

FRONTIER

INFORMATICS LIMITED

27th Annual Report 2014-15

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

**FRONTIER INFORMATICS LIMITED
HYDERABAD****27th Annual Report****BOARD OF DIRECTORS**

Vunnava Purnachandra Rao
V.K. Premchand
Bommaraju Prasanna Lakshmi
Shashikala Ambarkar
Singh B Yalamanchili
Dharamkar Mamatha Nandan
Potail Yadav Varun
S.P.Vivekanada
T.RajKumar
R.Anantha Chary
P.Sudheer Anand Verma

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

REGISTERED OFFICE

Plot No 235, Sai Sadan, 1st Floor,
Survey of India Employees Society,
Khanampet, Madhapur (PO),
Hyderabad - 500081, Telangana.
CIN : L72200TG1986PLC006644

AUDITORS

M/s Niranjan & Narayan,
Chartered Accountants
Hyderabad
Firm Regn No : 005899s

BANKERS

Bank of India
Hyderabad Overseas Branch
HITECH City, Madhapur
Hyderabad-500 033

State Bank of India
Ashoknagar Branch
Hyderabad-500 020

REGISTRARS & SHARE TRANSFER AGENTS

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

LISTING OF EQUITY SHARES:-

Bombay Stock Exchange Limited (BSE)-Mumbai

NOTICE

Notice is hereby given that the 27th Annual General Meeting of the members of FRONTIER INFORMATICS LIMITED will be held at 10.00 AM on Wednesday , the 30th day of September 2015 at Lions Bhavan Trust, Behind HDFC Bank, Near Paradise Circle, S D Road, Secunderabad -500003, Telangana, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2015, the Profit & Loss Account and Cash Flow Statement for the period ended on March 31, 2015 along with schedules & annexure and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Potail Yadav Varun, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To Re appoint auditors of the Company and fix their remuneration

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

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

SPECIAL BUSINESS**4. To appoint Mr. V.K. Premchand as Managing Director**

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

“RESOLVED THAT pursuant to section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013, (The Act) and The Companies (Appointment and

Remuneration) of Managerial Persons Rules 2014 (including any statutory modifications or reenactments thereof for the time being in force) read with schedule V of the Act and subject to such approvals consents, permissions and sanctions of appropriate and concerned authorities, approval of the company be and is hereby accorded to the Appointment of **Mr V.K.Premchand** as Managing Director of the company for a period of one year wef 1st October, 2015 without any remuneration and further upon such terms and conditions as explained in the explanatory statement annexed to the notice of the meeting in terms of section 102 of the Act. “

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

5. To appoint Mrs. Bommaraju Prasanna Lakshmi as Executive Director

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

“RESOLVED THAT pursuant to section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013, (The Act) and The Companies (Appointment and Remuneration) of Managerial Persons Rules 2014 (including any statutory modifications or reenactments thereof for the time being in force) read with schedule V of the Act and subject to such approvals consents, permissions and sanctions of appropriate and concerned authorities, approval of the company be and is hereby accorded to the Appointment of **Mrs B.Prasanna Lakshmi** as Executive Director of the company for a period of one year wef 1st October, 2015 without any remuneration and further upon such terms and conditions as explained in the explanatory statement annexed to the notice of the meeting in terms of section 102 of the Act. “

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

6. Reduction of Capital to the extent of 95% of the paid-up Equity Share Capital

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

“RESOLVED THAT pursuant to the provisions of Section 100 to 104 of the Companies Act, 1956 read with Section 66 and other applicable provisions, if any, of the Companies Act, 2013 read with Article 16 of the Articles of Association of the Company and pursuant to relevant rules of the Companies (Court) Rules, 1959 and subject to the Confirmation of the Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and for the State of Andhra Pradesh include National Company Law Tribunal (hereinafter referred as “NCLT”) and other appropriate authorities, if any, in this regard and subject to such other conditions or guidelines, if any, as may be prescribed or stipulated by any of the

concerned authorities, from time to time, while granting such approvals, consents, permissions or sanctions and which may be agreed by the Board of Directors of the Company, the issued, subscribed and paid-up Equity share capital of Rs. 13,31,04,000/- (Rupees Thirteen Crore Thirty One Lakh Four Thousand Only) consisting of 1,33,10,400 (One Crore Thirty Three Lakhs Ten Thousand Four Hundred Only) Equity Shares of Rs. 10/- (Rupees Ten Only) each fully paid-up be reduced to Rs. 66,55,200/- (Rupees Sixty Six lakhs Fifty Five Thousand Two Hundred only) consisting of 1,33,10,400 (One Crore Thirty Three Lakhs Ten Thousand Four Hundred Only) Equity Shares of Rs.0.50/- (Fifty Paise only) each by reducing the paid-up capital to the extent of Ninety Five percent.

“RESOLVED FURTHER THAT consent of the members of the Company be and is hereby accorded to consolidate the reduced issued, subscribed and paid-up Equity share capital of Rs. 66,55,200/- consisting of 1,33,10,400 Equity Shares of Rs. 0.50/- each, by increasing the face value of Equity Shares from Rs. 0.50/- each to Rs. 1/- each so that every 2 equity shares of the reduced face value of Rs. 0.50/- each are consolidated and redesigned into Rs. 66,55,200/- consisting of 66,55,200 Equity Shares with face value of Rs.1/- each provided that no member shall be entitled to a fraction of a share and all fractional entitlements resulting from the consolidation shall be aggregated into whole shares and the number of whole shares so arising shall be held by a trustee appointed by the Board of Directors (hereinafter referred as “the Board” which term shall be deemed to include any Committee thereof) who shall dispose off the said whole shares and the proceeds of sale of such whole shares shall be distributed proportionately among the members who would otherwise be entitled to fractional entitlements.”

“RESOLVED FURTHER THAT Mr. V K Premchand, Managing Director of the Company or Mrs B.Prasanna Lakshmi, Executive Director of the Company be and are hereby severally authorized to take all necessary steps for effecting the reduction and Consolidation of capital of the Company, including but not limited to:

- a) To appoint advocate(s) in order to file and represent the Company before the Hon’ble High Court of Judicature at Hyderabad for the State of Telangana and for the State of Andhra Pradesh include National Company Law Tribunal and/or such other authorities and to file the necessary applications, petitions, affidavits, pleadings for and on behalf of the Company and to apply and obtain certified copies of the orders, decrees, directions etc. that may be passed by the Hon’ble High Court of Judicature at Hyderabad for the State of Telangana and for the State of Andhra Pradesh or NCLT and/or such other authorities courts and all such other documents as may be required for and on behalf of the Company;
- b) To verify, deal, sign, swear, affirm, declare, deliver, execute, make, enter into, acknowledge, record and prepare all deeds, declarations, instruments, affidavits, applications, petitions, objections, consents, notices and writings whatsoever as may be usual, necessary, proper or expedite in all manners of documents, petitions, affidavits and applications in relation to the implementation of Reduction and Consolidation of Capital as aforesaid;

- c) To make such alterations, modifications or amendments in all the applications, petitions and other documents as may be required or necessary for complying with the requirements or conditions imposed by the Hon'ble High Court or NCLT and/or any other appropriate authorities and to prepare and execute applications, petitions and file the same with the Hon'ble High Court or NCLT and/or any other appropriate authorities and to do all such matters connected therewith, as may be directed by the Hon'ble High Court or NCLT and/or other appropriate authorities, if any, and to appoint and retain services of such professionals as may be necessary in connection therewith including and to do all such acts, deeds, matters and things as may be required to bring the Reduction and Consolidation of Capital into effect;
- d) To do all such acts, matters, deeds and things as may be necessary or desirable including any directions for settling any questions or doubts or difficulty whatsoever that may arise, for the purpose of giving effect to the Reduction and Consolidation of Capital;
- e) To accept service of notices or other processes, which may from time to time be issued in connection with the matter aforesaid;
- f) To produce all documents, matters or other evidence in connection with the matters aforesaid on all and any of other proceedings incidental thereto or arising thereat;
- g) To make, prepare any applications, petitions, appeals and judges summons before any Court, Tribunal or Authorities;
- h) To file, submit with the Registrar of Companies, Regional Director, other statutory/regulatory authorities in India any forms, documents, affidavits through electronic media or any other computer readable media or manually to follow up the same;
- i) To do all such acts, deeds and things, as may be necessary and incidental thereto, to appoint from time to time or generally such person(s) and any such substitute(s) or sub-delegation of powers conferred vide the above to any persons, as may be necessary, and to appoint another or other in his/her or their place, for the better and more effectual doing, effecting and performing all or any such matters and things as aforesaid to all intents and purpose to give effect to this resolution."

"FURTHER RESOLVED THAT the Scheme providing for Reduction of Capital of the Company, as submitted to the Bombay Stock Exchange (BSE) and the Securities and Exchange Board of India, be and is hereby approved."

"FURTHER RESOLVED THAT a copy of this resolution and/or scheme be submitted to the concerned authorities duly certified by the Managing Director/Executive Director of the Company."

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

V.K.Premchand
Managing Director

Place: Hyderabad.
Date: 03.09.2015

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The proxy in order to be effective must be received by the company at its registered office, duly completed and signed, not less than 48 hours before the commencement of the Annual General Meeting.
3. Members/proxies are requested to bring their copies of Annual Report and the attendance slip duly filled in for attending the meeting. Copies of the Annual Reports will not be provided at the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday the 26th September, 2015 to Wednesday the 30th September 2015 (inclusive of both days).
5. Members, who do not have their shares in demat form, are requested to notify immediately any change in their address to the share transfer agents and in case their shares are held in dematerialized form, this information should be passed on to their respective depository participants without delay.
6. Pursuant to the requirements of the listing agreement of stock exchanges, the information of the directors proposed to be appointed or Re-appointed is given in the annexure to the Corporate Governance report.
7. Shareholders holding shares in physical form are invited to contribute to the cause of Green Initiative by registering their e-mail ID, by submitting the E- COMMUNICATION REGISTRATION FORM inserted in the Annual Report.
8. Members who hold shares in dematerialized form are requested to bring their client ID and DP IDs for easy identification of attendance at the meeting.
9. Corporate Members are requested to send a duly certified copy of the Board Resolution pursuant to section 113 of the Companies Act, 2013, authorizing their representative to attend and vote at the Annual General Meeting.
10. The company has designated an exclusive email id namely, info@fitlindia.com for redressal of Share Holders' complaints/grievances.
11. The MCA has taken up Green Initiative, by allowing paperless conveyance by companies, permitting sending of Annual Reports to share holders by e mails. The company has taken initiative and sent Annual Reports to share holders whose e mail ids are available with the Share Transfer Agency. Other Shareholders holding shares in physical form are invited to contribute to the cause of Green Initiative by registering their e-mail ID, by submitting the E- COMMUNICATION REGISTRATION FORM inserted in the Annual Report.

12. In compliance to the provisions of section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the company is pleased to provide to the members the facility to exercise their rights to vote at the 27th Annual General Meeting by electronic voting and the business may be transacted through eVoting service provided by Karvy Computershare Pvt Ltd (KARVY).

13. Voting through electronic means:

Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 23rd September 2015, are entitled to vote on the Resolutions set forth in this Notice. The remote e-voting period will commence at 10.00 a.m. on 27th September 2015 and will end at 6.00 pm on 29th September, 2015. The facility for voting through electronic voting system ('Insta Poll') shall be made available at the meeting 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 'Insta Poll'. The Company has appointed Mr. Ch. Veeranjaneayulu Practicing Company Secretary, to act as the Scrutinizer, to scrutinize the Insta Poll and remote e-voting process in a fair and transparent manner. The Members desiring to vote through remote e-voting refer to the detailed procedure given hereinafter.

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

During the e-voting period, members of the company holding shares either in physical form or dematerialized form, as on the cutoff date i.e., 23rd September, 2015, may cast their votes electronically.

The e-voting period will commence from Sunday, September 27, 2015 at 10.00 am and will end at 6.00 pm on Tuesday, September 29, 2015. The e-voting module will be disabled on September 29, 2015 at 6.00 pm. Members holding shares in their physical or dematerialized form as on the cutoff date of 23rd September, 2015 may cast their vote electronically. The eVoting module shall be enabled by Karvy Computershare Pvt Ltd (KARVY) during the above mentioned period.

Once the vote on a resolution is cast by a shareholder, the shareholder shall not be allowed to change it subsequently.

A copy of this notice has been placed on the website of the Company.

PROCEDURE FOR E-VOTING

I. The Company has engaged the services of Karvy Computershare Private Limited (Karvy) for facilitating remote e-voting for AGM. The instructions for remote e-voting are as under:

- (a) In case of Members receiving an e-mail from Karvy :
 - (i) Launch an internet browser and open <https://evoting.karvy.com>
 - (ii) Enter the login credentials (i.e. User ID and password). The Event No.+Folio No. or DP ID- Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
 - (iii) After entering the above details Click on - Login.
 - (iv) Password change menu will appear. Change the Password with a new Password of your choice. The new password shall comprise minimum 8 characters with at least one upper

case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\$,etc.) The system will also prompt you to update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential. You need to login again with the new credentials.

- (v) On successful login, the system will prompt you to select the E-Voting Event
- (vi) Select the EVENT of Frontier Informatics Limited and click on - submit
- (vii) Now you are ready for e-voting as 'Cast Vote' page opens.
- (viii) Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'OK' when prompted.
- (ix) Upon confirmation, the message 'Vote cast successfully' will be displayed.
- (x) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xi) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter, along with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by an e-mail at chveeru@gmail.com they may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVENT NO."

(b) In case of Shareholders receiving physical copy of the Notice of AGM and Attendance Slip

- (i) Initial Password is provided, as follows, at the bottom of the Attendance Slip.

EVEN (E-Voting Event Number)	USER ID	PASSWORD
-	-	-

- (ii) Please follow all steps from Sr. No. (i) to Sr. No. (xi) above, to cast vote.

II. In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'e-voting user manual' available in the downloads section of Karvy's e-voting website <https://evoting.karvy.com>.

III. If you are already registered with Karvy for e-voting then you can use your existing User ID and Password for casting vote.

IV. The voting rights shall be as per the number of equity share held by the Member(s) as on 23rd September 2015. Members are eligible to cast vote electronically only if they are holding shares as on that date.

V. The Companies (Management and Administration) Amendment Rules, 2015 provides that the electronic voting period shall close at 6.00 p.m. on the date preceding the date of AGM. Accordingly, the voting period shall commence at 10.00 a.m. on 27th September 2015 and will end at 6.00 pm on 29th September, 2015. The e-voting module shall be disabled by Karvy at 6.00 p.m. on the same day.

VI. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently.

VII. 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.

VIII. Members who have acquired shares after the despatch of the Annual Report and before the book closure may obtain the user ID approach the Company for issuance of the User ID and Password for exercising their right to vote by electronic means.

If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS : MYEPWD <space> Event number+Folio No. or DP ID Client ID to 9212993399

Example for NSDL : MYEPWD <SPACE> IN12345612345678

Example for CDSL : MYEPWD <SPACE> 1402345612345678

Example for Physical : MYEPWD <SPACE> XXX1234567

If e-mail or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "forgot password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

Member may call Karvy's toll free number 1-800-3454-001

Member may send an e-mail request to evoting@karvy.com

VI. The results shall be declared on or after the AGM. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company.

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

V.K. Premchand
Managing Director

Place: Hyderabad.
Date : 03.09.2015

ANNEXURE TO THE NOTICE - EXPLANATORY STATEMENT

(Pursuant to Section 102 of Companies Act, 2013)

Item No 4:

Mr. V.K.Premchand, is the Promoter Director of the company and has been engaged in the day to day activities of the company since inception.

Considering his vast experience in the fields of software, it is proposed to appoint him as Managing Director of the company for a period of one year with effect from 1st October, 2015. As per the provisions of Companies Act, appointment of Executive Director requires the approval of shareholders by way of ordinary resolution, hence the board of directors recommended for the approval of shareholders.

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

None of the Directors other than Mr. V.K.Premchand is interested in the respective Resolution.

Item No 5:

The Board of Directors appointed Mrs B.Prasanna Lakshmi, as the Executive Director of the company for a period of one year wef 01.10.2015.

Mrs Bommaraju Prasanna Lakshmi, aged 44 years, is an MCA post graduate, has been actively engaged as a software professional and Trainer for more than a decade. She has been a Director on the Board of Prime Resources Private Limited.

Considering her vast experience in the field of software, it is proposed to appoint her as an Executive Director of the company for a period of one year with effect from 1st October, 2015. As per the provisions of Companies Act appointment of Executive Director requires the approval of shareholders by way of ordinary resolution, hence the board of directors recommended for the approval of shareholders.

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

None of the Directors other than Mrs. Bommaraju Prasanna Lakshmi is interested in the respective Resolution.

Item No 6:**1. Salient features of the Scheme of Capital Reduction**

- i. As on 31.03.2014 as per the Audited Financial results of the Company, the total accumulated losses and share capital unrepresented by available assets of the Company are Rs. 14,53,44,672/- as against the Paid-up equity share capital of Rs 13,31,04,000/-. Mere infusion of further funds into the Company will not benefit any existing share holder even if the Company registers profits in coming years since no dividend can be paid out of profits unless accumulated losses are wiped out. Under this Scheme the accumulated losses are reduced to the extent of reduction of capital. Under this Scheme, if approved, the Company will represent true financial position which would benefit both the Company, Institutions in general, and share holders in particular as their holding will yield better results and value.
- ii. Hence, after evaluating various alternatives, the Board at its meeting held on 14th November, 2014 decided to reduce 95% of the paid up share capital of the Company by cancelling and extinguishing 95% of the capital of the Company of face value of Rs. 10/- (Rupees Ten only) each.
- iii. This resolution is subject to the confirmation of the Hon'ble High Court of Judicature at Telangana and/or Andhra Pradesh or NCLT as may be applicable.

2. No-Objection/ Observation Letter from the Stock Exchanges

In-terms of Clause 24(f) of the Listing Agreement, the Company, obtained No-objection/Observation Letter to the reduction of capital from BSE Limited vide the letter dated 07th May, 2015.

3. Capital Structure and shareholding pattern of the Company.

The capital structure and shareholding pattern of the Company pre reduction of capital as on 31st March, 2014 and post reduction & Consolidation of capital are as follows:

Capital Structure:

Particulars	Pre-reduction of capital (in Rs.)	Post-reduction & Consolidation of capital (95%)(in Rs.)
Authorized capital	18,00,00,000/-	18,00,00,000/-
Issued, subscribed and paid-up capital	13,31,04,000/-	66,55,200/-

Details of proposed reconstruction / restructuring of Issued, subscribed and paid-up capital by Reduction & Consolidation of capital are as follows:

Particulars	Prior to the Scheme of Arrangement	Proposed Reduction of capital against capital losses as per Scheme	Paid up capital post reduction and prior to consolidation	Paid up capital post reduction and after consolidation into Rs.1/- each
No of Equity Shares	1,33,10,400	1,33,10,400	1,33,10,400	66,55,200
Value of each share	10.00	9.50	0.50	1.00
Total paid up share Capital	13,31,04,000/-	12,64,48,800/-	66,55,200/-	66,55,200/-

Shareholding Pattern prior and post Scheme of Arrangement:

Particulars	Prior to the Scheme of Arrangement		After the implementation of the Scheme of Arrangement. (As on effective date)	
	No. of Shares (Rs.10 each)	% to total	No. of Shares (Rs.1 each)	% to total
Promoter's & Group	6,22,792	4.68	3,11,396	4.68
Institutions/ Mutual Funds etc	18,600	0.14	9,300	0.14
NRIs /OCBs	305,805	2.30	1,52,902	2.30
Domestic Co.,	10,41,364	7.82	5,20,682	7.82
Others	1,13,21,839	85.06	56,60,920	85.06
Total	1,33,10,400	100.00	66,55,200	100.00

4. As per the requirements of Clause 24 (h) of the Listing Agreement, a copy of "fairness opinion" obtained from M/s. Saffron Capital Advisors Private Limited, SEBI registered Category I Merchant Bankers, on valuation of Equity shares Capital done by the valuer M/s. Polamraju & Associates, Chartered Accountants, is herewith enclosed, forming part of this Notice.
5. The Registered Office of the Company is situated in Hyderabad in the State of Telangana, therefore the Company would file an application for the approval of the reduction of capital before the High Court of Judicature at Hyderabad for the State of Telangana and for the State of Andhra Pradesh on passing the Special Resolution.
6. The Company shall file a certified copy of the order of the Hon'ble High Court sanctioning the scheme of capital reduction with the Registrar of Companies, Telangana and/or Andhra Pradesh.
7. In accordance with the Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 read with Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013 issued by SEBI, the Complaints Report and Observation Letter of the BSE are enclosed herewith.
8. The copies of the following documents will be open for inspection at the Registered Office of the Company on all working days (Monday to Friday between 11:00 AM to 01:00 PM) till the date of AGM:
 - Memorandum of Association and Articles of Association of the Company.
 - The audited balance sheet and profit and loss account for the year ended 31st March, 2014.
 - Complaints Report submitted by the Company with the Stock Exchanges.

- Valuation Report submitted by M/s Polamraju & Associates, Chartered Accountants.
- Fairness Opinion by M/s Saffron Capital Advisors Private Limited, Merchant Bankers.
- Copies of the observation letter dated 07th May, 2015 of the BSE Limited granting No-objection/observation letter to the reduction of capital.
- Notice to equity shareholders and the explanatory statement, copies of which may be obtained free of cost.

The Board of Directors of the Company recommends to the shareholders for passing the proposed special resolution.

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

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

V.K. Premchand
Managing Director

Place: Hyderabad.

Date: 03.09.2015

**Fairness Opinion Report on 'Valuation Report of Equity Capital' for Proposed
Scheme of Reduction of Capital of Frontier Informatics Limited**

Prepared by



Saffron Capital Advisors Private Limited

605, Sixth Floor, Centre Point,
Andheri-Kurla Road, J. B. Nagar,
Andheri East, Mumbai – 400059.

Ph: +91-22-4082 0906 Fax: +91-22-4082 0999

December 10, 2014

SEBI Registered Category I Merchant Banker

SEBI Registration No: INM000011211

Notice to Reader

This report is done by Saffron Capital Advisors Private Limited ("Saffron") solely for the purpose of giving a fairness opinion on Valuation of Equity Capital for the proposed Scheme of "Reduction of Capital" of Frontier Informatics Limited. This report is not to be used, circulated, and quoted otherwise than for the purpose stated herein. This report is subject to the scope of limitations detailed hereinafter. As such the report is to be read in totality and not in parts. This report has been prepared solely for the purpose set out in this report and should not be reproduced (in part or otherwise) in any other document whatsoever without Saffron's written consent.

For the purpose of this assignment, Saffron has relied on the report on Valuation Report dated November 28, 2014 prepared by Polamraju & Associates, Chartered Accountants [represented by CA Sriram Polamraju (Firm Registration No. 012335s) having their office situated Gandhi Nagar, Hyderabad - 500 029] for the proposed Scheme of "Reduction of Capital" of Frontier Informatics Limited, information and explanation provided to it and Saffron has not tried to evaluate the accuracy thereof. Saffron's work does not constitute certification or due diligence of the past working results and Saffron has relied upon the information provided to it as set out in audited and working results of the aforesaid reports.

Saffron has not carried out any physical verification of the assets and liabilities of the companies and takes no responsibility on the identification of such assets and liabilities.

We hereby give our consent to present and disclose the Fairness Opinion in the general meetings of the shareholders of Frontier Informatics Limited pursuant to Clause 24 of the Listing Agreement, to the Stock Exchanges and to the Registrar of Companies.

Our opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed capital reduction with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.



The information contained in this Report is selective and is subject to updating, expansions, revisions and amendment, if any. It does not purport to contain all the information recipients may require. No obligation is accepted to provide recipients with access to any additional information or to correct any inaccuracies which might become apparent. Recipients are advised to independently conduct their own investigation and analysis of the business of the Companies. The report has been prepared solely for the purpose of giving a fairness opinion on Valuation Report on Equity Capital for the proposed Scheme of Reduction of Capital of Frontier Informatics Limited and may not be applicable or referred to or quoted in any other context.

For Saffron Capital Advisors Private Limited



Authorised Signatory

Introduction and Scope of Assignment

1. Corporate Profile – Frontier Informatics Limited:

Frontier Informatics Limited ("Frontier"), a public limited company listed on BSE Limited, Mumbai. The main objects of the company are to carry design, develop, assemble, manufacture, use, install, purchase, sell, value add and resell, import, export, distribute, maintain and support computers, micro-processors, communication equipment and any other electronic, electrical, mechanical, electro-mechanical, optical, electro-magnetic equipment and any combination of these for information processing application.

Frontier was originally incorporated as FRONTIER INFORMATION TECHNOLOGIS PRIVATE LIMITED on 29.07.1986. The company was converted to public limited company vide fresh certificate issued by the Registrar of Companies dated 16.01.1995. Subsequently, in the year 2011, the name of the company was changed to FRONTIER INFORMATICS LIMITED; Registrar of companies, Andhra Pradesh, Hyderabad has issued fresh certificate of incorporation consequent to change of name on 14th October 2011.

The founder Chairman and Managing Director of the Company, V.K.Premchand has over 40 years of IT experience in India and USA. He holds a Master's Degree in Computer Science from University of California, Berkeley, USA.

Frontier was involved in development of various software products during the years from 1995 to 2001.02. The company developed products by name MASTER HEALTH, LIBRIS, ATITHI, KNETS etc. The company had own facilities consisting of development centre with about 250 work stations and had about 200 employees on its rolls during the time when the products were in development phase.



The company could not market the products and failed to commercially exploit the products. Further due to working capital constrains the company started to make losses from years 2002.03 and has been totally out of operations for the past 5 years.

2. Capital Structure of Frontier Informatics Limited

The Authorised Share Capital of the Company, as on March 31, 2014 is Rs. 18,00,00,000 /- (Rupees Eighteen Crores Only) divided into 1,80,00,000 (One Crore Eighty Lakhs) Equity Shares of Rs.10/- (Rupees Ten Only) each and the Issued, Subscribed and Paid-up Capital of the Company is Rs. 13,31,04,000/- (Rupees Thirteen Crores Thirty One Lakhs Four Thousand Only) divided into 1,33,10,400 (One Crore Thirty Three Lakhs Ten Thousand and Four Hundred) fully paid up Equity Shares of Rs. 10/- (Rupees Ten Only) each.

3. The Board of Directors of Frontier Informatics Limited is proposing a scheme of arrangement for reconstruction / restructuring of Capital between Frontier Informatics Limited and its Shareholders. Valuation of Equity Capital has been decided based on the Valuation Report prepared by Polamraju & Associates, Chartered Accountants [represented by CA Sriram Polamraju (Firm Registration No. 012335s) having their office situated Gandhi Nagar, Hyderabad - 500 029].
4. We, Saffron Capital Advisors Private Limited, a SEBI registered Category-I Merchant Banker, has been engaged to give a fairness opinion on Report of Valuation of Equity Capital for the proposed Scheme of Reduction of Capital of Frontier Informatics Limited. The valuation mentioned herein reflects our independent opinion which is arrived at based on the information provided to us.



Exclusions and Limitations

- In this connection, Saffron has been requested to submit a report by giving a fairness opinion on Valuation report for valuation of Equity Capital for the proposed Scheme of Reduction of Capital of Frontier Informatics Limited.

- We have prepared the Fairness Opinion on the basis of the following information provided to us / collated by us from publicly available sources, like website of BSE:
 - a) Audit Report of Frontier Informatics Limited for the financial year ended on March 31, 2014.

 - b) Past financials, projected financials, working results and assumptions/explanations as set out in the valuation report of Polamraju & Associates, Chartered Accountants dated November 28, 2014, as provided to us by the Company.

- We have prepared our report based on the information provided to us by the Company.

- Our valuation exercise and conclusions reached by us are dependent on the information provided to us being complete and accurate in all material respects. Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us. The scope of our assignment does not involve us performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information used during the course of our work. As such we have not performed any audit, review or examinations of any of the historical or prospective information used and, therefore, do not express any opinion with regard to the same. In addition, we do not take any responsibility for any changes in the information used for any reason, which may occur subsequent to the date of our report.



- Our report will not be offered to any section of the public to subscribe for or purchase any securities in or assets or liabilities of any company or business valued by us.
- This report is prepared with a limited purpose/ scope as identified/ stated earlier and will be confidential being for use only to whom it is issued. It must not be copied, disclosed or circulated in any correspondence or discussions with any person, except to whom it is issued and to those who are involved in this transaction and for various approvals for this transaction.



Key Extracts of Valuation Report of Polamraju & Associates, CA

M/s. Polamraju & Associates, Chartered Accountants has been appointed by management of Frontier Informatics Limited (Frontier) to prepare a Valuation Report for valuation of Equity Shares of the company for the proposed reduction of Capital of the company.

We have based our valuation exercise on the widely accepted valuation methods described above. For this purpose, we have reviewed the various documents, and have made certain assumptions and have relied upon the discussions we have had with, and the information, particulars and explanations that we received from the Company. We have based our valuation, primarily on the following factors: -

- While calculating Net Asset Value (NAV), we have taken into consideration the financials of FRONTIER for the year ended 31st March 2014.
- PECV of FRONTIER is not considered since the Company had suffered loss for last 3 years and the average EPS came out negative.
- For calculating per share value, we have taken into consideration the Market Value based on Last 26 weeks, Relevant Date being 13th November 2014. High, Low, Average Closing Prices of FRONTIER as per the BSE National Index as FRONTINR has considered proposal of reduction of capital at their Board Meeting held on 14th November, 2014.

From the above calculations and analysis, the fair value of equity shares of Rs. 10/- each, for the proposed reduction of capital can be taken as **Rs. 0.46/-**.



Conclusion and Opinion on Valuation Report

Conclusion:

We have reviewed the methodology as mentioned above used by the Valuer for arriving at the fair valuation of the equity shares of the company and also reviewed the working and underlining assumptions adopted to arrive at the values under each of the above approaches.

We have been represented by the management of the company that the present reduction of capital has been proposed to write off the accumulated losses by reorganizing the capital of the company and from the security premium account, so as to give a true and fair view of the financial statement of the company. The shareholding pattern of Frontier, pre and post Reduction of capital shall remain the same.

Valuation of Equity Capital has been arrived at based on various methodologies explained herein earlier and various qualitative factors relevant to the company and the business dynamics and growth potentials of the business of the company, having regard to information base, management representations and perceptions, key underlying assumptions and limitations.

Based on the information, material data made available to us, including the Valuation Report and working thereto, to best of our knowledge and belief, the methodologies used and corresponding valuation of Equity Capital suggested by the Valuer (Polamraju & Associates, Chartered Accountants) under the proposed Scheme of Reduction of Capital is **Fair and Reasonable**.





POLAMRAJU & ASSOCIATES

CHARTERED ACCOUNTANTS

REPORT
ON
FAIR VALUATION OF EQUITY SHARES OF
FRONTIER INFORMATICS LIMITED

Prepared by:

Polamraju & Associates
Chartered Accountants

Address: Gandhinagar, Hyderabad –
500 029.

Phone : 08096699885

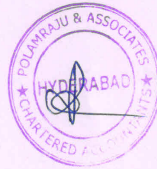
Email id : polamraju.aca@gmail.com

28th November, 2014



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1. Introduction:

1.1. Terms of Reference:-

We have been appointed by management of Frontier Informatics Limited ("FRONTIER") to prepare a Valuation Report for valuation of Equity Shares of the Company for the proposed reduction of capital of the Company.

1.2. Scope:

Section 2 describes our scope in preparing this Report. Section 3 deals with Objective of the report. Section 4 deals with Company Profile. Section 5 deals with Rationale for Reduction. Section 6 & 7 deal with Valuation Methodology and Basis of Valuation and Assumptions and Section 8 gives the Valuation Process and Approach.

1.3. Appointment:

1.3.1. The Board of Directors of FRONTIER at their Meeting held on 14th November, 2014 passed necessary resolution to appoint Independent Chartered Accountants to determine valuation of shares for the proposed reduction of capital of FRONTIER.

1.3.2. In accordance with the same, the Company has appointed our firm M/s Polamraju & Associates, Chartered Accountants vide letter dated 15th November, 2014 to determine value of equity shares of the Company in the proposed reduction.

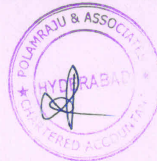
2. Scope:

2.1. Terms of Reference:

2.1.1. Our firm has been engaged by the management of FRONTIER to prepare and submit for consideration of the Board of Directors of FRONTIER the value of shares as at 15th day November, 2014 for the proposed reduction of capital of FRONTIER.

2.1.2 This report states, what in our opinion is a fair and equitable value per equity share for the proposed reduction of capital of the Company.

2.1.3 This report is subject to the scope limitations mentioned hereinafter. This report is to be read in totality and in conjunction with the relevant documents referred to in the report and it should not be read in parts.



2.2 Methodology:

2.2.1 We have relied solely on the information and data supplied by FRONTIER making no more than brief reviews, consisting of inquiries from personnel and certain review procedures. Consequently, the accuracy of the valuation will be based on the reasonableness and reliability of information and data supplied and our opinion will be subject to this factor.

2.2.2 We have prepared this Report on the basis of the documents and information received from the company.

2.3 Limitation of Liability:

2.3.1 We have prepared this report as per the appointment made by FRONTIER solely for the purpose of determining the valuation of equity shares for the proposed reduction. The report is to be used only by FRONTIER. It is not to be distributed to anyone other than FRONTIER or to be referred or quoted, in whole or in part without our prior written consent. We will not accept responsibility in relation to any party other than FRONTIER who has appointed us for the purpose of this exercise.

2.3.2 We do not accept any liability to any third party in relation to the issue of determination of value of equity shares for the proposed reduction.

2.3.3 As per our policy, neither the firm, partners or any employee undertakes responsibility arising in any way whatsoever, to any person other than FRONTIER in respect of the matters dealt with in this report including any errors or omissions therein, arising through negligence or otherwise, howsoever caused.

2.3.4 We do not make any recommendation as to whether FRONTIER should proceed with the proposed reduction of capital based on the value of equity shares for the proposed reduction.



2.4 Sources of Information:

We have relied upon the following sources of information:-

2.4.1. For our analysis, we have relied on published and secondary sources of data, some of which may not necessarily be accurate or current.

2.4.2. We have based our analysis on Audited Statements of Accounts and Annual Reports of

(a) Audited financials for the year ended 31st March 2014

(b) Memorandum and Articles of Association of the Company.

(c) Other Financial Information and also

(d) Unaudited Financial statements as of 30.09.2014 (subjected to Limited Review)

2.4.3 Other information and statement of facts submitted to us, orally or in writing by the company and discussions with the Directors and staff of the Company.

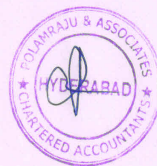
2.5 Disclaimer:

2.5.1 Nothing contained in this Report should be construed to be an express or implied representation as to the future. We have relied upon the information and data provided as above by the company without checking them for accuracy or reasonableness. No responsibility is assumed for the matters of legal nature.

2.5.2 The information presented in this report does not reflect the outcome of any due diligence procedures. The reader is cautioned that the outcome of that process could change the information herein and the valuation materially.

2.5.3 We have not considered any finding made by other external agencies in carrying out this work.

2.5.4 For our valuation, we have relied on published and Secondary Sources of data, some of which may not necessarily be accurate or current.



3. OBJECTIVE OF THE REPORT:

To arrive at the valuation of the equity shares of FRONTIER for the proposed reduction of capital, the said valuation is to be arrived at on the basis of the fair value of the shares of the Company. Accordingly, this Report has been prepared for the purpose of arriving at a fair value of the shares of the Company.

4. COMPANY PROFILE:

4.1 Frontier Informatics Limited (FRONTIER):

The Company was originally incorporated as FRONTIER INFORMATION TECHNOLOGIS PRIVATE LIMITED on 29.07.1986. The company was converted to public limited company vide fresh certificate issued by the Registrar of Companies dated 16.01.1995. Thereafter, in the year 2011, the name of the company was changed to FRONTIER INFORMATICS LIMITED; Registrar of companies, Andhra Pradesh, Hyderabad has issued fresh certificate of incorporation consequent to change of name on 14th October 2011.

4.2 The Shareholding pattern of Frontier Informatics Limited

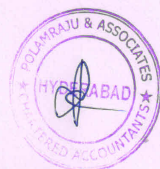
As on 30th September, 2014 is as follows

Sl.No.	PARTICULARS	% OF HOLDING
1.	Promoters and Promoters Group	4.68
2.	Public Intutional Holders	0.14
3.	NRIs / OCBs	2.30
4.	Domestic Companies	7.82
5.	Other Public Shareholding	85.06
	TOTAL	100.00



4.3 We have perused the Audited Balance Sheet & Profit & Loss Account of the Company for the year ended 31st March 2014 and the data is reproduced as under:

Balance Sheet of Frontier Informatics Limited As At		
Particulars		31st March 2014
Shareholders' Funds:		
Equity Share Capital		133,104,000
Reserves & Surplus		(144,344,672)
Non - Current Liabilities:		
Long Term Provision		--
Current Liabilities:		
Short term borrowings		19,395,369
Trade Payables		765,067
Other Current Liabilities		1,733,796
Short Term Provisions		755,861
Total		11,409,423
Assets:		
Fixed Assets:		
Tangible Assets		1,248,180
Intangible Assets		1,342,853
Non Current Investments		--
Deferred Tax Assets (Net)		--
Long Term Loans & Advances		--
Current Assets:		
Current Investments		--
Inventories		--
Trade Receivables		3,268,790
Cash & Cash Equivalent		892,315
Short Term Loans & Advances		4,657,286
Other Current Assets		--
Total		11,409,423



Profit & Loss Account of Frontier Informatics Limited for the period ended

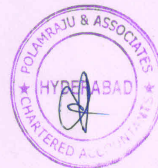
Particulars	31 st March 2014
REVENUE	
Sales/Income from Operation	430,353
Other Income	3,738
Accretion/Decretion in Stock	--
Total Revenue	434,091
Total Expenditure	1,977,004
Earnings Before Depreciation, Interest and Income Tax Expense(EBIDTA)	(1,542,913)
Interest & Finance charges	--
Depreciation and amortization	973,073
Expenses written-off	--
Profit Before exceptional & extraordinary items and Tax	(2,515,986)
Exceptional Items	--
Extraordinary items	--
Profit before tax	(2,515,986)
Provision for Tax	-
Deferred Tax	-
Profit After Tax	(2,515,986)

4.4 Further Adjustments :

On verification of the books and records, it is observed that the company has been carrying on an entry relating to Accounts Receivable in the name of a Sundry Debtor, namely M/s Mobiliti Inc, to the extent of Rs 29,51,417/- We were explained that the services were rendered to the said customer last during the financial year 2004.05.

Having considered the submissions made by the company, it is believed that the carrying cost of the said Sundry Debtor is over stated by 75% and it is therefore proposed that an amount of Rs 22,13,563/- shall be adjusted against the net worth of the company.

The conditions for the provision of above bad debt existed as on 31.03.2014 and are continued till date of our carrying out the valuation and therefore, in our considered view the adjustment is necessitated.



5. RATIONALE FOR REDUCTION:

The Company has been mainly operating in the spears of software Products Development and Training. The Company could not effectively market and commercially exploit various software products developed by it namely, KNETS, Hello AP.com, Libris, Web Enabled Master Health and other products. Consequently the company has been incurring losses continuously since 2001. The Company was not able to sustain its activities and consequently incurred heavy losses. This is resulting in lack of working capital, lack of business opportunities and therefore further losses. The accumulated losses of the Company which amounted to Rs.42,72,24,470/-- as on 31.03.2014 wiped off entire net worth of the Company, in fact resulting in negative net worth of Rs 1,10,40,672/-. The company is therefore unable to raise any finance either from the capital markets or financial institutions or from any Private Investors, whether in the form of equity or debt, to undertake business activities. The proposed Scheme will enable the company to clean its balance sheet and to avail further funds by way of equity to enable it to develop its business and thereby increase its net worth to enhance the stakeholder's value.

6. VALUATION METHODOLOGY:

There are several methods available for arriving at fair value of shares of a Company. Some of the recognized methods in vogue are as under:

- a) **Net Asset Value Method (NAV)**
- b) **Profit Earning Capacity Method (PECV)**
- c) **Market Price Method (MV)**

The methods available for valuation are discussed in brief as under;

a) **THE NET ASSET VALUE (NAV) METHOD:**

This method of valuation indicates the asset backing to the business. Though this method is inconsistent with the 'going concern' concept, it is definitely indicative of the minimum net worth of the business. For the purposes of arriving at NAV per share, the miscellaneous expenses carried forward, accumulated losses, total outside liabilities, revaluation reserves and capital reserves (except subsidy received in cash) shall be reduced from the value of the total assets and the net figure so arrived at shall be divided by the number of equity shares issued and paid-up.



Alternatively, intangible assets shall be reduced from the equity capital and reserves (excluding revaluation reserves) and the figure so arrived at shall be divided by the number of equity shares issued and paid-up.

b) THE PROFIT EARNING CAPACITY VALUE (PECV) METHOD:

This method of valuation presumes the continuity of business and uses the past and projected earnings to arrive at an estimate of future maintainable profits. For the purpose of the Profit Earning Capacity Value (PECV) of the shares, the commonly accepted approach is to capitalize average earnings, past and projected at an appropriate rate of capitalization, to arrive at a fair value per share. In the calculation of PECV, provision for taxation at the current statutory rate is normally considered because the crux of estimate in the PECV lies in assessment of the future maintainable profits of the business. It should not be overlooked that the valuation is for the future and that it is the future maintainable streams of earnings that is of greater significance in the process of valuation.

FAIR VALUE BASED ON AVERAGE OF NAV AND PECV PER SHARE:

The fair value of shares of a Company, as per the erstwhile Controller of Capital Issues (CCI) Guidelines could be determined on the basis of the average of the valuation arrived at by using the NAV and PECV methods discussed above.

c) MARKET PRICE METHOD:

Under this method, the fair value of the shares is arrived at on the basis of price quoted at recognized Stock Exchanges. This method is useful only for Companies whose shares are quoted on a Stock Exchange.

7. BASE VALUATION AND ASSUMPTION:

We have based our valuation exercise on the widely accepted valuation methods described above. For this purpose, we have reviewed the various documents, and have made certain assumptions and have relied upon the discussions we have had with, and the information, particulars and explanations that we received from the Company. We have based our valuation, primarily on the following factors: -

- 1] While calculating Net Asset Value (NAV), we have taken into consideration the financials of FRONTIER for the year ended 31st March 2014:
- 2] PECV of FRONTIER is not considered since the Company had suffered losses for last 3 years and the average EPS came out negative.



- 3] For calculating per share value, we have taken into consideration the Market Value based on Last 26 weeks, Relevant Date being 14th November, 2014. High, Low, Average Closing Prices of FRONTIER as per the BSE National Index as FRONTIER has considered proposal of reduction of capital at their Board Meeting held on 14th November, 2014.

7.1 Frontier Informatics Limited (FRONTIER):

- (i) The Net Assets Value of FRONTIER based on the financials for the year ended March 31, 2014 is negative of Rs (1.01).
- (ii) The Price Earning Capacity Value of FRONTIER is not considered - N.A.
- (iii) The Company is listed on Bombay Stock Exchange. The Average value of shares traded on Bombay Stock Exchange for Last 26 weeks (i.e. from 21st May, 2014 to 11th November, 2014) based on High, Low, Average Closing Prices of the Company is Rs 1.19. Further Average for latest two weeks comes to Rs 0.95.

Composite Valuation

Hence the value of the Shares under the two methods is as under:

Net Assets Value	(1.01)
Earning based Value	N.A.
Market Value	1.19

Weighted Average of the above two methods is Rs. 0.46/- per share of Rs. 10/- each.

The calculations have been explained in Appendix A below.

8. VALUATION PROCESS:

It is important to stress that the process of valuation cannot possibly be reduced to a uniform and inflexible exercise. Viscount Simon in Gold Coast Selection Trust Ltd.; Vs Humphery (1949) 17 ITR 19 observed the valuation is an art, not an exact science. Mathematical certainty cannot, therefore, be demanded nor indeed is it possible, in the ultimate analysis. Therefore, valuation will have to be tampered by the exercise of judicious discretion and judgment taking into account all relevant factors.

After all, the object of valuation process is to make a reasonable judgment of the fair value of the equity shares of the Company.

For determining the fair value of the Shares or for the purpose of determining the fair price to the Shareholders for the reduction of capital of the Company, we believe the method followed by us would provide for a fair value.

The average of the values as determined under both the methods has been considered as reasonable in view of the fact that the company's ' book value of the assets are more or less expected to depreciate or appreciate. The earnings based model has not been considered because of the continuous losses incurred by the company. Average of the two methods i.e. NAV value and Market Value has been deemed to be fair by us in this respect, hence the average of the prices determined under the above referred methods would in our opinion be fair values of the Company's shares.

8.1 FAIR VALUE AND CONCLUSION:


On a careful consideration of the peculiar facts and circumstances of the case and the reasons discussed hereinabove we are of the opinion that the Average of the above two methods is the most appropriate method to arrive at fair value of the shares of the Company.

8.2 FAIR VALUE OF EQUITY SHARES OF THE COMPANY

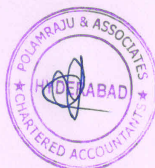
From the above calculations and analysis, the fair value of equity share of Rs 10/- each, for the proposed reduction of capital can be taken as Rs. 0.46/-.

We, Polamraju & Associates., Chartered Accountants, acknowledge the co-operation extended by FRONTIER by providing the appropriate information which enabled the preparation of this Report.

For Polamraju & Associates
Chartered Accountants
Firm Regn No:012335s



Sriram Polamraju
Proprietor
M.No : 217769



28th November, 2014
Hyderabad

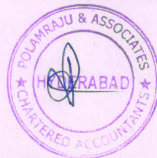
Appendix

FRONTIER INFORMATICS LIMITED

a) **Net Asset Value of the Company**

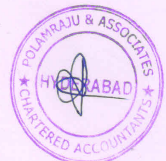
(1) Net Asset Valuation	
PARTICULARS	31st March, 2014
(A) Total Assets of Company	11,409,423
[inclusive of Fixed Assets, Investments, Net Current Assets, Misc. Expenditure, Profit and Loss account]	
(B) Deductions	
1] Secured Loan	--
2] Unsecured Loan & Other Liabilities	22,650,093
3] Deferred Tax Liability	--
4] Miscellaneous Expenditure [to the extent not w/off or	--
5] Other Adjustments	
Sundry Debtors written off as per para 4.4	2,213,563
Total Deductions	24,863,656
(C) Net Worth [A-B]	(13,454,233)
Total No. of Equity Shares	13,310,400
Net Assets Value per share (In Rs.)	(1.01)

Net Assets Valuation (Alternative Method)	
PARTICULARS	31st March, 2014
(A) Shareholders' Fund	
1] Equity Share Capital	133,104,000
2] Reserves & Surplus	(144,344,672)
3] Share Application Money (Warrants)	--
TOTAL	(11,240,672)
(B) Deductions	
Miscellaneous Expenditure [to the extent not w/off or	--
Other Adjustments	
Sundry Debtors written off as per para 4.4	2,213,563
Total Deductions	2,213,563
(C) Net Worth [A-B]	(13,454,235)
No. of Equity Shares	13,310,400
Net Assets value per share (In Rs.)	(1.01)

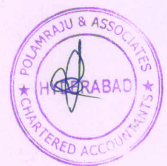


**Average Value of Shares Traded at
Bombay Stock Exchange (BSE) – Alternative-I**

Date	Close Price	Low	High	Avg	
11-Nov-14	0.92				
10-Nov-14	0.93				
7-Nov-14	0.91				
		1	0.91	0.93	0.92
5-Nov-14	0.95				
31-Oct-14	1.00				
		2	0.95	1.00	0.98
30-Oct-14	1.04				
29-Oct-14	1.09				
28-Oct-14	1.14				
27-Oct-14	1.14				
23-Oct-14	1.20				
		3	1.04	1.20	1.12
22-Oct-14	1.15				
21-Oct-14	1.13				
20-Oct-14	1.08				
		4	1.08	1.15	1.12
13-Oct-14	1.08				
10-Oct-14	1.07				
		5	1.07	1.08	1.08
9-Oct-14	1.12				
		6	1.12	1.12	1.12
30-Sep-14	1.12				
29-Sep-14	1.17				
		7	1.12	1.17	1.15
22-Sep-14	1.15				
19-Sep-14	1.1				
		8	1.1	1.15	1.13
18-Sep-14	1.15				
17-Sep-14	1.21				
16-Sep-14	1.27				
15-Sep-14	1.33				
12-Sep-14	1.4				
		9	1.15	1.4	1.28
11-Sep-14	1.46				
8-Sep-14	1.53				
		10	1.46	1.53	1.50
4-Sep-14	1.61				
2-Sep-14	1.48				
1-Sep-14	1.35				
		11	1.35	1.61	1.48



27-Aug-14	1.35			
		12	1.35	1.35
21-Aug-14	1.35			
		13	1.35	1.35
12-Aug-14	1.5			
11-Aug-14	1.6			
8-Aug-14	1.5			
		14	1.5	1.6
6-Aug-14	1.4			
		15	1.4	1.4
31-Jul-14	1.34			
		16	1.34	1.34
23-Jul-14	1.28			
21-Jul-14	1.26			
		17	1.26	1.28
15-Jul-14	1.32			
11-Jul-14	1.38			
		18	1.32	1.38
9-Jul-14	1.32			
8-Jul-14	1.32			
7-Jul-14	1.38			
4-Jul-14	1.32			
		19	1.32	1.38
3-Jul-14	1.26			
2-Jul-14	1.32			
1-Jul-14	1.26			
30-Jun-14	1.21			
27-Jun-14	1.26			
		20	1.21	1.32
26-Jun-14	1.2			
25-Jun-14	1.15			
24-Jun-14	1.1			
23-Jun-14	1.05			
20-Jun-14	1			
		21	1	1.2
18-Jun-14	1.01			
17-Jun-14	0.97			
16-Jun-14	0.97			
13-Jun-14	0.93			
		22	0.93	1.01
12-Jun-14	0.97			
11-Jun-14	0.99			
10-Jun-14	0.95			
9-Jun-14	0.91			
6-Jun-14	0.87			
		23	0.87	0.99
5-Jun-14	0.85			
4-Jun-14	0.85			

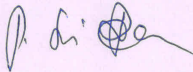


3-Jun-14	0.85			
2-Jun-14	0.89			
30-May-14	0.93			
		24	0.85	0.93
				0.89
29-May-14	0.97			
28-May-14	1.02			
27-May-14	1.07			
		25	0.97	1.07
				1.02
22-May-14	1.02			
21-May-14	0.98			
		26	0.98	1.02
				1.00

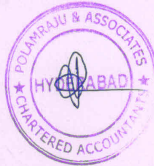
26 Weeks Average 1.19
2 Weeks Average 0.95
Applicable Price 1.19

	(In Rs.)	Weight	Product
Net Asset Value	(1.01)	1.00	(1.01)
Earning Based Value	N.A.	N.A.	N.A.
Market Value	1.19	2.00	2.38
		3.00	1.37
Per Share Value (In			0.46
The Weighted			
Average of all the			
Methods			0.46

For Polamraju & Associates
Chartered Accountants
Firm Regn No:012335s



Sriram Polamraju
Proprietor
M.No : 217769



28th November, 2014
Hyderabad

FRONTIER INFORMATICS LIMITED**IN THE MATTER OF SCHEME OF REDUCTION OF CAPITAL
(FILED BEFORE BSE ON 16.12.2014)****Complaints Report:****Part A**

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchange	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	NA
5.	Number of complaints pending	NA

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	NA	NA	NA
2.	NA	NA	NA
3.	NA	NA	NA

For Frontier informatics limited

V.K. Premchand
V.K.Premchand
Managing DirectorPlace : Hyderabad
Date : 12-01-2015

DCS/AMALJS/24(f)/039/2015-16

May 7, 2015

The Company Secretary,
Frontier Informatics Ltd
Flat No 403, Siri Enclave,
Municipal No. 8-3-960,
Srinagar Colony Main Road,
Hyderabad – 500 073
Telengana.

Sub: Observation letter regarding the Draft Scheme of Reduction of the Company.

We are in receipt of Scheme of Reduction of Capital of the company.

As required under SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI vide its letter May 5, 2015 has inter alia given the following comment(s) on the draft scheme of arrangement:

- **Company shall duly comply with various provisions of the Circulars."**

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble High Court.

Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

- a. Copy of the High Court approved Scheme;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
- d. Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
- e. Status of compliance with the Observation Letter/s of the stock exchanges;
- f. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable;
- g. Complaints Report as per Annexure II of this Circular.
- h. Any other document/disclosure as informed by the Exchange.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,


Nitin Pujari
Manager


Pooja Sanghi
Asst. Manager

DIRECTORS' REPORT

To
The Members,
Frontier Informatics Limited,
Hyderabad.

Your Directors hereby present the Twenty Seventh Annual Report together with the audited accounts of the Company for the year ended March 31, 2015.

The Financial Results and operations are as follows:

(Rupees in Lakhs)

S.no.	PARTICULARS	For the year 2014-15	For the year2013-14
1	Total Income	4.89	4.30
2	Gross Profit / (Loss) before Depn	(12.47)	(15.17)
3	Depreciation	10.63	9.73
4	Operating Profit / (Loss)	(25.82)	(25.16)
5	Interest	0.00	0.00
6	Prior Period Adjustments/ Write Offs/ Taxes	00.00	00.00
7	Net Profit / (Loss) after tax	(25.82)	(25.16)
8	Earnings per Share	(0.19)	(0.19)
9	Net Worth	(138.23)	(112.41)

DIVIDEND

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

BUSINESS OPERATIONS**1. Health Care Software Development.**

During the year the company has developed a few additional modules for Indo American Cancer Research Institute.

2. US Consulting Business

There were no consulting Business Operations in US/other countries during the year 2014-15.

FURTHER ISSUE OF SHARES ETC

The company has not issued further shares or any other instruments by way of rights, debentures whether convertible or not, during the financial year.

FUTURE OUTLOOK**1. eGovernance Projects:**

Company intends to focus its attention on domestic e-Governance Projects which are growing in number and value

2. Advanced Education and Training

Company is exploring opportunities in the area of advanced Computer Education and Training.

FIXED DEPOSITS

The Company has not accepted any fixed deposits from the public within the meaning of section 73/74 of the Companies Act, 2013 (earstwhile section 58A of the Companies Act, 1956).

RELATED PARTY TRANSACTIONS AS PER COMPANIES ACT 2013.

The company does not have any related party transactions during the year, other than unsecured, interest free loans given by the Directors, which are reported vide notes to accounts.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

Particulars pursuant to the provisions of section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the report of Board of Directors) Rules, 1988 are given in the Annexure – A.

DIRECTORS

In accordance with the requirements of the Companies Act 2013, read with the Articles of Association of the company, Mr. Potail Yadav Varun, Mrs Dharamkar Mamatha Nandan, and Mr Singh B.Yalamanchili, Directors are liable to retirement by rotation. Mrs Dharamkar Mamatha Nandan and Mr Singh B.Yalamanchili have not offered themselves for reappointment. Mr. Potail Yadav Varun being eligible offers himself for re-appointment. The Board recommends for his reappointment.

Mr Sudheer Anand Verma, Pakalapati, an independent director, whose term as director expires as on 30th September, 2015 will vacate his office from the conclusion of this Annual General Meeting.

The committees of the Board have been reconstituted and also renamed in line with the requirements, the details of which are provided elsewhere in this report. The Managing Director is discharging the functions, duties and responsibilities of the CFO.

The information required under Clause 49 IV (G) of the Listing Agreement is given in the Corporate Governance Report.

AUDITORS

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

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

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

<i>Provident Fund dues</i>	<i>Rs. 5,64,268</i>
<i>Dividend Distribution Tax</i>	<i>Rs 9,75,000</i>

Director's Statement: The dues to PF Department represents balance of interest levied on delayed payments and the company requested for allowing payment through installments. The company has paid the installments during the FY 2014-15 and reduced the liability from Rs. 6.19 lacs to Rs 5.64 lakhs and the Board of Directors hope to clear the installments in the current Financial Year. Dividend Distribution Tax relates to FY 1999-2000.

- (ii) **Auditors Comment:** (b) According to the information and explanation given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31.03.2015 for a period of more than six months from the date they became payable excepting *undisputed dividend tax payable by the company amounting to Rs.9,75,000/- as on that date.*

Director's Statement: The amount represents unpaid Tax on Dividend Distribution made in the year 2000. The company could not repay the same due to paucity of funds. Further the company has not provided interest charged on the tax to the extent of Rs 10.91 lakhs.

CODE OF CONDUCT

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

CORPORATE GOVERNANCE

Pursuant to the provisions of the Listing Agreement and the Companies Act, 1956, Report on Corporate Governance together with the Auditors' Certificate on the compliance of the conditions of Corporate Governance are furnished in this Annual Report

LISTING WITH STOCK EXCHANGES

The equity shares of the Company are listed at the Mumbai Stock Exchange Limited. The listing fee is paid for the financial year 2013-14.

EXTRACT OF ANNUAL RETURN:

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

PARTICULARS OF EMPLOYEES

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

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

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

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

Material changes occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report like settlement of tax liabilities, operation of patent rights, depression in market value of investments, institution of cases by or against the company, sale or purchase of capital assets or destruction of any assets etc. The company received no objection letter from BSE for reduction of capital dated 07.05.2015.

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

There are no such events.

Details in respect of adequacy of internal financial controls with reference to the Financial Statements.

The company recorded turnover of Rs 4.89 lakhs during the year and necessary controls are implemented.

STATUTORY DISCLOSURES

In terms of the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the annexure to the Directors' Report. However, as per the provisions of Section 219 (b) (iv) of the said Act read with Clause 32 of the Listing Agreement, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company at the registered office of the Company.

OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

In order to prevent sexual harassment of women at work place a new act The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified on 9th December, 2013. Under the said Act every company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee.

Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up Committee for implementation of said policy. During the year Company has not received any complaint of harassment.

REDUCTION OF CAPITAL

The company has received in principal approval for reduction of share Capital from Bombay Stock Exchange.

The Exchange noted the confirmation given by the company stating that the scheme does not in way violate or override or circumscribe the provisions of the SEBI Act, 1992, the Securities Contracts (Regulation) Act, 1956, the companies Act 2013, the rules, regulations and guidelines made under these Acts, and the provisions of the Listing Agreement or the requirements of BSE Limited (BSE).

DIRECTOR'S RESPONSIBILITY STATEMENT

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

- a. That in the preparation of the accounts for the financial year ended 31st March 2015; the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review.
- c. That the Directors have 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.
- d. That the Directors have prepared the accounts for the financial year ended 31st March 2015 on a 'going concern basis'.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. Industry Structure and Development

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

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

B. Opportunities

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

C. Threats, Risks and Concerns

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

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

D. Segment wise Performance

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

E. Outlook

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

F. Risk and Concerns

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

G. Internal control system and their adequacy

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

1. Oversight of Company's financial reporting process and the disclosures of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Reviewing with management the annual financial statements before submission to the Board, focusing primarily on any changes in accounting policies, compliances with accounting standards etc.
3. Discussion with the senior management to ensure adherence to the internal Control systems and processes.

4. To ensure that appropriate controls are established and are effective throughout every software development project and conforming to ISO 9001 requirements.

H. Discussion on financial performance with respect to operational performance

Financial statements are prepared under the Historical Cost Convention in accordance with the Indian Generally Accepted Accounting Principles and the provisions of the Companies Act, 1956.

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

The losses incurred over the years are as under:

(Rs. In Lacs)

Sl. No.	Year	Total of Year
1	Year end March 2009	309.92
2	Year end March 2010	334.31
3	Year end March 2011	267.11
4	Year end March 2012	166.88
5	Year end March 2013	7.15
6	Year end March 2014	25.16
7	Year end March 2015	25.82

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

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

The company has cordial relations with its employees and staff.

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

Cautionary Statement

Statements in this management discussion and analysis describing the company's objectives, projections, estimates, expectations may be considered to be forward looking statements and actual results could differ materially from those expressed or implied. Factors which could make a significant difference to the Company's operations

include demand supply conditions, market prices, input component costs and availability, changes in Government regulations and tax laws besides other factors such as litigations, over which the Company may not have any control.

ACKNOWLEDGEMENTS

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

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

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

Place: Hyderabad.
Date: 03.09.2015

V.K. Premchand
Managing Director

ANNEXURE 'A' TO THE DIRECTOR'S REPORT

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988:

The Company's operations involve low energy consumption. The Company has already taken energy conservation measures wherever possible. Efforts to conserve and optimize the use of energy through improved operational methods will continue.

A. Conservation of energy:

- (a) Energy Conservation measures taken: Your Company's operations are not energy intensive. Adequate measures have been taken to conserve energy wherever possible by using energy-efficient computers and purchase of energy efficient equipment.
- (b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy: Nil
- (c) Impact of the measures (a) and (b) above for energy consumption and consequent impact on the cost of production of goods: Nil

B. Technology absorption:

Research & Development (R&D)

- 1. Specific areas in which R & D Carried out by the Company Software Development.

2. Benefits derived as a result of the R&D R&D is an Integral part of Company's Activity.
3. Future plan of Action The Company will continue to undertake Research and Development of state-of-the art Software Tools, Applications, Web Services, Knowledge Management and Product Development and related services.
4. Expenditure on R & D Nil
5. R & D expenditure as a % of total turnover NA

C. Foreign Exchange Earnings and Outgoes

Activities relating to Export the Company was engaged in the execution of Software Projects, development of Software Products and related services.

(Rs. In Lakhs)

Particulars	March 31, 2015	March 31, 2014
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo	Nil	Nil

By order of the Board

For Frontier Informatics Limited

Place: Hyderabad.
Date: 03.09.2015

V.K.Premchand
Managing Director

ANNEXURE INDEX

<u>Annexure</u>	Content
i.	Annual Return Extracts in MGT 9
ii.	Format of declaration by Independent Director
iii.	MR-2 Secretarial Audit Report

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2015

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

I. REGISTRATION & OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

III. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

SN	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Software Services	8921	100%

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

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2014]				No. of Shares held at the end of the year[As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	305681	25800	331481	2.49	318650	25800	344450	2.59	0.10
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.									
e) Banks / FI									
f) Any other	277140	51202	278142	2.09	277140	51202	278342	2.09	--
Total shareholding of Promoter (A)	532621	77002	609623	4.58	545790	77002	622792	4.68	0.10
B. Public Shareholding									
1. Institutions	--	1200	1200	0.01	--	1200	1200	0.01	--
a) Mutual Funds	--	11800	11800	0.09	--	11800	11800	0.09	--
b) Banks / FI									
c) Central Govt									

d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs	--	5600	5600	0.04	--	5600	5600	0.04	--
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-	--	18600	18600	0.14	--	18600	18600	0.14	--
2. Non- Institutions									
a) Bodies Corp.									
i) Indian	1434927	33700	1468627	11.03	934010	33900	967910	7.27	-3.76
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	7874413	774717	8649130	64.98	5669811	795544	6465355	48.57	-16.41
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1508788	265481	1774269	13.33	4483255	215654	4698909	35.30	+21.97
c) Others HUFs(specify)	205053		205053	1.54	224449		224449	1.69	+0.15

Non Resident Indians	337544	247503	585047	4.4	116584	195801	312385	2.35	-2.05
Overseas Corporate Bodies									
Clearing Members	51		51	0	12		12	0.00	--
Trusts									
Foreign Bodies - D R									
Sub-total (B)(2):-	11360776	1321401	12682177	95.28	11428109	1240899	12669008	95.18	0.10
Total Public Shareholding (B)=(B)(1)+ (B)(2)	11360776	1340001	12700777	95.42	11428109	1259499	12687608	95.32	0.10
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	11970399	1340001	13310400	100	11973899	1336501	13310400	100	---

B) Shareholding of Promoter-

S N	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	VKPremchand	308481	2.32	20.26	321450	2.42	19.44	+0.10
2	A.Agam Rao	400	0.00	--	400	0.00	--	--
3	Yogesh Sood	6725	0.05	--	6725	0.05	--	--
4	Sudarshan Grover	15235	0.11	--	15235	0.11	--	--
5	V.Radha Bai	1100	0.01	--	1100	0.01	--	--
6	V.Kondal Rao	100	0.00	--	100	0.00	--	--
7	G.Ananda Bai	100	0.00	--	100	0.00	--	--
8	V.Upendra Rao	50	0.00	--	50	0.00	--	--
9.	Rajan Munja	174740	1.31	--	174740	1.31	--	--
10	Muralidhar A	49392	0.37	--	49392	0.37	--	--
11	Satyam V.Chary	30300	0.23	--	30300	0.23	--	--
12	Sudhakar Reddy	400	0.00	--	600	0.00	--	--
13	Sree Jayanthi Y	22600	0.17	--	22600	0.17	--	--

C) Change in Promoters' Shareholding (please specify, if there is no change):Not Applicable

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	609623	4.58		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	13169	0.01		
	At the end of the year	622792	4.68	--	--

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

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1941664	14.59	--	--
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	--	--	--	--
	At the end of the year	1941664	14.59	--	--

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	322200	2.42	--	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	--	--	--	--
	At the end of the year	322200	2.42	--	-

F) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Rs in Lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	--	173.50	--	
ii) Interest due but not paid	--	--	--	
iii) Interest accrued but not due	--	--	--	
Total (i+ii+iii)	--	193.95	--	
Change in Indebtedness during the financial year	--		--	
* Addition	--	8.35	--	
* Reduction	--	--	--	
Net Change	--	8.35	--	
Indebtedness at the end of the financial year	--	181.85	--	
i) Principal Amount	--	181.85	--	
ii) Interest due but not paid	--	--	--	
iii) Interest accrued but not due	--	--	--	
Total (i+ii+iii)	--	181.85	--	

XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

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

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors			Total Amount	
1	Independent Directors					
	Fee for attending board committee meetings	T.RajKumar				15,000
		R.Ananta Chary				20,000
	Commission					
	Others, please specify					
	Total (1)					35,000

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

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

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

XII. 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)
A. COMPANY					
Penalty					
Punishment					
Compounding		N	I	L	
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment		N	I	L	
Compounding					

Annexure II**DECLARATION OF INDEPENDENCE**

3rd September, 2015

To
 The Board of Directors
FRONTIER INFORMATICS LIMITED
 H.no:8-3-960, flat no.403, siri enclave,
 Srinagar colony main road
 Hyderabad,
 Telangana.

Sub: Declaration of independence under clause 49 of the Listing Agreement and sub-section (6) of section 149 of the Companies Act, 2013.

I, Vunnava Purnachandra Rao hereby certify that I am a Non-executive Independent Director of **FRONTIER INFORMATICS LIMITED, Hyderabad** and comply with all the criteria of independent director as envisaged in Clause 49 of the Listing Agreement and the Companies Act, 2013.

I certify that:

- I possess relevant expertise and experience to be an independent director in the Company;
- I am/was not a promoter of the company or its holding, subsidiary or associate company;
- I am not related to promoters / directors / persons occupying management position at the board level or level below the board in the company, its holding, subsidiary or associate company;
- Apart from receiving director sitting fees / remuneration, I have/had no pecuniary relationship / transactions with the company, its promoters, its directors, its senior management or its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial;
- none of my relatives has or had any pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover **or** total income **or** Rs. 50 Lacs **or** such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- Neither me nor any of my relatives:
 - a) holds or has held the position of a key managerial personnel or is or has been employee/executive of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
 - b) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of;
 - a. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - b. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
 - c) holds together with my relatives 2% or more of the total voting power of the company; or

d) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or

- I am not a material supplier, service provider or customer or a lessor or lessee of the company;
- I am not less than 21 years of age.

Declaration

I undertake that I shall seek prior approval of the Board if and when I have any such relationship / transactions, whether material or non-material. If I fail to do so I shall cease to be an independent director from the date of entering in to such relationship / transactions.

Further, I do hereby declare and confirm that the above said information's are true and correct to the best of my knowledge as on the date of this declaration of independence and I shall take responsibility for its correctness and shall be liable for fine if any imposed on the Company, its directors, if the same found wrong or incorrect in future.

I further undertake to intimate immediately upon changes, if any, to the Company for updating of the same.

Thanking you,

Yours faithfully,

Sd/-

Vunnava Purnachandra Rao

DIN: 01173383

Complete Address with Phone / Mobile No. email, PIN

Flat No 86, SBI officers' Colony,

Musarambagh,

HYDERABAD - 500 016

3rd September, 2015

To
The Board of Directors
FRONTIER INFORMATICS LIMITED
H.no:8-3-960, flat no.403, siri enclave,
Srinagar colony main road
Hyderabad,
Telangana.

Sub: Declaration of independence under clause 49 of the Listing Agreement and sub-section (6) of section 149 of the Companies Act, 2013.

I, **T.RAJKUMAR** hereby certify that I am a Non-executive Independent Director of **FRONTIER INFORMATICS LIMITED, Hyderabad** and comply with all the criteria of independent director as envisaged in Clause 49 of the Listing Agreement and the Companies Act, 2013.

I certify that:

- I possess relevant expertise and experience to be an independent director in the Company;
- I am/was not a promoter of the company or its holding, subsidiary or associate company;
- I am not related to promoters / directors / persons occupying management position at the board level or level below the board in the company, its holding, subsidiary or associate company;
- Apart from receiving director sitting fees / remuneration, I have/had no pecuniary relationship / transactions with the company, its promoters, its directors, its senior management or its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial;
- none of my relatives has or had any pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover **or** total income **or** Rs. 50 Lacs **or** such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- Neither me nor any of my relatives:
 - a) holds or has held the position of a key managerial personnel or is or has been employee/executive of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;

- b) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of;
 - c. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - d. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
 - c) holds together with my relatives 2% or more of the total voting power of the company; or
 - d) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
- I am not a material supplier, service provider or customer or a lessor or lessee of the company;
 - I am not less than 21 years of age.

Declaration

I undertake that I shall seek prior approval of the Board if and when I have any such relationship / transactions, whether material or non-material. If I fail to do so I shall cease to be an independent director from the date of entering in to such relationship / transactions.

Further, I do hereby declare and confirm that the above said information's are true and correct to the best of my knowledge as on the date of this declaration of independence and I shall take responsibility for its correctness and shall be liable for fine if any imposed on the Company, its directors, if the same found wrong or incorrect in future.

I further undertake to intimate immediately upon changes, if any, to the Company for updating of the same.

Thanking you,

Yours faithfully,

Sd/-

T.RajKumar

DIN: 01655117

Complete Address with Phone / Mobile No. email, PIN

12-12-116/1, Ravindranagar,

Sithafalmandi, Hyderabad, 500361,

Andhra Pradesh,

India

3rd September, 2015

To
The Board of Directors
FRONTIER INFORMATICS LIMITED
H.no:8-3-960, flat no.403, siri enclave,
Srinagar colony main road
Hyderabad,
Telangana.

Sub: Declaration of independence under clause 49 of the Listing Agreement and sub-section (6) of section 149 of the Companies Act, 2013.

I, **R.ANANTHA CHARY** hereby certify that I am a Non-executive Independent Director of **FRONTIER INFORMATICS LIMITED, Hyderabad** and comply with all the criteria of independent director as envisaged in Clause 49 of the Listing Agreement and the Companies Act, 2013.

I certify that:

- I possess relevant expertise and experience to be an independent director in the Company;
- I am/was not a promoter of the company or its holding, subsidiary or associate company;
- I am not related to promoters / directors / persons occupying management position at the board level or level below the board in the company, its holding, subsidiary or associate company;
- Apart from receiving director sitting fees / remuneration, I have/had no pecuniary relationship / transactions with the company, its promoters, its directors, its senior management or its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial;
- none of my relatives has or had any pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover **or** total income **or** Rs. 50 Lacs **or** such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- Neither me nor any of my relatives:
 - a) holds or has held the position of a key managerial personnel or is or has been employee/executive of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;

- b) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of;
 - e. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - f. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
 - c) holds together with my relatives 2% or more of the total voting power of the company; or
 - d) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
- I am not a material supplier, service provider or customer or a lessor or lessee of the company;
 - I am not less than 21 years of age.

Declaration

I undertake that I shall seek prior approval of the Board if and when I have any such relationship / transactions, whether material or non-material. If I fail to do so I shall cease to be an independent director from the date of entering in to such relationship / transactions.

Further, I do hereby declare and confirm that the above said information's are true and correct to the best of my knowledge as on the date of this declaration of independence and I shall take responsibility for its correctness and shall be liable for fine if any imposed on the Company, its directors, if the same found wrong or incorrect in future.

I further undertake to intimate immediately upon changes, if any, to the Company for updating of the same.

Thanking you,

Yours faithfully,

Sd/-

R.Anantha Chary

DIN: 01308542

Complete Address with Phone / Mobile No. email, PIN

H.No.17-25/4, Ramnagar Colony,

Alwal, secunderabad, 500010,

Andhra Pradesh,

India

Annexure-III**Form No. MR-3
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2015

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

To,
The Members,
FRONTIER INFORMATICS LIMITED,
Hyderabad

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

Based on our verification of the FRONTIER INFORMATICS LIMITED books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. FRONTIER INFORMATICS LIMITED ("the Company") for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)

Regulations, 2009;

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with Bombay Stock Exchange(s);

We further report that

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

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

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

For VCSR & Associates

Company secretaries

Sd/-

(Ch. Veeranjanyulu)

Partner

FCS No.: 6121

C P No.: 6392

Place: Hyderabad

Date: 03.09.2015

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2014-15

In compliance with Clause 49 of the Listing Agreement with Stock Exchanges the Company submits the report on the matters mentioned in the said Clause and practice followed by the Company:

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

COMPOSITION OF BOARD

The Board of the Company consists of both Executive and Non Executive Directors. It presently consists of Eight (11) Directors out of whom One is Managing Director, One Executive Director and Six (9) are Independent / Non Executive Directors. The non-executive directors possess rich and varied experience in different facets of corporate functioning. They play active role in the meetings of the Board. The Board formulates policy decisions so as to lead and control the Company.

BOARD MEETINGS

During the year under review, Five (5) meetings of the Board of Directors were held. The time gap between any two Board Meetings has not exceeded four months. The Names and Categories of the Directors on the Board, their attendance at Board Meetings held during the Financial Year 2014-15 and at the last Annual General Meeting, and also the number of Directorships and Committee positions held by them in other companies as on March 31, 2015 are given below:

Name	Category	Number of Board Meetings attended	Whether attended AGM held on 30.09.2014	No. of Directorships in all other Companies	No. of committee Positions held in all other Companies	
					Chairman	Member
Shri V.K.Premchand	Managing Director	5	Yes	2	-	-
Shri Singh B Yalamanchili	Independent & Non Executive Director	NIL	No	Nil	-	-
Shashikala	Non Executive	4	Yes	2	-	-

Ambarkar	Director					
Bommaraju Prasanna Lakshmi	Non Executive Director	5	Yes	1	-	-
Potail Yadav Varun	Non Executive Director	4	No	Nil	-	-
Vunnava Purnachandra Rao	Chairman, Independent & Non Executive Director	4	Yes	1		
Dharamkar Mamatha Nandan	Non Executive Director	3	No	Nil	-	-
*S.P.Vivekananda	Independent & Non Executive Director	-	No	3	-	-
*T.Raj Kumar	Independent & Non Executive Director	5	Yes	2	-	-
*R.Anantha Chary	Independent & Non Executive Director	3	No	2	-	-
*P.Sudhir Anand Verma	Independent & Non Executive Director	-	No	1	-	-

The dates on which, the Board Meetings were held during the year 2014-15 were 15th May, 2014, 14th August, 2014, 5th September, 2014, 14th November 2014 and 13th February 2015.

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

Necessary information as specified in Annexure 1A to Clause 49 of the Listing Agreement has been placed before the Board for their consideration.

CODE OF CONDUCT

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

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

AUDIT COMMITTEE

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

The Audit Committee met Four times during the financial year 2014-15 i.e on 15th May, 2014, 14th August, 2014, 14th November 2014 and 13th February 2015. The attendance record of the Audit Committee members is given below:-

Name of the Member	Category	Designation	No. of Meetings held	Attended
Mr Vunnava Purnachandra Rao	Independent	Chairman	4	4
V.K.PremChand	Executive	Member	4	4
T.Raj Kumar	Non Executive	Member	4	4
R.Anantha Chary	Non Executive	Member	4	3

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

NOMINATION AND REMUNERATION COMMITTEE

The Company had constituted Nomination and Remuneration committee (the name of Remuneration Committee has ben changed) in terms of Schedule XIII of the Companies Act, 1956 read with clause 49 of the listing agreement. The committee comprises of Mr Vunnava Purnachandra Rao, Mrs Shashikala Ambarkar and Mrs Dharamkar Mamatha Nandan all non-executive Directors.

During the year there were no changes in the terms and conditions with regard to remuneration payable to Executive Directors and hence conducted only one meeting in November, 2013. The broad terms of reference of the remuneration committee are to approve/recommend to the Board the salary (including annual increments) perquisites and commission including pension rights and any compensation payment to be paid to the Company's Managing/Whole -Time Directors.

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

REMUNERATION OF DIRECTORS

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

Since the company is suffering losses Managing Director and Executive Director consented not to draw any salary for the year ended 31.03.2015, hence the aggregate value of salary, perquisites to Managing/ Executive Director are NIL.

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

Details of Shares of the Company held by the Directors as on March 31, 2015 are as below:

Name	Designation	No. of Shares
Premchand Krishna Rao Velchala	MD	292,200
B. Prasanna Lakshmi	Director	30,000

STAKE HOLDERS RELATIONSHIP COMMITTEE

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

The Board delegated the authority to approve transfer of shares to a Committee of Directors. The Share Transfer and Investors' Grievances Committee consists of directors Mr T.Raj Kumar, Mrs B.Prasanna Lakshmi and Mr. V.K.Premchand. The compliance officer is Mr. V.K.Premchand.

The meetings of the Committee are held at frequent intervals to approve transfers, transmissions, issue of duplicate shares and resolving investors' grievances, etc. During the year no investor grievance has been received. The company has replied through the Depository Participant agent in respect of complaints received in the earlier year. The minutes of the Committee meetings are placed before the Board for its noting on a regular basis.

GENERAL BODY MEETINGS

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

Year	Date of AGM	Time	Held at	No of Special Resolutions passed in AGM
2014	30 th September 2014	10.00 AM	Lions Bhavan Trust, Secunderabad	0
2013	30 th September 2013	10.00 AM	Lions Bhavan Trust, Secunderabad	0
2012	31 st August, 2012	10.00 AM	Lions Bhavan Trust, Secunderabad	0

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

RISK ASSESSMENT AND MINIMISATION PROCEDURE

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

DISCLOSURES

A. Related Party Transactions

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

B. Compliances made by the Company

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

C. Communication to Shareholders

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

E. Whistle Blower Policy

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

General Shareholders Information

The following information would be useful to Shareholders:

- a) The 27th Annual General Meeting of the Company will be held on Wednesday at 10.00 AM on 30th day of September 2015 at Lions Bhavan Trust, Behind HDFC Bank, Near Paradise Circle, S D Road, Secunderabad -500003
- b) The Financial Year of the Company was from 1st April 2014 to 31st March 2015.
- c) Date of Book Closure: from Saturday 26th September 2015 to Wednesday the 30th day of September, 2015.(inclusive of both days)

- d) The Shares of the Company are listed on the Stock Exchange, Mumbai (BSE).
 e) The Stock Code is 531225
 f) The CIN number of the Company is : L72200TG1986PLC006644
 g) The Share and Depository Transfer Agent: M/s. Karvy Computershare Pvt, Karvy Selenium Tower - B, Plot No 31-32, Gachi Bowli, Financial District, Nanakramguda, Hyderabad.
 h) Dematerialization of Shares: The Company's shares are traded compulsorily in dematerialized form. In this connection, the Company has already entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the Company's ID is INE547B01010. The members are requested to dematerialize their physical holding in view of various advantages of holding the shares in dematerialized form. As on 31st March 2015, 1,19,73,899 shares are under dematerialization, representing 89.96.% of the paid up capital.

i) Status of Shareholders' complaints

Status of the investor complaints during the FY 2014 2015:

Investor Complaints pending at the beginning of the year	Received during the year	Resolved during the year	Pending/ unresolved at the end of the year
Nil	1	1	Nil

j) Distribution of shareholding as on 31st March, 2015:

Holding of number of Shares or Debentures	Share/Debenture (Holders)		Shares/Debentures (Amount)	
	Number	%	Rs.	%
1 - 5000	8,535	73.56	17520170	13.16
5001 - 10000	1436	12.38	12394770	9.31
10001 - 20000	719	6.20	11470230	8.62
20001 - 30000	307	2.65	7918850	5.95
30001 - 40000	105	0.90	3839300	2.88
40001 - 50000	152	1.31	7273200	5.46
50001 - 100000	193	1.66	14701950	11.05
100001 - Above	156	1.34	57985530	43.57
Total	11603	100.00	133104000	100.00

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

Month	Highest (Rs.)	Lowest (Rs.)	Month	Highest (Rs.)	Lowest (Rs.)
April '14	1.04	0.96	October '14	1.20	0.99
May '14	1.07	0.93	November '14	0.95	0.88
June '14	1.32	0.83	December '14	0.84	0.54
July '14	1.44	1.21	January '15	0.52	0.38
August '14	1.73	1.35	February '15	0.44	0.36
September '14	1.65	1.10	March '15	0.46	0.41

- b) **Shareholding Pattern as on 31st March 2015**

<u>Sl no</u>	<u>Category</u>	<u>No. Of shares</u>	<u>% of shareholding</u>
1	Promoters	622,792	4.68
2	Mutual funds and UTI	11800	0.09
3	Banks, Financial Institution, Insurance companies, FII's	1200	0.01
4	Private Corporate Bodies	967910	7.27
5	Indian Public	11394313	85.60
6	NRIs/OCBs	312385	2.35
7	Clearing Members	0	0
	Total	13310400	100.00

- c) Outstanding ADRs/GDRs/Warrants or any convertible instruments, conversion date and likely impact on equity: **Not Applicable**
- d) **Our address for Correspondence:** Plot No 235, Sai Sadan, 1st Floor, Survey of India Employees Society, Khanampet, Madhapur (PO) Hyderabad - 500081 and email to: premachand@fitlindia.com by quoting their DP Id or Folio Number.

RECONCILIATION OF SHARE CAPITAL AUDIT

The Company gets the Reconciliation of share capital Audit done by a Practicing Company Secretary for the purpose of reconciliation of the total admitted capital with both the depositories and the total issued and listed capital. The Reconciliation of Share Capital Audit Report placed before the Board of Directors on a quarterly basis is also sent to the Stock Exchanges where the company's shares are listed.

NOMINATION FACILITY

Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding in the company as permitted under section 109A of the Companies Act, 1956 are requested to submit to the company the prescribed form 2B for this purpose.

COMPANYS POLICY ON PREVENTION OF INSIDER TRADING

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

Particulars of Directors seeking re-appointment at the forthcoming Annual General Meeting pursuant to Clause 49 of the Listing Agreement

Name of the Director	Qualification & Expertise in Specific Functional Areas	Age
Potail Varun Yadav	Has vast experience in the field of Business	8 years
Mrs. Dharmakar MamathaNandan	Has wide experience in fields of personal relation & Business	12 years

CERTIFICATION BY MANAGING DIRECTOR AND CFO

I, V. K. Premchand, Managing Director of Frontier Informatics Limited, certify that:

1. I have reviewed the financial statements for the year and that to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. these statements present a true and fair view of the state of affairs of the company and of the results of operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing generally accepted accounting principles including accounting standards, applicable laws and regulations. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or volatile of the company's code of conduct.

3. I accept overall responsibility for establishing and monitoring the company's internal control system for financial reporting and evaluating its effectiveness. Internal audit function monitors the internal control system for financial reporting, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal audit works with all levels of management and statutory auditors, and report significant issues to the Audit Committee of the Board. The auditors and audit committee are appraised of significant deficiencies and material weaknesses in the internal control system and any corrective action taken or proposed to rectify these deficiencies.
4. I indicate to the auditors and to the audit committee:
 - a) Significant changes in internal control over financial reporting during the year;
 - b) Significant changes in accounting policies during the year;
 - c) Instances of significant fraud of which we have become aware of and which involve management or other employees who have significant role in the company's internal control system over financial reporting. However, there was no such instance.

Sd/-

V. K. Premchand

Managing Director

**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF
CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT
To the Members of
FRONTIER INFORMATICS LIMITED**

1. We have examined the compliance with the conditions of Corporate Governance by Frontier Information Technologies Limited (the Company) for the year ended March 31, 2015 as stipulated in clause 49 of the listing agreement of the said company with the stock exchange in India, with the relevant records and documents maintained by the Company and furnished to us and the report on Corporate Governance as approved by the Board of Directors.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to procedures and implementation thereof, adopted by the Company for ensuring the said compliance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. Based on the aforesaid examination and according to the information and explanations given to us, we certify that the Company has complied with the said conditions of Corporate Governance as stipulated in the above mentioned listing agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

M/s Niranjana & Narayan
Chartered Accountants
Firm No : 0058995

Sd/-
Partner
Membership No: 029552
Date : 3.09.2015

CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT

To
The Shareholders

I hereby declare that all the Board members and Senior Management Personnel have affirmed compliance with the code of conduct adopted by the Company and have submitted declarations in this behalf for the year ended 31st March, 2015

Hyderabad
03.09.2015

V. K. Premchand
Managing Director

**MANAGING DIRECTOR CERTIFICATE ON CORPORATE GOVERNANCE UNDER
CLAUSE 49 OF THE LISTING AGREEMENT**

1. I, V K Premchand, Managing Director of the Company, hereby certify that:
 - a. I have reviewed financial statements including the cash flow statement for the year 2014-15 prepared by the Management and that to the best of my knowledge and belief.
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
 - b. To the best of my knowledge and belief, no transactions have been entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
 - c. I accept responsibility for establishing and maintaining internal controls and that I have evaluated the effectiveness of the internal control systems of the company and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which, I am aware and the steps I have taken or propose to take to rectify these deficiencies.
 - d. I have indicated to the auditors and the Audit Committee.
 - i) significant changes in internal control during the year'
 - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

Hyderabad
03.09.2015

V K Premchand
Managing Director

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

S. No	Particulars	Details
1.	Name of Company	FRONTIER INFORMATICS LIMITED
2.	Annual Financial Statements for the year ended	31.03.2015
3.	Type of audit observation	Non Payment of Statutory Dues
4.	Frequency of observation	Since last several Years
5.	To be signed by CEO/Managing Director CFO/General Manager Auditors of the Company Audit Committee Chairman	

For FRONTIER INFORMATICS LIMITED**Sd/-****Managing Director
& Chief Financial Officer
VELCHALA PREMCHAND KRISHNARAO****Sd/-****Chairman of Audit Committee
VUNNAVA PURNACHANDRA RAO****For, M/s Niranjn & Narayan
Chartered Accountants
Firm Regd. No:005899s****Sd/-****M.NIRANJAN
Partner
M. No. 029552**

INDEPENDENT AUDITORS' REPORT

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

1. Report on the Financial Statements

We have audited the attached Financial Statements of **FRONTIER FORMATICS LIMITED**, as at 31st March, 2015 which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements and statements annexed thereto

The company's Board of Directors is responsible for the preparation of these Financial Statements that give 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 including Accounting Standards referred to in Section 134(5) of the Companies Act, 2013 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Financial Statements and the statements annexed thereto that give a true and fair view and are free from material misstatements, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on the said Financial Statements annexed thereto based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the Audit Report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing issued by The Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedure selected depends upon our judgment, including the assessment of risks of material misstatements of the Financial Statements, whether due to fraud and error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances. An

Audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors as well as evaluating the overall presentation of financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4. Opinion

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

- a. In the case of the Balance sheet, of the state of affairs of the Company as at 31st March, 2015;
- b. In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c. In the case of the Cash Flow Statements, of the cash flows for the year ended on that date.

5. Reporting under other Legal and Regulatory Authorities

As required by the Companies (Auditor's Report) Order, 2015 issued by the Central Government of the India in terms of section 143 (11) of the Companies Act, 2013, we enclose in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the said order, to the extent applicable to the company.

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of those books;
- c. The balance Sheet and Statement of Profit and Loss and Cash Flow Statement, dealt with by this report are in agreement with the books of account.
- d. In our opinion, the Balance Sheet and the Statement of Profit and Loss and the Cash Flow Statement comply with Accounting Standards specified under Section 133 of the Act, read with the read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e. On the Basis of the written representation received from the directors as on 31st March, 2015, taken on record by the board of directors, none of the directors is disqualified as on 31st March,2015, from being appointed as director in terms of Section 164(2) of the Act.
- f. With respect to other matters to be included in Auditor's Report in accordance with Rule 11 of Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The company has no pending litigations impacting its financial position.
 - ii. The company has no material foreseeable losses on long term contracts including derivate contracts.
 - iii. The transfer of amount to the Investor Education and Protection Fund is not applicable to the company.

For Niranjan & Narayana
Chartered Accountants
Firm No : 005899S

Sd/-

Place: Hyderabad,
Date: 30th May, 2015

M.Niranjan
Partner
M.No : 29552

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

Ref : **FRONTIER INFORMATICS LIMITED**

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

- 1
 - a. The company has maintained proper records of fixed assets showing full particulars, including quantitative details and location.
 - b. The company has a regular program of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. No material discrepancies were identified on such verification.
- 2. The company is engaged in software services and does not have any inventory..

3. The Company has not granted any loans, secured or unsecured to Companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013('The Act') . Accordingly, clauses 3(iii) (a) to (d) of the Order are not applicable to the Company.
4. In our opinion and according to information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, through personal supervision of management, in respect of purchases of goods and other assets and for the sale of goods. During the course of our audit, we have not observed any major weakness in the internal controls.
 - a. In our opinion and according to the information and explanations given to us, the transactions that need to be entered in the register in pursuance of section 189 of the Act have been entered.
 - b. The transactions have been made at prices which are reasonable with regard to the prevailing market prices at the relevant time.
5. The Company has not accepted any deposits from the public.
6. The company is not required to maintain cost records under section 148 (1) of the Companies Act, 2013, for any of the products of the Company.
7. a. According to the information and explanations given to us, and on the basis of our examination of the books of account, the Company has been regular in depositing with appropriate authorities undisputed statutory dues including Service Tax, Excise Duty, Provident Fund, ESI and Income Tax Deducted at Source, Sales Tax, and any other material statutory dues applicable to it excepting **undisputed dividend tax payable by the company amounting to Rs.9,75,000/- and PF dues to the extent of Rs 5,64,268.**
 - b. According to the information and explanations given to us, details of disputed Income Tax and Sales tax which have not been deposited as on 31st March, 2015 on account of any dispute are given below:

Name of Statute	Nature of dues	Amount (Rs. in Lakhs)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	12.74	2001-02	DCIT 1(2)
Income Tax Act, 1961	Income Tax	19.42	2003-03	DCIT 1(2)

- c. The transfer of amount to the Investor Education and Protection Fund is Not Applicable to the company.

8. The Company has accumulated losses at the end of the financial year, which is more than 100% of its net worth. The Company has incurred cash losses in the current financial year Rs 15.19 Lakhs and in the year immediately preceding financial year Rs 15.43 Lakhs.
9. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks. The company has never issued any debentures.
10. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
11. According to the information and explanations given to us and on the basis of our examination of the books of account, the term loans obtained by the Company were applied for the purpose for which such loans were obtained.
12. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For Niranjan & Narayan
Chartered Accountants
FRN : 005899S

Sd/-
M.Niranjam
Partner
M. No.: 029552

Place: Hyderabad,
Date: 30th May, 2015.

FRONTIER INFORMATICS LIMITED			
8-3-960, Flat No 403, Siri Enclave, Keshav Nagar, Srinagar Colony, Hyderabad-73			
<u>BALANCE SHEET AS AT 31st March, 2015</u>			
		(Amount in Rupees)	
PARTICULARS	NOTE	As at 31.03.15	As at 31.03.14
<u>A EQUITY & LIABILITIES</u>			
1 Share holders' Funds			
a) Share Capital	3	133,104,000	133,104,000
b) Reserves and Surplus	4	(146,926,777)	(144,344,672)
2 Share Application Money Pending Allotment			
		-	-
3 Non Current Liabilities			
a) Long Term Borrowings	5	-	-
b) Other Long Term Liabilities	6	-	-
4 Current Liabilities			
a) Short Term Borrowings	7	20,067,727	19,395,369
b) Trade Payables	8	425,067	765,067
c) Other Current Liabilities	9	1,550,348	1,733,796
d) Short term Provisions	10	608,831	755,861
TOTAL :		8,829,196	11,409,423
<u>B ASSETS</u>			
1 Non-current Assets			
a) Fixed Assets			
i) Tangible Assets	11A	743,456	1,248,180
ii) Intangible Assets	11B	837,164	1,342,853
b) Non Current Investments	12	-	-
c) Deferred Tax Assets	13	-	-
d) Long term Loans & Advances	14	-	-
e) Other Non current Assets	15	-	-
2 Current Assets			
a) Current Investments	16	-	-
b) Inventories	17	-	-
c) Trade Receivables	18	3,131,114	3,268,790
d) Cash and Cash Equivalents	19	55,228	892,315
e) Short Term loans & Advances	20	4,062,235	4,657,286
f) Other Current Assets	21	-	-
TOTAL :		8,829,196	11,409,423
For Niranjn & Narayan			
Chartered Accountants		For and on behalf of the Board	
Firm No : 005899s		Frontier Informatics Limited	
Niranjn			
Partner		V K PREMCHAND B.PRASANNA LAKSHMI	
M.No : 029552		Managing Director Executive Director	
Place : Hyderabad			
Date : 30.05.2015		SASHIKALA AMBAKAR	
		Director	

FRONTIER INFORMATICS LIMITED			
8-3-960, Flat No 403, Siri Enclave, Keshav Nagar, Srinagar Colony, Hyderabad-73			
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st March, 2015			
(Amount in Rupees)			
PARTICULARS	Schedule	As at 31.03.15	As at 31.03.14
A CONTINUING OPERATIONS			
1 Revenue from Operations		489,280	430,353
2 Other Income	23	-	3,738
Total		489,280	434,091
EXPENSES			
3 Salaries and Allowances	24	673,078	978,041
4 Financial Charges	25	-	-
5 Depreciation & Amortisation	11	1,063,413	973,073
6 Other Expenses	26	1,334,894	998,963
Total		3,071,385	2,950,077
7 Profit/Loss before Extraordinary Items		(2,582,105)	(2,515,986)
8 Exceptional/Extraordinary Items	27	-	-
9 Profit / Loss Before Tax			
10 Tax Expense & Provision	28	-	-
11 Profit/Loss from Continuing Operations		(2,582,105)	(2,515,986)
12 Profit/Loss from Discontinuing Operations		-	-
13 Profit / Loss for the Year		(2,582,105)	(2,515,986)
14 Earnings per Share of Rs 10/- each			
a) Basic		-	-
i) Continuing Operations		(2,582,105)	(2,515,986)
ii) Total Operations			
15 Earnings Per share (Excluding Extraordinary Items) of Rs 10/- each		(2,582,105)	(2,515,986)
a) Basic			
i) Continuing Operations		(0)	(0)
ii) Total Operations		(0)	(0)
See accompanying Notes forming part of Accounts			
Vide our report of even date annexed			
Niranjan & Narayan	For and on behalf of the Board		
Chartered Accountants	FRONTIER INFORMATICS LIMITED		
Firm No : 005899s			
M.NIRANJAN	V K PREMCHAND	B.PRASANNA LAKSHMI	
Partner	Managing Director	Executive Director	
M.No : 029552			
Place : Hyderabad			
Date : 30.05.2015	SASHIKALA AMBAKAR		
	Director		

CASH FLOW STATEMENT PURSUANT TO THE CLAUSE 32 OF LISTING AGREEMENT			
			Rs.in Lakhs
Particulars	Mar 2015	Mar 2014	
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Loss as per Profit & Loss account	(25.82)	(25.16)	
Less: Depreciation & Impairments	10.63	9.73	
Less: Writeoffs	-	-	
Less: Bad debts written off	0.23	-	
Add: Profit on sale of investments	-	-	
Operating Profit/(Loss) before Working Capital Changes	(14.96)	(15.43)	
Changes in Working Capital			
Increase/(decrease) in operating assets			
Trade Receivables	(1.15)	0.07	
Short Term Loans & Advances	(5.95)	3.05	
	(7.10)	3.12	
Increase/(decrease) in operating Liabilities			
Short Term Borrowings	6.72	32.34	
Trade Payables	(3.40)	(5.00)	
Other Current Liabilities	(1.83)	(1.52)	
Short term Provisions	(1.47)	0.32	
	0.02	26.14	
Cash Flow from Working Capital Changes	7.12	23.03	
Cash from Extraordinary Items	-	-	
Cash Generated from Operations	7.12	23.03	
Net Income tax paid/refunds	-	-	23.03
Net Cash flow from Operating Activities	(7.84)		7.60
B. CASH FLOW FROM INVESTING ACTIVITIES			
Additions to Fixed Assets	0.53	-	
Decrease in Fixed Assets	-	-	
Sale of Investments etc	-	-	
	0.53	-	
Net Cash from Operating Activities	(8.37)		7.60
C. CASH FLOW FROM FINANCING ACTIVITIES			
Increase in Short Term Borrowings	-	-	
Increase in Long term Borrowings	-	-	
Net cash generated in financing activities	-	-	-
D. NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS			
	(8.37)		7.60
E. CASH AND CASH EQUIVALENTS - OPENING BAL			
	8.92		1.33
F. CASH AND CASH EQUIVALENTS - CLOSING BAL			
	0.55		8.92
For and on behalf of the Board			
	Sd/-	Sd/-	
Place:Hyderabad	(V.K.Premchand)	(B.Prasanna Lakshmi)	
Date: 30.05.2015	Managing Director	Executive Director	
AUDITORS' CERTIFICATE			
We have examined the attached Cash Flow Statement of Frontier Information Technologies Limited for the year ended March 31, 2013. The Statement has been prepared by the Company in accordance with the requirements of Clause 32 of Listing Agreements with the Stock Exchanges and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our Report of even date to the Members of the Company.			
	for Nirnanjan & Narayan		
	Chartered Accountants		
	Firm No : 005899s		
Place:Hyderabad	Sd/-		
Date : 30.05.2015	(Niranjan)		
	Partner M.No : 029552		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS		
NOTE 3 : SHARE CAPITAL		
Particulars	As at 31.03.15	As at 31.03.14
Authorised :		
1,80,00,000 Equity Shares of Rs.10/- each with voting rights	180,000,000	180,000,000
Issued, Subscribed and Paid up :		
1,33,10,400 Equity Shares of Rs.10 each with voting rights	133,104,000	133,104,000
TOTAL	133,104,000	133,104,000
i) There is no change in Authorised or/and Paid capital as at the beginning and closing of the year requiring presentation of Reconciliation Statement as to the additions and deletions to the capital.		
ii) There are no share holders who held 5% or more of equity capital of the company at any time during the year.		
iii) No part of the share capital is issued for consideration other than cash or by way of bonus shares.		
NOTE 4 : RESERVES & SURPLUS		
Particulars	As at 31.03.15	As at 31.03.14
a) Capital Reserves : Opening/Closing	1,000,000	1,000,000
b) General Reserve : Opening/Closing	2,554,798	2,554,798
c) Share Premium : Opening/Closing	279,525,000	279,525,000
d) Profit & Loss Account		
Opening Balance	(427,424,470)	(424,908,484)
Add : Addition during the year	(2,582,105)	(2,515,986)
Closing Balance	(430,006,575)	(427,424,470)
TOTAL	(146,926,777)	(144,344,672)
NOTE 5 : LONG TERM BORROWINGS		
TOTAL	-	-
NOTE 6 : OTHER LONG TERM LIABILITIES		
TOTAL	-	-
NOTE 7 : SHORT TERM BORROWINGS		
a) Loans Repayable on demand		
From Banks	-	-
From others -- Unsecured	1,882,981	2,045,623
b) Loans from Related Parties		
Refer note No (29.7)	18,184,746	17,349,746
	20,067,727	19,395,369
c) Deposits	-	-
d) Other loans & advances	-	-
TOTAL	20,067,727	19,395,369
NOTE 8 : TRADE PAYABLES		
a) Acceptances	-	-
b) Other than Acceptances	425,067	765,067
TOTAL	425,067	765,067

Particulars	As at 31.03.15	As at 31.03.14
NOTE 9 : OTHER CURRENT LIABILITIES		
a) Current maturities of Long Term Debt	-	-
b) Application Money Received	-	-
c) Statutory Liabilities	1,550,348	1,733,796
d) Trade Security Deposits Received	-	-
e) Other Liabilities	-	-
TOTAL	1,550,348	1,733,796
NOTE 10 : SHORT TERM PROVISIONS		
a) Provision for Employee benefits	246,193	233,353
b) Provision for Tax	-	-
c) Provision for Dividend	-	-
d) Provision for other Expenses	362,638	522,508
TOTAL	608,831	755,861
NOTE 12 : NON CURRENT INVESTMENTS		
TOTAL	-	-
NOTE 13 : DEFERRED TAX ASSETS		
TOTAL	-	-
NOTE 14 : LONG TERM LOANS AND ADVANCES		
a) Balances with Govt Authorities	-	-
b) Other Loans & Advances	-	-
c) Secured considered Good	-	-
d) Unsecured considered Good	-	-
TOTAL	-	-
NOTE 15 : OTHER NON CURRENT ASSETS		
a) Long Term Trade Receivables		
b) Unamortised Expenses	-	-
c) Accruals	-	-
d) Others	-	-
TOTAL	-	-
NOTE 16 : CURRENT INVESTMENTS		
TOTAL	-	-
NOTE 17 : INVENTORIES		
TOTAL	-	-
NOTE 18 : TRADE RECEIVABLES		
Secured Considered Good	-	-
Unsecured Considered good	3,131,114	3,268,790
TOTAL	3,131,114	3,268,790

Particulars	As at 31.03.15	As at 31.03.14
NOTE 19 : CASH & CASH EQUIVALENTS		
Cash on Hand	6,658	5,048
Balances with Scheduled Banks:		
- in Current Accounts	26,325	887,267
- in Fixed Deposits	22,245	-
Balances with Non-Scheduled Banks:		
- in Bank of America	-	-
TOTAL	55,228	892,315
NOTE 20 : SHORT TERM LOANS & ADVANCES		
a) Loans & Advances to Related Parties	356,108	356,108
b) Security Deposits	-	42,000
c) Loans to Employees	-	-
d) Prepaid Expenses	-	-
e) Balances with Govt Authorities	2,693,627	2,682,898
f) Inter Corporate Deposits	-	-
g) Other loans & Advances	1,012,500	1,576,280
TOTAL	4,062,235	4,657,286
NOTE 21 : OTHER CURRENT ASSETS		
a) Unbilled Revenue	-	-
b) Unamortised Expenses	-	-
c) Accruals	-	-
d) Others	-	-
TOTAL	-	-
NOTE 22 : REVENUE FROM OPERATIONS		
a) Sale of Products	-	-
b) Sale of Services-Domestic	489,280	430,353
c) Sale of Services-Export	-	-
d) Other Operating Income	-	-
TOTAL	489,280	430,353
NOTE 23 : OTHER INCOME		
a) Interest Income /Dividend Income	-	3,738
b) Net Gain on Sale of Investments		
c) Net Prior Period Items		
d) Other Income(Write Backs)	-	-
TOTAL	-	3,738
NOTE 24 :SALARIES & ALLOWANCES		
a) Salaries & Allowances	528,060	978,041
b) Contribution to PF & Other Funds	145,018	-
c) Staff Welfare Expenses	-	-
TOTAL	673,078	978,041

Particulars	As at 31.03.15	As at 31.03.14
NOTE 25 : FINANCIAL CHARGES		
a) Interest Expense on		
i) Borrowings	-	-
ii) Trade Payables	-	-
iii) Other Borrowing Costs	-	-
TOTAL	-	-
NOTE 26 : OTHER EXPENSES		
Rent Charges	168,000	165,000
Rates & Taxes	344,954	141,577
Travelling Expenses - Others	-	24,850
Advertising Charges	172,350	135,560
Electricity Charges	19,441	28,963
Telephone & Fax charges	11,456	9,584
Printing, Stationery & Photocopying	10,391	-
Bank Charges	4,774	3,857
General Expenses	74,644	55,376
Payment to Auditors- Audit Fees	22,472	24,944
Repairs & Maintenance		
- Buildings	-	12,600
- Computers	-	46,962
Demat Custodial Charges		-
AGM & other Exp	181,085	218,454
Legal & Professional Charges	277,296	111,236
Share Transfer Fee	25,000	20,000
Bad Debts	23,031	-
TOTAL	1,334,894	998,963
NOTE 27 : EXCEPTIONAL & EXTRA ORDINARY ITEMS		
TOTAL	-	-
NOTE 28 : TAX EXPENSE & PROVISION		
a) Current tax Expense for Current year	-	-
b) Current tax Expense for Previous year	-	-
c) MAT Credits	-	-
d) Deferred Taxes	-	-
TOTAL	-	-
For Niranjan & Narayan	For and on behalf of the Board	
Chartered Accountants	Frontier Information Technologies Limited	
Firm No : 005899s		
	V K PREMCHAND	B.PRASANNA LAKSHMI
M.NIRANJAN	Managing Director	Executive Director
Partner		
M.No : 029552		
	SASHIKALA AMBAKAR	
Place : Hyderabad	Director	
Date : 30.05.2015		

FRONTIER INFORMATICS LIMITED										
NOTE 11										
FIXED ASSETS										
(Amount in Rupees)										
S.No	Description	Gross Block			Depreciation			Net Block		
		Opening 01.04.2014	As at 31.03.2015	Additions (Disposals)	Opening Balance	Adjustments as on 1.4.14	For the Year	Upto 31.03.2015	As at 31.03.2015	As at 31.03.14
IIA : TANGIBLE ASSETS										
1	Office Equipment	1,434,499	1,434,499	-	1,386,892	(202,878)	20,904	1,204,919	229,580	47,607
2	Computers & Hardw	1,104,080	1,157,080	53,000	368,553	579,533	67,761	1,015,847	141,233	735,527
3	Furniture & Fittings	534,120	534,120	-	69,073	58,594	33,810	161,477	372,643	465,047
	TOTAL	3,072,699	3,125,699	53,000	1,824,519	435,249	122,475	2,382,243	743,456	1,248,180
II B : INTANGIBLE ASSETS										
(Software Products Developed by the Company)										
1	Knets	37,041,503	37,041,503	-	36,522,918	333,377	-	36,856,295	185,208	518,585
2	HelloAp.com	20,700,393	20,700,393	-	20,410,588	186,303	-	20,596,891	103,502	289,805
3	Libris Dev. Systems	33,040,740	33,040,740	-	32,551,802	333,734	-	32,875,536	165,204	488,938
4	Web Enabled Master	76,650,182	76,650,182	-	76,604,657	(337,726)	-	76,266,931	383,251	45,525
	TOTAL	167,432,818	167,432,818	-	166,089,965	505,689	-	166,595,654	837,164	1,342,853
	GRAND TOTAL	170,505,517	170,558,517	53,000	167,914,484	940,938	122,475	168,977,897	1,580,620	2,591,033
	Previous Year	170,505,517	170,505,517	-	166,941,411	-	973,073	167,914,484	2,591,033	3,564,106
For Nirranjan & Namayan Chartered Accountants Firm No : 005899s										
For and on behalf of the Board FRONTIER INFORMATICS LIMITED										
		V K PREMCHAND Managing Director		B.PRASANNA LAKSHMI Executive Director						
		SASHIKALA AMBAKAR Director								
Place : Hyderabad Date : 30.05.2015										

FRONTIER INFORMATICS LIMITED(FIL)

CORPORATE INFORMATION

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

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

NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES :

1.1 Basis of Preparation of Financial Statements:

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

1.2 Use of Estimates:

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

1.3 Revenue Recognition:

1. Software consultancy fee comprises of :

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

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

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

1.4. Tangible fixed assets

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

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

Capital work-in progress:

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

1.5 Intangible assets

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

1.6 Depreciation

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

1.7 Foreign currency transactions and translations

Initial recognition

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

Measurement of foreign currency monetary items at the Balance sheet date

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

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

Treatment of exchange differences

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

1.8 Segment reporting

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

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

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

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

1.9 Earnings per share

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

1.10 Taxes on income

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

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

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

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

1.11 Impairment of assets

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

1.12 Provisions and contingencies

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

1.13 Investments

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

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

1.14 Valuation of WIP:

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

1.15 Cash and cash equivalents (for purposes of Cash Flow Statement)

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

1.16 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

1.17 R& D Expenditure:

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

Vide our report of even date annexed _____ for and on behalf of Board
For Niranjana & Narayana
Chartered Accountants
Firm No : 005899s

Sd/-
(M.Niranjana)
LAKSHMI)
Partner
M.No : 029552

Sd/- Sd/-
(V.K.PREMCHAND) (B.PRASANNA
Managing Director Executive Director

Place: Hyderabad
Date: 30.05.2015

Sd/-
(SHASHIKALA AMBAKAR)
Director

NOTE 12: NOTES ON ACCOUNTS:

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

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

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

4. Provident Fund Dues :

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

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

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

6. Segment Information

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

(Rs in Lakhs)

	2014-15	2013-14
India	: 4.89	4.30

7. Additional Depreciation :

The Depreciation is ascertained as per the revised rules based on the useful life of the company. As per the guidelines the fixed assets are subjected to additional depreciation of Rs 9,40,938/- which is shown separately in the depreciation statement. The additional depreciation is written off to the Profit & loss account.

8. Erosion of Net worth :

The Net worth of the company is fully eroded and the company does have significant turnovers. However the company is actively pursuing, reduction of capital and losses and is hopeful of achieving positive net worth during the financial year 2015-16.

9. Related Party Transactions

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

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

1. Associates

a) Frontier Life Sciences Limited

There are no transactions with the companies during the year.

b) Knowledge ware Technologies Limited

There are no transactions with the companies during the year.

c) Prime Resources Private Limited

There are no transactions with the companies during the year.

2 .Key Management

Personnel

- | | |
|------------------------|----------------------|
| a) V.K. Premchand | - Managing Director |
| b) B.Prasanna Lakshmi | - Executive Director |
| c) Shashikala Ambakar | - Director |
| d) Mamatanandan | - Director |
| e) Varun Yadav, Potail | - Director |

B. Transaction with related parties as per books of account.

(Rs. In Lakhs)

	Subsidiaries	Associates	Key Management Personnel	Total
Rendering of Software Services	-	-	-	-
Receiving of Software Services				
Arrangement of Finance (Opening Balance)	-	45.55	127.95	173.50
Others – Payments	-	--	--	--
Others – Net Receipts		--	8.35	8.35
Balance	-	45.55	136.30	181.85
Remuneration to Managing Director	-	--	--	--

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

Available with the Company.

8. Earnings per share

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

	<u>2014-15</u>	<u>2013-14</u>
1.Loss as per Profit & Loss A/c	25,82,105	25,15,986
2.Number of shares (nos)	1,33,10,400	1,33,10,400
3.Loss Per share (Rs.)	(0.19)	(0.19)
4.Face value per share (Rs.)	10.00	10.00

9. Taxation

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

10. Rounding off & Re grouping:

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

Vide our report of even date annexed for and on behalf of Board
For Niranjan & Narayan
Chartered Accountants
Firm No : 005899s

Sd/-
(M.Niranjan)
LAKSHMI)
Partner

Sd/-
(V.K.PREMCHAND) (B.PRASANNA
Managing Director

Sd/-
Executive Director

M.No : 029552

Place: Hyderabad
Date: 30.05.2015

Sd/-
(SHASHIKALA AMBAKAR)
Director

FRONTIER INFORMATICS LIMITED

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

Form No. MGT-11

Proxy form

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

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

I/We, being the member(s) of _____ shares of the above named company. Hereby appoint

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

Name :	E-mail Id:
Address:	
Signature	

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual General Meeting of the company, to be held on the Wednesday the 30th September 2015 at 10.00 a.m. at Lions Bhavan Trust, Behind HDFC Bank, Near Paradise Circle, S D Road, Secunderabad -500003, Telangana and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

Sl. No.	Resolution(S)	Vote	
		For	Against
1.	To receive, consider and adopt the audited Balance Sheet as at March 31, 2015, the Profit & Loss Account and Cash Flow Statement for the period ended on March 31, 2015 along with schedules & annexure and the reports of the Board of Directors and Auditors thereon		
2.	To appoint a Director in place of Mr. Potail Yadav Varun, who retires by rotation, and being eligible, offers himself for re-appointment		
3.	Re-appointment of M/s Niranjan & Narayan, Chartered Accountants as Statutory Auditors & fixing their remuneration		

4.	To appoint Mr. V.K. Premchand as Managing Director		
5.	To appoint Mrs. Bommaraju Prasanna Lakshmi as Executive Director		
6.	Reduction of Capital to the extent of 95% of the paid-up Equity Share Capital		

Affix Revenue Stamps

Signed this ____ day of ____ 2015

Signature of Shareholder

Signature of Proxy holder

Signature of shareholder
across Revenue Stamp

Note:

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

2) The proxy need not be a member of the company

FRONTIER INFORMATICS LIMITED

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

ATTENDANCE SLIP

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

27th Annual General Meeting on 30th September 2015

Full name of the members attending _____
(In block capitals)

Ledger Folio No./Client ID No. _____ No. of shares held:

Name of Proxy _____

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

I hereby record my presence at the 27th Annual General Meeting of the Frontier Informatics Limited, be held on Wednesday, the 30th September 2015 at 10.00 A.M. at Lions Bhavan Trust, Behind HDFC Bank, Near Paradise Circle, S D Road, Secunderabad -500003, Telangana

(Member's /Proxy's Signature)

Note:

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

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

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

FRONTIER INFORMATICS LIMITED			
H. No. : Plot No 235, Sai Sadan, 1 st Floor, Survey of India Employees Society, Khanampet, Madhapur, Hyderabad -81			
BALLOT PAPER			
S.No	Particulars	Details	
1.	Name of the First Named Shareholder (In block letters)		
2.	Postal address		
3.	Registered folio No. /*Client ID No. (*Applicable to investors holding shares in dematerialized form)		
4.	Class of Share		
I hereby exercise my vote in respect of Ordinary/ Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:			
Item No.	No. of shares held by me	I assent to the resolution	I dissent from the resolution
1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2015, the Profit & Loss Account and Cash Flow Statement for the period ended on March 31, 2015 along with schedules & annexure and the reports of the Board of Directors and Auditors thereon			
2. To appoint a Director in place of Mr. Potail Yadav Varun, who retires by rotation, and being eligible, offers himself for re-appointment			

3. Re-appointment of M/s Niranjan & Narayan, Chartered Accountants as Statutory Auditors & fixing their remuneration			
4. To appoint Mr. V.K. Premchand as Managing Director			
5. To appoint Mrs. Bommaraju Prasanna Lakshmi as Executive Director			
6. Reduction of Capital to the extent of 95% of the paid-up Equity Share Capital			
Place:			
Date:			(Signature of the
shareholder)			

Dear Shareholder,

Sub: Green Initiative in Corporate Governance

The Ministry of Corporate Affairs has taken a “Green Initiative in Corporate Governance” by allowing paperless compliance by Companies through electronic made. In accordance with the recent circular no.17/2011 dated 21.04.2011 and circular No 18/2011dated 29.04.2011 issued by the Ministry, Companies can now send various notices and documents including annual report, to its shareholders through electronic made to the registered e-mail addresses of shareholders. It is a welcome move for the society at large, as this will reduce paper consumption to great extent and allow share holders to contribute towards a Greener Environment. This is a golden opportunity for every shareholder of **Frontier Informatics** to contribute to the corporate Social Responsibility initiative of the Company

We therefore invite all our shareholders to contribute to the cause by filling up the form given below and send it back to us in the attached postage prepaid envelope.

Let’s be part of this ‘Green Initiative’

Please note that as a member of the company you will be entitled to receive all such communication in physical form, upon request.

E-COMMUNICATION REGISTRATION FORM

(In terms of circular no. 17/2011 dated 21.04.2011 issued by the Ministry of Corporate Affairs)

Folio No./Dp ID& Client ID :

Name of 1st Registered Holder :

Name of joint Holder(s) :

:

Registered Address :

E-mail ID (to be registered) :

I/we shareholder(s) of Frontier Informatics Ltd agree to receive Communication from the Company in electronic mode. Please Register my above e-mail id in your for sending communication through e-mail.

Date

Signature.....

Note:

Shareholder(s) are requested to keep the Company informed as and when there is any change in the e-mail address.

PRINTED MATTER

BOOK – POST

FRONTIER
INFORMATICS LIMITED

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