) Details of BORROWINGS</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
	a) BORROWINGS (Other than Debt Securities) in India	38.50	8.98
	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		
	<b>As at 31.03.2022</b>		
	<b>Rate of Interest</b>	<b>Terms of Repayment</b>	<b>Amount Outstanding</b>
	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 or before 31st March, 2023.	34.50
	<b>As at 31.03.2021</b>		
	<b>Rate of Interest</b>	<b>Terms of Repayment</b>	<b>Amount Outstanding</b>
	7.50% p.a. Compounded Quarterly	The Repayment of the entire facility shall be made on 31st March, 2021.	4.00
	0.00%	The Repayment of the entire facility shall be made on 31st March, 2022.	4.98

13	OTHER FINANCIAL LIABILITIES	( ` in Lakhs)	
	Particulars	As at 31.03.2022	As at 31.03.2021

Unpaid Dividend	0.04	0.04
Dues to Employees	9.48	7.40
Director Remuneration Payable	29.75	28.97
Interest accrued and due on borrowings	0.86	0.86
Credit Balance in Current Account	-	-
	<b>40.13</b>	<b>37.28</b>

<b>14</b>	<b>Current Tax Liabilities (Net)</b>	<b>( ` in Lakhs)</b>	
	<b>Particulars</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
	Provision for Income Tax (Net of Advance tax)	2.87	2.87
		<b>2.87</b>	<b>2.87</b>

<b>15</b>	<b>Current Tax Liabilities (Net)</b>	<b>( ` in Lakhs)</b>	
	<b>Particulars</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
	Contingent Provision on Standard Assets	0.75	-
		<b>0.75</b>	<b>-</b>

<b>16</b>	<b>OTHER NON FINANCIAL LIABILITIES</b>	<b>( ` in Lakhs)</b>	
	<b>Particulars</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
	Statutory Liabilities	13.41	11.69
		<b>13.41</b>	<b>11.69</b>

<b>17</b>	<b>EQUITY SHARE CAPITAL</b>				
	<b>Particulars</b>	<b>As at 31.03.2022</b>		<b>As at 31.03.2021</b>	
		<b>Nos.</b>	<b>Amount</b>	<b>Nos.</b>	<b>Amount</b>
	<b>AUTHORISED</b>				
	Equity Shares of ` 10 each with voting rights	20,000,000	2,000.00	20,000,000	2,000.00
	Non-Convertible Redeemable Preference Shares of ` 1,000 each	50,000	500.00	50,000	500.00
		<b>20,050,000</b>	<b>2,500.00</b>	<b>20,050,000</b>	<b>2,500.00</b>
	<b>ISSUED</b>				
	Equity Shares of ` 10 each with voting rights	16,762,163	1,676.22	16,762,163	1,676.22
		<b>16,762,163</b>	<b>1,676.22</b>	<b>16,762,163</b>	<b>1,676.22</b>
	<b>SUBSCRIBED AND FULLY PAID UP CAPITAL</b>				
	Equity Shares of ` 10 each with voting rights	16,762,163	1,676.22	16,762,163	1,676.22
		<b>16,762,163</b>	<b>1,676.22</b>	<b>16,762,163</b>	<b>1,676.22</b>
	<b>a) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the year:</b>				
	<b>Particulars</b>	<b>As at 31.03.2022</b>		<b>As at 31.03.2021</b>	
		<b>Nos.</b>	<b>Amount</b>	<b>Nos.</b>	<b>Amount</b>
	<b>Equity Shares</b>				
	At the beginning of the year	16,762,163	1,676.22	16,762,163	1,676.22
	Add: Issuance of Equity Shares on Conversion of Compulsorily Convertible Preference Shares	-	-	-	-
	Add: Shares issued during the year on Preferential Allotment	-	-	-	-
	<b>Outstanding at the end of the year</b>	<b>16,762,163</b>	<b>1,676.22</b>	<b>16,762,163</b>	<b>1,676.22</b>
	<b>b) Terms/rights attached to Equity shares</b>				

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, 2022.

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

Particulars	As at 31.03.2022		As at 31.03.2021	
	Nos.	% holding in the class	Nos.	% holding in the class
Inimitable Capital Finance Private Limited	11,566,610	69.00	11,566,610	69.00
Mr. AnirudhBhuwalka	926,900	5.53	926,900	5.53
Mr. AtulBhagwat	2,240,000	13.36	2,240,000	13.36
Mr. VinayKalantri	1,960,000	11.69	1,960,000	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.

**d) Details of shares held by Holding Company**

Particulars	As at 31.03.2022		As at 31.03.2021	
	Nos.	% holding in the class	Nos.	% holding in the class
Equity Shares of ₹ 10 each				
Inimitable Capital Finance Private Limited	11,566,610	69.00	11,566,610	69.00
	<b>11,566,610</b>	<b>69.00</b>	<b>11,566,610</b>	<b>69.00</b>

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

Sl.No.	Promoter's Name	01-04-21		31-03-22		% Change during the year
		No of shares held	% of total shares	No of shares held	% of total shares	
(i)	Inimitable Capital Finance Private Limited	11,566,610	69.00%	11,566,610	69.00%	0.00%
(ii)	Mr. AnirudhBhuwalka	926,900	5.53%	926,900	5.53%	0.00%

18	OTHER EQUITY	( ₹ in Lakhs)	
Particulars	As at 31.03.2022	As at 31.03.2021	
<b>Statutory Reserve (Refer Note a)</b>			
Balance at the beginning of the year	89.23	89.23	
Add: Amount transferred from retained earnings	16.72	-	
<b>Closing balance at the end of the year</b>	<b>105.95</b>	<b>89.23</b>	
<b>General Reserve (Refer Note b)</b>			
Balance at the beginning of the year	11.86	11.86	
Add: Amount transferred from retained earnings	-	-	
<b>Closing balance at the end of the year</b>	<b>11.86</b>	<b>11.86</b>	
<b>Equity Component of Compound Financial Instrument (Refer Note c)</b>			

Balance at the beginning of the year	911.36	911.36
Add: Amount transferred from retained earnings	-	-
<b>Closing balance at the end of the year</b>	<b>911.36</b>	<b>911.36</b>
<b>Retained Earnings (Refer Note d)</b>		
Balance at the beginning of the year	(2,566.20)	(2,481.37)
Profit / Loss for the year	83.59	(84.83)
Less:		
Transfer to Statutory Reserve	(16.72)	-
Transfer to General Reserve	-	-
<b>Closing balance at the end of the year</b>	<b>(2,499.33)</b>	<b>(2,566.20)</b>
<b>Total Other Equity</b>	<b>(1,470.17)</b>	<b>(1,553.75)</b>

- 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.

<b>19</b>	<b>INTEREST INCOME</b>		
		( ` in Lakhs)	
	<b>Particulars</b>	<b>Year ended 31.03.2022</b>	<b>Year ended 31.03.2021</b>
	<b>(i) Interest - on financial assets measured at amortised cost</b>		
	-Loans	0.11	27.28
	<b>Total (a)</b>	<b>0.11</b>	<b>27.28</b>
	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.		

<b>20</b>	<b>NET GAIN ON DERECOGNITION OF FINANCIAL INSTRUMENTS UNDER AMORTISED COST CATEGORY</b>		
		( ` in Lakhs)	
	<b>Particulars</b>	<b>Year ended 31.03.2022</b>	<b>Year ended 31.03.2021</b>
	Net Gain on derecognition of financial instruments under amortised cost category	111.00	-
	<b>Total (a)</b>	<b>111.00</b>	<b>-</b>

**Note:**

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 31.03.2022	Year ended 31.03.2021
<b>Assignment</b>		
Carrying amount of de-recognised financial assets	225.00	225.00
Sale Consideration	336.00	-
Gain on sale of the de-recognised financial assets	111.00	-

21 OTHER INCOME		( ₹ in Lakhs)	
Particulars	Year ended 31.03.2022	Year ended 31.03.2021	
Reversal of Bad Debts	-	3.59	
	-	<b>3.59</b>	

22 FINANCE COST		( ₹ in Lakhs)	
Particulars	Year ended 31.03.2022	Year ended 31.03.2021	
Interest on financial liabilities measured at amortised cost			
-Borrowings Other than Debt Securities	-	0.30	
Others			
-Interest on TDS	0.50	0.85	
	<b>0.50</b>	<b>1.15</b>	

23 EMPLOYEE BENEFITS EXPENSES		( ₹ in Lakhs)	
Particulars	Year ended 31.03.2022	Year ended 31.03.2021	
Salaries, Bonus and Incentives	7.20	19.13	
	<b>7.20</b>	<b>19.13</b>	

24 OTHER EXPENDITURE		( ₹ in Lakhs)	
Particulars	Year ended 31.03.2022	Year ended 31.03.2021	
Rates & Taxes	-	1.18	
Legal and Professional Charges	3.25	3.32	
Directors Sitting Fees	-	4.80	
Auditors' Remuneration:			
For Audit Fees	2.95	2.95	
For Other Services (Including LR Fees)	1.18	1.18	
Certification Fees	0.10	-	

Listing & Custodial Fees	3.85	3.65
Travelling and Conveyance	1.91	0.02
Bank Charges	0.02	0.02
Membership & Subscription	-	0.06
Office Expenses	0.05	0.03
Advertisement & Publicity Expenses	0.73	0.56
Penalty for Late Payment & Late Filing (BSE)	5.00	1.75
Impairment Provision/Allowances - Loans(Measured at Amortised Cost)	-	75.24
Balances Written Off	0.03	-
Contingent Provision on Standard Assets	0.75	-
Miscellaneous Expenses	-	0.67
	<b>19.82</b>	<b>95.42</b>

<b>25 EARNINGS PER SHARE</b>		
<b>Particulars</b>	<b>Year ended 31.03.2022</b>	<b>Year ended 31.03.2021</b>
<b>Profit After Tax ( ` in lakhs)</b>	83.59	(84.83)
Preference Dividend Paid (including tax thereon) ( ` in lakhs)	-	-
<b>Profit After Tax Attributable to Equity Shareholders ( ` in lakhs)</b>	83.59	(84.83)
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 ( `)	0.50	(0.51)
Earnings per Share - Diluted ( `)	0.50	(0.51)
Face Value Per Share ( `)	10	10

**Note:**

Earnings per Share calculations are done in accordance with Ind AS 33 "Earnings per Share".

**26 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 31<sup>st</sup>March 2022 and 31<sup>st</sup>March 2021 is, as follows:

<b>Particulars</b>	<b>Year ended 31.03.2022</b>	<b>Year ended 31.03.2021</b>
Accounting profit before tax from continuing operations	83.59	(84.83)
Income tax rate of 22.08% (March 31, 2021: 22.08%)	NIL	NIL
<u>Effects of:</u>		
Impact of deduction u/s 35(1)(ii)	NIL	NIL
<u>Other Adjustments</u>		
Provision for diminution in investment	NIL	NIL
Income Tax Expense Reported in Statement of Profit and Loss	NIL	NIL

The effective income tax rate for 31<sup>st</sup> March 2022 is NIL (31<sup>st</sup> March 2021: NIL).

Note: On consideration of prudence, Deferred Tax asset on business / capital losses available under the Income Tax Act has not been recognized. Accordingly, the company does not have any tax charge on the profit for the current year ended on 31.03.2022.

**27 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 31<sup>st</sup> March 2022 and as at 31<sup>st</sup> March 2021.

The relevant particulars are furnished below:



<b>Particulars</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
Principal amount due to suppliers under MSMED Act, as at the year end.	10.16	NIL
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

<b>28</b>	<b>SEGMENT INFORMATION</b>
	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. The Company has only one business unit.

<b>29</b>	<b>RELATED PARTY DISCLOSURES</b>
	<p><b>List of Related Parties</b></p> <ul style="list-style-type: none"> <li>• Holding Company : Inimitable Capital Finance Pvt. Ltd. (ICFPL)</li> <li>• Key Managerial Personnel (KMP): <ul style="list-style-type: none"> <li>a) Mr. Hemendranath Rajendranath Choudhary (HRC)</li> <li>b) Ms. Usha Sundar Iyengar (DP) [Resigned on 16-12-2021]</li> <li>c) Mr. Ashok Katra (AK)</li> <li>d) Mr. Aniket Naresh Prabhu (ANP)</li> <li>e) Mr. Mayur Doshi (MD)</li> </ul> </li> <li>• Relatives of KMP: <ul style="list-style-type: none"> <li>a) Shraddha N Prabhu (SNP)</li> </ul> </li> <li>• Enterprise where individuals referred in above point have significant influence: <ul style="list-style-type: none"> <li>a) Riconia Estate Private Ltd - (REPL)</li> </ul> </li> </ul> <p><b>Note:</b> Related party relationships are as identified by the Management and relied upon by the Auditors.</p>

(` in Lakhs)									
PARTICULARS	Holding Company	KMP				INDIVIDUAL HAVING CONTROL AND RELATIVES OF SUCH INDIVIDUAL AND ENTERPRISES IN WHICH THEY HAVE SIGNIFICANT INFLUENCE			Total
		ICFPL	HRC	ANP	DP	AK	AACL	REPL	
<b>Income</b>									

Other Income	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	-
Liabilities no longer required written back	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	-
<b>Expenditure</b>									
Interest on Borrowing	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	0.30	(-)	<b>0.30</b>
Legal and Professional Charges	-	-	-	-	-	-	-	<b>0.12</b>	<b>0.12</b>
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	-
Directors' Remuneration	-	-	<b>7.20</b>	-	-	-	-	-	<b>7.20</b>
	(-)	(19.13)	(6.71)	(-)	(-)	(-)	(-)	(-)	<b>(25.84)</b>
Directors' Sitting Fees	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	<b>(1.60)</b>	<b>(1.60)</b>	(-)	(-)	(-)	<b>(3.20)</b>
<b>Borrowings</b>									
As at year end	<b>19.04</b>	-	-	-	-	-	<b>4.00</b>	-	<b>23.04</b>
	(4.98)	(-)	(-)	(-)	(-)	(-)	(4.00)	(-)	<b>(8.98)</b>
<b>Interest Accrued and Due on Borrowings</b>									
Payable as at year end	-	-	-	-	-	-	<b>0.86</b>	-	<b>0.86</b>
	(-)	(-)	(-)	(-)	(-)	(-)	(0.86)	(-)	<b>(0.86)</b>
<b>Directors' Remuneration Payable/ Salary Payable</b>									
Payable as at year end	-	<b>29.75</b>	<b>9.47</b>	-	-	-	-	-	<b>39.22</b>
	(-)	(28.97)	(7.40)	(-)	(-)	(-)	(-)	(-)	<b>(36.37)</b>

Remuneration to key Managerial Personnel		( ` in Lakhs)	
Nature of Transaction		31-03-22	31-03-21
Short Term Employee Benefits		7.20	19.13
Post employment Benefits		-	-
Others		-	-
		7.20	19.13

**Terms and conditions of transactions with related parties**

The all transactions from related parties are made on terms equivalent to those that prevail in arm's length transactions.

The amounts outstanding are unsecured and will be settled in cash. No expense has been recognised in the current or prior years for bad & doubtful debts in respect of the amounts owed by related parties.

No guarantees have been given during the year.

30 CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)			
Particulars		31.03.2022	31.03.2021
(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

<b>31 CHANGES IN PROVISIONS</b>				(` in Lakhs)
<b>Particulars</b>	<b>As at 31.03.2021</b>	<b>Addi onal Provis ion</b>	<b>Utilisation/ Reversal</b>	<b>As at 31.03.2022</b>
Provision for Contingencies	-	0.75	-	0.75
Impairment Provision/Allowances - Loans (Measured at amortised Cost)	75.24	-	75.24	-
<b>Particulars</b>	<b>As at 01.04.2020</b>	<b>Addi onal Provis ion</b>	<b>Utilisation/ Reversal</b>	<b>As at 31.03.2021</b>
Provision for Contingencies	-	-	-	-
Impairment Provision/Allowances - Loans (Measured at amortised Cost)	-	75.24	-	75.24

**32 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.

<b>33 a) Fair value of financial instruments not measured at fair value</b>				
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.				
(` in Lakhs)				
Particulars	31.03.2022		31.03.2021	
	Carrying value	Fair Value	Carrying value	Fair Value
<b>Financial Assets</b>				
Cash and Cash Equivalents	7.15	7.15	0.36	0.36
Bank balances other than Cash and Cash Equivalents	0.44	0.44	0.44	0.44
Loans	300.00	300.00	225.00	225.00
Other Financial Assets	25.11	25.11	0.54	0.54
<b>Total Financial Assets</b>	<b>332.70</b>	<b>332.70</b>	<b>226.34</b>	<b>226.34</b>
<b>Financial Liabilities</b>				
Payables				
(i) Trade Payables	19.74	19.74	26.49	26.49
(ii) Other Payables	1.09	1.09	16.56	16.56
Borrowings (Other than Debt Securities)	38.50	38.50	8.98	8.98
Other Financial Liabilities	40.13	40.13	37.28	37.28
<b>Total Financial Liabilities</b>	<b>99.46</b>	<b>99.46</b>	<b>89.31</b>	<b>89.31</b>
<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>Derivative financial instruments</p>				

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	
	31.03.2022	31.03.2021
<b>Financial Assets</b>		
Cash and Cash Equivalents	7.15	0.36
Bank balances other than Cash and Cash Equivalents	0.44	0.44
Loans	300.00	225.00
Other Financial Assets	25.11	0.54
<b>Financial Liabilities</b>		
Borrowings (Other than Debt Securities)	38.50	8.98
Other Financial Liabilities	40.13	37.28

**c) Fair Value Hierarchy -**

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

Particulars	As at 31-03-2022			As at 31-3-2021		
	Carrying Amount	Level of Input used in		Carrying Amount	Level of Input used in	
		Level 1	Level 3		Level 1	Level 3
<b>Financial Assets</b>						
<b>At Amortised Cost</b>						
Cash and Cash Equivalents	7.15	-	-	0.36	-	-
Bank balances other than Cash and Cash Equivalents	0.44	-	-	0.44	-	-
Loans	300.00	-	-	225.00	-	-
Other Financial Assets	25.11	-	-	0.54	-	-
<b>Financial Liabilities</b>						
<b>At Amortised Cost</b>						
Trade Payables	19.74	-	-	26.49	-	-
Other Payables	1.09	-	-	16.56	-	-

Borrowings (Other than Debt Securities)	38.50	-	-	8.98	-	-
Other Financial Liabilities	40.13	-	-	37.28	-	-

There have been no transfers between different levels during the period.

34 MATURITY ANALYSIS			(` in Lakhs)	
Particulars	Amount	Within 12 months	After 12 months	
<b>As on March 31, 2022</b>				
<b>Financial Assets</b>				
Cash and Cash Equivalents	7.15	7.15	-	
Bank balances other than Cash and Cash Equivalents	0.44	0.44	-	
Loans	300.00	300.00	-	
Investments		-	-	
Other Financial Assets	25.11	25.11	-	
<b>Total Financial Assets</b>	<b>332.70</b>	<b>332.70</b>	-	
<b>Non-Financial Assets</b>				
Other Non-Financial Assets	-	-	-	
<b>Total Non-Financial Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Financial Liabilities</b>				
Payables				
(i) Trade Payables	19.74	19.74	-	
(ii) Other Payables	1.09	1.09	-	
Borrowings (Other than Debt Securities)	38.50	38.50	-	
Other Financial Liabilities	40.13	40.13	-	
<b>Total Financial Liabilities</b>	<b>99.46</b>	<b>99.46</b>	-	
<b>Non-Financial Liabilities</b>				
Current Tax Liabilities (Net)	2.87	2.87	-	
Provisions	0.75	0.75	-	
Other Non-Financial Liabilities	13.41	13.41	-	
<b>Total Non-Financial Liabilities</b>	<b>17.03</b>	<b>17.03</b>	-	
			(` in Lakhs)	
Particulars	Amount	Within 12 months	After 12 months	
<b>As on March 31, 2021</b>				
<b>Financial Assets</b>				
Cash and Cash Equivalents	0.36	0.36	-	
Bank balances other than Cash and Cash Equivalents	0.44	0.44	-	
Loans	225.00	225.00	-	
Other Financial Assets	0.54	0.54	-	
<b>Total Financial Assets</b>	<b>226.34</b>	<b>226.34</b>	-	
<b>Non-Financial Assets</b>				
Other Non-Financial Assets	-	-	-	
<b>Total Non-Financial Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Financial Liabilities</b>				
Payables				
(i) Trade Payables	26.49	26.49	-	
(ii) Other Payables	16.56	16.56	-	
Borrowings (Other than Debt Securities)	8.98	8.98	-	
Other Financial Liabilities	37.28	37.28	-	
<b>Total Financial Liabilities</b>	<b>89.31</b>	<b>89.31</b>	-	
<b>Non-Financial Liabilities</b>				
		-	-	

Current Tax Liabilities (Net)	2.87	2.87	-
Other Non-Financial Liabilities	11.69	11.69	-
<b>Total Non-Financial Liabilities</b>	<b>14.56</b>	<b>14.56</b>	-

**35. 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
<b>As on March 31, 2022</b>								
<b>Financial Assets</b>								
Cash and Cash Equivalents	7.15	-	-	-	-	-	-	7.15
Bank balances other than Cash and Cash Equivalents	0.44	-	-	-	-	-	-	0.44
Loans	-	-	-	300.00	-	-	-	300.00
Other Financial Assets	25.11	-	-	-	-	-	-	25.11
<b>Total Financial Assets</b>	<b>32.70</b>	-	-	<b>300.00</b>	-	-	-	<b>332.70</b>
<b>Non-Financial Assets</b>								
Current tax assets (Net)	-	-	-	-	-	-	-	-
Property, Plant and Equipment	-	-	-	-	-	-	-	-
Other Non-Financial Assets	-	-	-	-	-	-	-	-
<b>Total Non-Financial Assets</b>	-	-	-	-	-	-	-	-
<b>Financial Liabilities</b>								
Payables								
(i) Trade Payables	-	19.74	-	-	-	-	-	19.74
(ii) Other Payables	-	1.09	-	-	-	-	-	1.09
Borrowings (Other than Debt Securities)	-	-	-	38.50	-	-	-	38.50
Other Financial Liabilities	-	40.13	-	-	-	-	-	40.13
<b>Total Financial Liabilities</b>	-	<b>60.96</b>	-	<b>38.50</b>	-	-	-	<b>99.46</b>
<b>Non-Financial Liabilities</b>								
Current Tax Liabilities (Net)	-	-	-	-	2.87	-	-	2.87
Provisions	-	-	-	-	0.75	-	-	0.75
Other Non-Financial Liabilities	13.41	-	-	-	-	-	-	13.41
<b>Total Non-Financial Liabilities</b>	<b>13.41</b>	-	-	-	<b>3.62</b>	-	-	<b>17.03</b>
( ` in Lakhs)								
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
<b>As on March 31, 2021</b>								
<b>Financial Assets</b>								
Cash and Cash Equivalents	0.36	-	-	-	-	-	-	0.36
Bank balances other than Cash and Cash Equivalents	0.44	-	-	-	-	-	-	0.44
Loans	225.00	-	-	-	-	-	-	225.00
Other Financial Assets	-	-	0.54	-	-	-	-	0.54
<b>Total Financial Assets</b>	<b>225.80</b>	-	<b>0.54</b>	-	-	-	-	<b>226.34</b>
<b>Non-Financial Assets</b>								
Current tax assets (Net)	-	-	-	-	-	-	-	-
Property, Plant and Equipment	-	-	-	-	-	-	-	-
Other Non-Financial Assets	-	-	-	-	-	-	-	-
<b>Total Non-Financial Assets</b>	-	-	-	-	-	-	-	-
<b>Financial Liabilities</b>								
Payables								
(i) Trade Payables	-	26.49	-	-	-	-	-	26.49
(ii) Other Payables	-	16.56	-	-	-	-	-	16.56
Borrowings (Other than Debt Securities)	-	4.00	-	4.98	-	-	-	8.98



Other Financial Liabilities	-	37.28	-	-	-	-	-	37.28
<b>Total Financial Liabilities</b>	-	<b>84.34</b>	-	<b>4.98</b>	-	-	-	<b>89.31</b>
<b>Non-Financial Liabilities</b>								
Current Tax Liabilities (Net)	-	-	-	-	2.87	-	-	2.87
Provisions	-	-	-	-	-	-	-	-
Other Non-Financial Liabilities	11.69	-	-	-	-	-	-	11.69
<b>Total Non-Financial Liabilities</b>	<b>11.69</b>	-	-	-	<b>2.87</b>	-	-	<b>14.56</b>

**36 Additional Regulatory Information's 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) at the end of the current year and previous year. Accordingly, disclosures as required under this para is not applicable.						
(ii)	The Company does not have any investment property at the end of the current year and previous year. Accordingly, disclosures as required under this para is not applicable.						
(iii)	The Company has not revalued its Property, Plant and Equipment during the current year and previous year. Accordingly, disclosures as required under this para is not applicable.						
(iv)	The Company does not have any intangible assets at the end of the current year and previous year. 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 at the end of the current year and previous year. Accordingly, disclosures as required under this para is not applicable.						
(vii)	The Company does not have any intangible asset under development at the end of the current year and previous year. 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 during the current year and previous year. 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 during the current year and previous year. 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 during the current year and previous year. 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:						
	<b>Ratio</b>	<b>Numerator</b>	<b>Denominator</b>	<b>Current Period</b>	<b>Previous Period</b>	<b>% Change</b>	<b>Reason</b>
	Capital to Risk-Weighted Assets Ratio	Tier 1 Capital + Tier 2 Capital	Risk-weighted Assets	63%	54%	17%	The Loans and Advances by the Company has decreased considerably.
	Tier I CRAR	Tier 1 Capital	Risk-weighted Assets	63%	54%	17%	The Loans and Advances by the Company has decreased

							considerably.
	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	0%	0%	0	The Company does not have any stock of high quality liquid assets.
(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 current year and previous 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) during the current year and previous year 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) during the current year and previous year 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.						

**37** 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, 2022

(` 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)
<b>Performing Assets</b>						
Standard	Stage 1	300.00	-	300.00	0.75	(0.75)
<b>Non-Performing Assets (NPA)</b>						
Substandard	Stage 2	-	-	-	-	-
Doubtful - upto 1 Year	Stage 3	-	-	-	-	-
1 - 3 Years (Unsecured)	Stage 3	-	-	-	-	-
More than 3 Years	Stage 3	-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
<b>Subtotal of NPA</b>		-	-	-	-	-
<b>Total</b>	Stage 1	300.00	-	300.00	0.75	(0.75)
	Stage 3	-	-	-	-	-
<b>Total</b>		<b>300.00</b>	<b>-</b>	<b>300.00</b>	<b>0.75</b>	<b>(0.75)</b>

**38** 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:

	<b>Particulars</b>	<b>Amount (` in lakhs)</b>
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

**39 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:**

<b>Particulars</b>	<b>(Figures in ` in Lakhs)</b>	
	<b>Amount Outstanding</b>	<b>Amount Overdue</b>
<b>Liabilities Side :</b>		
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	39.36	-
e) Commercial Paper	-	-
f) Other Loans	-	-
<b>Assets Side :</b>		
2) Break up of Loans and Advances including bills receivables [other than those included in (4) below] :		
a) Secured		-
b) Unsecured		300.00
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 :		
<b>Current Investments (Including Stock in Trade) :</b>		
<b>Quoted :</b>		
a) Shares :		
I) Equity		-
ii) Preference		-
b) Debentures & Bonds		-
c) Units of Mutual Funds		-
d) Government Securities		-
e) Others (Please Specify)		-

	<b>Unquoted :</b>			
	a) Shares :			
	i) Equity			-
	ii) Preference			-
	b) Debentures & Bonds			-
	c) Units of Mutual Funds			-
	d) Government Securities			-
	e) Others - Fixed Deposits			-
	<b>Long Term Investments :</b>			
	<b>Quoted :</b>			
	a) Shares :			
	i) Equity			-
	ii) Preference			-
	b) Debentures & Bonds			-
	c) Units of Mutual Funds			-
	d) Government Securities			-
	e) Others (Please Specify)			-
	<b>Unquoted :</b>			
	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			
	<b>(Figures in ` in Lakhs)</b>			
	<b>Category</b>	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
	1. Related Parties** :			
	a) Subsidiaries	-	-	-
	b) Companies in the same group	-	-	-
	c) Other Related Parties	-	-	-
	2. Other than Related Parties	-	300.00	300.00
	<b>TOTAL</b>	-	<b>300.00</b>	<b>300.00</b>
	**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) :			
	<b>(Figures in ` in Lakhs)</b>			
	<b>Category</b>	<b>Market value / Break up or fair value or NAV</b>	<b>Book Value(Net of provision)</b>	
	1. Related Parties** :			
	a) Subsidiaries	-	-	
	b) Companies in the same group	-	-	
	c) Other Related Parties	-	-	
	2. Other than Related Parties	-	-	
	<b>TOTAL</b>	-	-	
	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	
	<b>Particulars(Figures in ` in Lakhs)</b>	
	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	-
<b>40</b>	On consideration of prudence, Deferred Tax asset on business / capital losses available under the Income Tax Act has not been recognized.	

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

Chartered Accountants  
 CAI Firm Regn No. 303105E

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

Sd/-	Sd/-	Sd/-	Sd/-
<b>Bikas Kumar Burnwal</b>	<b>Hemendranath R. Choudhary</b>	<b>MayurDoshi</b>	<b>Aniket N. Prabhu</b>
Partner	Whole Time Director	Director	CS and CFO
Membership No: 311785	DIN: 06641774	DIN: 08351413	ACS: 55634
Date: 31.05.2022, Place: Kolkata	Date: 31.05.2022, Place: Mumbai		