

FRONTIER LEASING & FINANCE LIMITED

Registered Office: Peninsula Techno Park, Tower - 1, 7thFloor, Off Bandra-Kurla Complex,
LBS Marg, Kurla (West), Mumbai - 400 070

ADDENDUM TO NOTICE OF EXTRA ORDINARY GENERAL MEETING DATED 5TH DECEMBER, 2013

To,
The Shareholders of Frontier Leasing & Finance Limited

We refer to Notice of Extra – Ordinary General Meeting (EOGM) of Frontier Leasing & Finance Limited (“The Company”) dated 5th November, 2013 which has been dispatched to the shareholders of the Company (“the EOGM Notice”).

M/s. Inimitable Capital Finance Private Limited Limited (formerly known as Essar Capital Finance Pvt. Ltd.), a Company registered under the Companies Act, 1956 has shown interest in investment of Rs. 10,00,00,000 in the Capital of the Company. The Company in its Board meeting held on 16th November, 2013 has decided to issue 1,00,000 Non – Convertible Redeemable Preference Shares of Rs.1000 each, subject to approval of shareholders of the Company at the EOGM of the Company which is scheduled to be held on 5th December, 2013. Also for the purpose of issuing the Preference shares, it is necessary to reclassify the Authorised Share Capital of the Company by way of alteration of its Memorandum and Articles of Association. The Board of Directors therefore recommends that the following items of business shall be included in the aforesaid notice as new items 2, 3 and 4 under special business.

Special Business

2. RECLASSIFICATION OF THE AUTHORISED SHARE CAPITAL OF THE COMPANY AND CONSEQUENT AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION OF THE COMPANY

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

“RESOLVED THAT pursuant to the provisions of Section 16 and 94 and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof for the time being in force), and relevant provisions of the Companies Act, 2013 approval of the members of the Company be and is hereby accorded for re-classification of the Authorised Share Capital of the Company from Rs.20,00,00,000/- (Rupees Twenty Crores) divided into 2,00,00,000 (Two Crores) Equity Shares of Rs.10/- (Rupees Ten only) each to Rs.20,00,00,000/- (Rupees Twenty Crores) divided into 1,00,00,000 (One Crore) Equity Shares of Rs.10/- (Rupees Ten only) each and 1,00,000 (One Lakh) Non - Convertible Redeemable Preference Shares of Rs.1,000/- each.

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RESOLVED FURTHER THAT the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause V thereof with the following new Clause V:

“V. The Authorised Capital of the Company is Rs.20,00,00,000/- (Rupees Twenty Crores) divided into 1,00,00,000 (One Crore) Equity Shares of Rs.10/- (Rupees Ten only) each and 1,00,000 (One Lakh) Non – Convertible Redeemable Preference shares of Rs.1000/- (Rupees One Thousand only) each with power to increase, reduce, divide and/or sub-divide the Share Capital or reclassify them into several classes and attach thereto respectively such preferential, priority, deferred, qualified or special rights, privileges, conditions or restrictions, whether in regard to dividend, voting, return of capital, distribution of assets or otherwise, as may be determined in accordance with the laws, rules and regulations from time to time and to vary, modify or abrogate such rights, privileges, conditions or restrictions in such manner as may from time to time as may be permitted by the Articles of Association of the Company for the time being in force.”

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company (“the Board”) be and is hereby authorized to do all such acts, deeds, matters and things as the Board may, in its absolute discretion, consider necessary, expedient, usual, proper or incidental to settle any questions, difficulties or doubts that may arise in the course of giving effect to the aforesaid resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Director or any other Officer(s) / Authorised Representative(s) of the Company to give effect to the aforesaid resolution.”

3. ALTERATION OF THE ARTICLES OF ASSOCIATION OF THE COMPANY:

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

“**RESOLVED THAT** pursuant to the provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory amendment modification(s) or re-enactment thereof for the time being in force), and relevant provisions of the Companies Act, 2013, the existing Articles of Association of the Company be and is hereby altered by substituting the existing Article No. 3 with the following new Article No. 3 and insert Article 8A and 8B after Article 8:

“3. The Authorised Capital of the Company shall be as per Capital Clause of the Memorandum of Association of the Company with power to increase, reduce, divide and/or sub-divide the Share Capital or reclassify them into several classes and attach thereto respectively such preferential, priority, deferred, qualified or special rights, privileges, conditions or restrictions, whether in regard to dividend, voting, return of capital, distribution of assets or otherwise, as may be determined in

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accordance with the laws, rules and regulations applicable to the Company and to vary, modify or abrogate such rights, privileges, conditions or restrictions in such manner as may from time to time be provided by the regulations/resolutions of the Company or are provided for in these Articles of Association of the Company and to consolidate or sub-divide or re-organise shares or issue shares of higher or lower denominations.

- 8A. Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue Preference Shares which are, or at option of the company, liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.
- 8B. On the issue of Redeemable Preference Shares under the provisions of Article 8A hereof the following provisions shall take effect: -
- (a) no such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of the redemption;
 - (b) no such shares shall be redeemed unless they are fully paid;
 - (c) the premium, if any, payable on redemption must have been provided for out of the profits of the Company or the Company's Share Premium Account before the shares are redeemed;
 - (d) where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called the "Capital Redemption Reserve Account", a sum equal to the nominal amount of the shares redeemed and the provisions of the Act, relating to the reduction of the share capital of the Company shall, except as provided in Section 80 of the Act, apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company;
 - (e) subject to the provisions of Section 80 and 80A of the Act, the redemption of preferential share hereunder may be effected in accordance with the terms and conditions of their issue and the absence of any specific terms and conditions in that behalf in such manner as the Directors determine;
 - (f) whenever the Company shall redeem any redeemable preference shares, the Company shall, within one month thereafter, give notice thereof to the Registrar of Companies as required by Section 95 of the Act."

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company ("the Board") be and is hereby authorized to do all such acts, deeds, matters and things as the Board may, in its absolute discretion, consider necessary, expedient, usual, proper or incidental to

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settle any questions, difficulties or doubts that may arise in the course of giving effect to the aforesaid resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Director or any other Officer(s) / Authorised Representative(s) of the Company to give effect to the aforesaid resolution.”

4. ISSUE OF NON CONVERTIBLE REDEEMABLE PREFERENCE SHARES

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

“**RESOLVED THAT** pursuant to the provisions of Section 80, 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force), and relevant provisions of the Companies Act, 2013, and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company, the Listing Agreement entered into by the Company with the Stock Exchange where the shares of the Company are listed and subject to such approvals, permissions, sanctions and consents (the “Approvals”), as may be necessary, of appropriate authorities and institutions or bodies, and subject to such terms and conditions, alteration and modification as may be prescribed by any of them while granting such approval, which may be agreed to, in its sole discretion, by the Board of Directors of the Company (“the Board”), consent and approval of the members of the Company be and is hereby accorded to the Board to offer, issue and allot, 1,00,000 (One Lakh) Non – Convertible Redeemable Preference Shares of face value Rs.1,000/- (Rupees One Thousand) each of the Company to M/s. Inimitable Capital Finance Private Limited (formerly known as Essar Capital Finance Pvt. Ltd.), with such rights and privileges and on such terms and conditions including but not limited as to the rate of dividend, redemption period, manner of redemption, and to modify, alter and re-set all or any of the said terms from time to time, as the Board at its absolute discretion deem appropriate and that such authority shall be continuing authority to the Board to make such further issue(s) of Preference Shares within such limit on appropriate terms and conditions on any subsequent redemption of such and/or outstanding Preference Shares or any part thereof from time-to-time as may be considered fit and proper by the Board, so however that the total Preference Share capital outstanding at any point of time shall not exceed the amount stipulated under the Memorandum and Articles of Association of the Company.

RESOLVED FURTHER THAT to give effect to the aforesaid resolution, the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Director AND for the purpose of giving effect to this resolution, the Board acting on its own or any other person duly authorised in this regard by the Board, be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary including but not limited to settle any or all questions/ matters arising with respect to the offer, issue and allotment (including deciding the terms and conditions for the same),

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utilisation of the proceeds of the issue of shares, execute all such deeds, documents, agreements and writings as may be necessary for the purpose of giving effect to the aforesaid resolution, take such further steps as required for the allotment or, such other steps that are incidental and ancillary in this regard and to do, make or accept such alterations, modifications, variations in the foregoing or cancellation of / issue of shares, as may be considered desirable or expedient by the Board / such authorised person in the best interest of the Company and its Shareholders.”

By order of the Board of Directors

Place: Mumbai
Date: 16th November, 2013

Sandeep Soni
Director

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EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013

Item Nos. 2 & 3

The Company, in order to meet its growth objectives and to strengthen its financial position, is required to generate long term resources by issuing securities. The Company is proposing to issue Non-Convertible Redeemable Preference Shares, it is therefore deemed appropriate to reclassify the Authorised Share Capital of the Company and for that purpose the Memorandum and Articles of Association of the Company are proposed to be suitably altered as set out at item nos. 2 and 3 of the accompanying Notice.

The provisions of Sections 16, 31 and 94 of the Companies Act, 1956 require the Company to seek the approval of the Members for reclassification of the Authorised Share Capital and for the alteration of capital clause of the Memorandum and Articles of Association of the Company.

The Board of Directors accordingly recommends the resolutions set out at item nos. 2 and 3 of the accompanying Notice for the approval of the Members.

None of the Directors, key managerial personnel of the Company or their relatives are concerned or interested in the said resolutions.

Item No. 3

The proposed resolution as set out at item no. 4 authorizes the Board of Directors of the Company to raise the funds for the long term purpose by issue of 1,00,000 (One Lakh) Non-Convertible Redeemable Preference shares of Rs. 1,000/- (Rupees One Thousand only) in order to meet its working capital requirements and other corporate purpose.

Preference Shares will be issued to M/s. Inimitable Capital Finance Private Limited (formerly known as Essar Capital Finance Pvt. Ltd.), a Company registered under the Companies Act, 1956 on the private placement basis with such rights and privileges and on such term and conditions including but not limited as to the rate of dividend, period and manner of redemption, whether cumulative or non-cumulative, as the Board in its absolute discretion may determine. The Board shall also be authorized to approve any modification, alteration and re-setting of all or any of the terms and conditions of the Preference Shares from time to time in consultation and agreement with the subscribers/ holders of Preference Shares. The terms and conditions of the Preference Shares shall however be subject to provisions of the Companies Act, 1956 and the Memorandum and Articles of Association of the Company.

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The authority conferred on the Board is continuing authority enabling it to make such further issue(s) of Preference Shares within such limit on appropriate terms and conditions on any subsequent redemption of such and / or outstanding Preference Shares or any part thereof from time-to-time, so however that the total Preference Share capital outstanding at any point of time shall not exceed the authorized Preference Share Capital stipulated under the Memorandum and Articles of Association of the Company.

The Preference Shares shall rank in priority to Equity Shares for repayment of Capital and payment of Dividend. The Preference Shares shall be transferred in the same manner as Equity shares. The Preference Shares shall be redeemed in accordance to the provisions of the Companies Act, 1956; however, the final terms and conditions of the issue of Preference Shares shall be determined by the Board and may be different for different tranches and / or series of Preference Shares.

Pursuant to provisions of Section 81(1A) of the Companies Act, 1956, any offer or issue of shares in a company to persons other than the shareholders of the company requires prior approval of the Members in general meeting by way of a Special Resolution. The consent of the Members is therefore sought to authorize the Board to issue Preference Shares as aforesaid.

The Board recommends the passing of the resolution as set out at item no. 4 of the Notice.

None of the Directors, key managerial personnel of the Company or their relatives are concerned or interested in the said resolutions.

By order of the Board of Directors

Place: Mumbai
Date: 16th November, 2013

Sandeep Soni
Director

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