

# Frontier Capital Limited

[Erstwhile known as Frontier Leasing and Finance Limited]

## Annual Report 2018-19

Peninsula Technopark, Tower-1, 7<sup>th</sup> floor, Off Bandra-Kurla Complex,  
LBS Marg, Kurla (West), Mumbai - 400 070.

Tel.: +91 22 33826248 /6259 | Fax: +91 22 33826123

BSE: 508980

CIN:- L65990MH1984PLC033128

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35<sup>th</sup> Annual Report 2018-19

<b>Board of Directors</b>	: Mr. H. N. Choudhary : Mrs. Usha Iyengar : Mr. Ashok Katra
<b>Company Secretary</b>	: Mr. Farhan Shaikh (Till 31/07/2018) : Mr. Aniket Prabhu (From 31/08/2018)
<b>Chief Financial Officer</b>	: Mr. Aniket Prabhu (From 14/02/2019)
<b>Statutory Auditors</b>	: M/s. A. C. Bhuteria & Co. Chartered Accountants, 2, India Exchange Place, 2 <sup>nd</sup> Floor, Room No. 10, Kolkata - 700001, West Bengal
<b>Registered Office</b>	: Peninsula Technopark, Tower-1, 7 <sup>th</sup> floor, Off Bandra-Kurla Complex, LBS Marg, Kurla (West), Mumbai - 400070  Tel.: +91 22 33826248/ 6259 Fax: +91 22 33826123 Email Id.: frontierleasing1984@gmail.com Website: www.flflindia.com
<b>Registrar &amp; Share Transfer Agent</b>	: M/s. Sharex Dynamic (India) Pvt. Ltd.  Unit no.1, Luthra Ind. Premises, 1 <sup>st</sup> Floor, 44-E, M Vasanti Marg Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai - 400072  Tel: 022-2851 5606/ 5644/ 6338 Fax: 022-28512885 E-mail: investor@sharexindia.com

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**FRONTIER CAPITAL LIMITED**

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**NOTICE IS HEREBY GIVEN** that the Thirty Fifth Annual General Meeting of the Members of Frontier Capital Limited will be held on Monday, 30<sup>th</sup> September, 2019 at 2.00 pm IST at the registered office of the Company at 7<sup>th</sup> Floor, Tower 1, Equinox Business Park, Peninsula Techno Park, Off Bandra Kurla Complex, LBS Marg, Kurla (West), Mumbai-400070, to transact the following business:

**ORDINARY BUSINESS -****1. ADOPTION OF ACCOUNTS:**

To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2019 together with the Reports of the Board of Directors' and Auditors' thereon.

**2. RETIRE BY ROTATION:**

To appoint a director in place of Mrs. Usha Iyengar, Director (DIN: 03447551) who retires by rotation and being eligible, offers herself for re-appointment.

**SPECIAL BUSINESS -****3. RE-APPOINT MR. HEMENDRA NATH CHOUDHARY AS A WHOLE-TIME DIRECTOR:**

To consider and, if thought fit, to pass the following Resolution as Special Resolution:

**"RESOLVED THAT**, pursuant to the provisions of Sections 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the relevant provisions of the Articles of Association of the Company and all applicable guidelines issued by the Central Government from time to time and subject to such other approvals, as may be necessary, consent of the Members be and is hereby accorded to re-appoint Mr. H. N. Choudhary (DIN: 06641774) as the Whole-time Director of the Company for the period and upon the following terms and conditions including remuneration with further liberty to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee constituted / to be constituted by the Board) from time to time to alter the said terms and conditions of appointment and remuneration of Mr. H. N. Choudhary in the best interests of the Company and as may be permissible at law, viz.:

**A. Period:**

2 years w. e. f. 30<sup>th</sup> September, 2019 with the liberty to either party to terminate the appointment on one months' notice in writing to the other, liable for retire by rotation.

**B. Remuneration:**

Basic Earnings: 1,00,000/- (Rupees One Lakh only) per month.

#### 4. ALTERATION OF ARTICLES OF ASSOCIATION:

To consider and, if thought fit, to pass the following Resolution as Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 14 of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 and other applicable provisions, if any, of the Act, including any statutory modification(s) there to or re-enactment(s) thereof for the time being in force, consent of the members of the Company be and is hereby accorded to alter and substitute existing Article No. 3 of Articles of Association with the following:

‘The Authorised Capital of the Company is or shall be such amount as stated in Clause V of the Memorandum of Association of the Company, for the time being or as may be varied, from time to time, under the provisions of the Act, and divided into such numbers, classes and descriptions of shares and into such denominations as stated therein. The Company has power, from time to time, to increase or reduce or cancel its capital and to attach thereto respectively such preferential, cumulative, convertible, guarantee, qualified or other special rights, privilege, condition or restriction, as may be determined by or in accordance with the Articles of Association of the Company or the legislative provisions, for the time being in force, in that behalf.’

**RESOLVED FURTHER THAT** Article 6A be and is hereby inserted after clause 6 as following:

**‘Variation of rights:** If at any time the share capital is divided into different classes of shares, the rights and/or privileges attached to any such class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act. All the provisions of these Articles relating to general meetings shall mutatis mutandis apply to every such separate meeting.’

**RESOLVED FURTHER THAT,** any of the Director of the Board and Company Secretary, be and are hereby severally authorized to do all such acts, deeds and things and execute all such documents and writings, as it may in its absolute discretion deem necessary or incidental thereto including paying such fees and incurring such expenses in relation thereto as it may deem appropriate and to file such documents, forms, etc., as required with the regulatory/statutory authorities and authorise the officials of the Company for the aforesaid purpose, as may be deemed fit to give effect to this Resolution.”

#### 5. TO INCREASE BORROWING POWERS OF THE BOARD AND AUTHORIZATION LIMIT TO SECURE THE BORROWINGS UNDER SECTION 180(1)(C) AND 180(1)(A) OF THE COMPANIES, ACT, 2013

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

**“RESOLVED THAT** in supersession of all the earlier resolutions passed in this regard and subject to the provisions of Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules made thereto including any statutory modifications or re-enactments thereof, the consent of the shareholders of the Company be and is hereby accorded to the Board of Directors to borrow money, as and when required, from, including without limitation, any Bank and/or other Financial Institution and/or foreign lender and/or any body corporate/entity/entities and/or authority/authorities, either in rupees or in such other foreign currencies as may be permitted by law from time to time, as may be deemed appropriate by the Board for an aggregate amount not exceeding a sum of Rs. 500 crores (Rupees Five Hundred Crores only) for the Company, notwithstanding that money so borrowed together with the monies already borrowed by the Company, if any (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company and its free reserves.

**RESOLVED FURTHER THAT** in supersession of all the earlier resolutions passed in this regard and subject to Section 180(1)(a) and other applicable provisions if any, of the Companies Act, 2013 and relevant rules made thereto including any statutory modifications or re-enactments thereof, consent of the shareholders of the company be and is hereby accorded, to the Board of Directors of the Company to pledge, mortgage, hypothecate and/or charge all or any part of the moveable or immovable properties of the Company and the whole or part of the undertaking of the Company of every nature and kind whatsoever and/or creating a floating charge in all or any movable or immovable properties of the Company and the whole of the undertaking of the Company to or in favour of banks, financial institutions, investors and any other lenders to secure the amount borrowed by the Company or any third party from time to time for the due payment of the principal and/or together with interest, charges, costs, expenses and all other monies payable by the Company or any third party in respect of such borrowings provided that the aggregate indebtedness secured by the assets of the Company does not exceed a sum of Rs. 500 crores (Rupees Five Hundred Crores only) for the Company.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.”

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

**Sd/-**  
**Hemendranath Choudhary**  
Whole Time Director  
DIN:6641774

Place: Mumbai  
Date: 6<sup>th</sup> September, 2019

## NOTES:

1. The Explanatory Statement as required under Section 102 of the Companies Act, 2013 is annexed hereto and forms the part of this notice.
2. A Member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote, in case of poll only, on his/ her behalf and a proxy need not be a member of the Company.
3. The instrument appointing a proxy must be deposited with the Company at its Registered Office not less than 48 hours before the time for holding the Meeting.
4. A person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or Shareholder. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution/ authority as applicable.
5. The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) is Sharex Dynamic (India) Private Limited having their Registered Office at Unit no.1, Luthra Ind. Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai - 400072.
6. Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard-2 on "General Meetings", the particulars of Directors seeking appointment / re-appointment at the ensuing 35<sup>th</sup> Annual General Meeting are annexed to the notice.
7. The Register of Members and the Share Transfer Books of the Company shall remain closed from 23<sup>rd</sup> September, 2019 to 30<sup>th</sup> September, 2019 (both days inclusive) for determining the name of members eligible for dividend on Equity and preference shares, if approved by the members at the ensuing Annual General Meeting.
8. All documents referred in the accompanying notice are open for inspection at the registered office of the Company on all working days between 11.00 a.m. to 1.00 p.m. upto the date of the Annual General Meeting.
9. Dividends that are unclaimed/unpaid for a period of seven years are required to be transferred to the Investor Education and Protection Fund ("IEPF") administered by the Central Government. Due dates of transferring unclaimed and unpaid dividends declared by the Company for the financial year 2011-12, 2012-13, 2013-14, 2014-15 & 2015-16 (final dividend) and thereafter to IEPF are as follows:

Financial Year Ended	Date of Declaration of Dividend	Last date for claiming unpaid/unclaimed dividend
31st March, 2012	28 <sup>th</sup> September, 2012	5 <sup>th</sup> November, 2019
31st March, 2013	20 <sup>th</sup> September, 2013	28 <sup>th</sup> October, 2020
31 <sup>st</sup> March, 2014	15 <sup>th</sup> September, 2014	23 <sup>rd</sup> October 2021
31 <sup>st</sup> March, 2015	25 <sup>th</sup> September, 2015	3 <sup>rd</sup> October 2022
31 <sup>st</sup> March, 2016	29 <sup>th</sup> September, 2016	07 <sup>th</sup> October 2023

Members who have not encashed the dividend warrants so far in respect of the aforesaid periods, are requested to make their claim to Sharex Dynamic (India) Private Limited well in advance of the above due dates.

10. Pursuant to sections 101 and 136 of the Companies Act, 2013 read with the Rules framed thereunder, the Notice calling the Annual General Meeting along with the Annual Report 2018-19 would be sent by electronic mode to those Members whose e-mail addresses are registered with the Depository or the Company's Registrar and Transfer Agents. A physical copy of the same shall also be sent to the members.

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

Members are thus requested to kindly submit their respective e-mail ID's and other details vide the e-mail updation form attached in this Annual Report. The same could also be done by filling up and signing at the appropriate place in the said form and by returning this form by post to the company.

11. Corporate Members are requested to send duly certified copy of the Board resolution pursuant to Section 113 of the Companies Act, 2013 authorizing their representative to attend and vote at the Annual General Meeting (including through e-voting).
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore requested to submit their PAN details to their respective Depository Participants with whom they have their demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar & Share Transfer Agents of the Company - Sharex Dynamic (India) Private Limited.
13. SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019, unless the securities are held in the dematerialized form with the depositories. Therefore, Members holding shares in physical form are requested to dematerialize their holdings at the earliest.
14. Members are requested to:
- intimate to the Company's Registrar and Transfer Agents, Sharex Dynamic (India) Private Limited, changes, if any, in their registered addresses at an early date, in case of Shares held in physical form;
  - intimate to the respective Depository Participant, changes, if any, in their registered addresses at an early date, in case of Shares held in dematerialised form;
  - quote their folio numbers/ Client ID/ DP ID in all correspondence; and
  - Consolidate their holdings into one folio in case they hold Shares under multiple folios in the identical order of names.
  - Members are requested to bring their copy of the Annual Report to the Annual General Meeting.
  - Members/Proxies/Representatives are re-quested to bring the Attendance Slip enclosed in the Annual Report for attending the Meeting.
  - Route Map of the venue of the 35<sup>th</sup> AGM of the Company is annexed at the end of this Annual Report and is also uploaded on the website of the Company,



14. Voting through electronic means –
- a. In compliance with the provisions of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and the Regulation 44 of the Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer e-voting facility to its Members in respect of the businesses to be transacted at the 35<sup>th</sup> Annual General Meeting (“AGM”). The Company has engaged the services of Central Depository Services (India) Limited (“CDSL”) as the Authorised Agency to provide e-voting facilities, on the resolutions mentioned in the notice of the 35<sup>th</sup> Annual General Meeting of the Company (the AGM Notice).
  - b. Members are requested to note that the business may be transacted through electronic voting system and the Company is providing facility for voting by electronic means.
  - c. The facility for voting through polling papers shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through polling paper.
  - d. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
  - e. The remote e-voting shall commence on Friday, 27<sup>th</sup> September, 2019 (9.00 a.m.) and ends on Sunday, 29<sup>th</sup> September, 2019 (5.00 p.m.). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Monday, 23<sup>rd</sup> September, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
  - f. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. Monday, 23<sup>rd</sup> September, 2019.
  - g. A person, whose name is recorded in the Register of Members or in the Register of beneficial owners maintained by the depositories as on the cut-off date, i.e. Monday, 23<sup>rd</sup> September, 2019 only shall be entitled to avail the facility of remote e-voting and voting at Meeting through ballot papers.
  - h. The Board of Directors of the Company has appointed CS Vijay Yadav (Membership No. 39251), Partner of M/s. AVS & Associates, Company Secretaries, as Scrutinizer to scrutinize the voting through polling papers and remote e-voting process in a fair and transparent manner.
  - i. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. Monday, 23<sup>rd</sup> September, 2019, may obtain the User ID and password by sending a request at [helpdesk.evoting@cDSL.in](mailto:helpdesk.evoting@cDSL.in) or [www.flfindia.com](http://www.flfindia.com). However, if the member is already registered with CDSL for remote e-voting then he can use his existing user ID and password for casting the vote through e-voting. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on [www.evotingindia.com](http://www.evotingindia.com) or contact CDSL at the following toll free no.: 1800-200-5533.
  - j. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through e-voting in the presence of at least two witnesses not in the employment of the Company and shall make , not later than 48 hours of conclusion of the Meeting, make a consolidated scrutinizer’s report and submit the same to the Chairman or person authorized by him in writing, who shall countersign the same and

declare the result of the voting forthwith. The results declared along with the consolidated scrutinizer’s report shall be placed on the website of the Company and on the website of the CDSL <https://www.evotingindia.com/>.

- k. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting i.e. Monday, 30<sup>th</sup> September, 2019.

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

- i. The voting period begins on from Friday, 27<sup>th</sup> September, 2019 (9.00 a.m.) and ends on Sunday, 29<sup>th</sup> September, 2019 (5.00 p.m.). During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Monday, 23<sup>rd</sup> September, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iv. Click on Shareholders.
- v. Now Enter your User ID
  - For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- vi. Next enter the Image Verification as displayed and Click on Login.
- vii. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- viii. If you are a first time user follow the steps given below:

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

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- ix. After entering these details appropriately, click on "SUBMIT" tab.
  - x. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
  - xii. Click on the EVSN for Frontier Capital Limited on which you choose to vote.
  - xiii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
  - xiv. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
  - xv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
  - xvi. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
  - xvii. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
  - xviii. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
  - xix. **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
  - xx. Note for Non - Individual Shareholders and Custodians
    - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
    - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
    - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
    - The list of accounts linked in the login should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
    - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - xxi. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- A. **Please follow all steps from Sl. no. (i) to sl. no. (xvii) above to cast vote**

## ANNEXURE TO THE NOTICE

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

## Item No. 2

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

Name of Director	Usha Iyengar
Date of birth	22 <sup>nd</sup> August, 1963
Date of appointment as director	01 <sup>st</sup> April, 2015
Remuneration last drawn	Nil
Qualification	<p>Usha Iyengar has over 30 years of post-qualification experience with major Indian corporate groups &amp; MNC's (16 years with TATA, 8 years with TATA Motors &amp; its subsidiaries, 7 years in Titan Co. Ltd) and currently with AMW Motors Ltd since 2011.</p> <p>She has functional domain expertise in finance &amp; accounting, treasury, project funding, investment banking, mergers &amp; acquisitions, restructuring, Legal Secretarial &amp; Compliance, Investor Relations, Risk Management &amp; Internal Audit. Her experience varies across Industrial verticals i.e Construction &amp; Realty; IT related services, Automotives, Financial Services, Branded Retail, Precision Engineering, Energy, Oil, Gas etc.</p> <p>She had been associated with various industry verticals and big conglomerates like TATA, ESSAR, NSE &amp; NYSE Listed MNC's. She is also a business development professional in Energy Sector &amp; has been a consultant to big corporates in conventional Thermal Energy &amp; Renewable Energy sectors. Her client profile (Indian as well as overseas) include big local utilities &amp; MNC's in the energy sector.</p> <p>She is a well rounded and well-honed business professional with commercial and negotiation skills and a sharp sense of pricing &amp; valuation skills which come into play in deal closures.</p> <p>She is a dual qualified professional holding post-graduation degree in commerce along with professional degrees of CWA from ICWAI &amp; CS</p>

	from ICSI.
Shareholding in the Company (Equity shares of Rs. 10/- each)	Nil
List of Directorship in other listed entities	Nil
Membership/ Chairmanship of Committees of other listed entities (includes only Audit Committee and Stakeholder's Relationship Committee)	NA
Terms and Conditions of re-appointment	NA
Remuneration to be paid (if applicable)	Nil
Relationship with any Director (s) of the Company	NA

**Item No. 3**

Mr. H. N. Choudhary (DIN: 06641774) was appointed as an Whole Time Director on the Board of the Company with effect from 21<sup>st</sup> April, 2016 with the approval of the members in Annual General Meeting.

The Board of Director of the Company has proposed to re-designate Mr. Hemendranath Choudhary as a Whole-Time Director with effect from the date 31<sup>st</sup> July, 2018 for a period of three years on the terms and conditions including remuneration subject to the approval by the Members.

On 1<sup>st</sup> October, 2018 Mr. Hemendranath Choudhary attained the age of 70 year and hence Company is required to pass the Special Resolution under Section 196, 197 of the Company Act 2013, for his re-appointment in the Company as a Whole - Time Director.

Your Directors, therefore recommend for approval of members for re-appointment of Mr. H. N. Choudhary, as a Whole Time Director of the Company by passing the special resolution set out at Item No. 3 of the notice as a Special Resolution.

Except Mr. H. N. Choudhary and his relatives, none of the Directors and / or Key Managerial Personnel of the Company or their relatives are concerned or interested in the said resolution.

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

<b>I. General Information</b>	
Nature of industry	The Company is engaged in the business of a non-banking financial institution. The Company is not systematically important non-deposit taking NBFC.

Financial performance	During the period under review, the Company has earned a total revenue of Rs. 3,78,296 as against Rs. 2,47,945 in the previous year. The loss before the tax was Rs. 9,20,28,446 as against the loss of Rs. 8,45,41,293 in previous year. The loss after tax was Rs. 9,26,20,919 as against the loss of Rs. 8,81,38,682 in previous year.
Foreign collaboration or investments	NIL
<b>II. Information about appointee</b>	
Name of Director	Hemendranath R. Choudhary
Date of birth	1 <sup>st</sup> October 1948
Date of appointment	21 <sup>st</sup> April, 2016
Remuneration last drawn	Rs. 12,00,000/- p. a.
Experience/ Expertise in specific functional area/Brief Resume	Mr. H N Choudhary is a Master of Engineering in Computer-Aided Design and Computer-Aided Manufacturing. He has more than 2 years of experience in Non-Banking Financial Company. He is also associated with famous companies like Engo Tea Company Limited, A-One Parts and Services Limited, AMW Finance Limited and Asia Motorworks Limited.
Qualification	ME (CAD and CAM)
Shareholding in the Company (Equity shares of Rs. 10/- each)	NIL
List of Directorship in other listed entities	NIL
Membership/Chairmanship of Committees of other listed entities (includes only Audit Committee and Stakeholder's Relationship Committee)	NIL
No. of Board Meetings attended during the year	5
Terms and Conditions of re-appointment	2 years, liable to retire by rotation
Remuneration to be paid (if applicable)	Rs. 12,00,000/- p. a.
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel	Not related
<b>III. Other Information</b>	
Reasons of loss	Due to 100% provisions against NPAs and Doubtful Debts, the Company has suffered loss before the tax was Rs. 9,20,28,446.
Steps taken for improvement	Issuing legal notices for recoveries and timely follow ups
Expected Increase in profits	As soon as the Borrowers comes out of NPAs and



reversals of provisions

**Item No. 4**

The Company has varied the rights, terms and conditions of such Preference Shares of the Company being 1,40,000 (One Lakh Forty Thousand only) 0.1% Non-Cumulative Redeemable Preference Shares of Rs. 1000 (Rupees thousand only) per share totally amounting to Rs. 14,00,00,000 (Rupees Fourteen crore only) to 1,40,000 (one lakh forty five thousand) 0% Compulsorily Convertible Preference Shares ("CCPS") of Rs. 1000 (Rupees One Thousand only) per share totally amounting to Rs. 14,00,00,000 (Rupees Fourteen crore only) and such converted Preference Share Capital of the Company i. e. the CCPS shall be compulsorily converted, with immediate effect, into 1,40,00,000 (One Crore Forty Lakh) Equity Shares of Rs. 10 (Rupees Ten only) each issued at par totally amounting to Rs. 14,00,00,000 (Rupees Fourteen Crore only) by preferential allotment.

Such variation in the rights, terms and conditions of the Preference Shares was necessary for restructuring of the Capital and to maintain the net worth of the Company as per the RBI guidelines. The Company also does not have adequate funds for redemption of such Preference Shares, which had inevitably led the Board of Directors to approach the members of the Company for varying the nature and terms and conditions of the 0.1% Non-Cumulative Redeemable Preference Shares to CCPS so that the CCPS can be converted to Equity Shares with an immediate effect.

For giving effect to above business it is necessary to reclassify the present authorized share capital of the Company from 25,00,00,000 (Rupees Twenty Five Crore) divided into 50,00,000 (Fifty lakhs) Equity Shares of Rs.10 (Rupees Ten) each and 2,00,000 (Two Lakhs) Non-Convertible Redeemable Preference Shares of Rs.1000/- (One Thousand) each to Rs. 25,00,00,000 (Rupees Twenty Five Crore Only) divided into 2,00,00,000 (Two Crore) Equity Shares of Rs. 10/- (Rupees Ten only) each and 50,000 (Fifty Thousand) Preference Shares of Rs. 1,000 each (Rupees One Thousand only) each.

Both Memorandum and Article of Association was altered by the Board in their Meeting held on 14<sup>th</sup> February, 2019 and Alteration of Memorandum of Association was approved by the Members through the Postal Ballot and E-voting on 13<sup>th</sup> May, 2019 but alteration of the Article of Association was inadvertently omitted from the Postal Ballot notice sent on 10<sup>th</sup> April, 2019.

Existing article No. 3 is substituted with the following to re-classify the Authorized Capital of the Company

'The Authorised Capital of the Company is or shall be such amount as stated in Clause V of the Memorandum of Association of the Company, for the time being or as may be varied, from time to time, under the provisions of the Act, and divided into such numbers, classes and descriptions of shares and into such denominations as stated therein. The Company has power, from time to time, to increase or reduce or cancel its capital and to attach thereto respectively such preferential, cumulative, convertible, guarantee, qualified or other special rights, privilege, condition or restriction, as may be determined by or in accordance with the Articles of Association of the Company or the legislative provisions, for the time being in force, in that behalf.'

AND **Article 6A** be and is hereby inserted after clause 6 as following:

‘Variation of rights: If at any time the share capital is divided into different classes of shares, the rights and/or privileges attached to any such class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act. All the provisions of these Articles relating to general meetings shall mutatis mutandis apply to every such separate meeting.’

Your Directors, therefore recommend for approval of alteration of Article of Association of the Company by passing the special resolution set out at Item No. 4 of the notice as a Special Resolution.

**Item No. 5**

Keeping in view of company’s existing and future financial requirements to support its business operations, the Company may need additional funds. For this purpose, the Company may, from time to time, raise finance from various Banks and/or Financial Institutions and/ or any other lending institutions and/or Bodies Corporate and/or such other persons/ individuals as may be considered fit, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in ordinary course of business) may exceed the aggregate of the paid-up capital and free reserves of the Company.

Hence it is proposed to increase the maximum borrowing limits to Rs. 500 Crores for the Company. Pursuant to Section 180(1)(c) of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid-up capital of the Company and its free reserves at any one time except with the consent of the members of the Company in a general meeting. In order to facilitate securing the borrowing made by the Company, it would be necessary to create charge on the assets or whole or part of the undertaking of the Company.

Further, Section 180(1)(a) of the Companies Act, 2013 provides for the power to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company subject to the approval of members in the General Meeting, which authorization is also proposed to be Rs. 500 Crores for the Company.

The Directors recommend the Special Resolution as set out at Item No. 5 of the accompanying Notice, for members’ approval. None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Special Resolution except to the extent of their shareholding in the Company.

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

Sd/-

**Hemendranath Choudhary**

Whole Time Director

DIN:6641774

Place: Mumbai

Date: 6<sup>th</sup> September, 2019

**Registered Office:** 7<sup>th</sup> Floor, Tower 1, Equinox Business Park, Peninsula Techno Park, Off



Bandra Kurla Complex, LBS Marg, Kurla (West) - 400070

CIN: L65990MH1984PLC033128

Email:- frontierleasing1984@gmail.com

Website: [www.flflindia.com](http://www.flflindia.com)

Tel: +91 22 33826248/6217

### E Mail Registration

To,  
**M/s Sharex Dynamic (India) Pvt. Ltd.**  
Unit No.1, Luthra Indl. Premises,  
Safed Pool, Andheri Kurla Road,  
Andheri (East), Mumbai - 400 072

Dear Sir/Madam,

#### **Sub.- Registration of email ID for receiving communication in electronic form**

I am a shareholder of the Company. I want to receive all communication from the Company including AGM and other General Meeting notices and explanatory statement(s), Balance Sheets, Director's Reports, Auditor's Report etc. through email. Please register my email ID, set out below, in your records for sending communication through email:

**Registered Folio No./DP ID & Client ID:**

**Name of the Shareholder (s) :**

**Father's/Mother's/Spouse's Name:**

**Address (Registered Office Address in case the shareholder is a Body Corporate):**

**E-mail Id:**

**PAN or CIN (In case of Body Corporate):**

**UIN (Aadhar Number):**

**Occupation:**

**Residential Status:**

**Nationality:**

**In case member is a minor, name of the guardian :**

**Date of birth of the Member :**

**Date**

**Signature of the first holder\***

**Important Notes:**

1. Field marked \* are mandatory for registration of the email ID.
2. On registration, all the communication will be sent to the e-mail ID registered in the Folio
3. The Form is also available on the website of the Company [www.flflindia.com](http://www.flflindia.com)
4. Any change in email ID, from time to time, may please be registered in the records of the Company.

**FRONTIER CAPITAL LIMITED**  
**Peninsula Technopark, Tower-1, 7th floor, Off Bandra-Kurla Complex,**  
**LBS Marg, Kurla (West), Mumbai - 400 070.**  
**Tel.: +91 22 33826248 /6259 | Fax: +91 22 33826123 | Visit us at: www.flflindia.com**  
**CIN: L65990MH1984PLC033128**

**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]**

**35<sup>th</sup> ANNUAL GENERAL MEETING - 30<sup>th</sup> SEPTEMBER, 2019**

Name of the Member : \_\_\_\_\_  
Registered Address : \_\_\_\_\_  
Email : \_\_\_\_\_  
Folio No./ DP Id Client Id : \_\_\_\_\_

**I/We, being the member(s) of \_\_\_\_\_ shares of Frontier Capital Limited, hereby appoint;**

1 . Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
Email ID : \_\_\_\_\_  
Signature : \_\_\_\_\_ **or Failing**  
**him/her**

2 . Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
Email ID : \_\_\_\_\_  
Signature : \_\_\_\_\_ **or Failing him/her**

3 . Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
Email ID : \_\_\_\_\_  
Signature : \_\_\_\_\_

as my / our proxy to attend and vote (on a poll) for me/ us and on my / our behalf at the 35<sup>th</sup> Annual General Meeting of the Company to be held on Monday, the 30<sup>th</sup> September, 2019 at 11.00 am at Peninsula Technopark, Tower-1, 7<sup>th</sup> floor, Off Bandra-Kurla Complex, LBS Marg, Kurla (West), Mumbai - 400 070 and at any adjournment thereof in respect of such resolutions as are indicated below.

Resolution Number	Resolutions	Vote		
		Please mention no. of Shares)		
		For	Against	Abstain
<b>Ordinary Business:</b>				
1.	To approve Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2019 including audited Balance Sheet as at 31st March, 2019 and the statement of Profit & Loss A/c for the year ended on that date and the Report of the Board of Directors and Auditors thereon.			
2.	To appoint a director in place of Mrs. Usha Iyengar, Director (DIN: 03447551) who retires by rotation and being eligible, offers herself for re-appointment.			
<b>Special Business:</b>				
3.	Re-appoint Mr. Hemendra Nath Choudhary as a Whole-Time Director.			
4.	Alteration of Article of Association			
5.	To increase borrowing powers of the Board and authorization limit to secure the borrowings under section 180(1)(c) and 180(1)(a) of the companies, act, 2013.			

Signed this ..... day of ..... 20

.....  
Signature of the member

Affix One Rupee Revenue Stamp
----------------------------------

**Note: Proxy in order to be effective must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.**

## FRONTIER CAPITAL LIMITED

**Registered Office:** Tower-1, Peninsula Technopark, 7th Floor, Off BKC, LBS Marg, Kurla (West)  
Mumbai - 400070

**Website:** [www.flflindia.com](http://www.flflindia.com), **Email:** frontierleasing1984@gmail.com

**Phone:** 022-33826248, **Fax:** 022-33826123

**CIN:** L65990MH1984PLC033128

**ATTENDANCE SLIP  
35th ANNUAL GENERAL MEETING**

<b>DP ID - Client ID/ Folio No.</b>	
<b>Name &amp; Address of Sole Member</b>	
<b>Name of Joint Holder(s), If any (In Block Letters)</b>	
<b>No. of shares held</b>	

I certify that I am a member / proxy of the Company.

I hereby record my presence at the 35<sup>th</sup> Annual General Meeting of the Company to be held on Monday, 30<sup>th</sup> September, 2019 at 2.00 p.m. at Tower-1, Peninsula Technopark, 7th Floor, Off BKC, LBS Marg, Kurla (West) Mumbai - 400070

\_\_\_\_\_  
Member's/ Proxy's Signature

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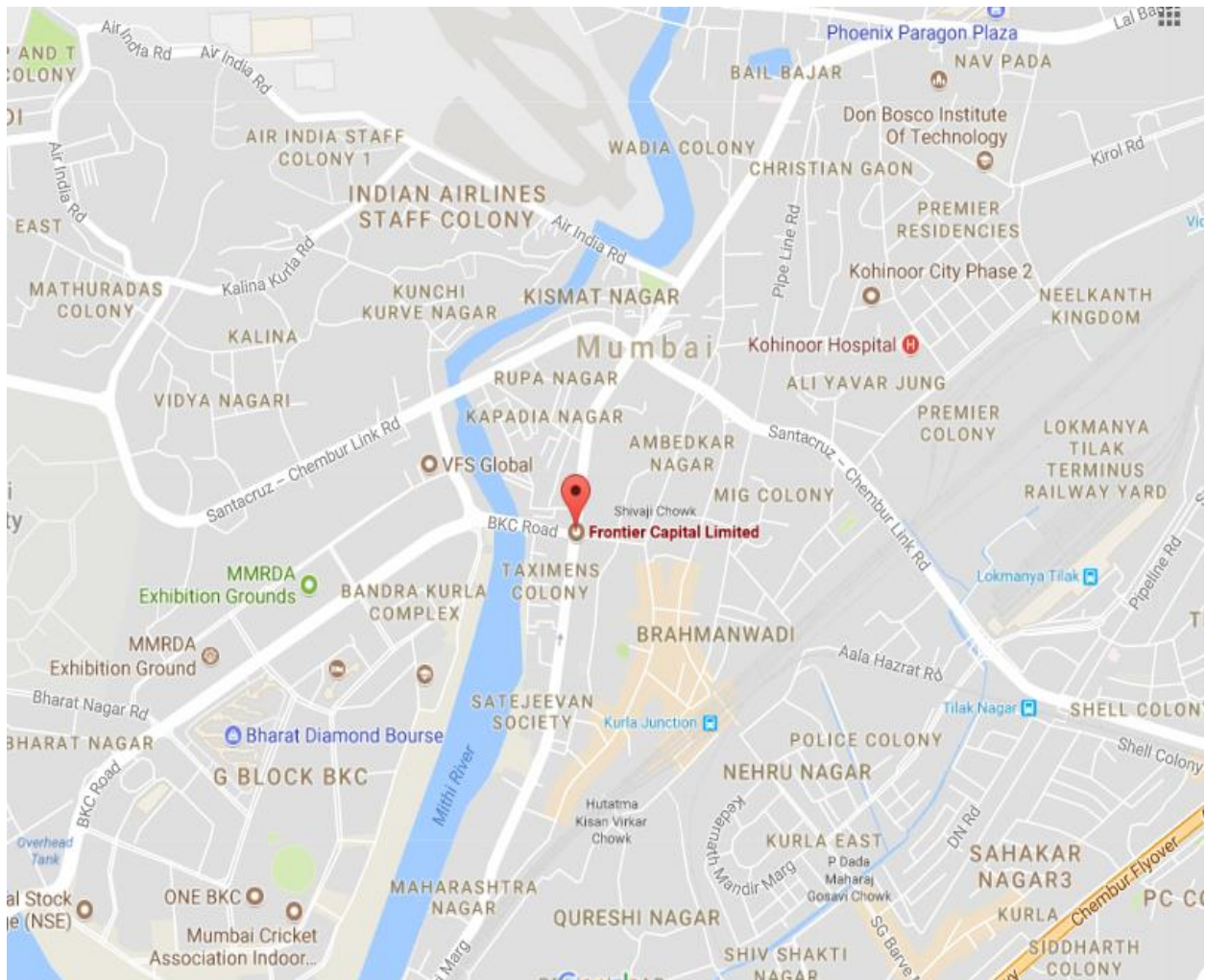
**ELECTRONIC VOTING PARTICULARS**

<b>EVSN (E-Voting Sequence Number)</b>	<b>User ID</b>	<b>PAN / Seq. No</b>

**NOTE:** Please read the complete instructions given under the Note (The instructions for shareholders voting electronically) to the Notice of Annual General Meeting. The voting starts from Friday, 27<sup>th</sup> September, 2019 (9.00 a.m.) and ends on Sunday, 29<sup>th</sup> September, 2019 (5.00 p.m.). The voting module shall be disabled by CDSL for voting thereafter.

## Route Map to the AGM Venue

**Venue :** Peninsula Technopark, Tower-1, 7th floor, Off Bandra-Kurla Complex, LBS Marg, Kurla (West), Mumbai – 400 070.



Landmark: Off Bandra Kurla Complex

Distance from Bandra Station: 6.8 km

Distance Via Lal Bahadur Shastri Marg From Bandra Station: 7.0 km

Distance Via Lal Bahadur Shastri Marg From Kurla Station: 2.0 km

DIRECTORS' REPORT

To,  
The Members,  
Frontier Capital Limited

Your Directors have pleasure in presenting the Thirty Fifth Director's Report of the Company and the Audited Financial Statements for the Financial Year (FY) ended 31<sup>st</sup> March 2019.

### 1. AFFAIRS OF THE COMPANY:

#### A. Financial Results:

(Amount in Rs.)

Particulars	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Income	3,78,296	2,47,945
Less: Expenses	40,17,478	88,23,810
Less: Provisions and contingencies	8,83,89,264	7,59,65,428
Profit / (Loss) before tax	-9,20,28,446	-84,541,293
<b>Less: Tax expenses</b>	-	-
(Including deferred tax and tax for earlier years)	5,92,473	35,97,389
Profit / (loss) After Taxation	-9,26,20,919	-8,81,38,682
Less: Proposed Dividend	-	-
Less: Corporate Dividend Tax	-	-
Less: Transfer to Statutory Reserve	-	-
<b>Add: Balance Brought Forward from Last Year</b>	-6,65,72,668	21,566,014
<b>Balance Carried Forward to Balance Sheet</b>	-15,91,93,587	-6,65,72,668

#### B. Operations

During the period under review, the Company has earned a total revenue of Rs. 3,78,296 as against Rs. 2,47,945 in the previous year. The loss before the tax was Rs. 9,20,28,446 as against the loss of Rs. 8,45,41,293 in previous year. The loss after tax was Rs. 9,26,20,919 as against the loss of Rs. 8,81,38,682 in previous year.

**C. Business review**

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

**D. Dividend**

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

**E. Transfer to Reserves**

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

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

No material changes and commitments affecting the financial position of the Company during the period from the end of the financial year on 31st March 2019 to the date of this Report. There has been no change in the nature of business of the Company.

**2. Share Capital**

The Company has not issued any shares in the year 2018-19. Hence as on 31<sup>st</sup> March, 2019, the paid up share capital of the company is ₹ . 14,26,21,630 divided into 2,62,163 Equity shares of ₹ . 10/- each and 1,40,000 non-convertible redeemable preference shares of ₹ . 1000/- each.

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

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

- ✓ During the year, Mr. Hemendranath Choudhary was re-appointed as a Whole - time director, for the period of 3 years.
- ✓ Mr. Farhan Shaikh, Company Secretary and Compliance officer of the Comapyn has resigned from the said position on July 31, 2018. The Company on record places its appreciation for the guidance and assistance in smooth functioning and compliances of the Company during his tenure.



- ✓ Consequent to resignation of Mr. Shaikh and based on the recommendation of the Nomination & Remuneration Committee, Mr. Aniket Naresh Prabhu was appointed as the Company Secretary and Compliance officer of the Company w.e.f. August 31, 2018, by the Board of Directors.
- ✓ Mr. Aniket Naresh Prabhu was also appointed as Chief Financial Officer of the Company w.e.f., 14<sup>th</sup> February 2019.

Pursuant to Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') and Secretarial Standards on General Meeting (SS-2) issued by the Institute of Company Secretaries of India (ICSI), brief resume of the Director proposed to be re-appointed in the ensuing Annual General Meeting is annexed in Notice of 35<sup>th</sup> Annual General Meeting of the Company.

Following is the list of Directors and KMPs as on 31<sup>st</sup> March 2019. There is no change in the same till the date of Annual Report

Name	Begin date	DIN/PAN	Designation
USHA SUNDAR IYENGAR	01/04/2015	03447551	Director
HEMENDRANATH RAJENDRANATH CHOUDHARY	21/04/2016	06641774	Whole - Time Director
ASHOK KATRA	15/03/2017	07799527	Independent Director
ANIKET NARESH PRABHU	31/08/2018	BPYPP3319B	Company Secretary and Chief Financial Officer

#### B. Declaration by Independent Director:

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

#### C. Number of Board Meetings

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

Name of the Director	Director Identification Number	Category	No. of Board Meetings attended during the year	Attendance at the last AGM
Mrs. Usha Iyengar	03447551	Non - Executive Women Director	5	Yes
Mr. H.N. Choudhary	06641774	Whole Time Director (14/08/2017)	5	Yes
Mr. Ashok Katra <i>Date of Appointment - 15/03/2017</i>	07799527	Independent Director	5	Yes



**D. Audit Committee:**

- i. The Audit Committee functions according to its charter defines its composition, authority, responsibility and reporting functions in accordance with the Act, listing requirements and the regulations applicable to the Company and is reviewed from time to time. As on 31<sup>st</sup> March, 2019, the Audit Committee comprised of three Directors viz. Mr. Ashok Katra (chairman), Mr. H. N. Choudhary and Ms. Usha Iyenger. All of them are financially literate and have relevant finance and/or audit exposure.
- ii. During the period under review, 4 Audit Committee meetings were held.
- iii. Each Board Meeting which considers financial results is preceded by meeting of Audit Committee Members along with Auditors.

Composition of the Audit Committee and attendance at its meetings are as follows:

Composition	Meetings Attended
Mr. Ashok Katra	3
Mrs. Usha Iyenger	3
Mr. H.N. Choudhary	3

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

Pursuant to the provisions of Section 178 of the Companies Act, 2013, the Board framed a Policy relating to the selection and appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration. The Policy includes criteria for determining qualifications, positive attributes and independence of a director and other matters. The same is attached herewith and marked as **Annexure 3**.

**F. Particulars of Employees**

Disclosure with respect to the ratio of remuneration of each Directors to the median employees' remuneration as required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been appended as Annexure 4 to this Report.

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

In terms of Section 136 of the Act, the reports and accounts are being sent to the shareholders and others entitled thereto, excluding the said information which will be made available for inspection by the shareholders at the Registered Office of the company during business hours on any working days of the Company up to the date of the ensuing Annual General Meeting. If any

shareholder is interested in inspecting the same, such shareholders may write to the Company Secretary in advance

#### **G. Board Evaluation:**

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

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

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

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

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

The Independent Directors and Woman Director do not draw any remuneration from the Company except sitting fees of Rs. 20,000/- for each meeting attended by them, during the financial year 2018-19.

There is no increase in the remuneration of Whole-time Director from FY 2017-18.

Mr. Aniket Prabhu was appointed as Company Secretary on the remuneration of 3,60,000/- p.a. and revised the same after his appointment as Chief Financial Officer to 6,00,000/- p.a.

#### **I. Directors' Responsibility Statement:**

Your Directors, to the best of their knowledge and belief and according to the information and explanations obtained by them and as required under Section 134(3)(c) of the Companies Act, 2013 hereby state that:

- ✓ in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2019, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ✓ your directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2019 of the Company for that period;

- ✓ your directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- ✓ your directors had prepared the annual accounts on a going concern basis;
- ✓ your directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- ✓ your directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**8. Corporate Social Responsibility Report (CSR):**

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

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

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

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

**10. Business Risk Management:**

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

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

**11. Vigil Mechanism:**

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

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

The Company has adopted a Whistle Blower Mechanism Policy establishing vigil mechanism, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy. The policy provides for adequate safeguard against victimization of employees who avail the mechanism. No employee or directors of the Company has been denied access to the Audit Committee.

**12. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

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

**13. Auditors****A. Appointment of Auditors:**

Pursuant to the provision of Section 139(2) of the Act and the Rules framed thereunder, M/s A.C Bhuteria, Chartered Accountants, Kolkata (having FRN: 303105E) were appointed as the Statutory Auditors of the Company for a period of 5 years to hold office from the conclusion of the 31<sup>st</sup> Annual General Meeting held on 25<sup>th</sup> September, 2015 till the conclusion of the 36<sup>th</sup> Annual General Meeting to be held for the year ending 31<sup>st</sup> March, 2020.

However, pursuant to the amendments made to Section 139 of the Act, by the Companies (Amendment) Act, 2017, effective from May 7, 2018, the requirement of seeking ratification of the members for appointment of Statutory Auditors has been withdrawn. In view of the same, the ratification of members for continuance of M/s A.C Bhuteria, Chartered Accountants, as the Statutory Auditors of the Company, is not being sought. The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as the Statutory Auditors.

**B. Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed AVS & Executives, partnership firm, Company Secretaries to undertake the Secretarial Audit of the company. The Report of the Secretarial Audit is annexed herewith as **Annexure - 2**.

**C. Internal Audit**

Pursuant to provision of section 138 of the Companies Act, 2013 & Rule 13 of Companies (Accounts) Rules, 2014, management is in search for the right candidature to appoint as an internal auditor for Financial Year 2019-20.

**D. Remarks or qualifications by Statutory Auditors and Secretarial Auditors:**

There are no negative remarks or qualification from Statutory Auditors. In respect to the Secretarial Auditors' remarks in their report, the Company would like to state as under:

1. The Company was in search of suitable candidates for the post of Independent Director.
2. The Constitution of Audit Committee, Nomination and Remuneration Committee was not proper and meeting of Independent Directors was not held due to non-availability of suitable candidate to be appointed as an Independent Director of the Company. Also due to lack of personnel Company was unable to comply with the provision of section 152 of the Companies Act, 2013.
3. Company has now appointed Mr. Aniket Prabhu as a CFO of the Company.
4. Mr. H. N. Choudhary attained age of 70 years on 1<sup>st</sup> October, 2018, Resolution was inadvertently passed as an ordinary on 28<sup>th</sup> September, 2018. Company has proposed the special resolution for the re-appointment of Mr. H. N. Choudhary in ensuing AGM, on 30<sup>th</sup> September, 2019
5. Due to lack of IT personnel, some of the disclosure was not uploaded on the website of the Company.
6. Inadvertently intimation of Closure of Trading Window has not been given to insiders while considering quarterly/yearly financial results and other UPSI matters; but same was uploaded on the BSE as required.
7. Inadvertently some information or details as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was not filed / delayed. Though this does not affect 'defacto' compliance as the script has not traded throughout the last year.

**14. Secretarial Standards**

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

**15. Extract of the Annual Return**

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in **(Annexure 1 MGT-9)** and is attached to this Report.

As amended by Companies (Amendment Bill), 2017, Annual Return of the Company is also uploaded on website of the Company. Web link for the MGT-9 is given below

[http://www.flflindia.com/investor/main\\_investor\\_rel.html](http://www.flflindia.com/investor/main_investor_rel.html)

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

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

**B. Accounts and Accounting Standards**

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

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

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

**D. Green Initiative**

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



A copy of this Annual Report along with the Annual Report of each of the Company for FY 2018-19 will be placed on the website of the Company.

#### **E. Prevention of Sexual harassment**

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

During Fiscal Year 2019, the Company has not received any complaint on sexual harassment.

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

Pursuant to regulation 34(2) of the Listing Regulations, Management Discussion and Analysis Report is attached in the Annexure 5

#### **18. Corporate Governance Report:**

With the introduction of the Companies Act, 2013 and the issue of SEBI circular no. CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014, the provisions of amended Clause 49 of the Listing Agreement and Regulation 15 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 related to the corporate governance would not be applicable to the Companies having paid up equity share capital not exceeding Rs.10 crore and Net Worth not exceeding Rs. 25 crore, as on the last day of the previous financial year.

Hence, in view of the above, para C, D and E of schedule V of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 is not applicable to the Company. However, as a measure of good governance, the Company complies with most of the requirements specified under Clause 49 and Regulation 15 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A summary of the Corporate Governance measures adopted by the Company is given below:-

- I. The Board of Directors along with its Committees provides leadership and guidance to the Company's management and directs, supervises and controls the activities of the Company.
- II. The size of the Board is commensurate with the size and business of the Company. As on 31<sup>st</sup> March, 2019, the Board comprises of Mr. H N Choudhary, Mrs. Usha Iyengar, as Directors and Mr. Ashok Katra as an Independent Director of the Company.



- III. The Board has constituted Committees with specific terms of reference to focus on specific issues and ensure expedient resolution of diverse matters.
- IV. As on 31<sup>st</sup> March 2019, the Audit Committee comprised of 3 Directors viz. Mr. Ashok Katra, Mrs. Usha Iyengar, and Mr. H. N. Choudhary.
- V. The Company, Directors (including the Independent Directors) and its employees have adopted the Code of Conduct and the same will be posted on the Company's website.
- VI. The Company has adopted a Whistle - Blower Policy which provides a formal mechanism for all employees of the Company to make protected disclosures to the management about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. No employee of the Company has been denied access to the Audit Committee.
- VII. The Company's website is [www.flflindia.com](http://www.flflindia.com).

### **19. Acknowledgement**

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

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

Place: Mumbai

Date: 6<sup>th</sup> September, 2019

**Hemendranath Choudhary**

Whole - Time Director

DIN:6641774

**Usha Iyengar**

Director

DIN: 03447551

## FORM NO. MGT-9

Extract of Annual Return as on the financial year ended on 31<sup>st</sup> March, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I) Registration and Other Details:

CIN	L65990MH1984PLC033128
Registration Date	13/06/1984
Name of the Company	Frontier Capital Limited
Category / Sub-Category of the Company	Public Company/ Company Limited by Shares/ Indian Non - Government Company
Address of the Registered office and contact details	7 <sup>th</sup> Floor, Tower 1, Peninsula, Technopark, Equinox Business Park, Off BKC L.B.S. Marg, Kurla (west), Mumbai - 400070 <b>Phone No.:</b> 022-3382-6000; <b>Fax Number :</b> 022-3382-6123 <b>Email :</b> frontierleasing1984@gmail.com
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Sharex Dynamic (India) Private Limited 1st Floor, 44-E, M Vasanti Marg Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai - 400072

II) Principal Business Activities of the Company

Sr No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
01	Hire Purchase, Commercial Vehicle Finance, Construction Equipment Finance, Bill Discounting, Channel Finance, Corporate Funding (ICD)	64990	100

III) Particulars of Holding, Subsidiary and Associate Companies

Sr. No	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	Percentage Of Shares Held	Applicable Section
01	<b>Inimitable Capital Finance Private Limited</b> 77/56, C.P.Ramaswamy Road, Abhiramapuram, Chennai, Tamilanadu - 600018	U74999TN2008PTC067735	Holding	67.37	Section 2(46)

**IV) Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)**
**A. Category-wise Share Holding**

Category of Share Holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A) Promoters</b>									
<b>(1) Indian</b>									
Individual /HUF	16900	-	16900	6.45	16900	-	16900	6.45	-
Central Govt.	-	-	-	-	-	-	-	-	-
State Govt.(s)	-	-	-	-	-	-	-	-	-
Bodies Corp.	176610	-	176610	67.37	176610	-	176610	67.37	-
Banks / FI	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1)</b>	<b>193510</b>	<b>-</b>	<b>193510</b>	<b>73.82</b>	<b>193510</b>	<b>-</b>	<b>193510</b>	<b>73.82</b>	<b>-</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals		-	-	-		-	-	-	-
b) Other Individuals		-	-	-		-	-	-	-
c) Bodies Corp.		-	-	-		-	-	-	-
d) Banks / FI		-	-	-		-	-	-	-
e) Any Other		-	-	-		-	-	-	-
<b>Sub-total (A) (2)</b>		<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter</b>	<b>193510</b>	<b>-</b>	<b>193510</b>	<b>73.82</b>	<b>193510</b>	<b>-</b>	<b>193510</b>	<b>73.82</b>	<b>-</b>
<b>B) Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds		-	-	-		-	-	-	-
b) Banks / FI		-	-	-		-	-	-	-
c) Central Govt		-	-	-		-	-	-	-
d) State Govt(s)		-	-	-		-	-	-	-
e) Venture Capital Funds		-	-	-		-	-	-	-
f) Insurance Companies		-	-	-		-	-	-	-
g) FIIs		-	-	-		-	-	-	-

h) Foreign Venture Capital Funds		-	-	-		-	-	-	-
i) Others (specify)		-	-	-		-	-	-	-
<b>Sub-total (B)(1)</b>		-	-	-		-	-	-	-
<b>2. Non-Institutions</b>									
a) i) Bodies Corp. (Indian)	52318	-	52318	19.95	52318	-	52318	19.95	-
a) ii) Bodies Corp.(Overseas )		-	-	-		-	-	-	-
b) i) Individuals (Individual shareholders holding nominal share capital upto Rs. 1 lakh )	16335	-	16335	6.23	16335	-	16335	6.23	-
b) ii) Individuals ( Individual shareholders holding nominal share capital in excess of Rs 1 lakh )	-	-	-	-		-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2)</b>	68653	-	68653	26.18	68653	-	68653	26.18	-
<b>Total Public Shareholding</b>	68653	-	68653	26.18	68653	-	68653	26.18	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>262163</b>	<b>0</b>	<b>262163</b>	<b>100</b>	<b>262163</b>	<b>0</b>	<b>262163</b>	<b>100</b>	<b>-</b>

**B. Shareholding of Promoters**

Shareholder's Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
	No. of Shares	% of total Shares	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares	% of Shares Pledged / encumbered to total shares	
<b>Inimitable Capital Finance Private Limited</b>	176610	67.37	-	176610	67.37	-	-
<b>Anirudh Bhuwalka</b>	16900	6.45	-	16900	6.45	-	-
<b>Total</b>	<b>193510</b>	<b>73.82</b>	<b>-</b>	<b>193510</b>	<b>73.82</b>	<b>-</b>	<b>-</b>

**C. Change in Promoters' Shareholding**

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
<b>At the beginning of the year</b>	<b>193510</b>	<b>73.82</b>	-	-
Pursuant to Bonus issue			-	-
<b>At the End of the year</b>	<b>193510</b>	<b>73.82</b>	-	-

**D. (Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and GDR & ADR Holders):**

Sr. No	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
01.	Adel Shipping Holdings Limited	15120	5.76		
	<b>At the end of the year</b>	<b>15120</b>	<b>5.76</b>		
02.	Jubilee Shipping & Logistics Holdings Limited	15026	5.732		
	<b>At the end of the year</b>	<b>15026</b>	<b>5.732</b>		
03.	Sivanarayanan	14906	5.686		

	Financial Services Private Limited				
	<b>At the end of the year</b>	<b>14906</b>	<b>5.686</b>		
04.	Santosh Narayan Rathi	5866	2.238		
	<b>At the end of the year</b>	<b>5866</b>	<b>2.238</b>		
05.	Neha Rajat Lahoty	3200	1.221		
	<b>At the end of the year</b>	<b>3200</b>	<b>1.221</b>		
06.	Richa Rathi	3200	1.221		
	<b>At the end of the year</b>	<b>3200</b>	<b>1.221</b>		
07.	Essen Consultants Private Limited	2400	0.915		
	<b>At the end of the year</b>	<b>2400</b>	<b>0.915</b>		
08.	Madhumilan Credit Capital Private Limited	2400	0.915		
	<b>At the end of the year</b>	<b>2400</b>	<b>0.915</b>		
09.	Rathi Research & Securities Services Private Limited	2400	0.915		
	<b>At the end of the year</b>	<b>2400</b>	<b>0.915</b>		
10.	Vijay Mulchand Vyas	1266	0.483		
	<b>At the end of the year</b>	<b>1266</b>	<b>0.483</b>		

**E. Shareholding of Directors and Key Managerial Personnel:\*\*\***

Sr No.	For each of the Directors and KMP	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

01.	**Usha Iyengar	8	0.00	-	-
	<b>At the end of the year</b>	8	0.00		

*\*\* Mrs. Usha Iyengar has been appointed as a Trustee of 08 (Eight) new equity shares representing fraction shares resulted out of the allotment of 17,163 number of bonus equity shares issued against existing 51,490 fully paid equity shares to the shareholders at Board of Director's meeting held on Tuesday, 02nd August, 2016.*

**V) Indebtedness of the Company including interest outstanding/accrued but not due for payment:**

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	58,24,868	-	58,24,868
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	58,24,868	-	58,24,868
<b>Change in Indebtedness during the financial year</b>				
Addition	-	23,000	-	-
Reduction	-	-	-	-
Net Change	-	-	-	-
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	58,24,868	-	58,24,868
ii) Interest due but not paid	-	23,000	-	23,000
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	58,47,868	-	58,47,868

**VI) Remuneration**
**A. Remuneration of Directors and Key Managerial Personnel:**

Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
<b>Mr. Hemendranath Rajendranath Choudhary - Whole - Time Director</b>		
Gross salary	-	12,00,000/-
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
(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		
Stock Option	-	-
Sweat Equity	-	-
Commission	-	-

- as % of profit	-	
- others, specify...	-	
Others, please specify	20,000/- Sitting fees per meeting attended	1,00,000/-
<b>Total (A)</b>	-	13,00,000/-
<b>Ceiling as per the Act</b>	-	60,00,000/-

**B. Remuneration to other Directors:**

Particulars of Remuneration	Name of Directors		Total Amount
<b>Independent Directors</b>	Mr. Ashoke Katra		
• Fee for attending board / committee meetings	20,000/-		20,000/-
• Commission			
• Others, please specify			
<b>Total (1)</b>	20,000/-		20,000/-
<b>Other Non-Executive Directors</b>	Usha Iyengar		
• Fee for attending board / committee meetings	20,000/-		20,000/-
• Commission			
• Others, please specify			
<b>Total (2)</b>	20,000/-		20,000/-
<b>Total (B)=(1+2)</b>	40,000		<b>40,000</b>
Total Managerial Remuneration			
Overall Ceiling as per the Act	As per Section 197 read with Schedule V of the Companies Act, 2013		

**C) Remuneration of Directors and Key Managerial Personnel**

Particulars of Remuneration	Key Managerial Personnel			
	CEO	Company Secretary	CFO	Total
<b>Name of the KMP</b>	-	<b>ANIKET NARESH PRABHU</b>		-
Gross salary	-	210,000/-		210,000/-
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
(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			
Stock Option	-	-	-
Sweat Equity	-	-	-
Commission - as % of profit - Others, specify...	-	-	-
Others, please specify	-	-	-
<b>Total (A)</b>	-	<b>2,10,000/-</b>	210,000/-
Ceiling as per the Act	As per Section 197 read with Schedule V of the Companies Act, 2013		

**VII. 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			None		
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty			None		
Punishment					
Compounding					
<b>C. Other Officers In Default</b>					
Penalty			None		
Punishment					
Compounding					

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

Place: Mumbai

Date: 6<sup>th</sup> September, 2019

Sd/-

**Hemendranath Choudhary**

Whole - Time Director

DIN:6641774

Sd/-

**Usha Iyengar**

Director

DIN: 03447551

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

For The Financial Year Ended 31<sup>st</sup> March, 2019

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

To,  
The Members,  
**Frontier Capital Limited**  
Add: Peninsula Technopark Tower-1, 7<sup>th</sup>Floor,  
Off Bandra-Kurla Complex, LBS Marg,  
Kurla (West), Mumbai-400070, Maharashtra, India

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2019 (**'Audit Period'**) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2019 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 there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (**Not Applicable to the Company during the audit period**)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not Applicable to the Company during the audit period)**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the Company during the audit period)**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable to the Company during the audit period)** and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not Applicable to the Company during the audit period)**
- (i) We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the following law applicable specifically to the Company;
- Rules, regulations and guidelines issued by the Reserve Bank of India for Non-Deposit taking Non-Banking Financial Companies

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

1. Composition of the Audit Committee and Nomination and Remuneration Committee is not in accordance with the provisions of section 177 and 178 of the Companies Act, 2013 respectively;
2. The Company has not appointed Chief Financial Officer till 13<sup>th</sup> February, 2019 and Internal Auditor during the financial year 2018-19 as required to appoint under the applicable provisions of the Companies Act, 2013;
3. Meeting of Independent Directors for the financial year 2018-19 was not held;
4. The Company has taken approval of Shareholders for appointment of Mr. Hemendra Choudhary as Whole-Time Director of the Company by way Ordinary Resolution instead of Special Resolution as required under section 196 of the Companies Act, 2013;
5. The Company has complied with provisions of section 134 of the Companies Act, 2013 by mentioning web address where annual return for year 2017-18 has been placed but as per Section 92

of the Companies Act, 2013, the extract of Annual Return (Form MGT.9) & Management Discussion and Analysis Report is not attached with the Board Report for the F.Y. 2017-18;

6. The Company has not maintained its website functional as required under regulation 46 of SEBI (LODR) 2015 and applicable provisions of the Companies Act, 2013;
7. Non-submission/delayed submission of some information or returns as required under of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
8. Intimation of Closure of Trading Window has not been given to insiders while considering quarterly/yearly financial results and other UPSI matters;
9. The Company is not in compliance with the provision of section 152 of the Companies Act, 2013 w.r.t retirement by rotation of directors;

**We further report that:**

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

Adequate notice is given to all directors to schedule the Board Meetings and agenda items were generally sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

**We further report that** the 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 are adequate.

**We further report that** the Company has taken approval of shareholders at 34<sup>th</sup> Annual General Meeting of the Company held on September 28, 2018 for re-appointment of Mr. Hemendra Choudhary as a Whole-Time Director of the Company by way of Ordinary Resolution.

**For AVS & Associates  
Company Secretaries**

Sd/-

**Shashank Ghaisas**

**Partner**

**Membership No. A40386**

**C.P. No: 16893**

**Place: Navi Mumbai**

**Date: 04.09.2019**

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

**'Annexure - I'**

To,  
The Members,  
**Frontier Capital Limited**  
Add: Peninsula Technopark Tower-1,7<sup>th</sup>Floor,  
Off Bandra-Kurla Complex, LBS Marg,  
Kurla (West) Mumbai-400070, Maharashtra, India

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

Maintenance of secretarial and other records under applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.

We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.

The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedures on test check basis for the purpose of issue of the Secretarial Audit Report.

The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For AVS & Associates**  
**Company Secretaries**

**Sd/-**  
**Shashank Ghaisas**  
**Partner**  
**Membership No. A40386**  
**C.P. No: 16893**

**Place: Navi Mumbai**  
**Date: 04.09.2019**

### NOMINATION AND REMUNERATION POLICY

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

#### Definitions:

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

“Key Managerial Personnel” means:

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

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

#### Objective:

The objective of the policy is to ensure that

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

#### Role of the Committee:

The role of the NRC will be the following:

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

#### **APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

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

#### **TERM/ TENURE**

##### **A. MANAGING DIRECTOR/WHOLE-TIME DIRECTOR:**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

##### **B. INDEPENDENT DIRECTOR:**

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

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

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



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

**C. EVALUATION**

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

**D. REMOVAL**

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

**E. RETIREMENT**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL**

**a) Remuneration to Managing Director / Whole-time Directors:**

- a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

**b) Remuneration to Non- Executive / Independent Directors:**

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

- c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
- d) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
- The Services are rendered by such Director in his capacity as the professional; and
  - In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.
- e) The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Directors (other than Independent Directors).
- c) Remuneration to Key Managerial Personnel and Senior Management:**
- a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- b) The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share-based payments to be made to Key Managerial Personnel and Senior Management.
- c) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.
- d) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

### **IMPLEMENTATION**

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- The Committee may Delegate any of its powers to one or more of its members.

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

Place: Mumbai

Date: 6<sup>th</sup> September, 2019

Sd/-

**Hemendranath Choudhary**

Whole - Time Director

DIN:6641774

Sd/-

**Usha Iyengar**

Director

DIN: 03447551

<b>I. Disclosure as per Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:</b>					
<b>(i)</b>	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2018-19 :-				
	<table border="1"> <thead> <tr> <th><b>Name of the Director</b></th> <th><b>Ratio of remuneration to the median remuneration of the employees</b></th> </tr> </thead> <tbody> <tr> <td><b>Mr. Hemendranath Choudhary</b></td> <td><b>5.71x</b></td> </tr> </tbody> </table>	<b>Name of the Director</b>	<b>Ratio of remuneration to the median remuneration of the employees</b>	<b>Mr. Hemendranath Choudhary</b>	<b>5.71x</b>
<b>Name of the Director</b>	<b>Ratio of remuneration to the median remuneration of the employees</b>				
<b>Mr. Hemendranath Choudhary</b>	<b>5.71x</b>				
<b>(ii)</b>	The percentage increase in remuneration of each director, CFO, CEO, Company Secretary or Manager, if any, in the financial year 2018-19.				
	There is no increase in the remuneration of the Whole-Time Director and Company Secretary during the FY 2018-19				
<b>(iii)</b>	The percentage increase in the median remuneration of employees in the financial year 2018-19.				
	NA				
<b>(iv)</b>	The number of permanent employees on the rolls of the company as on March 31, 2019.				
	Nil				
<b>(v)</b>	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.				
	NA				
We hereby confirm that the remuneration paid during the year is as per the remuneration policy of the Company and as adopted by the company.					

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

	Sd/-	Sd/-
	<b>Hemendranath Choudhary</b>	<b>Usha Iyengar</b>
Place: Mumbai	Whole - Time Director	Director
Date: 6 <sup>th</sup> September, 2019	DIN:6641774	DIN: 03447551

**MANAGEMENT DISCUSSION AND ANALYSIS****A. GLOBAL ECONOMIC OVERVIEW**

Global economic activity gathered momentum since January, 2018, both in advanced and emerging market economies. In the middle of the year, the global growth became uneven with rising trade tensions. The economic activity of emerging market economies had decelerated in the middle of the year on account of weak domestic demand, rising trade tensions, elevated oil prices, tightening of financial conditions, etc. In the later half of the year, global economic activity showed increasing signs of weakness on rising trade tensions.

**B. DOMESTIC MARKET: -**

The Indian economy began the year with 8.10% year-on-year growth in Gross Domestic Product (GDP) in January-March 2018, driven by higher growth in manufacturing, the farm sector and construction. It surpassed China's GDP growth rate of 6.80% in the January-March 2018 quarter, confirming India as the fastest growing major economy. The economy grew at 8% in April-June 2018 quarter on strong performance by manufacturing and consumer spending but slowed to 7% in July-September 2018 quarter on slower consumer spending and farm growth. The economy further slowed down to 6.60% in October-December 2018 quarter on weaker consumer demand and lower government spending.

RBI increased repo rate by 25 basis points each in its June, 2018 and August, 2018 bi-monthly policy meetings. However, it cut repo rate by 25 basis points each, in February, 2019 and April, 2019 bimonthly policy meetings to spur growth.

The government has exceeded the disinvestment target for the second year in a row in financial year 2018-19. Disinvestment through the Exchange Traded Fund (ETF) route proved to be a best route for the government.

The second advance estimates for 2018-19 released by the Central Statistics Office (CSO) in February 2019 revised India's real GDP growth downwards to 7.0% from 7.2% in the first advance estimates. Domestic economic activity decelerated for the third consecutive quarter in Q3:2018-19 due to a slowdown in consumption, both public and private.

The government's total revenue of Rs. 12.66 trillion upto February, 2019 was 73.2% of the estimated revenue for the financial year 2018-19, out of which the net tax income was Rs. 10.94 trillion and non-tax revenue was Rs. 1.72 trillion, which were below the estimates for the financial year 2018-19.

The revenue expenditure was at Rs. 19.15 trillion in the first 11 months of the financial year 2018-19, 89.4% of the budgeted expenditure. The capital expenditure stood at Rs. 2.74 trillion during the said period, 86.6% of budget for the capital expenditure.

While announcing the interim budget for the fiscal year 2018- 19, the government had revised its targeted fiscal deficit at 3.40% of GDP for FY 19 which has been met.

**C. FINANCIAL SERVICES SECTOR**

India's financial services sector comprises of commercial banks/co-operative banks, non-banking financial companies, insurance companies, pension / mutual funds and other various entities. Scheduled Commercial Banks' credit growth on a year-on-year (y-o-y) basis improved across bank groups between March and September 2018, largely driven by the private sector banks (from 21.30% in March 2018 to 22.5% in September 2018). Private sector banks' deposit growth continued to be robust at 18.40%. The performance of the Public Sector Banks (PSBs) has witnessed an overall improvement with credit growth increasing from 5.90% in March 2018 to 9.10% in September 2018 and deposit growth increasing from 3.20% to 5.00% in the same period.

While, Non-Prompt Corrective Action (NPCA) PSBs' credit growth improved from 9.10% in March 2018 to 13.60% in September 2018 and deposits increased from 6.10% to 7.90% in the same period, the PCA-PSBs registered negative growth in both credit and deposits.

In order to develop and deepen the corporate bonds market, SEBI has recently issued a circular on fund raising by issuance of debt securities mandating the large corporates to raise 25% of their incremental borrowings from the financial year 2019- 20 onwards through corporate bond market. This will address concentration risk in the banking system.

**D. NBFC SECTOR**

As of 27<sup>th</sup> March, 2019 there were approximately 10,000 NBFCs registered with Reserve Bank of India (RBI), of which 89 deposit accepting NBFC. The primary activities of NBFCs are providing consumer credit, including automobile finance, home finance and consumer durable products finance, wholesale finance products such as bills discounting for small and medium companies and infrastructure finance, and fee based services such as investment banking and underwriting. NBFCs have carved niche business areas for them within the financial sector space and are also popular for providing customized products. For instance, your Company providing finance for re-possessed vehicles at the doorstep of the customer. NBFCs bring the much needed diversity to the financial sector. NBFCs play an important role to promote financial inclusion agenda of the government by catering to the financial needs of people belonging to weaker section of the society. The crisis faced by a large prominent financial institution of the country in September led to drying-up bank lending, thereby forcing NBFCs to scout for alternate sources of funding.

In February 2019, Reserve Bank of India (RBI) had eased risk weight norms to increase credit flow to NBFCs.

The banks are now required to assign differential risk-weights to their exposures to NBFCs based on ratings assigned by credit rating agencies, as against the existing practice of a uniform risk weight of 100%.

The move is aimed at not only freeing up capital for banks for further lending but also slash borrowing costs for well-rated NBFCs, which have been grappling with a systemic liquidity crisis triggered by a series of defaults by a large prominent financial institution and its subsidiaries.

In order to provide NBFCs with greater operational flexibility, the RBI has merged the categories of NBFCs classified as asset finance companies, investment companies and loan companies into a new category called NBFC - Investment and Credit Company ("NBFC-ICC").

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

There are no significant changes in key financial ratios of the Company for F.Y. 2018-19 as compared to F.Y. 2017-18.

As Company is under its re-structuring process, 100% provision was made on all NPA's, because of which loss after tax was ₹ . 9,26,20,919 as against the loss of ₹ . 8,81,38,682 in previous year.

#### **F. SWOT ANALYSIS**

##### **Strengths**

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

##### **Weakness**

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

##### **Opportunities**

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

##### **Threats**

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

**G. FUTURE STRATEGY**

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

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

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

Place: Mumbai

Date: 6<sup>th</sup> September, 2019

Sd/-

**Hemendranath Choudhary**

Whole - Time Director

DIN:6641774

Sd/-

**Usha Iyengar**

Director

DIN: 03447551



**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF FRONTIER CAPITAL LIMITED****Report on the Audit of the Financial Statements****Opinion**

We have audited the financial statements of **FRONTIER CAPITAL LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2019, the Statement of Profit and Loss and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2019, its loss and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter**

We draw attention to Note 2.26 to the financial statements wherein it has been stated that the net-worth of the Company has been completely eroded in view of huge losses and on account of provisioning for bad and doubtful debts and investments. The company has taken measures to recapitalise its balance sheet and to attain a positive net-worth as well as meet the minimum stipulated Net Owned Fund requirement of Rs. 2,00,00,000/- as prescribed by the Reserve Bank of India.

Our opinion is not modified in respect of this matter.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our

audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Descriptions of Key Audit Matters are given below:-

SI No.	Key Audit Matters	Auditor's Response
1	<p><b>Impairment testing of Long Term Investment in 0% Compulsorily Convertible Debentures (CCD) of Asia Motor Works Holdings Limited (AMWHL)</b>  <i>(Refer Notes – 2.03 and 2.09 to the accompanying financial statements)</i></p> <p>Considering the materiality of the amounts involved, the significant management judgement required in estimating the quantum of diminution in the value of investments and such estimations and judgements being subjective, this matter has been identified as a key audit matter for the current year audit.</p>	<p>As at 31<sup>st</sup> March, 2019, the carrying amount of investments in CCD of AMWHL is Rs. NIL (net of provision for diminution in the value of investments of Rs. 7,46,33,500/-)</p> <p>The net-worth of AMWHL is fully eroded as per its latest available financial statements and there is no likelihood of revival in the imminent future. Accordingly, the management has fully provided for the said investment.</p> <p>Our procedures included, but were not limited to the following -</p> <ol style="list-style-type: none"> <li>1. Obtained an understanding of the management's process and evaluated design and tested operating effectiveness of controls around identification of indicators of impairment and around valuation of investment in AMWHL to determine recoverable value of the said investment.</li> <li>2. Assessed the appropriateness of the methodology used by the management to estimate the recoverable value of investment in AMWHL.</li> <li>3. Based on our procedures, we also considered the adequacy of disclosure in respect of investment in the said AMWHL in the notes to the financial statements.</li> </ol> <p>Based on the above procedures performed, we did not find any significant exceptions in impairment provision in Long Term Investments.</p>

**Information Other than the Financial Statements and Auditor's Report Thereon**

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

### **Report on Other Legal and Regulatory Requirements**

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

- i. The Company is engaged in the business of a non-banking financial institution and has duly obtained a Certificate of Registration (COR) from the Bank.
  - ii. The Company has more than 50% of its assets in financial assets and it has earned more than 50% of its income from financial assets. In terms of its principal business criteria (financial asset/income pattern) as on 31<sup>st</sup> March, 2019, the Company is entitled to continue to hold CoR issued by the Bank.
  - iii. The Company does not meet the Net Owned Fund requirement as laid down in the Master Direction - Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.
  - iv. The Board of Directors of the company have duly passed a resolution for non-acceptance of the "Public Deposits" within the meaning of paragraph 3 (xv) of the Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions 2016, for the financial year ended 31st March, 2019.
  - v. The Company has not accepted any "Public Deposits" within the meaning of paragraph 3 (xv) of the Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions 2016, during the year ended 31st March, 2019.
  - vi. The company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of Master Direction - Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.
  - vii. The Company is not systematically important non-deposit taking NBFC as defined in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016& accordingly para 3(C)(iv) of the Directions is not applicable.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure "A", a statement on the matters specified in the paragraph 3 and 4 of the Order to the extent applicable.
3. As required by Section 143 (3) of the Act, we report that:
- i) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - ii) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - iii) The Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - iv) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) rules, 2014.
  - v) On the basis of the written representations received from the directors as on 31 March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
  - vi) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

vii) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

viii) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- a. The Company does not have any pending litigations which would impact its financial position.
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

**Sd/-**  
**Mohit Bhuteria**  
Partner  
(Membership No.056832)

Place of Signature: Kolkata

Date:



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

- (i)
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Fixed Assets have been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the company and the nature of its business. No discrepancies were noticed on such verification.
  - (c) The Company does not have an immovable property held as fixed assets, therefore paragraph 3(i)(c) of the Order is not applicable.
- (ii) The Company does not have any inventory and therefore paragraph 3(ii) of the Order is not applicable.
- (iii) In our opinion and according to the information and explanations given to us and examination of records we considered necessary, the Company has not granted any loan, secured or unsecured, to Companies, firms, limited liability partnerships or parties covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not given any loan/guarantee/security to or on behalf of any party referred to in Section 185 of the Companies Act 2013. The Company being a Non-Banking Finance Company is engaged in the business of financing of companies, hence, provisions of Section 186 of the Companies Act 2013 is not applicable to the Company.
- (v) On the basis of our examination of books and records of the Company, in our opinion and according to the information and explanations given to us, the company has not accepted deposits during the year and therefore the directives issued by the Reserve bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and the rules framed there under are not applicable to the Company.
- (vi) In our opinion, the Company is not required to maintain Cost records under section 148(1) of the Companies Act 2013.
- (vii)
- (a) According to the information and explanations given to us and on the basis of our examination of the books and records of the Company, the company is regular in depositing undisputed statutory dues including income-tax and other material statutory dues with the appropriate authorities.  
According to the information and explanations given to us and on the basis of our examination of the books and records of the Company, no undisputed amounts payable in respect of income tax, GST, cess and other material statutory dues were in arrears as at 31st March 2019 for a period of more than six months from the date they became payable, except for Service tax payable under reverse charge mechanism amounting to Rs. 18,600/- ,



Profession tax of Rs. 8,100/- and Goods and Services Tax of Rs. 75,600/-.

- (b) According to the information & explanation give to us, there are no dues of Income tax and other applicable Statutory Dues which have not been deposited on account of any dispute.
- (viii) The Company does not have any loans or borrowings from any financial institution, banks or government. The company has not issued any debentures during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) On the basis of our examination of books and records of the Company and according to the information and explanation provided to us, no fraud by the company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) On the basis of our examination of books and records of the Company and according to the information and explanation provided to us, the managerial remuneration paid is according to the provisions of Section 197 read with Schedule V of the Companies Act 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013. Details of transactions with the related parties have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act 1934 as a Non-Banking Finance Company and the registration has been so obtained.

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

Sd/-

**Mohit Bhuteria**

Partner

(Membership No.056832)

Place of Signature: Kolkata

Date: 23-05-2019

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

We have audited the internal financial controls over financial reporting of **Frontier Capital Limited** ("the Company") as of 31st March, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls 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<sup>st</sup> March, 2019, 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 **A.C. Bhuteria & Co.**  
Chartered Accountants  
(Firm's Registration No. 303105E)

Sd/-  
**Mohit Bhuteria**  
Partner  
(Membership No.056832)

Place of Signature: Kolkata

Date: 23-05-2019

**FRONTIER CAPITAL LIMITED**  
(CIN: L65990MH1984PLC033128)  
PENINSULA TECHNOPARK TOWER-1, 7TH FLOOR, LBS MARG, KURLA (WEST), MUMBAI- 400070  
Balance Sheet as at 31st March 2019

	Notes	As at 31st March, 2019 (₹)	As at 31st March, 2018 (₹)
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Fund</b>			
Share Capital	2.01	142,621,630.00	142,621,630.00
Reserves & Surplus	2.02	(149,085,017.00)	(56,464,098.39)
		<b>(6,463,387.00)</b>	<b>86,157,531.61</b>
<b>Non-Current Liabilities</b>			
Long-term Provisions	2.03	74,633,500.00	37,316,733.00
		<b>74,633,500.00</b>	<b>37,316,733.00</b>
<b>Current Liabilities</b>			
Short Term Borrowings	2.04	5,847,868.00	5,824,868.00
Trade Payables	2.05		
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		1,149,949.00	1,231,240.00
Other Current Liabilities	2.06	3,871,356.00	510,404.00
Short Term Provisions	2.07	101,945,584.00	51,073,704.00
		<b>112,814,757.00</b>	<b>58,640,216.00</b>
<b>Total</b>		<b>180,984,870.00</b>	<b>182,114,481.00</b>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, Plant and Equipment	2.08		
Tangible Assets		-	73,356.00
Intangible Assets		-	-
Non-current Investments (long-term)	2.09	74,633,500.00	74,633,500.00
		<b>74,633,500.00</b>	<b>74,706,856.00</b>
<b>Current Assets</b>			
Cash & Cash Equivalents	2.10	232,974.00	400,687.29
Short Term Portion of Receivables under Financing Activities	2.11	-	469,025.33
Short-Term Loans and Advances	2.12	103,722,735.00	106,537,912.76
Other Current Assets	2.13	2,395,661.00	-
		<b>106,351,370.00</b>	<b>107,407,625.38</b>
<b>Total</b>		<b>180,984,870.00</b>	<b>182,114,481.38</b>
<b>Significant Accounting Policies</b>	1.00		
<b>Notes to Financial Statements</b>	2	-	-
As per our Report of even date.			
For A.C. Bhuteria & Co.		For and on behalf of the Board	
Chartered Accountants			
Firm Registration No: 303105E			
	Sd/-	Sd/-	Sd/-
	Hemendranath Choudhary	Ashok Katra	Usha Iyengar
Mohit Bhuteria	Whole Time Director	Independent Director	Director
Partner			
Membership No: 056832			
Place : Kolkata		Sd/-	
Date : 23.05.2019		Aniket Naresh Prabhu	
		Company Secretary & CFO	

**FRONTIER CAPITAL LIMITED**  
**(CIN: L65990MH1984PLC033128)**  
**PENINSULA TECHNOPARK TOWER-1, 7TH FLOOR, LBS MARG, KURLA(WEST) MUMBAI- 400070**  
**Statement of Profit and Loss for the year ended 31st March 2019**

	Notes	Year Ended 31st March, 2019 ( ` )	Year Ended 31st March, 2018 ( ` )
<b>INCOME</b>			
I) Revenue from Operations	2.14	40,304	107,251
II) Other Income	2.15	337,992	140,694
<b>III) Total Revenue (I+II)</b>		<b>378,296</b>	<b>247,945</b>
<b>IV) EXPENSES</b>			
Employee Benefits Expense	2.16	1,588,011	1,090,742
Finance Cost	2.17	44,153	38,323
Depreciation & amortisation	2.08	73,356	3,459,908
Other Expenses	2.18	2,311,958	4,234,837
Provisions & Contingencies			
- For bad and doubtful debts		51,072,531	38,648,695
- For depreciation on investments		37,316,733	37,316,733
<b>Total Expenses</b>		<b>92,406,742</b>	<b>84,789,238</b>
<b>V) Profit Before Tax (III-IV)</b>		<b>(92,028,446)</b>	<b>(84,541,293)</b>
<b>VI) Tax Expenses</b>			
Current Tax		-	-
Deferred Tax		-	3,597,389
Income Tax for earlier years		592,473	-
<b>VII) Profit/ (Loss) for the Year (V-VI)</b>		<b>(92,620,919)</b>	<b>(88,138,682)</b>
<b>VIII) Earnings Per Equity Share - (Face value ` 10/- each)</b>	2.19		
-Basic		(353.30)	(336.20)
-Diluted		(353.30)	(336.20)
<b>Significant Accounting Policies</b>	1		
<b>Notes to Financial Statements</b>	2		

As per our Report of even date.

For A.C. Bhuteria & Co.  
Chartered Accountants  
Firm Registration No: 303105E  
Mohit Bhuteria  
Partner  
Membership No: 056832

Sd/-  
Hemendranath Choudhary  
Whole Time Director

Sd/-  
Ashok Katra  
Independent Director

For and on behalf of the Board  
Sd/-  
Usha Iyengar  
Director

Place : Kolkata  
Date : 23.05.2019

Sd/-  
Aniket Naresh Prabhu  
Company Secretary & CFO

FRONTIER CAPITAL LIMITED  
(CIN: L65990MH1984PLC033128)  
PENINSULA TECHNOPARK TOWER-1, 7TH FLOOR, LBS MARG, KURLA(WEST) MUMBAI- 400070

Cash Flow Statement for the year ended 31st March, 2019

PARTICULARS	Figures for the Year Ended 31st March,	Figures for the Year Ended 31st March,
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Profit before tax	(92,028,446)	(84,541,293)
<u>Adjusted for:</u>		
Add: Depreciation and amortisation expenses	73,356	3,459,908
Add / (Less) : FD Interest not receivable, written off	6,262	
Add / (Less) : Contingent Provision against Standard assets	(650)	(121,189)
Add: Provision for Bad and Doubtful debts	51,072,531	38,648,695
Add: Provision for diminution in the value of investments	37,316,733	37,316,733
Add: Interest expenses/ Finance Cost	44,153	38,323
Less: Liability no longer required written back	(204)	(1,642)
Less: Provision for Doubtful debts written back	(200,000)	(210,000)
Add: Bad debts	-	2,395,210
Add: Reversal of interest on account of NPA	-	-
Less: Interest on FD	(12,462)	-
Less: Interest on Income Tax refund	(124,376)	-
Less: Interest Income	(40,304)	(125,114)
Operating profit before working capital changes	<b>(3,893,407)</b>	<b>(3,140,369)</b>
<b>Movement in Working Capital</b>		
Changes in Trade and Other Receivables	(1,765,887)	(4,344,503)
Change in Trade Payables	3,333,365	424,122
	<b>(2,325,928)</b>	<b>(7,060,750)</b>
Direct Taxes Paid (net of refunds)	2,186,332	(1,789)
(+)Interest Received	40,304	107,251
<b>Net cash generated from / (used in) operating activities (a)</b>	<b>(99,293)</b>	<b>(6,955,288)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Redemption of Fixed Deposit	212,678	-
Interest on Fixed Deposit with Banks	6,200	3,256
<b>Net cash generated from / (used in) investing activities (b)</b>	<b>218,878</b>	<b>3,256</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Interest Expenses	(44,153)	(38,323)
Proceeds from short term borrowings (net)	23,000	(61,736)
Proposed Final Dividend Paid (including CDT)	-	-
<b>Net cash generated from / (used in) financing activities (c)</b>	<b>(21,153)</b>	<b>(100,059)</b>
<b>(a+b+c)</b>	<b>98,432</b>	<b>(7,052,091)</b>
Add: Cash and cash equivalents at the beginning of the year	134,542	7,186,633
<b>Cash and cash equivalents at the end of the year</b>	<b>232,974</b>	<b>134,542</b>

**Notes:**

1 Cash Flow Statement has been prepared using the indirect method in accordance with Accounting Standard AS 3-

**2 Reconciliation of Cash and Cash Equivalents**

Balances with Banks in Current Accounts	209,820	113,140
Cash on hand	5,038	3,286
Earmarked balances with Bank- Unclaimed Dividend Account	18,116	18,116
	<b>232,974</b>	<b>134,542</b>

As per our Report of even date attached.

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

For and on behalf of the Board of Directors

<p>Mohit Bhuteria Partner Membership No: 056832 Place : Kolkata Date : 23.05.2019</p>	<p>Sd/- Hemendranath Choudhary Whole Time Director</p>	<p>Sd/- Ashok Katra Independent Director</p>	<p>Sd/- Usha Iyengar Director</p>
	<p>Sd/- Aniket Naresh Prabhu Company Secretary &amp; CFO</p>		

## Frontier Capital Limited

### 1. SIGNIFICANT ACCOUNTING POLICIES :

#### a. Basis of preparation

The financial statements have been prepared and presented on accrual basis of accounting under the historical cost convention and in accordance with generally accepted accounting principles ["GAAP"] in India to comply with the relevant applicable provisions of the Companies Act, 2013 (to the extent applicable) and the Reserve Bank of India Act, 1934, in conformity with the Accounting Standards notified by the Government of India under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, and those issued by the Institute of Chartered Accountants of India (ICAI), as applicable, and pronouncements of the ICAI, wherever applicable, except to the extent where compliance with other statutory promulgations override the same requiring a different treatment. All the assets and liabilities have been classified as current or non-current as per Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of activities, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

#### b. Use of estimates

The preparation of the financial statements is in conformity with Indian GAAP and requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities on the date of the financial statements. The estimates and assumptions made and applied in preparing the financial statements are based upon management's best knowledge of current events and actions as on the date of financial statements. However, due to uncertainties attached to the assumptions and estimates made, actual results could differ from those estimated. Any revision to accounting estimates is recognized prospectively in current and future periods.

#### c. Property, Plant & Equipment:

##### Initial Recognition:

The tangible items of property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any, using the cost model as prescribed under Accounting Standard, AS-10 "Property, Plant & Equipment". Cost of an item of property, plant and equipment comprises of the purchase price, including import duties, if any, non-refundable purchase taxes, after deducting trade discounts and rebates, and costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

##### Depreciation and amortisation:

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

Intangible Assets consisting Softwares are amortised over the period of three years.

#### d. Investments



## **Frontier Capital Limited**

### **1. SIGNIFICANT ACCOUNTING POLICIES :**

Long term investments are recognized and carried at cost in the financial statements. The cost of investment includes acquisition charges such as brokerage, fees and duties. Provision is made for diminution in the value of the investments, if, in the opinion of the management, the same is considered to be other than temporary in nature. The gain/ loss arising on disposal of investments is recognised in the Statement of Profit or Loss.

Current investments are carried at lower of cost and fair value determined for each category. If the aggregate market value for the category is less than the aggregate cost for that category, the net depreciation is charged to the profit and loss account. If the aggregate market value for the category exceeds the aggregate cost for the category, the net appreciation is ignored.

#### **e. Receivables under Financing Activities**

The receivables under financing activities includes Stock on Hire (i.e. total receivables comprising of total value of hire purchase instalments falling due after end of the accounting year net of Finance charges receivable on balance instalments), Trade Receivables (hire purchase instalments due), Loans given, Bills Discounted (net of unmatured discount charges). The receivables under financing activities are further classified into non-current portion and current portion based on tenure thereof.

#### **f. Short term employee benefits**

All employee benefits (other than termination benefits) which fall due wholly within twelve months after the end of the period in which the employees render the related service are classified as short term employee benefits, which include benefits like salaries and leave encashment.

#### **g. Revenue recognition:**

- i. The company follows the prudential norms for income recognition and provides for/writes off non-performing assets as per the Master Direction - Non-Banking Financial Company -Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, prescribed by Reserve Bank of India.
- ii. In respect of Finance Charges on Hire Purchase agreements, Income is accounted by applying implicit rate of return in the transaction on the declining balance of the amount financed for the period of the agreement.
- iii. Interest and discounting charges income are recognised on time accrual basis.

#### **h. Earnings per share :**

The earnings in ascertaining the company's EPS comprises the net profit after tax attributable to equity shareholders and includes the post tax effect of any extraordinary items. The number of shares used in computing basic EPS is the weighted average number of 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 which could have been issued on conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period.

## Frontier Capital Limited

### 1. SIGNIFICANT ACCOUNTING POLICIES :

#### **i. Taxation:**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and Loss.

##### Current Tax

Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

##### Deferred Tax

Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

Deferred tax assets are recognised only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

#### **j. Provisions, contingent liabilities and contingent assets**

A provisions is recognized when the Company has a present obligation as a result of past event, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

Contingent Liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle an obligation or a reliable estimate of the amount of obligation cannot be made.

Contingent Assets are neither recognized nor disclosed in the financial statements.

**Frontier Capital Limited**
**Notes to Financial Statements**
**2.01 Share Capital**

	31st March, 2019		31st March, 2018	
	Qty (Nos.)	Amount (₹)	Qty (Nos.)	Amount (₹)
<b>(a) Authorized Share Capital</b>				
Equity Shares of ₹ 10/- each	5,000,000	50,000,000	5,000,000	50,000,000
Non-Convertible Redeemable Preference Shares of ₹ 1,000 each	200,000	200,000,000	200,000	200,000,000
	<b>5,200,000</b>	<b>250,000,000</b>	<b>5,200,000</b>	<b>250,000,000</b>
<b>(b) Issued, Subscribed &amp; Fully Paid-up Capital</b>				
Equity Shares of ₹ 10/- each	262,163	2,621,630	262,163	2,621,630
Non-Convertible Redeemable Preference Shares of ₹ 1,000 each	140,000	140,000,000	140,000	140,000,000
	<b>402,163</b>	<b>142,621,630</b>	<b>402,163</b>	<b>142,621,630</b>

**(c) Reconciliation of Shares outstanding as at the beginning and at the end of the year**

Particulars	31st March, 2019		31st March, 2018	
	Qty (Nos.)	Amount (₹)	Qty (Nos.)	Amount (₹)
<b><u>Equity Shares of ₹ 10/- each</u></b>				
Shares outstanding at the beginning of year	262,163	2,621,630	262,163	2,621,630
Shares outstanding as at the end of the year	<b>262,163</b>	<b>2,621,630</b>	<b>262,163</b>	<b>2,621,630</b>
<b><u>Non-Convertible Redeemable Preference Shares of ₹ 1,000 each</u></b>				
Shares outstanding at the beginning of year	140,000	140,000,000	140,000	140,000,000
Add/ (Less): Movement during the year	-	-	-	-
Shares outstanding as at the end of the year	<b>140,000</b>	<b>140,000,000</b>	<b>140,000</b>	<b>140,000,000</b>

**(d) Shares held by Holding Company:**

	31st March, 2019		31st March, 2018	
	Qty (Nos.)	Amount (₹)	Qty (Nos.)	Amount (₹)
<u>Equity Shares of ₹ 10/- each</u>				
Inimitable Capital Finance Private Limited	176,610	1,766,100	176,610	1,766,100
	<b>176,610</b>	<b>1,766,100</b>	<b>176,610</b>	<b>1,766,100</b>

**(e) Shareholders holding more than 5% of Equity Share Capital of ₹ 10 each as at the respective dates.**

Particulars	31st March, 2019		31st March, 2018	
	No. of Shares held	% of holdings	No. of Shares held	% of holdings
Inimitable Capital Finance Private Limited	176,610	67.37	176,610	67.37
Mr. Anirudh Bhawalka	16,900	6.45	16,900	6.45
Jublee Shipping & Logistic Holding Limited	15,027	5.73	15,027	5.73
Adel Shipping Holdings Limited	15,120	5.77	15,120	5.77
Sivanarayanan Financial Services Private Limited	14,907	5.69	14,907	5.69

**Shareholders holding more than 5% of Preference Share Capital of ₹ 1000 each as at the respective dates.**

Particulars	31st March, 2019		31st March, 2018	
	No. of Shares held	% of holdings	No. of Shares held	% of holdings
Inimitable Capital Finance Private Limited	88,900	63.50%	140,000	100.00%

Aniruddh Bhuwalka	9,100	6.50%	-	-
Atul Bhagwat	22,400	16.00%	-	-
Vinay Kalantri	19,600	14.00%	-	-
	<b>140,000</b>	<b>100.00%</b>	<b>140,000</b>	<b>100.00%</b>

**(f) Rights, preference restrictions attached to Shares**

**Equity Shares:** The company has one class of equity shares of face value of Rs. 10 each. Every shareholder is entitled to one vote for every share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation the equity shareholders shall be entitled to receive remaining assets of the company after distribution of all dues, in proportion of their shareholdings.

**Preference Shares:** 0.01% Non-Convertible Redeemable Preference Shares of Rs. 1,000 each will be redeemed after 5 years but before 10 years from the date of allotment (i.e. 12,000 preference shares allotted on January 29, 2015, 12,000 preference shares allotted on February 6, 2015 and 116,000 preference shares allotted on March 13, 2015). The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the Preference Shareholders are eligible to receive the remaining assets of the Company before distribution to the Equity Shareholders, in proportion to their shareholding.

**(g) Pursuant to a resolution approved by the shareholders by way of postal ballot/electronic voting, subsequent to the close of the Financial year -**

a) The existing authorized share capital of Rs. 25,00,00,000/- divided into 50,00,000 equity shares of Rs. 10/- each and 2,00,000 Non-Convertible Redeemable Preference Shares of Rs. 1,000/- each has been reclassified into Rs. 25,00,00,000/- divided into 2,00,00,000 equity shares of Rs. 10/- each and 50,000 preference shares of Rs. 1,000/- each and clause V of the Memorandum of Association has been altered accordingly.

b) The rights, terms and conditions of the fully paid up preference share capital of the Company being 1,40,000 0.01% Non-Convertible Redeemable Preference Shares of Rs. 1,000 each (NCRPS) aggregating to Rs. 14,00,00,000/- has been altered/ varied to 1,40,000 0.01% Compulsorily Convertible Redeemable Preference Shares of the Company (CCPS) of Rs. 1,000/- each amounting to Rs. 14,00,00,000/- and thereafter converted with immediate effect into 1,40,00,000 equity shares of Rs. 10/- each by way of preferential allotment on private placement basis in due compliance with section 42, 48, 55 and 62(1)(c) and other applicable provisions of the Companies Act, 2013 and rules framed thereunder.

c) To strengthen the net-worth and the long-term resource base of the Company including meeting the working capital requirement, the shareholders have approved issuance of 20,00,000 equity shares of Rs. 10/- each on private placement basis to the existing promoters of the company, i.e. Inimitable Capital Finance Private Limited.

**(h) Aggregate number of Fully Paid Equity Shares of Rs. 10/- each allotted by way of Bonus in the period of 5 years immediately preceding the Balance Sheet date:**

Particulars	2013-14 (Nos.)	2014-15 (Nos.)	2015-16 (Nos.)	2016-17 (Nos.)	2017-18 (Nos.)	2018-19 (Nos.)
Equity Shares (Rs. 10 each)	-	-	-	17,163	-	-

**2.02 Reserves and Surplus**

	31st March 2019 (₹)	31st March 2018 (₹)
<b>General Reserve</b>		
Balance as at the beginning of the year	1,185,650	1,185,650
Balance as at the end of the year	<b>(a) 1,185,650</b>	<b>1,185,650</b>
<b>Special Reserve Fund (Sec. 45 IC of the RBI Act, 1934)</b>		
Balance as at the beginning of the year	8,922,920	8,922,920
Add: Transfer from Statement of Profit and Loss	-	-
Balance as at the end of the year	<b>(b) 8,922,920</b>	<b>8,922,920</b>
<b>Surplus in the Statement of Profit &amp; Loss</b>		
Balance as at the beginning of the period	(66,572,668)	21,566,014
Add: Transfer from Statement of Profit and Loss	(92,620,919)	(88,138,682)
	<b>(c) (159,193,587)</b>	<b>(66,572,668)</b>
<b>Total (a to c)</b>	<b>(149,085,017)</b>	<b>(56,464,098)</b>

**Frontier Capital Limited**  
**Notes to Financial Statements**

<b>2.03 Long-term Provision</b>	<b>31st March 2019</b>	<b>31st March 2018</b>
	( <b>₹</b> )	( <b>₹</b> )
Provision for diminution in value of long-term/non-current investments	74,633,500	37,316,733
	<b>74,633,500</b>	<b>37,316,733</b>
<b>2.04 Short Term Borrowings</b>	<b>31st March 2019</b>	<b>31st March 2018</b>
	( <b>₹</b> )	( <b>₹</b> )
(Unsecured)		
Loans and Advances from Holding Company	5,447,868	5,424,868
Loans and Advances from other related parties	400,000	400,000
	<b>5,847,868</b>	<b>5,824,868</b>
<b>2.05 Trade Payables</b>	<b>31st March 2019</b>	<b>31st March 2018</b>
	( <b>₹</b> )	( <b>₹</b> )
For Services Received	1,149,949	1,231,240
	<b>1,149,949</b>	<b>1,231,240</b>
<b>2.06 Other Current Liabilities</b>	<b>31st March 2019</b>	<b>31st March 2018</b>
	( <b>₹</b> )	( <b>₹</b> )
Statutory Dues Payable	220,480	131,912
Dues to employees	94,792	246,252
Interest accrued and due on borrowings	82,447	55,447
Unclaimed/ Unpaid dividend	4,300	4,300
Other payables	3,469,337	72,493
	<b>3,871,356</b>	<b>510,404</b>
<b>2.07 Short Term Provisions</b>	<b>31st March 2019</b>	<b>31st March 2018</b>
	( <b>₹</b> )	( <b>₹</b> )
Provision for Bad and Doubtful Debts	101,945,061	51,072,531
Contingent Provision against Standard Assets	523	1,173
	<b>101,945,584</b>	<b>51,073,704</b>

Frontier Capital Limited  
Notes to Financial Statements

2.08 Fixed Assets

(Figures in `)

Description	Gross Block				Depreciation				Net Block
	As at 1st April, 2018	Addition during the year	Sold during the year	Total	Upto 1st April, 2018	For the year	Sale/Adj. during the year	Total	As at 31st March 2019
<u>Owned</u>									
<b>Property, Plant &amp; Equipment</b>									
Computers & Printers	141,898	-	-	141,898	141,898	-	-	141,898	-
Vehicles	1,400,000	-	-	1,400,000	1,326,644	73,356	-	1,400,000	-
<b>TOTAL (A)</b>	<b>1,541,898</b>	<b>-</b>	<b>-</b>	<b>1,541,898</b>	<b>1,468,542</b>	<b>73,356</b>	<b>-</b>	<b>1,541,898</b>	<b>-</b>
<u>Owned</u>									
<b>Intangible Assets</b>									
Software	13,089,667	-	-	13,089,667	13,089,667	-	-	13,089,667	-
<b>TOTAL (B)</b>	<b>13,089,667</b>	<b>-</b>	<b>-</b>	<b>13,089,667</b>	<b>16,871,771</b>	<b>-</b>	<b>-</b>	<b>13,089,667</b>	<b>-</b>
<b>TOTAL (A + B)</b>	<b>14,631,565</b>	<b>-</b>	<b>-</b>	<b>14,631,565</b>	<b>18,340,313</b>	<b>73,356</b>	<b>-</b>	<b>14,631,565</b>	<b>-</b>

(Figures in `)

Description	Gross Block				Depreciation				Net Block
	As at 1st April, 2017	Addition during the year	Sold during the year	Total	Upto 1st April, 2017	For the year	Sale/Adj. during the year	Total	As at 31st March 2018
<u>Owned</u>									
<b>Property, Plant &amp; Equipment</b>									
Computers & Printers	141,898	-	-	141,898	129,403	12,495	-	141,898	-
Vehicles	1,400,000	-	-	1,400,000	1,151,644	175,000	-	1,326,644	73,356
<b>TOTAL (A)</b>	<b>1,541,898</b>	<b>-</b>	<b>-</b>	<b>1,541,898</b>	<b>1,281,047</b>	<b>187,495</b>	<b>-</b>	<b>1,468,542</b>	<b>73,356</b>
<u>Owned</u>									
<b>Intangible Assets</b>									
Software	13,089,667	-	-	13,089,667	9,817,254	3,272,413	-	13,089,667	-
<b>TOTAL (B)</b>	<b>13,089,667</b>	<b>-</b>	<b>-</b>	<b>13,089,667</b>	<b>9,817,254</b>	<b>3,272,413</b>	<b>-</b>	<b>13,089,667</b>	<b>-</b>
<b>TOTAL (A + B)</b>	<b>14,631,565</b>	<b>-</b>	<b>-</b>	<b>14,631,565</b>	<b>11,098,301</b>	<b>3,459,908</b>	<b>-</b>	<b>14,558,209</b>	<b>73,356</b>

FRONTIER CAPITAL LIMITED

Notes to Financial Statements

2.09 NON-CURRENT INVESTMENTS (LONG-TERM)

(at cost unless otherwise stated)

	Face Value	31st March, 2019		31st March, 2018	
		Qty. (Nos.)	Amount (₹)	Qty. (Nos.)	Amount (₹)
<b>Non-Trade Investments</b>					
<u>Unquoted</u>					
<u>Investment in 0% Compulsorily Convertible Debentures</u>					
Asia Motorworks Holdings Limited	100	746,335	74,633,500	746,335	74,633,500
			<b>74,633,500</b>		<b>74,633,500</b>

**Disclosures for Non-Current/Long-term Investments**

	31st March, 2019	31st March, 2018
Aggregate amount of Unquoted Investments	74,633,500	74,633,500
Aggregate Provision for diminution in value of Investments	74,633,500	37,316,733

2.10 Cash & Cash Equivalents

Cash and Cash Equivalents:

	31st March 2019	31st March 2018
Balances with Banks		
- in Current Accounts	209,820	127,171
Cash on Hand	5,038	3,286
	<b>(a) 214,858</b>	<b>130,457</b>

Other Bank Balances:

Fixed Deposit with original maturity period of 12 months or	-	266,145
Earmarked Balances with Bank**	18,116	4,085
	<b>(b) 18,116</b>	<b>270,230</b>
	<b>(a+b) 232,974</b>	<b>400,687</b>

\* Represents Deposits with remaining maturity of less than 12 months from the Balance Sheet date.

\*\* Earmarked balances with Bank represents unpaid dividend

2.11 Short Term Portion of Receivables under Financing Activities

Unsecured Considered Good

	31st March 2019	31st March 2018
Stock on hire purchase (net of unmatured finance charges)	-	469,025
	<b>-</b>	<b>469,025</b>



**FRONTIER CAPITAL LIMITED****Notes to Financial Statements****2.12 Short Term Loans and Advances**

	<b>31st March 2019</b>	<b>31st March 2018</b>
	(₹)	(₹)
(Unsecured, Considered Good)		
Advance Tax/TDS (Net of provisions)	1,675,031	4,329,460
Advances receivable in cash or kind or for value to be received	102,643	63,393
(Unsecured, Considered Doubtful)		
Inter Corporate Loans to Related Parties	101,945,061	102,145,060
	<b>103,722,735</b>	<b>106,537,913</b>

**2.13 Other Current Assets**

	<b>31st March 2019</b>	<b>31st March 2018</b>
	(₹)	(₹)
Hire Purchase Instalments due but not received	209,329	-
Income Tax paid	2,186,332	-
	<b>2,395,661</b>	<b>-</b>

FRONTIER CAPITAL LIMITED  
Notes to Financial Statements

2.14 Revenue from operations	Year Ended 31st March 2019 ( <sup>1</sup> )	Year Ended 31st March 2018 ( <sup>1</sup> )
<b>Revenue from Operations</b>		
<u>From Interest &amp; finance charges:</u>		
On Hire purchase	40,304	107,251
	<b>40,304</b>	<b>107,251</b>
<b>2.15 Other Income</b>	Year Ended 31st March 2019 ( <sup>1</sup> )	Year Ended 31st March 2018 ( <sup>1</sup> )
Interest on Fixed Deposit	12,462	17,863
Liabilities no longer required written back	204	1,642
Provision for Bad and doubtful debts written back	200,000	-
Miscellaneous income	300	-
Contingent Provision against Standard assets written back	650	121,189
Interest on income tax refund	124,376	-
	<b>337,992</b>	<b>140,694</b>
<b>2.16 Employee Benefits expense</b>	Year Ended 31st March 2019 ( <sup>1</sup> )	Year Ended 31st March 2018 ( <sup>1</sup> )
Salaries and incentives	1,588,011	1,072,611
Employee Welfare expenses	-	18,131
	<b>1,588,011</b>	<b>1,090,742</b>
<b>2.17 Finance Cost</b>	Year Ended 31st March 2019 ( <sup>1</sup> )	Year Ended 31st March 2018 ( <sup>1</sup> )
Interest on borrowings	30,000	30,000
Other interests	14,153	8,323
	<b>44,153</b>	<b>38,323</b>
<b>2.18 Other Expenses</b>	Year Ended 31st March 2019 ( <sup>1</sup> )	Year Ended 31st March 2018 ( <sup>1</sup> )
Rates and Taxes	63,000	42,000
Legal & Professional Fees	289,258	233,826
Directors sitting fees	300,000	240,000
Auditors' Remuneration		
For Audit fee	295,000	295,000
For Other services (including LR fees)	118,000	105,750
For Reimbursement of expenses	23,878	28,636
Bad Debts		2,395,210
Less: Provision for Bad and doubtful debts written back		(210,000)
Manpower Hire Charges	389,533	564,564
Listing and Custodial fees	305,620	299,412
Miscellaneous expenses	527,669	240,439
	<b>2,311,958</b>	<b>4,234,837</b>

**FRONTIER CAPITAL LIMITED**  
**Notes to Financial Statements**

<b>2.19 Earnings per share</b>	<b>Year Ended 31st March 2019</b>	<b>Year Ended 31st March 2018</b>
	(₹)	(₹)
Net Profit/ (Loss) attributable to Equity Shareholders (₹)	(92,620,919)	(88,138,682)
Weighted average no. of equity shares outstanding	262,163	262,163
<b>Basic Earning per share of ₹ 10/- each (in ₹)</b>	<b>(353.30)</b>	<b>(336.20)</b>
<b>Diluted Earning per share of ₹ 10/- each (in ₹)</b>	<b>(353.30)</b>	<b>(336.20)</b>

**Note:**

The Company does not have any potential dilutive Equity Shares. Consequently the basic and diluted earnings per share of the company remain the same.

<b>2.20 Contingent Liabilities and Commitments</b>	<b>Year Ended 31st March 2019</b>	<b>Year Ended 31st March 2018</b>
	(₹)	(₹)
<u>A. Contingent Liabilities</u>		
Income Tax Demand for Asst Year 2012-13	-	99,302,950
	<b>-</b>	<b>99,302,950</b>

B. Commitments

The Company does not have any commitments as on the Balance Sheet date.

- 2.21** Previous years figures have been recast/restated to conform to the current period classification, wherever required.
- 2.22** The operations of the Company comprises of financing activities and the entire operations are located in India. As such, there are no separate reportable segments under Accounting Standard, AS -17.
- 2.23** Disclosure of the amounts due to the The Micro and Small Enterprises (On the basis of the information & records available with the Management).

<b>Particulars</b>	<b>2018-19</b>	<b>2017-2018</b>
	(₹)	(₹)
(i) The principal amount and the interest due thereon remaining unpaid to any Micro/Small supplier.		
*Principal amount	NIL	NIL
*Interest there on	NIL	NIL
(ii) The interest paid by the buyer as above, along with the amount of payments made beyond the appointed date during each accounting year.	NIL	NIL
(iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	NIL	NIL
(iv) The amount of interest accrued and remaining unpaid at the end each accounting year.	NIL	NIL
(v) The amount of further Interest remaining due and payable even in the succeeding year until such date when the interest dues as above are actually paid to the Small / Micro Enterprises	NIL	NIL

**FRONTIER CAPITAL LIMITED**  
**Notes to Financial Statements**

**2.24 Disclosure of Loans/ Advances and investments in its own shares by listed companies, their subsidiaries, associates, etc. (as certified by the management)**

<b>Particulars</b>	<b>Outstanding Balance as on 31st March, 2019</b>	<b>Maximum Balance Outstanding during the year</b>
Loans and Advances in the nature of loans to subsidiaries	NIL	NIL
Loans and Advances in the nature of loans to associates.	NIL	NIL
Loans and Advances in the nature of loans to firms/companies in which directors are interested.	101,945,061	106,445,061
	<b><u>No. of Shares</u></b>	<b><u>Amount ( ` )</u></b>
Investments by loanee in the shares of parent company and subsidiary company when the company has made a loan or advance in the nature of loan	NIL	NIL

**2.25** On consideration of prudence, Deferred Tax asset on unabsorbed losses/provision for doubtful debts/provision for diminution in the value of investments has not been recognized.

**2.26** The net-worth of the Company has been completely eroded in view of huge losses and on account of provisioning for bad and doubtful debts and investments. The company has taken measures to recapitalise its balance sheet and for that purpose has sought shareholder approval by means of postal ballot subsequent to the close of the financial year for the following -

a) The rights, terms and conditions of the fully paid up preference share capital of the Company being 1,40,000 0.01% Non-Convertible Redeemable Preference Shares of Rs. 1,000 each (NCRPS) aggregating to Rs. 14,00,00,000/- has been altered/ varied to 1,40,000 0.01% Compulsorily Convertible Redeemable Preference Shares of the Company (CCPS) of Rs. 1,000/- each amounting to Rs. 14,00,00,000/- and thereafter converted with immediate effect into 1,40,00,000 equity shares of Rs. 10/- each by way of preferential allotment on private placement basis in due compliance with section 42, 48, 55 and 62(1)(c) and other applicable provisions of the Companies Act, 2013 and rules framed thereunder.

b) To strengthen the net-worth and the long-term resource base of the Company including meeting the working capital requirement, the shareholders have approved issuance of 20,00,000 equity shares of Rs. 10/- each on private placement basis to the existing promoters of the company, i.e. Inimitable Capital Finance Private Limited.

In view of the aforesaid measures, the Company shall attain a positive net-worth as well as meet the minimum stipulated Net Owned Fund requirement of Rs. 2,00,00,000/- as prescribed by the Reserve Bank of India. In view of the above, the Board of Directors are of the opinion that the going concern assumption is appropriate for the preparation and presentation of the Financial Statements.

**2.27 Related Party disclosures as required by Accounting Standard (AS-18) on Related Party disclosures issued by ICAI/ notified under the Companies (Accounting Standards) Rules, 2006 are as below :**

**a. Enterprises where control exists**

Holding Company

Inimitable Capital Finance Pvt Ltd - (ICFPL)

Other related parties with whom transactions have taken place

**b. Enterprise where individuals or their relatives indirectly owning an interest in voting power of the reporting enterprise have significant influence**

AMW Auto Components Ltd -(AACL)

AMW Holdings Ltd- (AHL)

AMW Motors Ltd- (AML)

Frontier Digital Technologies Private Ltd - (FDTPL)

Riconia Estate Private Ltd -(REPL)

**c. Key Management Personnel:**

Mr. Nitin Chamaria (NC) - (upto 12.03.2018)

Mr. Hemendranath Choudhary (HC) - (w.e.f. 31.07.2018)



**FRONTIER CAPITAL LIMITED**

Notes to Financial Statements

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

**Liabilities Side :**

	(Figures in `)	
	<u>Amount Outstanding</u>	<u>Amount Overdue</u>
1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not		
a) Debentures : Secured	-	-
: Unsecured	-	-
(Other than falling within the meaning of public deposits*)		
b) Deferred Credit	-	-
c) Term Loans	-	-
d) Inter Corporate Loans & Borrowings	5,930,315	-
e) Commercial Paper	-	-
f) Other Loans	-	-

**Assets Side :**

	(Figures in `)
	<u>Amount Outstanding</u>
2) Break up of Loans and Advances including bills receivables [other than those included in (4) below] :	
a) Secured	-
b) Unsecured	101,945,061
3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities	
i) Lease assets including lease rentals under Sundry Debtors :	
a) Finance Lease	
b) Operating Lease	-
ii) Stock on hire including hire charges under Sundry Debtors	
a) Assets on hire	-
b) Repossessed Assets	-
iii) Other loans counting towards AFC activities	(Figures in `)
a) Loans where assets have been repossessed	-
b) Loans other than (a) above	-
4) Break up of Investments :	
Current Investments (Including Stock in Trade) :	
Quoted :	
a) Shares :	
I) Equity	-
ii) Preference	-
b) Debentures & Bonds	-

c) Units of Mutual Funds	-
d) Government Securities	-
e) Others (Please Specify)	-

Unquoted :

a) Shares :	
i) Equity	-
ii) Preference	-

b) Debentures & Bonds	-
-----------------------	---

c) Units of Mutual Funds	-
--------------------------	---

d) Government Securities	-
--------------------------	---

e) Others - Fixed Deposits	-
----------------------------	---

Long Term Investments :

Quoted :

a) Shares :	
i) Equity	-
ii) Preference	-

b) Debentures & Bonds	-
-----------------------	---

c) Units of Mutual Funds	-
--------------------------	---

d) Government Securities	-
--------------------------	---

e) Others (Please Specify)	-
----------------------------	---

**(Figures in `)**

Unquoted :

a) Shares :	
i) Equity	-
ii) Preference	-

b) Debentures & Bonds	-
-----------------------	---

c) Units of Mutual Funds	-
--------------------------	---



- d) Government Securities -
- e) Others -

5) Borrower group-wise classification of assets financed as in (2) and (3) above

Category			(Figures in `)
	Secured	Unsecured	Total
1. Related Parties** :			
a) Subsidiaries	-	-	-
b) Companies in the same group	-	-	-
c) Other Related Parties	-	-	-
2. Other than Related Parties	-	-	-
TOTAL	-	-	-

\*\*Related parties in terms of AS-18 "Related Party relationships" have been certified by the management & relied upon by the Auditors.

6) Investors group - wise classification of all investments (Current and Long Term) in Shares and securities (both quoted and unquoted) :

Category			(Figures in `)
	Market value / Break up or fair value or		Book Value(Net of provision)
1. Related Parties** :			
a) Subsidiaries	-		-
b) Companies in the same group	-		-
c) Other Related Parties	-		-
2. Other than Related Parties	-		-
TOTAL	-		-

Note: Investments whose market value whereof was not available, have been considered at book value for the purpose of calculation of market value.

7) Other Information

Particulars	(Figures in `)
a) Gross Non - Performing Assets	
1. Related Parties	101,945,061
2. Other than Related Parties	
b) Net Non - Performing Assets	
1. Related Parties	50,872,530
2. Other than Related Parties	-
c) Assets Aquired in satisfaction of debt	-

As per our Report of even date.

For and on behalf of the Board

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

Sd/-  
Hemendranath Choudhary  
Whole Time Director

Sd/-  
Ashok Katra  
Independent Director

Sd/-  
Usha Iyengar  
Director

Mohit Bhuteria  
Partner  
Membership No: 056832

Sd/-  
Aniket Naresh Prabhu  
Company Secretary & CFO

Place : Kolkata  
Date : 23/05/2019

**FRONTIER CAPITAL LIMITED**

*[Formerly known as Frontier Leasing and Finance Limited]*

**Regd. Office:** 7<sup>th</sup> Floor, Tower 1, Equinox Business Park, L.B.S. Marg, Kurla, Mumbai – 400070.

**Tel No.** 91 22 33826248/6259 **Fax:** 91 22 33826123

**ADDENDUM TO THE NOTICE OF THE 35<sup>TH</sup> ANNUAL GENERAL MEETING****To the Members,**

We draw your kind attention towards our Notice dated September 6<sup>th</sup>, 2019 calling the 35<sup>TH</sup> Annual General Meeting of the Company (NOTICE) to be held on September 30, 2019 at 2.00 p.m. at 7<sup>th</sup> Floor, Tower 1, Equinox Business Park, Peninsula Techno Park, Off. Bandra Kurla Road, L.B.S. Marg, Mumbai – 400 070 sent through permitted mode on September 06<sup>TH</sup>, 2019

Company had passed the special resolution through postal ballot and E-voting on 11<sup>th</sup> August, 2019 for Preferential Issue of 1,65,00,000 Equity Shares of Rs. 10 each and In-principal approval for the same was obtained from the BSE Limited on 1<sup>st</sup> August, 2019. Accordingly, as per Regulation 170(1) of the Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (hereinafter called as “ICDR Regulations”) allotment pursuant to the special resolution shall be completed within a period of fifteen days from the date of passing of such resolution i.e. 11<sup>th</sup> August, 2019. The Company has made the allotment of 1,65,00,000 Equity Shares of Rs. 10 each on 27<sup>th</sup> August, 2019 i.e. on sixteenth day after passing of special resolution.

Pursuant to regulation 170(2) of ICDR Regulations, if the allotment of securities is not completed within fifteen days from the date of passing of special resolution, then a fresh special resolution is required to be passed by shareholders of the Company for such issue. Hence, the Company is issuing this Addendum to the Notice of 35<sup>th</sup> Annual General Meeting of the Company.

On 27<sup>th</sup> August, 2019 Company has passed the Board Resolution for the allotment of 1,65,00,000 Equity Shares of Rs. 10 each to the Following allottees by Circulation:

**Upon Conversion of Compulsory Convertible preference Shares –**

- 1. Anirudh Bhuwalka - 9,10,000**  
(Against existing 9,100, 0.01% Compulsorily Convertible Preference Shares)
- 2. Inimitable Capital Finance Private Limited (Existing Promoter) - 88,90,000**  
(Against existing 88,900, 0.01% Compulsorily Convertible Preference Shares)
- 3. Atul Bhagwat - 22,40,000**  
(Against existing 22,400, 0.01% Compulsorily Convertible Preference Shares)
- 4. Vinay Kalantri - 19,60,000**  
(Against existing 19,600, 0.01% Compulsorily Convertible Preference Shares)

**Upon Issue of Fresh Equity Shares under Private Placement**

- 1. Inimitable Capital Finance Private Limited (Existing Promoter) – 25,00,000**

Pursuant to Regulation 170(2) of the Chapter V of ICDR Regulations, your Directors recommend approval of Shareholders for allotment of 1,65,00,000 Equity Shares of Rs. 10 each as required under regulation 170(2) of ICDR Regulations by passing a Special Resolution. The Board of Directors therefore recommends that the following items of business shall be included in the notice dated 6<sup>th</sup> September, 2019 as new Item No. 6 under special business. All other contents of the AGM Notice, save and except this Addendum, shall remain

unchanged. Members are requested to note the contents of the Item No. 6 of the AGM Notice and the explanatory statement thereto as set forth hereunder:

### **Special Business**

#### **Item No. 6**

#### **To Approve allotment of 1,65,00,000 Equity Shares of Rs. 10 each pursuant to Regulation 170(2) of the Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018**

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

**“RESOLVED THAT** pursuant to Regulation 170(2) of the Chapter V of the Securities and Exchange Board of India (Issue Of Capital And Disclosure Requirements) Regulations, 2018 (hereinafter called as “ICDR Regulations”) and applicable provisions of the Companies Act, 2013 and the Rules framed thereunder including any statutory modification(s) or re-enactment(s) thereof for the time being in force, and in accordance with the provisions of Memorandum of Association and Articles of Association of the Company and as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (“Listing Regulations”) and all other applicable laws, applicable regulations, circulars, notifications issued by the Securities and Exchange Board of India (“SEBI Regulations”), the Reserve Bank of India (“RBI”), stock exchanges on which the equity shares of the Company are listed or such other relevant statutory, governmental and other authorities and/or departments, from time to time, to the extent applicable and other approvals, consents, permissions and sanctions as may be required and subject to such conditions and modifications which may be agreed by Board of Directors, the consent of the members of the Company be and is hereby accorded for an allotment of 1,65,00,000 (One Crore Sixty Five Thousand) Equity Shares of Rs. 10 (Rupees Ten) each of the Company at par, to the following allottees:

#### **Upon Conversion of Compulsory Convertible preference Shares -**

- 1. Anirudh Bhuwalka - 9,10,000**  
(Against existing 9,100, 0.01% Compulsorily Convertible Preference Shares)
- 2. Inimitable Capital Finance Private Limited (Existing Promoter) - 88,90,000**  
(Against existing 88,900, 0.01% Compulsorily Convertible Preference Shares)
- 3. Atul Bhagwat - 22,40,000**  
(Against existing 22,400, 0.01% Compulsorily Convertible Preference Shares)
- 4. Vinay Kalantri - 19,60,000**  
(Against existing 19,600, 0.01% Compulsorily Convertible Preference Shares)

#### **Upon Issue of Fresh Equity Shares under Private Placement**

- 1. Inimitable Capital Finance Private Limited (Existing Promoter) - 25,00,000**

**RESOLVED FURTHER THAT** pursuant to regulation 170 (1) read with regulation 170(2) of ICDR Regulations, the Equity Shares were allotted on 27<sup>th</sup> August, 2019 by the Company be an is hereby noted and approved.

**RESOLVED FURTHER THAT** the Equity Shares of the Company allotted pursuant to the conversion of CCPS shall be rank paripassu with the existing fully paid up Equity Shares of the Company in all respects except for entitlement of Dividend which will be on pro rata basis;

**RESOLVED FURTHER THAT** upon receipt of the approval from the Stock Exchange for listing of securities, the Company shall apply to the Depositories CDSL and NSDL for the credit of the securities in Dematerialised form.

**RESOLVED FURTHER THAT** the Equity Shares allotted on a preferential basis shall remain locked-in in accordance with the provisions of the ICDR Regulations;

**RESOLVED FURTHER THAT** as per the Regulation 170(1) of the Chapter V of the Securities and Exchange Board of India (Issue Of Capital And Disclosure Requirements) Regulations, 2018, the "Relevant Date" for the purpose of determining the issue price of the Equity Shares shall be 30<sup>th</sup> August, 2019, being the date thirty days prior to the date on which the meeting of shareholders is held;

**RESOLVED FURTHER THAT** (i) Mr. Hemendranath Choudhary; Whole Time Director (ii) Ms. Usha Iyengar, Director and (iii) Mr. Aniket Prabhu, Company Secretary be and are hereby authorized to file such returns and forms under the Companies Act, 2013 with the office of the Registrar of Companies, Ministry of Corporate Affairs, and be also authorized to appoint Advisors, banks and other intermediaries, or other agencies concerned, to issue any deed, documents and writing, to pay any fees, remuneration, expenses relating thereto, to settle all questions, difficulties or doubts that may arise in regard to such offer(s) or issue(s) or allotment(s) as it may, in their absolute discretion as they may deem fit in the best interest of the Company and be authorized generally to do all such acts, deeds and things as may be necessary to give effect to the aforesaid resolution."

#### **EXPLANATORY STATEMENT**

#### **(Pursuant to Sections 102(1) and 110 of the Companies Act, 2013)**

In order to comply with the 170(2) of the Chapter V of the Securities and Exchange Board of India (Issue of Capital And Disclosure Requirements) Regulations, 2018, Company recommend the approval of the members for allotment of 1,65,00,000 Equity Shares of Rs. 10 each with delay of one day as per 170(1) of the Chapter V of the Securities and Exchange Board of India (Issue of Capital And Disclosure Requirements) Regulations, 2018

Company had passed the special resolution through postal ballot and E-voting on 11<sup>th</sup> August, 2019 for Preferential Issue of 1,65,00,000 Equity Shares of Rs. 10 each and In-principal approval for the same was obtained from the BSE Limited on 1<sup>st</sup> August, 2019. Accordingly, as per Regulation 170(1) of the Chapter V of the Securities and Exchange Board of India (Issue Of Capital And Disclosure Requirements) Regulations, 2018 (hereinafter called as "ICDR Regulations") allotment pursuant to the special resolution shall be completed within a period of fifteen days from the date of passing of such resolution i.e. 11<sup>th</sup> August, 2019. As Company has made the allotment of 1,65,00,000 Equity Shares of Rs. 10 each on 27<sup>th</sup> August, 2019, there is delay of one day. Hence, Company is required to pass Special Resolution pursuant to Regulation 170(2) of the Chapter V of ICDR Regulations.

Your Board recommends the Special Resolution set forth in item no. 6 for the approval of members.

**The disclosures prescribed under the Companies Act, 2013 and Regulation 73 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended,**

or Regulation 163 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as may be applicable, in respect of the Resolution proposed at Item Nos. 6 are as follows:

**A. THE OBJECTS OF THE PREFERENTIAL ISSUE:**

(As per Regulation 163 (1) (a) of Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018)

The object(s) for varying the terms of existing 0.1% Non-Convertible Redeemable Preference Shares and issue of Fresh Equity to the promoters i. e. ICFPL, is to meet the working Capital Requirement and to meet the guidelines and maintain minimum Net Owned Fund under Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.

**B. TYPE AND MAXIMUM NUMBER OF SECURITIES TO BE ISSUED:**

(As per Regulation 163 (1) (b) of Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018)

It is proposed to issue and allot in aggregate and maximum upto 1,40,00,000 (One Crore Forty Lakh) Equity Shares at a price of Rs. 10/- per share, aggregating to Rs. 14,00,00,000/- to Proposed Allottee against conversion of CCPS issued and maximum upto 25,00,000 Equity shares of Rs. 10 each under fresh issue.

Maximum 100 Equity Shares of Rs. 10 each shall be allotted against 1 Non-Convertible Redeemable Preference Shares of Rs. 1000.

**C. PROPOSAL / INTENT OF THE PROMOTERS, DIRECTORS OR KEY MANAGEMENT PERSONNEL OF THE COMPANY TO SUBSCRIBE TO THE OFFER:**

(As per Regulation 163 (1) (c) of Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018)

M/s. Inimitable Capital Finance Private Limited, Promoter Group entity, and Mr. Anirudh Bhuwarka, Promoter and Ultimate Beneficial Owner of Inimitable Capital Finance Private Limited is intending to participate / subscribe to the proposed issue and no other Director(s) or Key Managerial Personnel(s) are subscribing to this offer.

**D. SHAREHOLDING PATTERN OF THE ISSUER BEFORE AND AFTER THE PREFERENTIAL ISSUE AND ALLOTMENT:**

(As per Regulation 163 (1) (d) of Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018)

The table mentioned below shows the shareholding pattern of the Company consequent to conversion of CCPS into Equity and issue and allotment of fresh equity as per resolutions at Item No. 6:

Pre - Issue				Post issue of new Equity to promoter			
A	Promoters Holding (No. of Shares)			Promoters Holding (No. of Shares)			
1	Indian			1	Indian		
	Individuals/Hindu undivided Family	1	16,900		Individuals/Hindu undivided Family	1	9,26,900
	Any Other (Body Corporate)	1	1,76,610		Any Other (Body Corporate)	1	1,15,66,610

2	Foreign Promoter	0	0	2	Foreign Promoter	0	0
	Sub-total (A)	2	1,93,510		Sub-total (A)		1,24,93,510
<b>B</b>	<b>Non- promoter shareholding</b>			<b>Non- promoter shareholding</b>			
1	Individuals - (Individual shareholders holding nominal share capital up to Rs. 2 lakhs)	19	16,335	1	Individuals - (Individual shareholders holding nominal share capital up to Rs. 2 lakhs)	19	16,335
2	Any other	7	52,318	2	Any other	9	42,52,318
	Sub-total (B)	26	68653		Sub-total (B)	28	42,68,653
	<b>Total (A+B)</b>	<b>28</b>	<b>2,62,163</b>		<b>Total (A+B)</b>	<b>30</b>	<b>1,67,62,163</b>

## Notes:

- Pre issue shareholding pattern has been prepared based on shareholding of the Company as on 30<sup>th</sup> June, 2019.
- Assuming the post issue holding of all the other shareholders will remain the same, as it was on the date, on which the Pre-issue shareholding pattern was prepared.
- Name of allottees and the percentage of post Conversion and preferential issue of Equity Share capital that shall be held by them:

Sr. No.	Name of the Allottees	Current Equity Holding		Post Preferential Issue	
		No. of shares	%	No. of shares	%
1	Anirudh Bhuwalka	16,900	6.45	9,26,900	5.53
2	Inimitable Capital Finance Private Limited	1,76,610	67.37	1,15,66,610	69.00
3	Atul Bhagwat	0		22,40,000	13.77
4	Vinay Kalantri	0		19,60,000	12.05

**E. PROPOSED TIME FRAME WITHIN WHICH THE PREFERENTIAL ISSUE SHALL BE COMPLETED:**

(As per Regulation 163 (1) (e) of Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018)

As required under the SEBI (ICDR) Regulations, Equity Shares shall be issued and allotted by the Company within a period of Fifteen (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, the issue and allotment shall be completed within a period of Fifteen (15) days from the date receipt of last of such approvals.

Hence Company allotted the Equity Shares on 16<sup>th</sup> day from the date of passing of this resolution, and therefore require Special Resolution As per Regulation 170 (2) of Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018

**F. IDENTITY OF THE NATURAL PERSONS WHO ARE ULTIMATE BENEFICIAL OWNERS OF THE SHARES PROPOSED TO BE ALLOTTED AND / OR WHO ULTIMATELY CONTROL THE PROPOSED ALLOTTEES:**

(As per Regulation 163 (1) (f) of Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018)

Mr. Anirudh Bhuwalka is the Ultimate Beneficial owner of the proposed allottee (i. e. ICFPL) holding 99.9% of the shareholding of ICFPL and is also promoter of the Company. There is no change in the control of the issuer consequent to the proposed Preferential Issue.

Percentage of Pre and Post holding is mentioned in table hereunder

Sr. No.	Name of the Proposed Allotees	Category	Name of the natural persons who are the ultimate beneficial owners	Current Equity Holding		Post Conversion of preferential issue	
				No. of shares	%	No. of shares	%
1	Anirudh Bhuwalka	Promoter (Individual)	NA	16,900	6.45	9,26,900	5.53
2	Inimitable Capital Finance Private Limited	Promoter entity (Private Limited Company)	Anirudh Bhuwalka	1,76,610	67.37	1,15,66,610	69.00
3	Atul Bhagwat	Public (Individual)	NA	0		22,40,000	13.36
4	Vinay Kalantri	Public (Individual)	NA	0		19,60,000	11.69

**G. UNDERTAKING THAT 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:**

(As per Regulation 163 (1) (g) of Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018)

This clause is not applicable to the Company as shares of the Company have been listed on a recognized stock exchange (BSE) for a period of more than twenty six weeks as on the relevant date.

**H. UNDERTAKING THAT 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.**

(As per Regulation 163 (1) (g) of Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018)

This clause is not applicable to the Company as shares of the Company have been listed on a recognized stock exchange (BSE) for a period of more than twenty six weeks as on the relevant date.

**I. DISCLOSURES SPECIFIED IN SCHEDULE VI, IF THE ISSUER OR ANY OF ITS PROMOTERS OR DIRECTORS IS A WILFUL DEFAULTER:**

(As per Regulation 163 (1) (i) of Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018)



- ✓ It is hereby confirmed that neither the Company nor its Directors and to the Company's Knowledge any of its Promoters is a wilful defaulter.
- ✓ The Proposed Allottees has not sold any equity shares during the six months preceding the Relevant Date.

**LOCK IN:**

(As per Regulation 167 of Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018)

The Equity Shares, to be allotted to the Proposed Allottees upon conversion and fresh issue including the pre-preferential allotment shareholding of the Proposed Allottees will be subject to applicable lock-in and transfer restrictions stipulated under Regulations 78 and 79 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended or Regulations 167 and 168 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as may be applicable.

The entire pre-preferential allotment shareholding of the allottees shall be locked-in from the relevant date up to a period of six months from the date of trading approval:

**Auditor's Certificate**

A copy of the certificate from the Company's statutory auditor certifying that the issue is being made in accordance with the requirements of the SEBI (ICDR) Regulations, 2009 as amended, or the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as may be applicable, shall be open for inspection at the registered office of the Company between 11:00 am to 1:00 pm on all working days except, Saturday, Sunday and National Holiday until the date of AGM i.e. 30<sup>th</sup> September, 2019.

In accordance with the ICDR Regulations, (i) all the Equity Shares held by the Proposed Allottees in the Company are in dematerialized form only; (ii) the Company and none of its Promoters or Directors is a wilful defaulter or a fugitive economic offender; and (iii) valuation requirement is not applicable as the securities are proposed to be issued for cash consideration.

None of the Directors and Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, at Item No. 6 the Notice.

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

**Sd/-**

**Aniket Prabhu**

Company Secretary and Compliance Officer

Place: Mumbai

Date: 20<sup>th</sup> September, 2019

**FRONTIER CAPITAL LIMITED**

**Peninsula Technopark, Tower-1, 7th floor, Off Bandra-Kurla Complex,  
LBS Marg, Kurla (West), Mumbai - 400 070.**

**Tel.: +91 22 33826248 /6259| Fax: +91 22 33826123| Visit us at: [www.flfindia.com](http://www.flfindia.com)**

**CIN: L65990MH1984PLC033128**

**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]**

**35<sup>th</sup> ANNUAL GENERAL MEETING - 30<sup>th</sup> SEPTEMBER, 2019**

Name of the Member : \_\_\_\_\_  
Registered Address : \_\_\_\_\_  
Email : \_\_\_\_\_  
Folio No./ DP Id Client Id : \_\_\_\_\_

**I/We, being the member(s) of \_\_\_\_\_ shares of Frontier Capital Limited, hereby appoint;**

1 . Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
Email ID : \_\_\_\_\_  
Signature : \_\_\_\_\_

**or Failing him/her**

2 . Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
Email ID : \_\_\_\_\_  
Signature : \_\_\_\_\_

**or Failing him/her**

3 . Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
Email ID : \_\_\_\_\_  
Signature : \_\_\_\_\_

as my / our proxy to attend and vote (on a poll) for me/ us and on my / our behalf at the 35<sup>th</sup> Annual General Meeting of the Company to be held on Monday, the 30<sup>th</sup> September, 2019 at 2.00 pm at Peninsula Technopark, Tower-1, 7<sup>th</sup> floor, Off Bandra-Kurla Complex, LBS Marg, Kurla (West), Mumbai - 400 070 and at any adjournment thereof in respect of such resolutions as are indicated below.

Resolution Number	Resolutions	Vote		
		Please mention no. of Shares)		
		For	Against	Abstain
<b>Ordinary Business:</b>				
1.	To approve Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2019 including audited Balance Sheet as at 31st March, 2019 and the statement of Profit & Loss A/c for the year ended on that date and the Report of the Board of Directors and Auditors thereon.			
2.	To appoint a director in place of Mrs. Usha Iyengar, Director (DIN: 03447551) who retires by rotation and being eligible, offers herself for re-appointment.			
<b>Special Business:</b>				
3.	Re-appoint Mr. Hemendra Nath Choudhary as a Whole-Time Director.			
4.	Alteration of Article of Association			
5.	To increase borrowing powers of the Board and authorization limit to secure the borrowings under section 180(1)(c) and 180(1)(a) of the companies, act, 2013.			
6.	To Approve allotment of 1,65,00,000 Equity Shares of Rs. 10 each pursuant to Regulation 170(2) of the Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018			

Signed this ..... day of ..... 20

Affix One Rupee  
Revenue Stamp

Signature of the member

**Note: Proxy in order to be effective must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.**