

***FRONTIER***  
***INFORMATICS LIMITED***

***29<sup>th</sup> Annual Report 2016-17***

Reg. Off. : Plot No. 235, Sai Sadan, 1st Floor, Survey of India Employees Society, Khanapet,  
Madhapur (PO), Hyderabad - 500081, Telangana.

**FRONTIER INFORMATICS LIMITED**29<sup>th</sup> Annual Report**BOARD OF DIRECTORS**

Vunnava Purnachandra Rao  
M.Samba Siva Prasad  
Potail Yadav Varun  
S.P.Vivekanada  
Archana Singh  
Rajan Babu Mothe

Chairman, Non Executive & Independent Director  
Executive Director  
Director Non Executive non Independent  
Director Non Executive non Independent  
Director Non Executive Independent  
Director Non Executive Independent

**REGISTERED OFFICE**

Plot No 235, Sai Sadan, 1<sup>st</sup> Floor,  
Survey of India Employees Society,  
Khanampet, Madhapur (PO),  
Hyderabad – 500081, Telangana.

**CIN: L72200TG1986PLC006644****AUDITORS**

M/s Niranjana & Narayan,  
Chartered Accountants  
Hyderabad. Firm Regn No : 005899S

**BANKERS****Bank of India**

Hyderabad Overseas Branch  
HITECH City, Madhapur  
Hyderabad-500 033

**State Bank of India**

Ashok Nagar Branch  
Hyderabad-500 020

**REGISTRARS & SHARE TRANSFER AGENTS**

Karvy Computershare Pvt. Ltd  
Karvy Selenium Tower - B,  
Gachi Bowli, Financial District,  
Nanakramguda, Hyderabad – 500032

**LISTING OF EQUITY SHARES**

Bombay Stock Exchange Limited (BSE)-Mumbai

**NOTICE**

Notice is hereby given that the 29<sup>th</sup> Annual General Meeting of the members of M/s. FRONTIER INFORMATICS LIMITED will be held at 09.30 AM on Friday, the 29<sup>th</sup> day of December, 2017 at Lions Bhavan Trust, Behind HDFC Bank, near Paradise Circle, S D Road, Secunderabad -500003, Telangana, to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2017, the Profit & Loss Account and Cash Flow Statement for the period ended on March 31, 2017 along with schedules & annexure and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Varun Potail Yadav, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To reappoint auditors of the Company and fix their remuneration

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT**, pursuant to section 139 of the Companies Act, 2013 and the rules framed thereunder and pursuant to the recommendation of the audit committee of the Board of Directors, M/s. Niranjana & Narayan, Chartered Accountants, Firm Regn. No : 005899s, be and are hereby reappointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at remuneration as may be decided by the Board of the Directors of the Company in consultation with the Audit Committee.”

**SPECIAL BUSINESS****4. Appointment of Mr. Rajan Babu Mothe (DIN: 07740978) as Independent Director**

To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder read with Schedule IV to the Act, Mr. Rajan Babu Mothe (DIN: 07740978), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a term of three consecutive years from 14th February, 2017 to 13th February, 2017 and whose period of office shall not be liable to rotation.”

**“RESOLVED FURTHER THAT** the letter of appointment, setting out the terms and conditions, be issued to the Independent Director, as finalized by the Board.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to settle any question, difficulty or doubt that may arise in giving effect to this Resolution and to do all acts and take all such steps as may be deemed necessary, proper and expedient to implement this Resolution.”

#### **5. Appointment of Mrs. Archana Singh (DIN: 07328641) as Independent Director**

To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder read with Schedule IV to the Act, Mrs. Archana Singh (DIN: 07328641), a Non-Executive Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a term of three consecutive years from 14<sup>th</sup> February, 2017 to 13<sup>th</sup> February, 2020 and whose period of office shall not be liable to rotation.”

**“RESOLVED FURTHER THAT** the letter of appointment, setting out the terms and conditions, be issued to the Independent Director, as finalized by the Board.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to settle any question, difficulty or doubt that may arise in giving effect to this Resolution and to do all acts and take all such steps as may be deemed necessary, proper and expedient to implement this Resolution.”

#### **6. Appointment of Mr. Sambasiva Prasad Mallela (DIN 07975692) as the Executive Director**

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

**“RESOLVED THAT** pursuant to section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013, (The Act) and The Companies (Appointment and Remuneration) of Managerial Persons Rules 2014 (including any statutory modifications or reenactments thereof for the time being in force) read with schedule V of the Act and subject to such approvals consents, permissions and sanctions of appropriate and concerned authorities, approval of the company be and is hereby

accorded to the Appointment of Mr. Sambasiva Prasad Mallela (DIN: 07975692) as Executive Director of the company for a period of two years w.e.f 28<sup>th</sup> October, 2017 and upon such terms and conditions as explained in the explanatory statement annexed to the notice of the meeting in terms of section 102 of the Act. “

**“RESOLVED FURTHER THAT** for the purpose of giving effect to the resolution the Board be and is hereby authorized to do all acts, deeds and matters that, it may, in its absolute discretion, deem necessary or desirable including without remuneration to settle any question or difficulty that may arise in this regard”

#### **7. Preferential Allotment of shares**

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 Sections 42, 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with the relevant rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) (the “Act”) to the extent notified and in effect, the applicable provisions, if any, of the Companies Act, 1956 (as amended) (without reference to the provisions that have caused to have effect upon notification of provisions of the Act) and in accordance with the enabling provisions of the Memorandum of Association and Articles of Association of the Company and in accordance with the provisions on preferential issue as contained in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (“SEBI (ICDR) Regulations”), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and the rules, regulations, notifications and circulars issued thereunder and any other rules/regulations/guidelines, notifications, circulars and clarifications issued thereon from time to time by the Government of India, the Securities and Exchange Board of India (“SEBI”) and the Reserve Bank of India (“RBI”) and subject to such approvals, consents, permissions and sanctions as may be necessary or required from regulatory or other appropriate authorities, including but not limited to SEBI and subject to such conditions and modifications as might be prescribed while granting such approval, consents, permissions and sanctions and which terms may be agreed to by the Board of Directors of the Company (the “Board”, which term includes a duly constituted and authorized committee) and all such other approvals, the consent of the Members of the Company be and is hereby accorded to the Board to offer, issue, allot and deliver **60,00,000 (Sixty Lakh only) Equity Shares at a Price of Rs.1/- each** on preferential basis in one or more tranches, which shall rank pari-passu with the existing equity shares of the Company, in such form and manner and upon such terms and conditions as may be determined by the Board in accordance with SEBI (ICDR) Regulation, 2009 or other provisions of the law as may be prevailing at the time.

**RESOLVED FURTHER THAT:**

i. The Equity Shares as may be issued and allotted in accordance with the terms of the relevant offering, shall rank pari passu with the then existing Equity Shares of the Company in all respects, including in respect of dividend;

ii. the Equity Shares shall be issued and allotted by the Company to the Investor in dematerialized form within a period of 15 days from the date of passing of this resolution provided that where the issue and allotment of the said Equity Shares is pending on account of pendency of any approval for such issue and allotment by any regulatory authority or the Central Government or the Stock Exchange, the issue and allotment shall be completed within a period of 15 days from the date of such approval.

iii. the Equity Shares to be offered, issued and allotted shall be subject to lock-in as provided under the provisions Chapter VII of the SEBI (ICDR) Regulations and the Equity Shares so offered, issued and allotted will be listed subject to the receipt of necessary regulatory permissions and approvals.

iv. For the purpose of giving effect to the foregoing and without being required to seek any further consent or approval of the Members of otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution, the Board be and is hereby authorized for and on behalf of the Company:

a. To enter into and execute all such agreements/arrangements as the case may be with any authorities/agencies listing of the Shares/Securities on Exchange(s);

b. To settle any questions, difficulties, doubts that may arise in regard to the offer, issue and allotment of securities and utilization of the issue proceeds as it may in its absolute discretion deem fit;

c. To do all such acts, deeds, matters and things as the Board may at its sole discretion deem fit, necessary desirable for such purpose, including without limitation of the drafting, finalization, entering into and execution of any arrangements or agreements with the allottees including but not limited to the shareholders' agreements;

**8. Reclassification of promoters group Category**

To consider and if thought fit, to pass, with or without modification, the following resolution as Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Regulation 31A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable provisions if any of the Companies act, 2013, the consent of the members of the Company be and is hereby accorded to reclassify the following individuals from “Promoter Category” to “Public Category”:

<b>Name of the Promoter</b>	<b>No.of Shares</b>	<b>Percentage</b>
1. Mr. V.Upendra Rao	50	Negligible
2. Mrs. G.Ananda Bai	100	Negligible
3. Mrs. V.Radha Bai	1100	Negligible
4. Mr Yogesh Sood	6521	0.05
5. Mr. V. Agam Rao	400	Negligible
6. Mr. Sudharshan Grover	14,729	0.11
7. Mr. V.Kondal Rao	100	Negligible
8. Mr. Rajan Munjal	174,740	1.31
9. Mr. Muralidhar Agusala	49,392	0.37
10. Mr. Sathaym V. Chary	30,300	0.23
11. Mr Yogesh Sood	204	Negligible
12. Mr. Sudharshan Grover	506	Negligible
13. Mr. Sudhakar Reddy Chandrupatla	600	Negligible
14. Mrs. Sreejayanthi Yalamanchili	22,600	0.17
Total	3,01,342	2.26

**RESOLVED FURTHER THAT** it is hereby confirmed that

i) The aforesaid persons do not hold more than 10% of paid-up equity share Capital of the Company. In fact, the aggregate shareholding of all of the above 11 persons is only 2.25% of the share capital of the Company. Due to their existing shareholding in the Company being very less and they do not exercise any control over the Company and are also not engaged in the management of the Company.

ii) That the aforesaid persons/ Individuals have not exercised and will continue not to exercise direct or indirect control over the Company. iii) That no director of above entities and aforesaid persons has been or would be appointed as key managerial personnel of the Company.

By order of the Board  
For **Frontier Informatics Limited**

M. Samba Siva Prasad  
Executive Director

Place: Hyderabad  
Date: 04.12.2017

**NOTES:**

1. A member entitled to attend and vote at the annual general meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company.
2. The proxy in order to be effective must be received by the company at its registered office, duly completed and signed, not less than 48 hours before the commencement of the Annual General Meeting.
3. Members/proxies are requested to bring their copies of Annual Report and the attendance slip duly filled in for attending the meeting. Copies of the Annual Reports will not be provided at the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 23<sup>rd</sup> December, 2017 to Friday the 29<sup>th</sup> December 2017 (inclusive of both days).
5. Members, who do not have their shares in demat form, are requested to notify immediately any change in their address to the share transfer agents and in case their shares are held in dematerialized form, this information should be passed on to their respective depository participants without delay.
6. Pursuant to the requirements of the listing agreement of stock exchanges, the information of the directors proposed to be appointed or Re-appointed is given in the annexure to the Corporate Governance report.
7. Shareholders holding shares in physical form are invited to contribute to the cause of Green Initiative by registering their e-mail ID, by submitting the E- COMMUNICATION REGISTRATION FORM inserted in the Annual Report.
8. Members who hold shares in dematerialized form are requested to bring their client ID and DP IDs for easy identification of attendance at the meeting.
9. Corporate Members are requested to send a 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.
10. The company has designated an exclusive email id namely, [frontier@fitlindia.com](mailto:frontier@fitlindia.com) for Redressal of Share Holders' complaints/grievances.
11. The MCA has taken up Green Initiative, by allowing paperless conveyance by companies, permitting sending of Annual Reports to share holders by e mails. The company has taken initiative and sent Annual Reports to share holders whose e-mail ids are available with the Share Transfer Agency. Other Shareholders holding shares in physical form are invited



to contribute to the cause of Green Initiative by registering their e-mail ID, by submitting the E-COMMUNICATION REGISTRATION FORM inserted in the Annual Report.

12. In compliance to the provisions of section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the company is pleased to provide to the members the facility to exercise their rights to vote at the 29th Annual General Meeting by electronic voting and the business may be transacted through eVoting service provided by Karvy Computershare Pvt Ltd (KARVY).

**13. Voting through electronic means:**

A member may exercise his votes at any General Meeting by electronic means and company may pass any resolution by electronic voting system in accordance with the Rule 20 of the Companies (Management and Administration) Rules, 2014.

During the e-voting period, members of the company holding shares either in physical form or dematerialized form, as on the cutoff date i.e., 22<sup>nd</sup> December, 2017, may cast their votes electronically.

The e-voting period will commence on Tuesday, December 26, 2017 at 09.00 am and will end at 5.00 pm on Thursday, December 28, 2017. The e-voting module will be disabled on December 28, 2017 at 6.00 pm. Members holding shares in their physical or dematerialized form as on the cutoff date of 22<sup>nd</sup> December, 2017 may cast their votes electronically. The eVoting module shall be enabled by Karvy Computershare Pvt Ltd (KARVY) during the above mentioned period.

Once the vote on a resolution is cast by a shareholder, the shareholder shall not be allowed to change it subsequently. A copy of this notice has been placed on the website of the Company.

**PROCEDURE AND INSTRUCTIONS FOR e-VOTING & INSTAPOLL**

I. Remote e-voting: 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, as amended and the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their votes electronically, through the e-voting services provided by Karvy Computershare Private Limited (Karvy) on all resolutions set forth in this Notice, from a place other than the venue of the Meeting (Remote e-voting).

(A) In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company/Depository Participants (s)]:

- i. Launch internet browser by typing the URL: <https://evoting.karvy.com>.
- ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- iii. After entering these details appropriately, click on "LOGIN".
- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the "EVENT" i.e., 'Name of the Company'
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
- ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- x. You may then cast your vote by selecting an appropriate option and click on "Submit".
- xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board

Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email [chveeru@gmail.com](mailto:chveeru@gmail.com) with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com). The scanned image of the above mentioned documents should be in the naming format "Corporate **Name\_Event No.**"

(B) In case of Members receiving physical copy of Notice [for Members whose email IDs are not registered with the Company/Depository Participants (s)]:

- i. E-Voting Event Number – XXXX (EVEN), User ID and Password is provided in the Attendance Slip.
- ii. Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.

Voting at AGM: The Members, who have not cast their vote through Remote e-voting can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the AGM Venue. The facility for voting through ballot shall be made available at the Meeting. Members who have already cast their votes by Remote e-voting are eligible to attend the Meeting; however those Members are not entitled to cast their vote again in the Meeting.

A Member can opt for only single mode of voting i.e. through Remote e-voting or voting at the AGM. If a Member casts votes by both modes then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

#### **OTHER INSTRUCTIONS**

- a. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.karvy.com> (Karvy Website) or contact B Srinivas (Unit: FRONTIER INFORMATICS LIMITED ) of Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at [einward.ris@karvy.com](mailto:einward.ris@karvy.com) or phone no. 040 – 6716 2222 or call Karvy's toll free No. 1-800-3454-001 for any further clarifications.
- b. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- c. The remote e-voting period commences on Tuesday, December 26, 2017 (09.00 am) and ends on Thursday, December 28, 2017 (05.00 pm). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22<sup>nd</sup> December, 2017 may cast their votes electronically. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
- d. The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date i.e. 22<sup>nd</sup> December, 2017.

- e. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting he/she may obtain the User ID and Password in the manner as mentioned below :
- i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: **MYEPWD** <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399
- Example for NSDL:  
MYEPWD <SPACE> IN12345612345678
- Example for CDSL:  
MYEPWD <SPACE> 1402345612345678
- Example for Physical:  
MYEPWD <SPACE> XXXX1234567890
- ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
- iii. Member may call Karvy's toll free number 1800-3454-001.
- iv. Member may send an e-mail request to [einward.ris@karvy.com](mailto:einward.ris@karvy.com) However, Karvy shall endeavour to send User ID and Password to those new Members whose mail ids are available.

The Board of Directors has appointed Mr. Ch. Veeranjanyulu (C.P. No- 6392), Partner of M/s VCSR & ASSOCIATES, Company Secretaries, as scrutinizer to scrutinize the remote voting and poll voting process in fair and transparent manner. The Scrutinizer shall immediately after the conclusion of voting at the Annual General Meeting (AGM), first count the votes cast at the AGM thereafter he will unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and will submit the Consolidated Scrutinizer's Report, not later than 3 working days, of total votes cast in favor or against, if any, to the Chairman of the Company.

Board

By order of the

For **Frontier Informatics Limited**

Place: Hyderabad  
Date: 04.12.2017

M.Samba Siva Prasad  
Executive Director

**ANNEXURE TO THE NOTICE - EXPLANATORY STATEMENT****(Pursuant to Section 102 of Companies Act, 2013)****Item No.4 Appointment of Mr. Rajan Babu Mothe (DIN: 07740978) as Independent Director**

The Board of Directors on its meeting dated 14.02.2017 has appointed Mr. Rajan Babu Mothe (DIN: 07740978) as independent Director with immediate effect subject to the approval of the members in this AGM.

Section 149 (10) of the Companies Act, 2013 provides that an independent director shall hold office for a term of up to Five consecutive years on the Board. Further, Section 149 (13) of the Companies Act, 2013 states that the provisions relating to retirement of directors by rotation shall not apply to the appointment of independent directors. Mr. Rajan Babu Mothe (DIN: 07740978), being eligible, the resolution seeks the approval of members for his appointment as an Independent Director.

No director, key managerial personnel or their relatives is interested or concerned in the resolution. The Board recommends the resolution set forth in Item no. 4 for the approval of members.

**Item No.5 Appointment of Mrs. Archana Singh (DIN: 07328641) as Independent Director**

The Board of Directors on its meeting dated 14.02.2017 has appointed Mrs. Archana Singh (DIN: 07328641) as independent Director with immediate effect subject to the approval of the members in this AGM.

Section 149 (10) of the Companies Act, 2013 provides that an independent director shall hold office for a term of up to Five consecutive years on the Board. Further, Section 149 (13) of the Companies Act, 2013 states that the provisions relating to retirement of directors by rotation shall not apply to the appointment of independent directors. Mrs. Archana Singh (DIN: 07328641), being eligible, the resolution seeks the approval of members for his appointment as an Independent Director.

No director, key managerial personnel or their relatives is interested or concerned in the resolution. The Board recommends the resolution set forth in Item no. 5 for the approval of members.

**Item No.6 Appointment of Mr. Sambasiva Prasad Mallela (DIN 07975692) as the Executive Director**

Mr. **Sambasiva Prasad Mallela**, is appointed as Executive Director to take proper care of the day to day activities of the company. Mr Sambasiva Prasad did his B.Sc in Computer Science and did his MCA from IGNOU and also completed his M.Tech.

Considering his experience in the field of software, it is proposed to appoint him as Executive Director of the company for a period of Two years with effect from 28<sup>th</sup> October, 2017. The Board of Directors of the Company in their meeting held on 28<sup>th</sup> October 2017 appointed Mr **Sambasiva Prasad Mallela** as the Executive Director of the company for a consolidated remuneration of Rs 30,000/- per month; his appointment was subject to necessary approvals by share holders in the this General Meeting.

In terms of the provisions of the Companies Act, 2013, consent of the shareholders is required for appointment of Mr. **Sambasiva Prasad Mallela** (DIN:07975692) as Executive Director of the Company. The Board recommends the resolution as set out in item no. 6 for approval of the members as a Special resolution.

The terms as set out in the resolution and explanatory statement may be treated as an abstract of the terms and conditions governing the appointment and remuneration and memorandum of interest pursuant to Section 190 of the Companies Act, 2013. Approval of the members is required by way of Special Resolution for appointment.

This intimation may be treated as an abstract of the terms and conditions governing the appointment and payment of remuneration to the Executive Director, as required under the provisions of the Companies Act 2013.

None of the Directors other than Mr **Sambasiva Prasad Mallela** is interested in the respective Resolution.

**Item No.7 Preferential Allotment of shares**

Your Company plans to issue equity shares on preferential basis which will enable the company to raise further capital and increase the Equity Base of the Company for meeting the working capital requirements, repaying liabilities and to augment the required funds for the proposed future projects of the Company. In view of this, it is proposed to create, offer, issue and allot 60,00,000 ( Sixty Lakhs only) equity shares of Rs.1/- each fully paid to the following persons on preferential allotment basis:

S. No.	Name of the Proposed Person	No. of shares proposed to be allotted	Investment proposed Rs
1.	Mullapudi Rama Rao	60,00,000	60,00,000/-

The details of the issue and other particulars as required in terms of the Chapter VII of the SEBI (LODR) Regulations, 2015 in relation to the above said Special Resolution are given as under.

**a) Object of the issue:** To mobilize funds for funding current/future expansion plans/activities of the Company, repaying liabilities, augmenting working capital and general corporate purposes.

**b) The Interest of the Promoters, Directors or Key Management persons to subscribe to the offer:**

None of the Promoters, Directors or Key Management persons of the Company intending to subscribe for the equity shares.

**c) Shareholding pattern before and after preferential issue of the capital would be as follows:**

S. No.	CATEGORY	Pre issue holding details		Post issue holding details	
		Total Number of shares	% of shares	Total Number of shares	% of Shares
A	Shareholding of Promoters & Promoter Group:				
1	Indian Promoters	172224	2.59	6172224	48.77
2	Foreign Promoters	139171	2.09	139171	1.10
	<b>Sub-Total (A)</b>	<b>311395</b>	<b>4.68</b>	<b>6311395</b>	<b>49.87</b>
B	Public Share holding				
3	Institutions	2800	0.04	2800	0.02
A	Financial Institutions/Banks	600	0.01	600	0.00
B	Mutual Funds & UTI	5900	0.09	5900	0.05
C	Venture Capital Funds	-	-	-	-
D	FII's	-	-	-	-
E	Foreign Venture Capital Investors	-	-	-	-
4	Non-Institutions	-	-	-	-
(i)	Bodies Corporate	371597	5.58	371597	2.95
(ii)	Indian public	5819086	87.43	5819086	45.98
(iii)	NRIs	141927	2.13	141927	1.12
(iv)	Clearing Members	-	-	-	-
(v)	Others(Trusts)	1895	0.03	1895	0.01
	<b>Sub-Total (B)</b>				
C	Any Others: Shares held by Custodians against Depository Receipts, FCCBs etc.,	-	-	-	-
	<b>Sub-Total (c)</b>	<b>6343805</b>	<b>95.32</b>	<b>6343805</b>	<b>50.13</b>
	<b>Grand Total (A+B)</b>	<b>6655200</b>	<b>100.00</b>	<b>12655200</b>	<b>100.00</b>

**d) Proposed time within which the allotment shall be completed:**

The Company will complete the issue and allotment of Equity Shares within a period of 15 days from the date of passing of the resolutions by the shareholders or where the allotment on preferential basis requires any approval by any regulatory authority like Stock Exchanges or Central Government or any statutory body, the allotment of shares will be completed within 15 days from the date of such approvals.

**e) Identity of [the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control] proposed allottee(s) of equity shares and the percentage of the post issue capital that may be held by them / her on conversion of the equity shares into shares:**

S.No	Name & Address of the proposed Allottee	Ultimate Beneficial owner(s) of the shares	Relation, if any, with the promoters or person in control of the Company	Percentage of the post issue capital that may be held by him / her
1	Mullapudi Rama Rao		Not Applicable	47.41

**f) Change in the Composition of the Board of Directors and Control of the Company:**

There will be change in the composition of the Board of Directors and control of the Company on account of the proposed preferential allotment. The proposed allottee will join as Promoter by complying with procedure prescribed under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. There will be a corresponding changes in the shareholding pattern as well as voting rights consequent to the preferential allotment.

**g) Undertaking:**

I. the issuer shall re-compute the price of the specified securities in terms of the provision of these regulations where it is required to do so.

II. If the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked-in till the time such amount is paid by the allottees.

**h) Non transferability of the Securities** The securities issued and allotted on a preferential basis hereunder will be subject to lock-in as specified under Chapter VII of the SEBI (LODR) Regulations, 2015.



**i) Pricing of the Issue and Relevant Date:**

The equity shares will be issued at such a price (including premium) not lower than the minimum price as stipulated in Chapter VII of SEBI (ICDR) Regulations (Regulation 76) i.e., the higher of the following:

- a. The average of the weekly high and low of the volume weighted average price of the related equity shares of the Company quoted on the recognised stock exchange during the twenty six weeks preceding the relevant date; or
- b. The average of the weekly high and low of the volume weighted average prices of the related equity shares of the Company quoted on the recognised stock exchange during the two weeks preceding the relevant date.

“Relevant Date” in relation to the issue of equity shares in accordance with the SEBI (LODR) Regulations, 2015 would be 28.11.2017 being the date 30 days prior to the date of this Annual General Meeting where the proposed preferential issue is being considered for approval of the members.

Certificate dated is obtained from Practicing Chartered Accountant confirming the minimum price for the preferential issue as per Preferential Issue Guidelines in Chapter VII of SEBI (LODR) Regulations, 2015 and copy of the same is enclosed to the Explanatory Statement and original certificate will be made available for inspection at the Registered Office of the Company.

As per Section 62(1)(C) of the Companies Act, 2013, approval of the shareholders in the General Meeting is required for the issue of the shares by way of preferential allotment as stated in the resolution. Hence consent of the shareholders by way of special resolution is being sought for the issue of such equity shares on preferential basis.

None of the Directors, key Managerial Personnel or their relatives are directly/indirectly concerned or interested in any manner in the above resolution, except to the extent of their shareholding in the company.

**Item No.8 Reclassification of non participating promoters to Public Category**

Several Members belonging to the promoter group, whose names have been figuring in the promoter group have ceased to be associated with company's activities for the past several years. They are not interested to be continuing as the promoters of the company. Hence the Board has decided to reclassify the non participating promoters, after obtaining necessary approval from them, from Promoter group to Public category and the same has been proposed for the member's approval by way of Special Resolution.

None of the Directors, key Managerial Personnel or their relatives are directly/indirectly concerned or interested in any manner in the above resolution, except to the extent of their shareholding in the company.

By order of the Board  
For **Frontier Informatics Limited**

M. Samba Siva Prasad  
Executive Director

Place: Hyderabad  
Date: 04.12.2017



**CERTIFICATE FOR 'FAIR VALUE' OF EQUITY SHARES**

This is with reference to the proposed Preferential Allotment ("Allotment") for acquisition of up to **60,00,000** equity shares, representing **47.41%** of the fully diluted total issued and paid up equity share capital (*post Allotment*) of **Frontier Informatics Limited** ("Target Company"), to the public shareholders of the Target Company by Mr. Mullapudi Rama Rao ("Acquirer").


The equity shares of the Target Company are listed on the BSE Limited ("BSE") only. Based on the trading volumes obtained from BSE website, we certify that the equity shares are **infrequently traded** in terms of Regulation 2(1)(j) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("**SEBI (SAST) Regulations**").

We certify that the offer price of **Re. 1/- (Rupee One only)** per equity share ("**Offer Price**") is justified in terms of Regulation 76(A) of SEBI (ICDR) Regulations, being higher than the valuation arrived as per the following:

Sr. No	Details	Rupees	Annexure
1.	Valuation based on other Financial Parameters as at as at March 31, 2017:		
	a. Return on Net worth (%)	(9.75)	
	b. Book Value per share (Rs.)	(3.10)	--
	c. Earnings per share (Rs.)	(0.30)	
2	Fair Market Value of Equity Shares of the Company as on March 31, 2017 (Rs.)	(1.79)	A

The workings for arriving at this Offer Price have been attached herewith as Annexures as mentioned in the table above.

**For Ramesh Kumar Rao & Co**  
Chartered Accountants

  
**S. Ramesh Kumar Rao**  
Proprietor  
M.No : 212769  
Date: 27<sup>th</sup> November, 2017



# REPORT ON VALUATION OF SHARES OF FRONTIER INFORMATICS LIMITED

## 1. INTRODUCTION

Target Company Limited (the “Company”) is a company registered under the Companies Act, 1956 and was incorporated in the year 1986. The registered office of the Company is located at Plot No 235, Sai Sadan, 1st Floor, Survey of India Employees Society, Khanampet, Madhapur (PO), Hyderabad, Telangana, 500081. The Company is engaged in the business of Software Services.

## 2. PURPOSE OF VALUATION

Acquirer intends to acquire **60,00,000** equity shares through a preferential allotment. Pursuant to regulation 76(A) of SEBI (ICDR) Regulations, we have been requested by the Acquirer to carry out the fair market valuation of the equity shares of the Company as on March 31, 2017.

## 3. DOCUMENTS PERUSED FOR VALUATION

Audited Balance Sheet and Profit and Loss account for last 5 years i.e. Financial Years, 2012-13 to 2016-17 of the Target Company.

## 4. METHODOLOGY OF VALUATION

**The fair value of shares has been arrived by considering the Hon'ble Supreme Court Judgment in the case of Hindustan Lever Employee Union V/s Hindustan Lever Ltd. [(1995) 83 CC 30] and with due regards to the erstwhile CCI formula for valuation of shares and relevant financial and market factors.**

There are various methods commonly adopted for valuation of shares. These are the Net Assets Method, the Earnings Capitalisation Method, the Discounted Cash Flow Method, Market Price Method etc. Each method proceeds on different fundamental assumptions, which have greater or lesser relevance, and at times even no relevance to a given situation. Thus, the methods to be adopted for a particular valuation must be judiciously chosen.

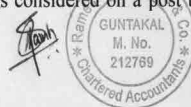
### 4.1 The Net Assets Method

The Net Assets Method represents the value of the shares with reference to the historical cost of assets and liabilities of the company on the valuation date. Such value generally represents the support value in case of a profit making business and thus, has limited relevance in valuation of shares of a going concern.

The value of the equity shares of a company based on the historical cost of its tangible assets may not always serve as reflecting its real worth on the valuation date. This is for the reason that the value of assets acquired in the past would not be static but would either appreciate or depreciate in value depending upon the nature of the asset, its economic life, and the demand in the market and several other factors. In evaluating the real worth of the assets, therefore, the intrinsic worth or realizable value of the assets on the valuation date needs to be determined.

### 4.2 The Earnings Capitalization Method

The Earnings Capitalization Method involves determination of the maintainable earnings level of the entity from its normal operations. These earnings considered on a post tax



basis, are used to arrive at equity value by capitalising at a rate, which in the opinion of the valuer combines an adequate expectation of risk & reward from business.

The transactions happened in the recent past for sale of shares concluded at varied multiples to Profit after tax or EBIT are considered for determining the multiple (or capitalized rate). The multiples are affected by factors like industry consolidation, presence of strong brand, control over market share, controlling stake in a company, growth prospects etc.

#### 4.3 The Discounted Cash Flow Method

The Discounted Cash Flow (DCF) Method values the equity shares of a company by discounting its free cash flows for the explicit forecast period and the perpetuity value thereafter. The free cash flows represent the cash available for distribution to both the owners and the creditors of the business. The free cash flows are discounted by Weighted Average Cost of Capital (WACC). The WACC represents the returns required by the investors of both debt and equity, weighted for their relative funding in the entity. The present value of the free cash flows during the discrete period and the perpetuity value indicate the value of the business. After reducing outstanding debt, the residual value is considered to be value of equity shares.

#### 4.4 The Market Price Method

The Market Price Method evaluates the value on the basis of prices quoted on the stock exchange. Average of quoted price is considered as indicative of the value perception of the company by investors operating under free market conditions.

### 5. BASIS OF VALUATION

5.1 Audited financial statements of the Company for the year ended March 31, 2017.

5.2 Discussions with the management on various issues like outlook for its business, competition in the industry, contingent liabilities, surplus assets, and other issues relevant to valuation.

5.3 For the purpose of the valuation, we have relied upon the financial statements and the information and explanations given to us, without carrying out any audit or other tests to verify the accuracy thereof.

### 6. VALUATION OF SHARES

The fair market value, which is the best reasonable judgment of the value, is arrived at, on the basis of the following:

#### 6.1 Net Assets Value

The Net Assets Value of the Company as at March 31, 2017 has been arrived at, by considering the amount of Equity of the Share holders and Free Reserves of the Company.

The net asset value so arrived at is divided by total number of equity shares as on March 31, 2017 to arrive at value per share as per Net Assets Method.

Based on the foregoing, value per share of Target Company as per Net Assets Method comes to **Rs. (3.10)/- per share**. The working for the same is given in **Annexure – A1**.

#### 6.2 Earnings Capitalisation Value

Since the Company has been incurring continuous losses for the past five financial years, this method has been ignored and no weights have been assigned. The relevant amounts are shown in Annexure A-2.



### 6.3 Market Price Method

The equity shares of the Target Company are listed on BSE. Based on the trading volumes obtained from BSE website, we certify that the equity shares are **infrequently traded** in terms of Regulation 2(1)(j) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (“SEBI (SAST) Regulations”). The closing price of the Equity Shares of the Company as on March 31, 2017 was Rs. 0.85/-

### 7. FAIR MARKET VALUE

The Return on Net worth percentage based on Audited Financial Statements for the year ended 31st March, 2017 with PAT (loss) of Rs (20,13,386) and Net worth (Negative) of Rs (2,06,59,334) is coming to Negative of Rs (9.75).

**The Fair Market Value** of the shares of the Company has been arrived at by averaging the values arrived as per the different methods adopted.

A weight of 2 has been assigned to the value arrived under the Net Asset Method and weight of 1 to the value arrived under the Market Price Method.

Based on the foregoing and also as per the Supreme Court Decision in **Hindustan Lever Employees Union Vs. Hindustan Lever Ltd**, the valuation of the Company is negative by Rs. (1.79)/-.

The computation of the same is given in **Annexure A** to this Report.

Our recommendation is dependent upon the information furnished to us being complete and accurate in all material respect. Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us. We have, therefore, not performed any audit, review or examination of any of the historical information used and therefore, do not express any opinion with regards to the same.

Our report is meant for the purpose mentioned in Para 2 and should not be used for any purpose other than the purpose mentioned therein. The Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared.

**For Ramesh Kumar Rao & Co**  
Chartered Accountants

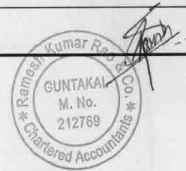
**S.Ramesh Kumar Rao**  
Proprietor  
M.No : 212769  
Date: 27<sup>th</sup> November, 2017



**ANNEXURE A**

Sr. No.	Method	Amount Per Share (Rs.)	Weight	Product
		(A)	(B)	(A * B)
	Particulars	March 31, 2017	March 31, 2017	March 31, 2017
1	Net Asset Value (As per Annexure A1)- [A]	(3.10)	2	(6.21)
2	Market Price Per Share as on March 31, 2017- [B]	0.85	1	0.85
3	<b>Total (A+B)</b>	-	3	(5.36)
4	Weighted Avg. Fair Value per Share			(1.79)
5	<b>Fair Value per Share Being Face Value of Share</b>			(1.79)

*Based on the above calculations, we certify that the Fair market Value of each fully paid-up equity shares of Frontier Informatics Limited as on March 31, 2017 in terms of SEBI (SAST) Regulations is Rs. (1.79) /- (Negative Rupees One and Seventy Nine Paise only) per equity share.*



**ANNEXURE A1**

**Valuation based on Net Worth Method**

The value per share based on Net worth Method has been derived as under:

<b>Particulars</b>	<b>March 31, 2017</b>
Net Worth (Rs. in amount)	(2,06,59,334)
Outstanding Shares (diluted)	66,55,200
<b>Book Value Per Share (Rs.)</b>	<b>(3.10)</b>

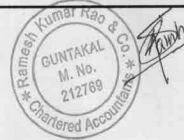
(Source: Audit Report for the financial year 2016-17)

**ANNEXURE A2**

Valuation based on Profit Earning Capacity Value (PECV) for the last five financial year ended on 31st March, 2017

The value per share based on Profit Earning Capacity Value (PECV) Method has been derived as under:

<b>Financial year</b>	<b>Profits (Rs.)</b>
2016-17	(20,13,386)
2015-16	(48,23,171)
2014-15	(25,82,105)
2013-14	(25,15,986)
2012-13	(7,15,343)
<b>Total</b>	<b>(1,26,49,991)</b>
<b>Simple Average Profit</b>	<b>(25,29,982)</b>
Capitalization @ 0 %	-
Number of Equity Shares (Nos.)	-
<b>Value per Equity Shares (Rs.)</b>	<b>-</b>





**DIRECTORS' REPORT**

To  
The Members,  
Frontier Informatics Limited,  
Hyderabad.

Your Directors hereby present the Twenty Ninth Annual Report together with the audited accounts of the Company for the year ended March 31, 2017.

**1. The Financial Results and operations are as follows:**

(Rupees in Lakhs)

<b>PARTICULARS</b>	<b>For the year 2016-17</b>	<b>For the year 2015-16</b>
Total Income	3.42	4.83
Gross Profit / (Loss) before Depn	(19.38)	(44.52)
Depreciation	0.75	3.71
Operating Profit / (Loss)	(20.13)	(48.23)
Interest	0.00	0.00
Prior Period Adjustments/ Write Offs/ Taxes	0.00	00.00
Net Profit / (Loss) after tax	(20.13)	(48.23)
Earnings per Share		(0.36)
Net Worth	(206.59)	(186.46)

**2. Change in nature of business, if any**

There is no change in the nature of business of the company.

**3. Reserves & Surplus**

During the year under review the Company has not transferred any amount to its General Reserve in Balance Sheet.

**4. Dividend**

In view of the accumulated losses your directors express their inability to declare any dividend.

**5. Business Operations**

The company has been executing AMC of Software products of the company. The company hopes to achieve sizable business after effecting the scheme of Reduction of Capital and after induction of further capital contemplated through the preferential Allotment of Shares.

**6. Fixed Deposits**

The Company has not accepted any fixed deposits from the public within the meaning of section 73/74 of the Companies Act, 2013.

**7. Particulars of Loan, Guarantees and Investments under Section 186**

The Company does not have any loans, guarantees and investments covered under section 186 of the Companies Act, 2013.

**8. Particulars of Contracts or Arrangements with Related Parties**

Your Company has not entered into any Related Party Contracts under the provisions of the Section 188 (1) of the Companies Act, 2013 during the year under review.

**9. Conservation Of Energy, Technology Absorption, Foreign Exchange Earning And Outgo**

As required under Section 134(3)(m) of the Companies Act, 2013, read with The Companies (Accounts) Rules, 2014, the particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo are mentioned herein below:

- A. Conservation of Energy: Nil
- B. Technology Absorption: Nil
- C. Foreign Exchange: Nil

**10. Directors and Key Managerial Personnel****A. Directors**

During the year under review, The Board of Directors of the company is duly constituted and the following changes took place:

- Mrs. B. Prasanna Lakshmi and Mrs. Shashikala Ambarkar have resigned from the directorship of the company w.e.f. 14.02.2017
- Mrs. Archana Singh and Mr. Rajan Babu Mothe were appointed as Independent Directors of the company with effect from 14.02.2017
- Mr. T.Raj Kumar and Mr. R. Anantha Chary have resigned from the directorship of the company w.e.f. 26.07.2017
- Mr VK Premchand resigned as Director of the company wef 2.12.2017 and vacated office as Managing Director of the company.
- Mr. Sambasiva Prasad Mallela has been appointed as Executive director of the company wef 28.10.2017 for a period of two years.

The appointment is subject to approval of the share holders at the Annual General meeting of the company in respect of whom the company has received a notice in writing proposing his candidature for appointment as Director of the company.

The Board recommends the resolutions as set forth in item No.4,5,6,7 and 8 of the notice for approval of the members. For the perusal of the shareholders, brief resumes of the Directors being appointed / re-appointed along with necessary particulars are given in the Explanatory statement of the notice.

In accordance with the requirements of the Companies Act 2013, read with the Articles of Association of the company, Mr. Potail Yadav Varun is liable to retire by rotation and being eligible offers himself for re-appointment. The Board recommends for their reappointment.

The committees of the Board have been reconstituted and also renamed in line with the requirements, the details of which are provided elsewhere in this report.

**B. Key Managerial Personnel**

Pursuant to the provisions of section 203 of the Act, the key managerial personnel of the Company are: Mr. V K Premchand, Managing Director (till 02.12.2017), and Mr. Sambasiva Prasad Mallela, Executive Director.

**Number of meetings of the board:**

Eight meetings of the board were held during the year. For details of the meetings of the board, please refer to the corporate governance report, which forms part of this report.

No Extraordinary General Meeting of the company was held during the year.

The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

**Board evaluation:**

The board of directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("SEBI Listing Regulations").

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of the criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The board and the nomination and remuneration committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent directors, performance of non-independent directors, performance of the board as a whole and performance of the chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent directors, at which the performance of the board, its committees and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

**Policy on directors' appointment and remuneration and other details:**

The Company's policy on directors' appointment and remuneration and other matters provided in section 178(3) of the Act has been disclosed in the corporate governance report, which forms part of this report.

**11. Statement on the declaration given by the Independent Directors as per Section 149(6) of Companies Act, 2013**

The company has received necessary declarations from the Independent Directors under section 149(7) of Companies Act, 2013, that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and Regulation 25 of Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2016.

**12. Directors' Responsibility Statement**

In accordance with sub-section section 134 of the Companies Act, 2013, the Directors of the Company state:

- a. That in the preparation of the accounts for the financial year ended 31<sup>st</sup> March 2017; the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b. That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the Company for that period.

- c. That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safe guarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d. That the directors had prepared the annual accounts on the going concern basis.
- e. That the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f. That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **13. Extract of annual return**

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in **MGT 9** as a part of this Annual Report as **Annexure I**.

### **14. Auditors**

#### **A. Statutory Auditors:**

The Statutory Auditors of the company M/s Niranjana & Narayan, Chartered Accountants, Hyderabad, retire at the conclusion of ensuing Annual General Meeting and are eligible for re-appointment. The Company has received a letter from the Auditors for their re-appointment, if made will be in conformity with Section 139 of the Companies Act 2013 and also in compliance of the Listing Agreement regarding Peer Review. The board and the Audit committee recommend the re-appointment of M/s. Niranjana & Narayan Chartered Accountants, Hyderabad as Statutory Auditors to hold office till conclusion of the Next Annual General Meeting.

#### **Comments of Auditors in their report, and the respective Explanation of the Board of Directors:**

- (i) **Auditors Comment:** (a) The company is due to pay certain **statutory dues payable as under :**

**Provident Fund dues** **Rs. 5,64,268**

**Director's Statement:** The dues to PF Department represents balance of interest levied on delayed payments and the company requested for allowing payment through installments. The company has paid the installments during the FY 2014-15 and reduced the liability from Rs. 6.19 lacs to Rs 5.64 lakhs and the Board of Directors hope to clear the installments in the current Financial Year.

**B. Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed Mr. Ch. Veeranjanyulu as Secretarial Auditor who is a partner of M/s VCSR & Associates, Company Secretaries in Whole-time Practice, to carry out Secretarial Audit for the financial year 2016-2017. The Secretarial Audit report is annexed herewith as "(Annexure II)" & annexure to it. The report is self-explanatory and do not call for any further comments.

**Comments of Secretarial Auditors in their report, and the respective Explanation of the Board of Directors: Auditors Comment:** (a) The company is required to appoint Key Managerial persons and company secretary.

**Director's Statement:** The Company is in the process of selecting suitable persons and would appoint them in the due course of business.

**15. Corporate Governance And Management Discussion & Analysis Reports**

The Corporate Governance and Management Discussion & Analysis Report, which form an integral part of this Report, are set out as Annexures respectively together with the Certificate from the auditors of the Company regarding compliance with the requirements of Corporate Governance as per SEBI Listing Regulations.

**16. Vigil Mechanism**

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at [www.fitlindia.com](http://www.fitlindia.com).

**17. Risk Management**

The board of directors of the Company has formed a risk management committee to frame, implement and monitor the risk management plan for the Company. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The audit committee has additional responsibility to oversee additional responsibility in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The development and implementation of risk management policy has been covered in the management discussion and analysis, which forms part of this report.

**18. Disclosure Under The Sexual Harassment Of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013**

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy.

The following is the summary of sexual harassment complaints received and disposed during the calendar year

❖No. of complaints received: Nil

❖No. of complaints disposed off: Nil

### **19. Corporate Social Responsibility (CSR)**

Even though the provisions of Companies Act, 2013 regarding Corporate Social Responsibility are not applicable to the company, yet the Company has been, over the years, pursuing as part of its corporate philosophy, an unwritten CSR policy voluntarily which goes much beyond mere philanthropic gestures and integrates interest, welfare and aspirations of the community with those of the Company itself in an environment of partnership for inclusive development.

### **20. Code Of Conduct**

The Board has laid down a code of conduct for all Board Members, senior management and employees of the Company. The relevant Declaration is enclosed as an attachment to the Directors' Report.

### **21. Details of Subsidiary/Joint Ventures/Associate Companies**

The company does not have any Subsidiary/ Joint Venture/ Associate Companies requiring disclosure pursuant to sub-section (3) of section 129 of the Act.

### **22. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report**

The company completed the process of Reduction of Capital and BSE issued trading approval for the reduced capital vide their letter dated 11.09.2017.

### **23. 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**

There are no such events.

### **24. Internal Control Systems And Their Adequacy**

The details in respect of internal financial control and their adequacy are included in the management discussion & analysis, which forms part of this report.

## **25. Particulars Of Employees**

There are no such employees requiring disclosure pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, statement of particulars of employees.

## **26. Reduction Of Capital**

The company had taken up the Scheme for Reduction of Capital. The scheme was approved by share holders in the Annual General Meeting held on 30<sup>th</sup> September, 2016 and further the company received the approval from the Honorable High Court of Andhra Pradesh and Telangana vide their order dated 06<sup>th</sup> June 2017. Further the company updated necessary filings before office of Registrar of Companies and received Certificate of Reduction of Capital dated 25<sup>th</sup> August, 2016. The company also filed necessary documents before BSE for relisting of company's shares of Rs 1/- each and trading approval for the reduced capital is received from BSE vide their letter dated 11.09.2017.

## **27. Listing with Stock Exchanges**

The equity shares of the Company are listed at the Mumbai Stock Exchange Limited. The listing fee is paid for the financial year 2017-18.

## **28. Additional Information**

Information pursuant to Section 134 (3) (l) & (m) of the Companies Act, 2013 which is included as a part of Corporate Governance Report.

## **29. Acknowledgements**

Your Directors wish to acknowledge the valuable support and cooperation, extended by Bank of India and State Bank of India and all other Government Agencies. Your Directors also express their appreciation to the shareholders of the Company for their forbearance during a difficult period and for reposing confidence in the future ahead.

Your Directors wish to place on record their appreciation of the hard work, dedication and commitment exhibited by its employees at all levels.

By order of the Board  
For **Frontier Informatics Limited**

M. Samba Siva Prasad  
Executive Director

Place: Hyderabad  
Date: 04.12.2017



**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****A. Industry Structure and Development**

IT Business of most Indian Software Development companies can be classified into Onsite Consulting Services, Offshore Software Services, Product Sales and IT Enabled Services. While Onsite Consulting Services has witnessed a steady growth, Offshore Software business has experienced a significant change either through Dedicated Development Centers for overseas partners or Joint Ventures. The product sales of Indian companies in the international markets has been miniscule, while IT enabled services business has seen a strident growth during the last 4 to 5 years.

**The future direction clearly favors Offshore Software Services and IT enabled Services.**

**B. Opportunities**

- a. Offshore Software Maintenance and Enhancements
- b. IT Enabled Services/BPO Operations.
- c. Increased IT spending within India.

**C. Threats, Risks and Concerns**

- a. Competition from countries like China and other Asian Countries in the medium to long term.
- b. Large international companies establishing their own subsidiaries instead of depending on Indian Companies.
- c. Countries like USA bringing in legislation to prevent work from going to outside Countries.

In spite of certain negative factors in the international markets, company believes that there are enough global opportunities to be tapped. Countries like China will take a few more years before they can provide wide ranging Software Services of high quality. Company intends to concentrate on Offshore opportunities in Software Maintenance and IT enabled services space as well as computer education and training in the coming few years.

**D. Segment wise Performance**

Statement of Accounting Standard - AS 17 issued by The Institute of Chartered Accountants of India on Segment Reporting is not applicable to the company as there is no reportable segment which meets the criteria laid down under this standard.

**E. Outlook**

The management is planning to make reasonable business in the areas of Health Care,

and Training and put more marketing efforts to secure Business. The company however suffers from lack of working capital and overseas presence. The company is not able to raise finances due to the losses incurred by the company over the past few years, which have reduced the company to negative net worth. Your directors are contemplating various measures for improving the strength of the balance sheet and to enable the company to raise investment and other form of funding.

**F. Risk and Concerns**

The changing situation in USA and Europe may lead to more restrictions on off-shore projects and stringent norms for Onsite Consulting services.

**G. Internal control system and their adequacy**

The Company has established adequate internal control systems and procedures both in financial and operational areas that are commensurate with the size and nature of the business of the Company. The constitution of Audit Committee with independent non-executive Directors is instrumental in ensuring mainly the following:

1. Oversight of Company's financial reporting process and the disclosures of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Reviewing with management the annual financial statements before submission to the Board, focusing primarily on any changes in accounting policies, compliances with accounting standards etc.
3. Discussion with the senior management to ensure adherence to the internal Control systems and processes.
4. To ensure that appropriate controls are established and are effective throughout every software development project and conforming to Software Engineering Practices.

**H. Discussion on financial performance with respect to operational performance**

Financial statements are prepared under the Historical Cost Convention in accordance with the Indian Generally Accepted Accounting Principles and the provisions of the Companies Act, 2013.

The company suffered huge losses during the past several years. Most of the losses are on account of depreciation loss incurred over the years representing depreciation written off on software products developed by the company during the years 1995 to 2003. The company could not exploit the software products developed for various reasons including paucity of working capital resources.

**The losses incurred over the years are as under:**

(Rs. In Lacs)

Sl. No.	Year	Total of Year
1	Year ending March 2010	334.31
2	Year ending March 2011	267.11
3	Year ending March 2012	166.88
4	Year ending March 2013	7.15
5	Year ending March 2014	25.16
6	Year ending March 2015	25.82
7	Year ending March 2016	48.23
8	Year ending March 2017	20.13

**I. Material development in human resources/Industrial relations front, including number of people employed**

Human Resource Development is a key area for growth and smooth functioning of any organization. The management recognized two major areas, which will lead to achieve this goal, namely, creating good working environment and imparting continuous training in latest technologies. Continuous up gradation of skills plays a key role in employee's retention and job satisfaction and company has taken adequate measures in this regard.

The company has cordial relations with its employees and staff.

Efforts of the company are well recognized in India as well as abroad.

**Cautionary Statement**

Statements in this management discussion and analysis describing the company's objectives, projections, estimates, expectations may be considered to be forward looking statements and actual results could differ materially from those expressed or implied. Factors which could make a significant difference to the Company's operations include demand supply conditions, market prices, input component costs and availability, changes in Government regulations and tax laws besides other factors such as litigations, over which the Company may not have any control.

Annexure I

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31.03.2017**

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration) Rules, 2014.

## I. REGISTRATION &amp; OTHER DETAILS:

1. CIN	L72200TG1986PLC006644
2. Registration Date	29/07/1986
3. Name of the Company	<b>FRONTIER INFORMATICS LIMITED</b>
4. Category/Sub-category of the Company	COMPANY LIMITED BY SHARES
5. Address of the Registered office & contact details	Plot No 235, Sai Sadan, 1 <sup>st</sup> Floor, Survey of India Employees Society, Khanampet, Madhapur (PO), Hyderabad – 500 081.
6. Whether listed company	YES
7. Name, Address & contact details of the Registrar & Transfer Agent, if any.	KARVY COMPUTERSHARE PVT. LTD Karvy Selenium Tower – B, Plot Nos 31-32, Gachi Bowli, Financial District, Nanakramguda, Hyderabad - 500 032.

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Software Services	8921	100%

## III. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category-wise Share Holding (Shares of Rs 10/- each before Reduction of Capital)

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2016]				No. of Shares held at the end of the year[As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian/NRI</b>									
a) Individual/	318650	25800	344450	2.59	318650	25800	344450	4.68	0.00

HUF									
2) Foreign	227140	51202	278342	2.09	227140	51202	278342	2.09	0.00
<b>Total shareholding of Promoter (A)</b>	545790	77,002	622792	4.68	545790	77,002	622792	4.68	0.00
<b>B. Public Shareholding</b>									
1. Institutions	--	1200	1200	0.01	--	1200	1200	0.01	--
a) Mutual Funds	--	11800	11800	0.09	--	11800	11800	0.09	--
b) Banks / FI									
c) FIs	--	5600	5600	0.04	--	5600	5600	0.04	--
<b>Sub-total (B)(1):-</b>	--	18600	18600	0.14	--	18600	18600	0.14	--
<b>2. Non-Institutions</b>									
a) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 2 lakh	6040822	827150	6867972	51.60	7069734	921898	7991632	60.04	8.44
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	4170117	195654	4365771	32.80	3517078	105300	3622378	27.21	-5.59
b) Others Hufs(specify)	1217570	217695	1435265	10.78	796297	258701	1054998	7.93	-2.86
<b>Sub-total (B)(2):-</b>	11428509	1240499	12669008	95.18	11383109	1285899	12669008	95.18	0.00
Total Public Shareholding (B)=(B)(1)+(B)(2)	11428509	1259099	12687608	95.32	11383109	1304499	12687608	95.32	0.00
<b>Grand Total (A+B+C)</b>	11974299	1336101	13310400	100	11928899	1381501	13310400	100	0.00

B) Shareholding of Promoters-

S N	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareho lding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumber ed to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbe red to total shares	
1	VKPremchand	321450	2.42	--	321450	2.42	----	--
2	V .Agam Rao	400	0.00	--	400	0.00	--	--
3	Yogesh Sood	6725	0.05	--	6725	0.05	--	--
4	Sudarshan Grover	15235	0.11	--	15235	0.11	--	--
5	V.Radha Bai	1100	0.01	--	1100	0.01	--	--
6	V.Kondal Rao	100	0.00	--	100	0.00	--	--
7	G.Ananda Bai	100	0.00	--	100	0.00	--	--
8	V.Upendra Rao	50	0.00	--	50	0.00	--	--
9	Rajan Munjal	174740	1.31	--	174740	1.31	--	--
10	Muralidhar A	49392	0.37	--	49392	0.37	--	--
11	Satyam V.Chary	30300	0.23	--	30300	0.23	--	--
12	Sudhakar Reddy	600	0.00	--	600	0.00	--	--
13	Sree Jayanthi Y	22600	0.17	--	22600	0.17	--	--
	TOTAL	622792	4.68		622792	4.68		

C) Change in Promoters' Shareholding (please specify, if there is no change):

**NotApplicable**

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	622792	4.68	622792	4.68
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/sweat equity etc.):				
	At the end of the year	622792	4.68	622792	4.68

**D) Shareholding Pattern of top ten Shareholders:  
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1993011	14.97	2153212	16.18
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	--	--	--	--
	At the end of the year	1993011	14.97	2153212	16.18

**E) Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Director and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of company	No. of shares	% of total shares of company
	At the beginning of the year	321450	2.42	321450	2.42
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	--	--	--	--
	At the end of the year	321450	2.42	321450	2.42

**IV. INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/acrued but not due for payment.

Rs in Lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness

<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	--	228.77	--	
ii) Interest due but not paid	--	--	--	
iii) Interest accrued but not due	--	--	--	
<b>Total (i+ii+iii)</b>	--	228.77	--	
<b>Change in Indebtedness during the financial year</b>	--		--	
* Addition	--	8.96	--	
* Reduction	--	--	--	
Net Change	--	8.96	--	
<b>Indebtedness at the end of the financial year</b>	--	237.73	--	
i) Principal Amount	--	237.73	--	
ii) Interest due but not paid	--	--	--	
iii) Interest accrued but not due	--	--	--	
<b>Total (i+ii+iii)</b>	--	237.73	--	

**V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL- NIL**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	N	I		L
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission - as % of profit - others, specify...				
5	Others, please specify				
	Total (A)				
	Ceiling as per the Act				



**B. Remuneration to other directors: NIL**

SN.	Particulars of Remuneration	Name of Directors			
					Total Amount
1	Independent Directors				
	Fee for attending board committee meetings	N	I	L	
	Commission				
	Others, please specify				
	Total (1)				
2	Other Non-Executive Directors				
	Fee for attending board committee meetings				
	Commission				
	Others, please specify				
	Total (2)				
	Total (B)=(1+2)				
	Total Managerial Remuneration				
	Overall Ceiling as per the Act				

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	N	I	L	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit others, specify...				
5	Others, please specify				
	Total				

**VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding		<b>N</b>	<b>I</b>	<b>L</b>	
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment		<b>N</b>	<b>I</b>	<b>L</b>	
Compounding					

**Annexure-II**  
**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2017**  
**[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies**  
**(Appointment and Remuneration Personnel) Rules, 2014]**

To  
The Members,  
FRONTIER INFORMATICS LIMITED,  
Hyderabad

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. FRONTIER INFORMATICS 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 FRONTIER INFORMATICS LIMITED 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 31st March, 2017 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 M/s. Frontier Informatics Limited ("the Company") for the financial year ended on 31<sup>st</sup> March, 2017 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 thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and

- Employee Stock Purchase Scheme) Guidelines, 1999;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (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; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with Bombay Stock Exchange(s); During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

As per the Provisions of Section 203 of the Companies Act, 2013, your company is required to appoint Company Secretary and Chief Financial Officer of the company. As explained to us, the Company is in the process of selecting suitable candidates for appointment of Company Secretary. However Chief Financial Officer has been appointed by the Company on 13.04.2017.

We further report that

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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 VCSR & Associates

Company secretaries

Sd/-

(Ch. Veeranjanyulu)

Partner

FCS No.: 6121

C P No.: 6392

Place: Hyderabad

Date: 04.12.2017

*Note:* 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 INFORMATICS LIMITED

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

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

For VCSR & Associates  
Company secretaries

(Ch.Veeranjaneyulu)  
Partner  
C P No.:6392  
Place: Hyderabad  
Date: 04.12.2017

**REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2016-17**

In compliance with the Listing Agreement with Stock Exchanges the Company submits the report on the matters mentioned in the said Clause and practice followed by the Company:

**COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

The Company attaches importance to good Corporate Governance and the code of governance as formulated by the Stock Exchange/SEBI and other authorities in the right earnest. It will be the endeavor of the Board of Directors that the Company is so governed as to maximize the benefits of all stakeholders (i.e., shareholders, employees, customers, society) and others. The Company has been implementing the clauses of Corporate Governance from time to time.

**COMPOSITION OF BOARD**

The Board of the Company consists of both Executive and Non Executive Directors. It presently consists of Seven (7) Directors out of whom One is Managing Director, One Executive Director and Five (5) are Non Executive Directors. The non-executive directors possess rich and varied experience in different facets of corporate functioning. They play active role in the meetings of the Board. The Board formulates policy decisions so as to lead and control the Company.

**BOARD MEETINGS**

During the year under review, Eight (8) meetings of the Board of Directors were held. The time gap between any two Board Meetings has not exceeded four months. The Names and Categories of the Directors on the Board, their attendance at Board Meetings held during the Financial Year 2016-17 and at the last Annual General Meeting, and also the number of Directorships and Committee positions held by them in other companies as on March 31, 2017 are given below:

Name	Category	Number of Board Meetings attended	Whether attended AGM held on 30.12.2016	No. of Directorships in all other Companies	No. of committee Positions held in all other Companies	
					Chairman	Member
Shri V.K.Premchand	Managing Director	8	Yes	2	-	-
Shashikala Ambarkar	Non Executive Director	4	Yes	2	-	-
Bommaraju Prasanna Lakshmi	Non Executive Director	5	Yes	1	-	-
Potail Yadav Varun	Non Executive	3	No	Nil	-	-

	Director					
Vunnava Purnachandra Rao	Chairman, Independent & Non Executive Director	8	Yes	1		
S.P.Vivekananda	Independent & Non Executive Director	-	No	3	-	-
T.Raj Kumar	Independent & Non Executive Director	2	Yes	2	-	-
R.Anantha Chary	Independent & Non Executive Director	2	No	2	-	-

The dates on which the Board Meetings were held during the year 2016-17 were 30<sup>th</sup> May, 2016, 25<sup>th</sup> July, 2016, 13<sup>th</sup> August, 2016, 24<sup>th</sup> August, 2016, 20<sup>th</sup> September, 2016, 12<sup>th</sup> November 2016, 5<sup>th</sup> December, 2016 and 14<sup>th</sup> February 2017.

Apart from sitting fees, Non-Executive Independent Directors do not have any other pecuniary relationship or transactions with the Company, its promoters or its Management, which in the opinion of the Board may affect the independent judgment of the Director.

#### **CODE OF CONDUCT**

The Code of Conduct as adopted by the Board of Directors, is applicable to the Directors, both executive and non-executive and Senior Management team comprising of members of Management one level below the Executive Directors, including all functional heads.

A declaration by the Managing Director affirming the compliance of the Code of Conduct for Board Members and senior management executives is also annexed separately at the end of this report.

#### **AUDIT COMMITTEE**

The Board has four members in the Audit Committee, consisting of both executive and Non-Executive Directors.

The Audit Committee met Four times during the financial year 2016-17 i.e on 30<sup>th</sup> May, 2016, 13<sup>th</sup> August, 2016, 12<sup>th</sup> November 2016 and 14<sup>th</sup> February 2017. The attendance record of the Audit Committee members is given below:-

<b>Name of the Member</b>	<b>Category</b>	<b>Designation</b>	<b>No. of Meetings held</b>	<b>Attended</b>
Mr Vunnava Purnachandra Rao	Independent	Chairman	4	4

V.K.PremChand	Executive	Member	4	4
T.Raj Kumar	Non Executive	Member	4	4
R.Anantha Chary	Non Executive	Member	4	3

The role of the audit committee in brief is to review financial statements, internal controls, accounting policies and internal audit. The quarterly financial results are placed before the audit committee for its review, suggestions and recommendations, before taking the same to the Board. The internal audit plans are drawn in consultation with the Managing Director, Chief Financial Officer, Heads of departments and the audit committee. The committee reviews the internal auditors report periodically. The committee also tracks the implementation of its guidelines/suggestions through review of action taken reports. A statement in summary form of transactions with related parties in the ordinary course of business is placed periodically before the committee apart from details of material individual transactions with the related parties. The Representatives of Statutory Auditors are permanent invitees to the Audit Committee meetings.

#### **NOMINATION AND REMUNERATION COMMITTEE**

The Company had constituted Nomination and Remuneration committee with Mr. V Purnachandra Rao, Mrs Archan Singh and Mr. T.Rajan Babu all non-executive Directors.

#### **BRIEF DESCRIPTION OF TERMS OF REFERENCE:**

- To approve the fixation/revision of remuneration of Executive Directors of the Company and while approving:
  - a. to take into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.
  - b. to bring out objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.
- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and /or removal.
- To carry out evaluation of every Director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- To formulate the criteria for evaluation of Independent Directors and the Board.
- To recommend/review remuneration of the Managing Director and Whole-time Director(s) based on their performance and defined assessment criteria.



During the year there were no changes in the terms and conditions with regard to remuneration payable to Executive Directors and hence conducted two meetings during the year. The broad terms of reference of the remuneration committee are to approve/recommend to the Board the salary (including annual increments) perquisites and commission including pension rights and any compensation payment to be paid to the Company's Managing/Whole –Time Directors.

**Remuneration policy:** The Company while deciding the remuneration package of the management takes into consideration the employment scenario, remuneration package of the industry, financial performance of the company and talents of the appointee.

### **REMUNERATION OF DIRECTORS**

The non-executive directors do not receive any remuneration from the Company and are paid Sitting Fee for attending the meetings of the Board and Committee Meetings. There is no pecuniary relationship or transactions between independent non-executive Directors and the Company.

Since the company is suffering losses Managing Director and Executive Director consented not to draw any salary for the year ended 31.03.2017, hence the aggregate value of salary, perquisites to Managing/Executive Director are NIL.

Notice period, severance fee and stock options to the above personnel -Nil

Details of Shares of the Company held by the Directors as on March 31, 2017 are as below:

<b>Name</b>	<b>Designation</b>	<b>No. of Shares</b>
Premchand Krishna Rao Velchala	MD	321,450

### **STAKE HOLDERS RELATIONSHIP COMMITTEE**

The Share Transfer and Investor Grievances Committee have been renamed as above.

The Board delegated the authority to approve transfer of shares to a Committee of Directors. The Share Transfer and Investors' Grievances Committee consists of directors Mr. V Purnachandra Rao, Mr Potail Varun Yadav and Mr. V.K.Premchand. The compliance officer is Mr. V.K.Premchand.

The meetings of the Committee are held at frequent intervals to approve transfers, transmissions, issue of duplicate shares and resolving investors' grievances, etc. The company has replied through the Depository Participant agent in respect of complaints received in the earlier year. The minutes of the Committee meetings are placed before the Board for its noting on a regular basis.

**DETAILS OF COMPLAINTS/REQUESTS RECEIVED, RESOLVED AND PENDING DURING THE YEAR 2016-17:**

Particulars	Year ended 31.03.2017
Pending at the beginning of the year	NIL
Received during the year	2
Disposed of during the year	2
Remaining unresolved at the end of the year	NIL

**INDEPENDENT DIRECTORS' MEETING:**

As per clause 7 of the schedule IV of the Companies Act (Code for Independent Directors), a separate meeting of the Independent Directors of the Company (without the attendance of Non-Independent directors) was held on 10.03.2017, to discuss:

1. Evaluation of the performance of Non Independent Directors and the Board of Directors as whole;
2. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors of the Company were present at the meeting.

As required under Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the company regularly familiarizes Independent Directors with the Company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company etc.

**GENERAL BODY MEETINGS**

The details of last three Annual General Meetings (AGM) were given below:

Year	Date of AGM	Time	Held at	No of Special Resolutions passed in AGM
2016	30 <sup>th</sup> December 2016	09.30 AM	Lions Bhavan Trust, Secunderabad	Yes
2015	30 <sup>th</sup> September 2015	10.00 AM		Yes
2014	30 <sup>th</sup> September 2014	10.00 AM		Yes

There were no resolutions in the last year that were put through postal ballot. Similarly no special resolutions are proposed to be passed through postal ballot in the ensuing Annual General Meeting.

**RISK ASSESSMENT AND MINIMISATION PROCEDURE**

In order to ensure that Management controls risk through means of a properly defined framework, a report on Risk Assessment and Minimization Procedure as prepared by functional heads of the Company is being reviewed periodically by the board of Directors. The Board of Directors of the Company is continuously briefed, by the Managing Director, with the developments and performance of the Company so as to enable them to monitor the same at regular intervals. Reports on risk assessment and minimization process and new initiatives proposed by the Company are also presented to them for suggestions and up gradation.

**DISCLOSURES****A. Related Party Transactions**

Details of materially significant related party transactions are annexed to the Accounts. There were no transactions during the year with related parties that were prejudicial to the interests of the Company.

**B. Compliances made by the Company**

The Company has continued to comply with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets during the last three years; no penalties, strictures have been imposed on the Company by the Stock Exchanges, SEBI and other statutory authorities related to the above.

**C. Communication to Shareholders**

The quarterly and Annual Results are being published in the Business Standard and Mana Telangana OR Financial Express and Andhra Prabha. Quarterly and Annual Financial Results of the Company are furnished to the Stock Exchange as per the requirements of the Listing Agreement.

**D. Whistle Blower Policy**

The Company promotes a favorable environment for employees to have an open access to the Audit Committee, respective Functional Heads, Head- HRD, Managing Directors so as to ensure ethical and fair conduct of the business of the Company and that no personnel has been denied access to the Audit Committee.

**General Shareholders Information**

The following information would be useful to Shareholders:

- a) The 29<sup>th</sup> Annual General Meeting of the Company will be held at 9.30 AM on Friday the 29<sup>th</sup> day of December 2017 at Lions Bhavan Trust, Behind HDFC Bank, Near Paradise Circle, S D Road, Secunderabad -500003, Telangana
- b) The Financial Year of the Company is from 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2017.
- c) Date of Book Closure: from Tuesday 22<sup>nd</sup> December 2017 to Friday the 29<sup>th</sup> day of December, 2017 (inclusive of both days)
- d) The Shares of the Company are listed on the Stock Exchange, Mumbai (BSE).
- e) The Stock Code is 531225
- f) The CIN number of the Company is : L72200TG1986PLC006644
- g) The Share and Depository Transfer Agent: M/s. Karvy Computershare Pvt, Karvy Selenium Tower – B, Plot No 31-32, Gachi Bowli, Financial District, Nanakramguda, Hyderabad.
- h) Dematerialization of Shares: The Company's shares are traded compulsorily in dematerialized form. In this connection, the Company has already entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the Company's ID is INE547B01010. The members are requested to dematerialize their physical holding in view of various advantages of holding the shares in dematerialized form. As on 31<sup>st</sup> March 2017, 1,19,74,299 shares are under dematerialization, representing 89.96% of the paid up capital.
- i) Distribution of shareholding as on 31<sup>st</sup> March, 2017:

Holding of number of Shares or Debentures	Share/Debenture (Holders)		Shares/Debentures (Amount)	
	Number	%	Rs.	%
1 - 5000	8,403	73.48	17153840	12.89
5001 - 10000	1403	12.27	12117870	9.10
10001 - 20000	717	6.27	11444060	8.6
20001 - 30000	307	2.68	7919490	5.95
30001 - 40000	110	0.96	4033830	3.03
40001 - 50000	149	1.30	7142180	5.37
50001 - 100000	197	1.72	15060250	11.31
100001 - Above	149	1.30	58232480	43.75
<b>Total</b>	<b>11435</b>	<b>100.00</b>	<b>133104000</b>	<b>100.00</b>

- a) **Market Price Movement:** The details of monthly high and low market price of equity shares at the stock exchange, Mumbai are as given below:

Month	Highest (Rs.)	Lowest (Rs.)	Month	Highest (Rs.)	Lowest (Rs.)
April '16	0.70	0.65	October '16	0.91	0.73
May '16	0.70	0.67	November '16	1.18	0.95
June '16	0.70	0.65	December '16	1.29	1.22
July '16	0.62	0.57	January '17	1.67	1.25
August '16	0.70	0.64	February '17	1.70	1.21
September '16	0.70	0.70	March '17	1.15	0.85

- b) **Shareholding Pattern as on 31<sup>ST</sup> March 2017**

<u>Sl no</u>	<u>Category</u>	<u>No. Of shares</u>	<u>% of shareholding</u>
1	Promoters	622,792	4.68
2	Mutual funds and UTI	11800	0.09
3	Banks, Financial Institution, Insurance companies, FI's	1200	0.01
4	Private Corporate Bodies	753238	5.66
5	Indian Public	11400102	85.65
6	NRIs/OCBs	532968	4.01
7	Clearing Members	0	0
	<b>Total</b>	<b>13310400</b>	<b>100.00</b>

- c) Outstanding ADRs/GDRs/Equity shares or any convertible instruments, conversion date and likely impact on equity: **Not Applicable**
- d) **Address for Correspondence:** Plot No 235, Sai Sadan, 1<sup>st</sup> Floor, Survey of India Employees Society, Khanampet, Madhapur (PO) Hyderabad – 500081 and email to: [premchand@fitlindia.com](mailto:premchand@fitlindia.com) by quoting their DP Id or Folio Number.
- e) **Reconciliation Of Share Capital Audit**  
The Company gets the Reconciliation of share capital Audit done by a Practicing Company Secretary for the purpose of reconciliation of the total admitted capital with both the depositories and the total issued and listed capital. The Reconciliation of Share Capital Audit Report placed before the Board of Directors on a quarterly basis is also sent to the Stock Exchanges where the company's shares are listed.
- f) **Share Transfer System / Dividend and Other Related Matters**  
**Share transfers**  
Share transfers in physical form are processed and the share certificates are generally returned to the transferees within a period of fifteen days from the date of receipt of transfer provided the transfer documents lodged with the Company are complete in all respects.

**Nomination facility for shareholding**

As per the provisions of the Companies Act, 2013, facility for making nomination is available for Members in respect of shares held by them. Members holding shares in physical form may obtain nomination form, from the Share Department of the Company or download the same from the Company's website. Members holding shares in dematerialized form should contact their Depository Participants (DP) in this regard.

**Permanent Account Number (PAN)**

Members who hold shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN card of the transferee/s, members, surviving joint holders / legal heirs be furnished to the Company while obtaining the services of transfer, transposition, transmission and issue of duplicate share certificates.

**COMPANYS POLICY ON PREVENTION OF INSIDER TRADING**

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended, the company had framed a Code of Conduct for prevention of Insider trading. The code is applicable to all such employees of the company who are expected to have access to the unpublished price sensitive information relating to the company and the same is being implemented as a self regulatory mechanism.

**CERTIFICATION BY EXECUTIVE DIRECTOR AND CFO**

I, M.Sambasiva Prasad, Executive Director of Frontier Informatics Limited, certify that:

1. I have reviewed the financial statements for the year and that to the best of our knowledge and belief:
  - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. these statements present a true and fair view of the state of affairs of the company and of the results of operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing generally accepted accounting principles including accounting standards, applicable laws and regulations. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or volatile of the company's code of conduct.
3. I accept overall responsibility for establishing and monitoring the company's internal control system for financial reporting and evaluating its effectiveness. Internal audit function monitors the internal control system for financial reporting, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal audit works with all levels of management and statutory auditors, and report significant issues to the Audit Committee of the Board. The auditors and audit committee are appraised of significant deficiencies and material weaknesses in the internal control system and any corrective action taken or proposed to rectify these deficiencies.
4. I indicate to the auditors and to the audit committee:
  - a) Significant changes in internal control over financial reporting during the year;
  - b) Significant changes in accounting policies during the year;
  - c) Instances of significant fraud of which we have become aware of and which involve management or other employees who have significant role in the company's internal control system over financial reporting. However, there was no such instance.

Sd/-

M.Sambasiva Prasad  
Executive Director

**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE  
GOVERNANCE AS PER THE LISTING AGREEMENT**

**To the Members of  
FRONTIER INFORMATICS LIMITED**

1. We have examined the compliance with the conditions of Corporate Governance by Frontier Information Technologies Limited (the Company) for the year ended March 31, 2017 as stipulated in clause 49 of the listing agreement of the said company with the stock exchange in India, with the relevant records and documents maintained by the Company and furnished to us and the report on Corporate Governance as approved by the Board of Directors.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to procedures and implementation thereof, adopted by the Company for ensuring the said compliance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. Based on the aforesaid examination and according to the information and explanations given to us, we certify that the Company has complied with the said conditions of Corporate Governance as stipulated in the above mentioned listing agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

M/s Niranjan & Narayan  
Chartered Accountants  
Firm No : 005899S

Sd/-  
Partner  
Membership No: 029552  
Date : 04.12.2017



**CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT**

To

The Shareholders

I hereby declare that all the Board members and Senior Management Personnel have affirmed compliance with the code of conduct adopted by the Company and have submitted declarations in this behalf for the year ended 31<sup>st</sup> March, 2017

Hyderabad  
04.12.2017

M.Sambasiva Prasad  
Executive Director

**MANAGING DIRECTOR CERTIFICATE ON CORPORATE GOVERNANCE AS PER THE LISTING AGREEMENT**

1. I, M.Sambasiva Prasad, Executive Director of the Company, hereby certify that:
  - a. I have reviewed financial statements including the cash flow statement for the year 2016-17 prepared by the Management and that to the best of my knowledge and belief.
    - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
    - ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
  - b. To the best of my knowledge and belief, no transactions have been entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
  - c. I accept responsibility for establishing and maintaining internal controls and that I have evaluated the effectiveness of the internal control systems of the company and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which, I am aware and the steps I have taken or propose to take to rectify these deficiencies.
  - d. I have indicated to the auditors and the Audit Committee.
    - i) significant changes in internal control during the year'
    - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
    - iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

Hyderabad  
04.12.2017

M.Sambasiva Prasad  
Executive Director

## INDEPENDENT AUDITORS' REPORT

To  
The Members,  
**FRONTIER INFORMATICS LIMITED,**  
(Formerly Frontier Information Technologies Limited)  
HYDERABAD.

### **1. Report on the Financial Statements**

We have audited the attached Financial Statements of **FRONTIER FORMATICS LIMITED (“the Company”)**, as at 31<sup>st</sup> March, 2017 which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and summary of significant accounting policies and other explanatory information.

### **2. Management’s Responsibility for the 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 and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015, under Section 133A 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 and presentation 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.

### **3. Auditor’s Responsibility**

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

#### **4. Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements together with the schedules attached and read with the accounting policies and Notes forming part of accounts give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

In the case of the Balance sheet, of the state of affairs of the Company as at 31st March, 2017;

In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and

In the case of the Cash Flow Statements, of the cash flows for the year ended on that date.

#### **5. Reporting under other Legal and Regulatory Authorities**

As required by the Companies (Auditor's Report) Order, 2016 ('the order') issued by the Central Government of the India in terms of section 143 (11) of the Companies Act, 2013, we enclose in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the said order, to the extent applicable to the company.

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of those books;
- c. In our opinion the balance Sheet and Statement of Profit and Loss, Cash Flow Statement and the Statement on Changes in Equity, dealt with by this report are in agreement with the books of account.

- d. In our opinion, the afore said Ind AS Financial Statements comply with Accounting Standards specified under Section 133 of the Act, read with the read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the Basis of the written representation received from the directors as on 31<sup>st</sup> March, 2017, taken on record by the board of directors, none of the directors is disqualified as on 31<sup>st</sup> March,2017, from being appointed as director in terms of Section 164(2) of the Act.
- f. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.
- g. With respect to other matters to be included in Auditor's Report in accordance with Rule 11 of Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The company has no pending litigations impacting its financial position.
  - ii. The company has no material foreseeable losses on long term contracts including derivate contracts.
  - iii. The transfer of amount to the Investor Education and Protection Fund is not applicable to the company.
- h. The Company had provided requisite disclosures in its financial statements as to holding as well as dealings in Specified Bank Notes during the period from 08.11.2016 to 30.12.2016 and these are in accordance with the books of account maintained by the company.

For Niranjana & Narayana  
Chartered Accountants  
Firm No : 005899S

Sd/-  
UVS. Seshadri  
Partner  
M.No : 210673

Place: Hyderabad,  
Date: 29<sup>th</sup> May, 2017

## ANNEXURE 'A' TO INDEPENDENT AUDITOR'S REPORT

Ref : **FRONTIER INFORMATICS LIMITED**

(Referred to in paragraph 1 UNDER 'Report on Other Legal and Regulatory Requirements' section of our report on the financial statements of even date.)

1. a. The company has maintained proper records of fixed assets showing full particulars, including quantitative details and location.  
b. The company has a regular program of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. No material discrepancies were identified on such verification.  
c. The Company does not have any immovable properties.
2. The company is engaged in software services and does not have any inventory..
3. The Company has not granted any loans, secured or unsecured to Companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013('The Act') . Accordingly, clauses 3(iii) (a) to (c) of the Order are not applicable to the Company.
4. The company does not have any Loans, investments, guarantees and security requiring compliance of provisions of section 185 and 186.
5. The Company has not accepted any deposits from the public.
6. The company is not required to maintain cost records under section 148 (1) of the Companies Act, 2013, for any of the products of the Company.
7. a. According to the information and explanations given to us, and on the basis of our examination of the books of account, the Company has been regular in depositing with appropriate authorities undisputed statutory dues including Service Tax, Excise Duty, Provident Fund, ESI and Income Tax Deducted at Source, Sales Tax, and any other material statutory dues applicable to it excepting *PF dues to the extent of Rs 5,64,268/-*. (Previous Year Rs 5,64,268/-).

According to the information and explanations given to us, details of disputed Income Tax and Sales tax which have not been deposited as on 31st March, 2017 on account of any dispute are given below:

Name of Statute	Nature of dues	Amount (Rs. in Lakhs)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	12.74	2000-01	DCIT 1(2)

Income Tax Act, 1961	Income Tax	19.42	2001-02	DCIT 1(2)
Income Tax Act, 1961	Dividend Tax	10.91	1999-2000	DCIT 1(2)

Pending rectifications and appeals the company classified the above amounts as contingent liabilities and disclosed the same in note no 2 to Financial Statements “ Notes to Accounts”.

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks. The company has never issued any debentures.
9. The company has not raised any funds through Initial Public Offer or by way of term loans during the year. According to the information and explanations given to us and on the basis of our examination of the books of account, the term loans obtained by the Company were applied for the purpose for which such loans were obtained.
10. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.
11. The company did not make any payment towards Managerial Remuneration during the year.
12. According to the information and explanations given to us and on the basis of our examination of the books of account, all transaction with related parties are in compliance with the provisions of sections 177 and 188 of the Act and are appropriately disclosed in the Financial statements of the company.
13. The company did not make any preferential allotment of shares or issue any convertible debentures during the year.
14. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company did not enter into any non cash transactions with Directors or persons connected with Directors.
15. The Company is not required to register U/s 45-IA of the RBI Act, 1934. Accordingly the provisions of clause 3(xvi) of the order do not apply to the company.

**For Niranjan & Narayan  
Chartered Accountants  
FRN : 005899S**

Sd/-  
**UVS. Seshadri  
Partner  
M. No.: 210673**

**Place: Hyderabad,  
Date: 29<sup>th</sup> May, 2017.**

## ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

Ref : **FRONTIER INFORMATICS LIMITED**

(Referred to in paragraph 5(f) under 'Internal Financial Controls over Financial Reporting' section of our report on the financial statements of even date.)

### **Annexure - B to the 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 over financial reporting of **FRONTIER INFORMATICS LIMITED** ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone 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 control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Niranjana & Narayana  
Chartered Accountants  
Firm No : 005899S

Sd/-  
UVS. Seshadri  
Partner  
M.No : 210673

Place: Hyderabad,  
Date: 29<sup>th</sup> May, 2017



**FRONTIER INFORMATICS LIMITED**

Plot No 235, Sai Sadan, 1st Floor, Survey of India Employees Society, Khanamet, Madhapur, Hyderabad-81.

**BALANCE SHEET AS AT 31st March, 2017**

PARTICULARS	NOTE	(Amount in Rupees)	
		As at 31.03.17	As at 31.03.16
<b>A EQUITY &amp; LIABILITIES</b>			
<b>1 Share holders' Funds</b>			
a) Share Capital	3	6,655,200	133,104,000
b) Reserves and Surplus	4	(27,314,534)	(151,749,948)
<b>2 Share Application Money Pending Allotment</b>		-	-
<b>3 Non Current Liabilities</b>			
a) Long Term Borrowings	5	-	-
b) Other Long Term Liabilities	6	-	-
<b>4 Current Liabilities</b>			
a) Short Term Borrowings	7	23,772,681	22,877,427
b) Trade Payables	8	-	-
c) Other Current Liabilities	9	578,303	596,393
d) Short term Provisions	10	574,394	526,405
<b>TOTAL :</b>		<b>4,266,044</b>	<b>5,354,277</b>
<b>B ASSETS</b>			
<b>1 Non-current Assets</b>			
<b>a) Fixed Assets</b>			
i) Tangible Assets	11A	297,147	372,390
ii) Intangible Assets	11B	837,165	837,164
b) Non Current Investments	12	-	-
c) Deferred Tax Assets	13	-	-
d) Long term Loans & Advances	14	-	-
e) Other Non current Assets	15	-	-
<b>2 Current Assets</b>			
a) Current Investments	16	-	-
b) Inventories	17	-	-
c) Trade Receivables	18	-	151,417
d) Cash and Cash Equivalents	19	43,185	546,479
e) Short Term loans & Advances	20	3,088,547	3,446,828
f) Other Current Assets	21	-	-
<b>TOTAL :</b>		<b>4,266,044</b>	<b>5,354,277</b>

**For Niranjana & Narayan**  
Chartered Accountants

Firm No : 005899s

**UVS Seshadri**

Partner

M.No : 210673

Place : Hyderabad

Date : 29.05.2017



**For and on behalf of the Board**  
Frontier Informatics Limited

*V.K. Premchand T. Raj Kumar*  
**V K Premchand T.RajKumar**  
Managing Director      Director

*M. Rajan Babu*  
**M.Rajan Babu**  
Director



**FRONTIER INFORMATICS LIMITED**

Plot No 235, Sai Sadan, 1st Floor, Survey of India Employees Society, Khanamet, Madhapur, Hyderabad-81

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st March, 2017**  
(Amount in Rupees)

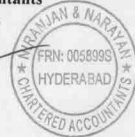
PARTICULARS	Schedule	As at 31.03.17	As at 31.03.16
<b>A CONTINUING OPERATIONS</b>			
1 Revenue from Operations		341,974	482,860
2 Other Income	23	165	-
Total		<u>342,139</u>	<u>482,860</u>
<b>EXPENSES</b>			
3 Salaries and Allowances	24	481,333	486,200
4 Financial Charges	25	-	-
5 Depreciation & Amortisation	11	75,243	371,066
6 Other Expenses	26	1,798,949	4,448,765
Total		<u>2,355,525</u>	<u>5,306,031</u>
7 Profit/Loss before Extraordinary Items		<u>(2,013,386)</u>	<u>(4,823,171)</u>
8 Exceptional/Extraordinary Items	27	-	-
9 Profit / Loss Before Tax		-	-
10 Tax Expense & Provision	28	-	-
11 Profit/Loss from Continuing Operations		<u>(2,013,386)</u>	<u>(4,823,171)</u>
12 Profit/Loss from Discontinuing Operations		-	-
13 Profit / Loss for the Year		<u>(2,013,386)</u>	<u>(4,823,171)</u>
14 Earnings per Share of Rs 10/- each			
a) Basic		-	-
i) Continuing Operations		<u>(2,013,386)</u>	<u>(4,823,171)</u>
ii) Total Operations			
15 Earnings Per share (Excluding Extraordinary Items) of Rs 10/- each		<u>(2,013,386)</u>	<u>(4,823,171)</u>
a) Basic			
i) Continuing Operations		(0.30)	(0.36)
ii) Total Operations		<u>(0.30)</u>	<u>(0.36)</u>

See accompanying Notes forming part of Accounts

Vide our report of even date annexed  
For **Niranjan & Narayan**  
Chartered Accountants  
Firm No : 005899s

**UVS Seshadri**  
Partner  
M.No : 210673

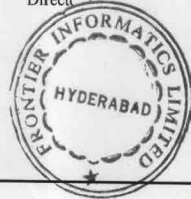
Place : Hyderabad  
Date : 29.05.2017



For and on behalf of the Board  
For and on behalf of the Board  
**Frontier Informatics Limited**

*V.K. Premchand T. Raju*  
**V K Premchand T.RajKumar**  
Managing Director      Director

*M.Raj Babu*  
**M.Rajan Babu**  
Director



CASH FLOW STATEMENT PURSUANT TO THE CLAUSE 32 OF LISTING AGREEMENT			Rs.in Lakhs
Particulars	Mar 2017	Mar 2016	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Loss as per Profit & Loss account	(20.13)	(48.23)	
Less: Depreciation & Impairments	0.75	3.71	
Less: Writeoffs	-	-	
Less: Bad debts written off	4.03	28.44	
Add: Profit on sale of investments	-	-	
<b>Operating Profit/(Loss) before Working Capital Changes</b>	<b>(15.35)</b>	<b>(16.08)</b>	
<b>Changes in Working Capital</b>			
Increase/(decrease) in operating assets			
Trade Receivables	2.51	(1.35)	
Short Term Loans & Advances	(3.58)	(6.16)	
	<u>(1.07)</u>	<u>(7.51)</u>	
Increase/(decrease) in operating Liabilities			
Short Term Borrowings	8.95	28.10	
Trade Payables	-	(4.25)	
Other Current Liabilities	(0.18)	(9.54)	
Short term Provisions	0.48	(0.83)	
	<u>9.25</u>	<u>13.48</u>	
Cash Flow from Working Capital Changes	10.32	20.99	
Cash from Extraordinary Items	-	-	
Cash Generated from Operations	10.32	20.99	
Net Income tax paid/refunds	-	-	20.99
<b>Net Cash flow from Operating Activities</b>	<b>(5.03)</b>	<b>(5.03)</b>	<b>4.91</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Additions to Fixed Assets	-	-	
Decrease in Fixed Assets	-	-	
Sale of Investments etc	-	-	
	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash from Operating Activities	(5.03)		4.91
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Increase in Short Term Borrowings	-	-	
Increase in Long term Borrowings	-	-	
Net cash generated in financing activities			-
<b>D. NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS</b>			
	(5.03)		4.91
<b>E. CASH AND CASH EQUIVALENTS - OPENING BAL</b>			
	5.46		0.55
<b>F. CASH AND CASH EQUIVALENTS - CLOSING BAL</b>			
	<b>0.43</b>		<b>5.46</b>
For and on behalf of the Board			
Place:Hyderabad	Sd/-	Sd/-	
Date : 29.05.2017	(V.K.Premchand)	(T.Raj Kumar)	
	Managing Director	Director	
	Sd/-		
	(M.Rajan Babu)		
	Director		
AUDITORS' CERTIFICATE			
We have examined the attached Cash Flow Statement of Frontier Information Technologies Limited for the year ended March 31, 2017. The Statement has been prepared by the Company in accordance with the requirements of Clause 32 of Listing Agreements with the Stock Exchanges and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our Report of even date to the Members of the Company.			
	for Nirnajan & Narayan Chartered Accountants Firm No : 005899s		
Place:Hyderabad	Sd/-		
Date : 29.05.2017	UVS Seshadri		
	Partner M.No : 210673		

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****NOTE 3 : SHARE CAPITAL**

Particulars	As at 31.03.17	As at 31.03.16
<b>Authorised :</b>		
18,00,00,000 Equity Shares of Rs.1/- each with voting right	180,000,000	180,000,000
(PY 1,80,00,000 Equity Shares of Rs.10/- each with voting rights)		
<b>Issued, Subscribed and Paid up :</b>		
66,55,200 Equity Shares of Rs.1 each with voting rights	6,655,200	133,104,000
(PY 1,33,10,400 Equity Shares of Rs.10 each with voting rights)		
<b>TOTAL</b>	<b>6,655,200</b>	<b>133,104,000</b>

- i) There is no change in Authorised or/and Paid capital as at the beginning and closing of the year requiring presentation of Reconciliation Statement as to the additions and deletions to the capital. The paid up capital of the company is however reduced as per the Scheme approved by Hon'ble High Court of AP & Telangana.
- ii) There are no share holders who held 5% or more of equity capital of company at any time during the year.
- iii) No part of the share capital is issued for consideration other than cash or by way of bonus shares.

**NOTE 4 : RESERVES & SURPLUS**

Particulars	As at 31.03.17	As at 31.03.16
a) Capital Reserves : Opening/Closing	1,000,000	1,000,000
b) General Reserve : Opening/Closing	-	2,554,798
c) Share Premium : Opening/Closing	-	279,525,000
d) Profit & Loss Account		
Opening Balance	(434,829,746)	(430,006,575)
Less : W/off Against Reduction of Capital	408,528,598	-
Add : Addition during the year	(2,013,386)	(4,823,171)
Closing Balance	(28,314,534)	(434,829,746)
<b>TOTAL</b>	<b>(27,314,534)</b>	<b>(151,749,948)</b>

**NOTE 5 : LONG TERM BORROWINGS**

<b>TOTAL</b>	-	-
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**NOTE 6 : OTHER LONG TERM LIABILITIES**

<b>TOTAL</b>	-	-
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**NOTE 7 : SHORT TERM BORROWINGS**

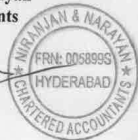
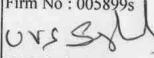


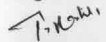
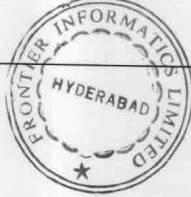
a) Loans Repayable on demand		
From Banks	-	-
From others -- Unsecured	4,881,481	3,881,481
b) Loans from Related Parties		
Refer note No ( 29.7 )	18,891,200	18,995,946
	<b>23,772,681</b>	<b>22,877,427</b>
c) Deposits	-	-
d) Other loans & advances	-	-
<b>TOTAL</b>	<b>23,772,681</b>	<b>22,877,427</b>

**NOTE 8 : TRADE PAYABLES**

a) Acceptances	-	-
b) Other than Acceptances	-	-
<b>TOTAL</b>	-	-

Particulars	As at 31.03.17	As at 31.03.16
<b>NOTE 9 : OTHER CURRENT LIABILITIES</b>		
a) Current maturities of Long Term Debt	-	-
b) Application Money Received	-	-
c) Statutory Liabilities	578,303	596,393
d) Trade Security Deposits Received	-	-
e) Other Liabilities	-	-
<b>TOTAL</b>	<b>578,303</b>	<b>596,393</b>
<b>NOTE 10 : SHORT TERM PROVISIONS</b>		
a) Provision for Employee benefits	235,933	235,933
b) Provision for Tax	-	-
c) Provision for Dividend	-	-
d) Provision for other Expenses	338,461	290,472
<b>TOTAL</b>	<b>574,394</b>	<b>526,405</b>
<b>NOTE 12 : NON CURRENT INVESTMENTS</b>		
<b>TOTAL</b>	-	-
<b>NOTE 13 : DEFERRED TAX ASSETS</b>		
<b>TOTAL</b>	-	-
<b>NOTE 14 : LONG TERM LOANS AND ADVANCES</b>		
a) Balances with Govt Authorities	-	-
b) Other Loans & Advances	-	-
c) Secured considered Good	-	-
d) Unsecured considered Good	-	-
<b>TOTAL</b>	-	-
<b>NOTE 15 : OTHER NON CURRENT ASSETS</b>		
a) Long Term Trade Receivables		
b) Unamortised Expenses	-	-
c) Accruals	-	-
d) Others	-	-
<b>TOTAL</b>	-	-
<b>NOTE 16 : CURRENT INVESTMENTS</b>		
<b>TOTAL</b>	-	-
<b>NOTE 17 : INVENTORIES</b>		
<b>TOTAL</b>	-	-
<b>NOTE 18 : TRADE RECEIVABLES</b>		
Secured Considered Good	-	-
Unsecured Considered good	-	151,417
<b>TOTAL</b>	-	<b>151,417</b>

Particulars	As at 31.03.17	As at 31.03.16
<b>NOTE 19 : CASH &amp; CASH EQUIVALENTS</b>		
Cash on Hand	11,976	16,522
Balances with Scheduled Banks:		
- in Current Accounts	18,701	517,449
- in Fixed Deposits	12,508	12,508
Balances with Non-Scheduled Banks:		
- in Bank of America	-	-
<b>TOTAL</b>	<b>43,185</b>	<b>546,479</b>
<b>NOTE 20 : SHORT TERM LOANS &amp; ADVANCES</b>		
a) Loans & Advances	-	356,108
b) Security Deposits	-	-
c) Loans to Employees	-	-
d) Prepaid Expenses	-	-
e) Balances with Govt Authorities	2,695,999	2,698,172
f) Inter Corporate Deposits	-	-
g) Other loans & Advances	392,548	392,548
<b>TOTAL</b>	<b>3,088,547</b>	<b>3,446,828</b>
<b>NOTE 21 : OTHER CURRENT ASSETS</b>		
a) Unbilled Revenue	-	-
b) Unamortised Expenses	-	-
c) Accruals	-	-
d) Others	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>
<b>NOTE 22 : REVENUE FROM OPERATIONS</b>		
a) Sale of Products	-	-
b) Sale of Services-Domestic	341,974	482,860
c) Sale of Services-Export	-	-
d) Other Operating Income	-	-
<b>TOTAL</b>	<b>341,974</b>	<b>482,860</b>
<b>NOTE 23 : OTHER INCOME</b>		
a) Interest Income /Dividend Income	165	-
b) Net Gain on Sale of Investments	-	-
c) Net Prior Period Items	-	-
d) Other Income(Write Backs)	-	-
<b>TOTAL</b>	<b>165</b>	<b>-</b>
<b>NOTE 24 :SALARIES &amp; ALLOWANCES</b>		
a) Salaries & Allowances	481,333	486,200
b) Contribution to PF & Other Funds	-	-
c) Staff Welfare Expenses	-	-
<b>TOTAL</b>	<b>481,333</b>	<b>486,200</b>

Particulars	As at 31.03.17	As at 31.03.16
<b>NOTE 25 : FINANCIAL CHARGES</b>		
a) Interest Expense on		
i) Borrowings	-	-
ii) Trade Payables	-	-
iii) Other Borrowing Costs	-	-
<b>TOTAL</b>	-	-
<b>NOTE 26 : OTHER EXPENSES</b>		
Rent Charges	168,000	170,200
Travelling & Conveyance	40,266	55,000
Paper Publication Charges	112,580	171,640
Printing, Stationery & Photocopying	25,600	7,615
Bank Charges	1,408	2,396
General Expenses	100,648	125,469
Payment to Auditors- Audit Fees	23,000	23,000
Repairs & Maintenance		
-Buildings	-	1,800
- Computers	-	-
BSE/Demat Custodial Charges	449,204	356,945
AGM & other Exp	350,463	420,416
Legal & Professional Charges	125,000	269,860
Write off / Bad Debts	402,780	2,844,424
<b>TOTAL</b>	<b>1,798,949</b>	<b>4,448,765</b>
<b>NOTE 27 : EXCEPTIONAL &amp; EXTRA ORDINARY ITEMS</b>		
<b>TOTAL</b>	-	-
<b>NOTE 28 : TAX EXPENSE &amp; PROVISION</b>		
a) Current tax Expense for Current year	-	-
b) Current tax Expense for Previous year	-	-
c) MAT Credits	-	-
d) Deferred Taxes	-	-
<b>TOTAL</b>	-	-
<b>For Niranjana &amp; Narayan</b> Chartered Accountants Firm No : 005899s		<b>For and on behalf of the Board</b> Frontier Information Technologies Limited
 <b>UVS Seshadri</b> Partner M.No : 210673 Place : Hyderabad Date : 29.05.2017	 <b>V.K. PREMCHAND</b> Managing Director  <b>M.RAJAN BABU</b> Director	 <b>T.RAJKUMAR</b> Executive Director
		

FRONTIER INFORMATICS LIMITED									
NOTE 11		FIXED ASSETS			(Amount in Rupees)				
		Gross Block			Depreciation			Net Block	
S.No	Description	Opening	Additions	As at	Opening	For the	Upto	As at	As at
		01.04.2016	(Disposals)	30.09.2016	Balance	Year	31.03.2017	31.03.2017	31.03.16
<b>11A : TANGIBLE ASSETS</b>									
1	Office Equipment	2,60,234	-	2,60,234	65,091	29,271	94,362	1,65,872	1,95,143
2	Computers & Hard	1,35,966	-	1,35,966	79,473	33,896	1,13,369	22,597	56,493
3	Furniture & Fittings	1,44,369	-	1,44,369	23,615	12,075	35,691	1,08,678	1,20,754
	<b>TOTAL</b>	<b>5,40,569</b>	<b>-</b>	<b>5,40,569</b>	<b>1,68,179</b>	<b>75,243</b>	<b>2,43,422</b>	<b>2,97,147</b>	<b>3,72,390</b>
<b>11 B : INTANGIBLE ASSETS</b>									
<b>(Software Products Developed by the Company)</b>									
1	Knets	15,41,503	-	15,41,503	13,56,295	-	13,56,295	1,85,208	1,85,208
2	HelloAp.com	12,00,393	-	12,00,393	10,96,891	-	10,96,891	1,03,502	1,03,502
3	Libris Dev. Systems	15,40,740	-	15,40,740	13,75,536	-	13,75,536	1,65,204	1,65,204
4	Web Enabled Maste	18,50,182	-	18,50,182	14,66,931	-	14,66,931	3,83,251	3,83,251
	<b>TOTAL</b>	<b>61,32,818</b>	<b>-</b>	<b>61,32,818</b>	<b>52,95,653</b>	<b>-</b>	<b>52,95,653</b>	<b>8,37,165</b>	<b>8,37,165</b>
		-							
	<b>GRAND TOTAL</b>	<b>66,73,387</b>	<b>-</b>	<b>66,73,387</b>	<b>54,63,832</b>	<b>75,243</b>	<b>55,39,075</b>	<b>11,34,312</b>	<b>12,09,555</b>
	Previous Year	17,05,58,517	-	17,05,58,517	16,89,77,896	3,71,066	16,93,48,962	12,09,555	15,80,621
For Niranjan & Narayan Chartered Accountants Firm No : 005899s Sd/- UVS Seshadri Partner M.No : 210673 Place : Hyderabad Date : 29.05.2017									
For and on behalf of the Board <b>FRONTIER INFORMATICS LIMITED</b> Sd/- <b>V K PREMCHAND</b> Managing Director									
Sd/- <b>T.RAJKUMAR</b> Director									
Sd/- <b>M.RAJAN BABU</b> Director									



## **FRONTIER INFORMATICS LIMITED(FIL)**

### **Note 1 CORPORATE INFORMATION**

Frontier Informatics Limited has been operating in the spears of Software Product Development, Training and Software Services since its incorporation in the year 1986. The company made its IPO in the year 1996 and is traded on BSE. The company achieved sizable operations during the years 1994 to 2004 , however the company had been incurring continuous losses thereafter, because of paucity of working capital resources and lack of business opportunities.

The company changed its name to **FRONTIER INFORMATICS LIMITED**, from its previous name of *Frontier Information Technologies Limited*, vided fresh Certificate issued by the Registrar of Companies, Hyderabad dated 14.10.2011.

### **NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES :**

#### **2.1 Basis of Preparation of Financial Statements:**

The financial statements are prepared in accordance with Indian Generally accepted principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards issued by Institute of chartered Accountants of India (ICAI), the provisions of the Companies act 1956. Management evaluates all recently issued or revised accounting standards on an ongoing basis.

#### **2.2 Use of Estimates:**

The preparation of financial statements in conformity with GAAP requires Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provision for doubtful debts, future obligations under employee retirement benefit plans, income taxes, and the useful lives of fixed assets and intangible assets.

#### **2.3 Revenue Recognition:**

1. Software consultancy fee comprises of :

- a) Services valued and invoiced on the basis of work completed and / or delivered
- b) Annual maintenance charges invoiced as appropriated for the accounting period.

2. Professional services are taken into account on the basis of services rendered during the accounting period at the rate agreed upon.

3. Student training fee receipts are accounted on accrual basis.

## **2.4. Tangible fixed assets**

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Subsequent expenditure relating to fixed assets is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets acquired and put to use for project purpose are capitalized and depreciation thereon is included in the project cost till commissioning of the project.

### Capital work-in progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

## **2.5 Intangible assets**

Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (Other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognized as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably in which case such expenditure is added to the cost of the asset.

## **2.6 Depreciation**

- a) Depreciation on fixed assets located in India is provided based on the estimated use life of assets.
- b) Depreciation on software products is made based on the estimated useful life of the assets, which is taken as 6 Years.
- c) Fixed Assets are stated at cost less depreciation except for certain fixed assets which are carried at residue amounts to comply with the provisions of Companies act 2013.
- d) No Depreciation was provided for Software Products developed by the company whose life is more than 6 Years.

## **2.7 Foreign currency transactions and translations**

### **Initial recognition**

Transactions in foreign currencies entered into by the Company and its integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

### **Measurement of foreign currency monetary items at the Balance sheet date**

Foreign currency monetary items (other than derivative contracts) of the Company and its net investment in non-integral foreign operations outstanding at the Balance Sheet date are restated at the year-end rates.

In the case of integral operations, assets and liabilities (other than non-monetary items), are translated at the exchange rate prevailing on the Balance Sheet date. Non-monetary items are carried at historical cost. Revenue and expenses are translated at the average exchange rates prevailing during the year. Exchange differences arising out of these translations are charged to the Statement of Profit and Loss.

### **Treatment of exchange differences**

Exchange difference arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company and its integral foreign operations are recognized as income or expense in the Statement of Profit and Loss. The exchange differences on restatement / settlement of loans to non-integral foreign operations that are considered as not investment in such operations are accumulated in a “Foreign currency translation reserve” until disposal / recovery of the net investment.

## **2.8 Segment reporting**

The Company identifies primary segments based on the dominant source nature of risks and returns and the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under “unallocated revenue / expenses / assets / liabilities”.

## **2.9 Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

## **2.10 Taxes on income**

Current tax is the amount of tax payable on the taxable income for the year as determined in the accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax, accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with will flow to the Company.

Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and is capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognized for all timing difference. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized only if there is virtual certainty that there will be sufficient future taxable income available against which these can be realized. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their reliability.

During the past 10 Years the company has been incurring losses and does not visualize any significant improvement in the performance of the company in the near future. In such back ground the company is conservative in determining any Deferred Tax assets.

## **2.11 Impairment of assets**

The carrying values of assets/ cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriated discount factor. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, except in case of revalued assets.

## **2.12 Provisions and contingencies**

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

## **2.13 Investments**

Investments are classified into current investments and long term Investments. Current investments are carried at the lower of cost or market value. Any reduction in carrying amount and any reversals of such reduction are charged or credited to the profit and loss account.

Long-term investments are carried at cost less provision made to recognize any decline, other than temporary, in the value of such investments. Current Investments are reflected under Current Assets and Long Term investments are reflected under Non-Current Assets.

## **2.14 Valuation of WIP:**

Raw material, work-in-progress, components, stores and spares and packing materials are valued at cost. Finished goods are valued at cost or net realizable value whichever is less.

## 2.15 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

## 2.16 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and 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. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

## 2.17 R & D Expenditure:

Expenditure incurred on Research and Development of software tools and applications are written off in the year in which the expenditure is incurred. Assets used for research and development activities are included in fixed assets.

Vide our report of even date annexed  
For Niranjana & Narayan  
Chartered Accountants  
Firm No : 005899s

for and on behalf of Board

Sd/-  
(UVS Seshadri)  
Partner  
M.No : 210673

Sd/-  
(V.K.Premchand)  
Managing Director

Sd/-  
(T.Raj Kumar)  
Director

Place: Hyderabad  
Date: 29.05.2017

Sd/-  
(M.Rajan Babu)  
Director

## NOTE 22: NOTES ON ACCOUNTS:

1. In the opinion of Management, there are no small scale industrial undertaking(s), creditors, to whom company owes a sum exceeding Rupees One Lakh which is outstanding for more than 30 days and hence details in respect of outstanding dues to small scale industrial undertaking(s) are not furnished as required, as per the notification no GSR 129 (E) dated February 22, 1999 issued by Department of Company Affairs.
2. Balances of Sundry Debtors, Sundry Creditors, Loans & Advances are subject to Confirmation.
3. Foreign Exchange earnings and outgo: (On receipt basis and excluding transactions in overseas branches).

Foreign Exchange inflow : Rs Nil (P.Y. Rs NIL)  
(Towards Inward remittances)

Foreign Exchange outgo : Rs. Nil (P.Y. Rs. Nil)

### 4. Provident Fund Dues :

The company had cleared off all dues relating to earlier year Provident Fund dues. Further dues are pursuant to demand raised by PF Department to pay interest and incidental charges on the arrears, which are outstanding as at the end of the year to the extent of Rs 5,64,268/-. (Previous Year Rs 5,64,268)

### 5. Contingent Liabilities (to the extent not provided for) :

- i) Disputed Income tax demands relating to Asst Years 2001.02 & 2002.03 amounting to Rs 32.16 lakhs. The issues are under appeal before appropriate Appellate Authorities and as per the opinion of the company's tax advisers, the possibility of crystallization of liability is fairly unlikely.
- ii) Interest payable on Dividend Distribution Tax amounting to Rs 10.91 lakhs is not provided for which the company has sought waiver of interest.

## 6. Segment Information

In terms of AS 17 issued by The Institute of Chartered Accountants of India on Segment Reporting, During the year the Company operated in a single business segment i.e., software services and geographical location in India :

(Rs in Lakhs)

	<b>2016-17</b>	<b>2015-16</b>
India	: 3.42	4.83

## 7. Reduction of Capital :

The Net worth of the company is fully eroded and the company does have significant turnovers. However the company actively pursued the process of reduction of capital and losses. The company received orders from the honorable AP & Telengana High Court for reduction of capital and necessary filings are also updated before office of Registrar of Companies, Hyderabad. Further The company received listing approval from BSE and the final process of listing the shares is in process. The company is hopeful of achieving positive net worth during the coming years.

## 8. Related Party Transactions

Related party disclosures, as required by Accounting Standard – AS 18 “Related Party Disclosures” issued by the Institute of Chartered Accountants of India are given below:

### A. Name of the related party and nature of relationship where control exists

#### 1. Associates

##### a) Frontier Life Sciences Limited

There are no transactions with the company during the year.

##### b) Knowledge ware Technologies Limited

There are no transactions with the company during the year.

##### c) Prime Resources Private Limited

There are no transactions with the company during the year.

#### 2 .Key Management

Personnel	a) V.K. Premchand	- Managing Director
	b) Varun Yadav, Potail	- Director



**B. Transaction with related parties as per books of account.****(Rs. In Lakhs)**

	<b>Subsidiaries</b>	<b>Associates</b>	<b>Key Management Personnel</b>	<b>Total</b>
Rendering of Software Services	-	-	-	-
Receiving of Software Services				
Arrangement of Finance (Opening Balance)	-	45.55	144.41	189.96
Others – Payments/Write off	-	(1.05)	--	--
Others – Net Receipts		--	--	--
Balance	-	44.50	144.41	188.91
Remuneration to Managing Director	-	--	--	--

C. The information given above, has been reckoned on the basis of information Available with the Company.

D. An Amount of Rs 3,56,108/- receivable from from Frontier Life Sciences Limited and amount of Rs 1,04,746 payable to Knowledgeware Technologies Limited are written off in the books of account.

**8. Earnings per share**

Earning per share / Loss per share is calculated by dividing the profit/loss attributable to equity shareholders by the average number of shares outstanding during the year.

	<b><u>2016-17</u></b>	<b><u>2015-16</u></b>
1.Loss as per Profit & Loss A/c	20,13,386	48,23,127
2.Number of shares (nos)	66,55,200	1,33,10,400
3.Loss Per share (Rs.)	(0.30)	(0.36)
4.Face value per share (Rs.)	1.00	10.00

## 9. Taxation

Pursuant to the Accounting Standard AS22 on “Accounting for Taxes on Income” issued by the Institute of Chartered Accountants of India the company has to recognize any deferred tax or liability in its books of account. Accordingly the company has evaluated the various elements of tax computation to determine whether any tax asset or liability needs to be recognized The Company has incurred substantial losses and it is not considered prudent to identify deferred tax assets.

## 10. Cash Transactions:

The details of Cash dealings and balances of the company in terms of Notification issued by the Ministry of Corporate Affairs dated 30<sup>th</sup> March, 2017 are as follows:

Amount in Rs			
Particulars	SBNs	Other Notes	Total
Closing cash in hand as on 08.11.2016	45,000	2,824	47,824
(+) Permitted Receipts	--	36,000	36,000
(-) Permitted Payments	1,500	24,360	25,860
(-) Amount deposited in Banks	43,500	-	43,500
Closing cash in hand as on 30.12.2016	--	14,464	14,464

## 11. Rounding off & Re grouping:

The previous year's figures have been regrouped where necessary to correspond with current year's figures. The figures are rounded off to the nearest rupee.

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Vide our report of even date annexed  
For Niranjana & Narayan  
Chartered Accountants  
Firm No : 005899s

for and on behalf of Board

Sd/-  
(UVS Seshadri)  
Partner  
M.No : 210673

Sd/-  
(V.K.Premchand)  
Managing Director

Sd/-  
(T.Raj Kumar)  
Director

Place: Hyderabad  
Date: 29.05.2017

Sd/-  
(M.Rajan Babu)  
Director

**FORM A****(Pursuant to Clause 31(a) of Listing Agreement)****Format of covering letter of annual audit report to be filed with the stock exchange**

<b>S. No</b>	<b>Particulars</b>	<b>Details</b>
<b>1.</b>	<b>Name of Company</b>	FRONTIER INFORMATICS LIMITED
<b>2.</b>	<b>Annual Financial Statements for the year ended</b>	31.03.2017
<b>3.</b>	<b>Type of audit observation</b>	Non Payment of Statutory Dues
<b>4.</b>	<b>Frequency of observation</b>	Since last several Years
<b>5.</b>	<b>To be signed by</b>	
	<b>CEO/Executive Director</b>	
	<b>CFO/General Manager</b>	
	<b>Auditors of the Company</b>	
	<b>Audit Committee Chairman</b>	

**Form No. MGT-11****Proxy form**

**[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]**

Name of the Member(s)		
Registered Address		
E-mail Id	Folio No /Client ID	DP ID

I/We, being the member(s) of \_\_\_\_\_ shares of the above named company. Herby appoint

Name :	E-mail Id:
Address:	
Signature , or failing him	

Name :	E-mail Id:
Address:	
Signature , or failing him	

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29th Annual General Meeting of the company, to be held on the Friday the 29<sup>th</sup> December 2017 at 9.30 a.m. at Lions Bhavan Trust, Behind HDFC Bank, Near Paradise Circle, S D Road, Secunderabad -500003, Telangana and at any adjournment thereof in respect of such resolutions as are indicated below:

**Resolution No.**

Sl. No.	Resolution(S)	Vote	
		For	Against
1	To receive, consider and adopt the audited Balance Sheet as at March 31, 2017, the Profit & Loss Account and Cash Flow Statement for the period ended on March 31, 2017 along with schedules & annexure and the reports of the Board of Directors and Auditors thereon		
2	Re-appoint a Director in place of Mr. Varun Potail Yadav, who retires by rotation, and being eligible, offers himself for re-appointment		
3	Re-appointment of M/s Niranjana & Narayan, Chartered Accountants as Statutory Auditors & fixing their remuneration		
4	Appointment of Mr. Rajan Babu Mothe as Independent Director		
5	Appointment of Mrs. Archana Singh as Independent Director		
6	Appointment of Mr. Sambasiva Prasad Mallela as Executive Director		
7	Preferential Allotment of Shares		
8	Reclassification of Promoters		

Affix Revenue  
Stamps

Signed this \_\_\_\_ day of \_\_\_\_ 2017

Signature of Shareholder      Signature of Proxy holder      Signature of shareholder  
Across Revenue Stamp

Note:

- 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- 2) The proxy need not be a member of the company

**FRONTIER INFORMATICS LIMITED**

H. No. : Plot No 235, Sai Sadan, 1<sup>st</sup> Floor, Survey of India Employees Society,  
**Khanampet, Madhapur, Hyderabad -81**

**ATTENDANCE SLIP**

(To be handed over at the entrance of the meeting hall)

29<sup>th</sup> Annual General Meeting on 29<sup>th</sup> December 2017

Full name of the members attending

\_\_\_\_\_

(In block capitals)

Ledger Folio No./Client ID No. \_\_\_\_\_ No. of shares held:

\_\_\_\_\_

Name of Proxy \_\_\_\_\_

(To be filled in, if the proxy attends instead of the member)

I hereby record my presence at the 29th Annual General Meeting of the Frontier Informatics Limited, be held on Friday, the 29th December 2017at 9.30 A.M. at Lions Bhavan Trust, Behind HDFC Bank, Near Paradise Circle, S D Road, Secunderabad -500003, Telangana

(Member's /Proxy's Signature)

**Note:**

- 1) Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.
- 2) The Proxy, to be effective should be deposited at the Registered Office of the Company not less than FORTY EIGHT HOURS before the commencement of the meeting.
- 3) A Proxy need not be a member of the Company.
- 4) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
- 5) The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.

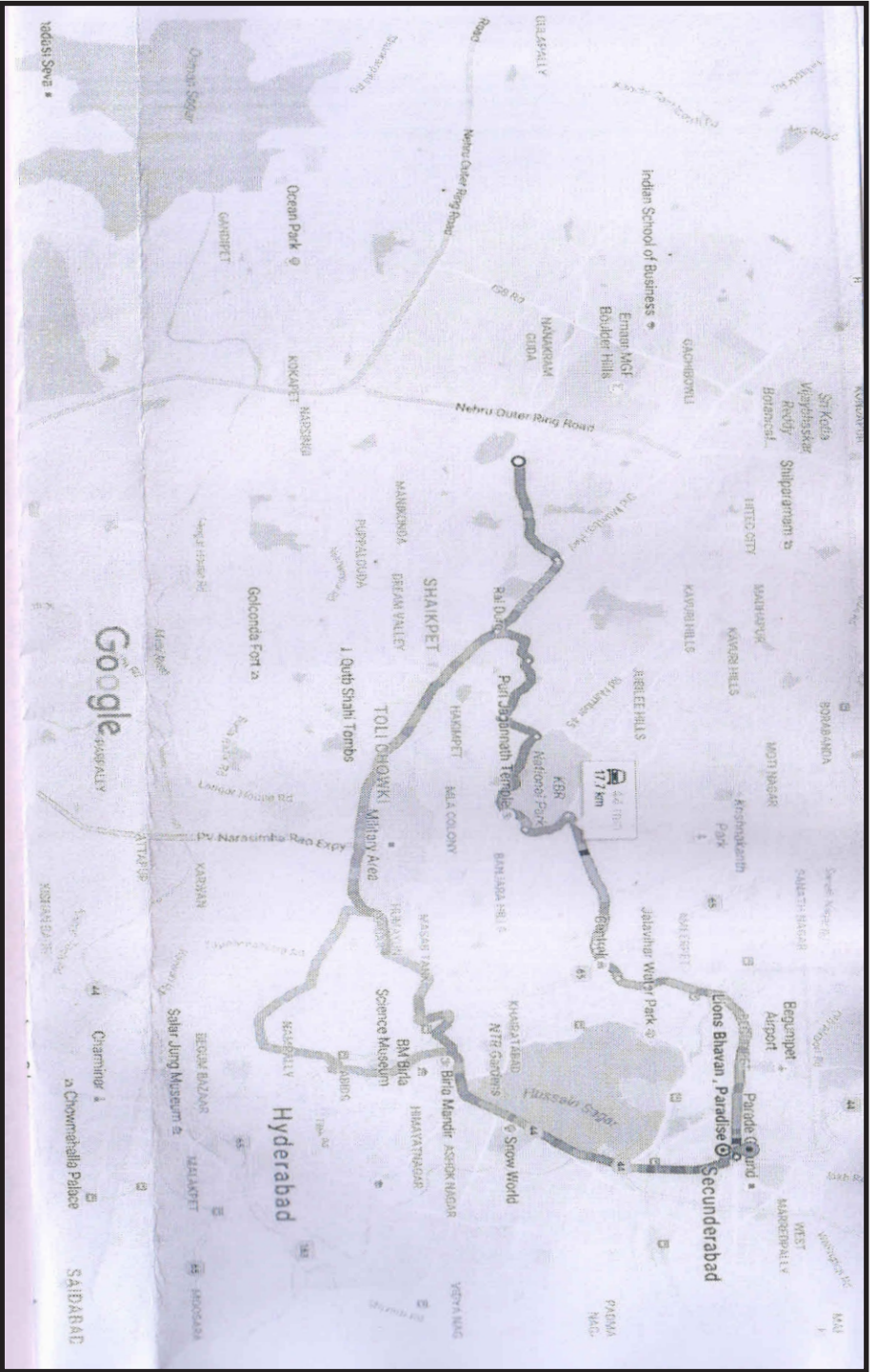
**Form No. MGT-12****Polling Paper**

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

**FRONTIER INFORMATICS LIMITED**

H. No. : Plot No 235, Sai Sadan, 1<sup>st</sup> Floor, Survey of India Employees Society,  
Khanampet, Madhapur, Hyderabad -81

BALLOT PAPER			
S.No	Particulars	Details	
1.	Name of the First Named Shareholder (In block letters)		
2.	Postal address		
3.	Registered folio No. /*Client ID No. (*Applicable to investors holding shares in dematerialized form)		
4.	Class of Share		
I hereby exercise my vote in respect of Ordinary/ Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:			
Item No.	No. of shares held by me	I assent to the resolution	I dissent from the resolution
To receive, consider and adopt the audited Balance Sheet as at March 31, 2017, the Profit & Loss Account and Cash Flow Statement for the period ended on March 31, 2017 along with schedules & annexure and the reports of the Board of Directors and Auditors thereon			
Re-appoint a Director in place of Mr. Varun Potail Yadav, who retires by rotation, and being eligible, offers himself for re-appointment			
Re-appointment of M/s Niranjana & Narayan, Chartered Accountants as Statutory Auditors & fixing their remuneration			
Appointment of Mr. Rajan Babu Mothe as Independent Director			
Appointment of Mrs. Archana Singh as Independent Director			
Appointment of Mr. Sambasiva Prasad Mallela as Executive Director			
Preferential Allotment of Shares			
Reclassification of Promoters			
Place:			
Date:		(Signature of the shareholder)	





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**FRONTIER**  
INFORMATICS LTD

**Reg Off:** Plot No 235, Sai Sadan, 1<sup>st</sup> Floor,  
Survey of India Employees Society,  
Khanampet, Madhapur (PO),  
Hyderabad - 500081, Telangana